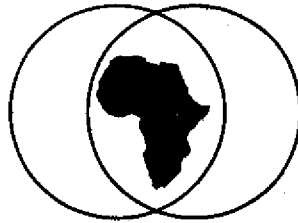


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DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE

NEWSLETTER

NUUSBRIEF

Vol. 5 No. 3

1973

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THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS

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Johannesburg

Oktober/October 1973

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THE CAMPAIGN

A Secure Future for a Growing Institute?

Leif Egeland

NATIONAL CHAIRMAN

During the past decade especially, our Institute has developed steadily and constructively in its important role of encouraging an objective study of international questions in general and South Africa's foreign relations in particular. It has opened channels of communication not only within South Africa, but also with organisations and individuals elsewhere in Africa and overseas, in order that South Africans can benefit from the contacts and exchanges with leading authorities in other countries. Communication is essential for the understanding of problems and opportunities in the modern world, and there is no need to stress the importance of this for South Africa at the present time. As a fully independent, non-partisan body our Institute is in an ideal position to provide a forum for the exchange of informed, but often differing, viewpoints and for the study of difficult questions, in order that assessments can be made and conclusions reached on a scientific basis.

Members of the Institute's six Branches are aware of the stimulating programmes of meetings offered to them by their Branch Committees, and of the opportunities to hear a wide range of distinguished speakers from South Africa and abroad. All members may however not be as fully aware of the extent of the Institute's work as a national organisation - apart from the important work of the Branches throughout the country. Many members have already received copies of a brochure which describes the development of the Institute and its plans for the future; others will be receiving their copies shortly. The growth of the Institute's work, organised from its headquarters at Jan Smuts House in Johannesburg, is reflected in the brochure, particularly in annexure 1 which briefly summarises the Institute's achievements. Annexure 2 gives some idea of the programmes which the Institute hopes to develop in the future, on the basis of what has already been achieved - provided that it has the necessary financial resources. These programmes, which are designed to meet increasing demands in the field of international affairs, include the conferences and symposia on relevant international problems; publications in which South African research and viewpoints on international questions can be presented and made available not only in South Africa but throughout the world; serious research on these questions, particularly in regard to South African foreign policy and external relations, which is at present largely lacking in South Africa as a result of inadequate encouragement and sponsorship; visitors and exchanges with similar organisations abroad; etc.

We are confident that members and friends of the Institute are alive to the importance and relevance of the Institute's work, and that they will wish to see a continuation of the healthy growth of this work. It is our hope, therefore, that they will give serious consideration to ways in which they can help in supporting the current campaign, for instance by personal contributions to the Institute's Development Fund or by approaches to companies with which they are associated. The success of this campaign is vitally important for the future of our Institute; otherwise there is no doubt that, with constantly rising costs, not only will the Institute cease to grow, but even its present activities will have to be curtailed. This is an outcome which no one associated with the Institute and its work would wish to contemplate.

An encouraging lead in the campaign has already been given by a number of the Institute's Corporate Members which have agreed substantially to increase their annual subscriptions. To date these companies are:

Gold Fields of S.A.	Total S.A.
Anglo American Corp. of S.A.	Johannesburg Cons. Investment Co.
De Beers Cons. Mines.	C.N.A. Investments
Anglo-Transvaal Cons. Investment Co.	Union Corporation
Ford Motor Co. of S.A.	Haggie Rand
Standard Bank of S.A.	Toyota S.A.
Barclays National Bank	Legal & General Assurance Society
Trust Bank	

By demonstrating their confidence in the Institute and its future, these companies have increased our determination to see that the Institute continues as an effective and efficient organisation. Their support is genuinely appreciated by our National Council and all Institute members, and we hope that their example will be followed by all our other regular corporate supporters on whom the Institute depends for its income.

Several South African companies have joined as new Corporate Members since the beginning of the campaign:

U.D.C. Bank	I.D.C.
General Motors S.A.	Syfret and S.A. Trust Cos.
Volkswagen of S.A.	C.G. Smith and Co.
B.P. Southern Africa	IsCOR
Plate Glass and Shatterprufe Industries	

We take this opportunity of extending a warm welcome to these new Members, with whom we hope to have many years of fruitful co-operation. Their willingness to add their support to the Institute's work is greatly appreciated, and it is hoped that during the next few months they will be joined by many more new Corporate Members.

A number of individual members of the Institute have already demonstrated their desire to assist in ensuring that the Institute's development continues, by making very welcome contributions over and above their annual nominal subscriptions to their respective Branches. In this regard the grateful appreciation of the Institute is extended to :

Mrs. H.D. Hugo	Mr. A.S. Horszowski
Mrs. H.M. Watson	Mr. W. Schamberger
Mr. P.C. van Breda	Mrs. J. Marn
Mr. A.L. Bostock	Mrs. B. Millner
Mr. T. O'Meara	Mrs. M. Macaulay
Mr. J.A. Lang	Mr. J.G. van Vliet
Mr. D.S.L. Bostock	

These members of our Institute have given a lead which I am sure many others will follow when they have studied carefully the brochure on the Institute's aims, activities and future plans. The best indications that the Institute is performing a useful role in South African life will be their continued enthusiastic participation in all the activities of their respective Branches, and also their willingness to give generous support, in whatever way they feel appropriate, to the current campaign. By these means they can really ensure a secure future for a growing Institute.

Jan Smuts House,
31 October 1973

STATEMENT BY Dr. THE HON. HILGARD MULLER, MINISTER OF FOREIGN
AFFAIRS OF THE REPUBLIC OF SOUTH AFRICA, IN THE GENERAL DEBATE
AT THE TWENTY-EIGHTH SESSION OF THE GENERAL ASSEMBLY, NEW YORK

5 OCTOBER 1973.

Mr. President,

Once again this year the General Assembly looks to Latin America to provide a distinguished figure to preside over its proceedings. The honour, Sir, has fallen to you, and to your country. May I take this opportunity to congratulate you on your assumption of this high and responsible Office, and also to express my confidence that our deliberations will be guided into constructive and productive channels, with your experienced hand at the helm. Your long association with the United Nations - its ideals, its Charter, its procedures - makes you exceptionally well qualified to deal with the intricate problems that are to be brought before us for consideration.

The membership of the United Nations at this moment stands at 135. This is a large membership, when compared with the 51 States which signed the Charter as founder members in 1945, of which my country was one. One of the objectives then, and in the intervening years, was to strive for universality in the Organization, so that "We, the peoples" of the Organization could justifiably speak as "We, the peoples of the world". That desirable objective has been brought a step nearer realization by the admission during the current Assembly session of three new members, the Bahamas, the Federal Republic of Germany and the German Democratic Republic, representing between them a considerable population and a diversity of cultural, social, historical and political backgrounds and philosophies.

The admission of the two Germanys is the fruit of a policy of *détente* actively pursued in Europe, and is a striking example of the fact that accommodation can be reached between parties with widely differing political persuasions and conflicting interests, provided that the will is there and the effort is conscientiously and patiently made. It is a lesson from which we can all profit; for the lessening of hostility is conducive to the buttressing of peace, which is the *raison d'être* of this Organization.

The spirit of *détente* abroad was one of the main themes of the statements made in the General Debate at last year's General Assembly. The passage of time enables us to consider its consequences in better perspective and to take stock. Those countries which have adopted the course of *détente* appear to be consolidating their contacts and relationships to their mutual benefit and, in many ways, to the benefit of others. At the same time, some other Governments with seemingly irreconcilable differences have begun to follow their lead and to open up a cautious dialogue with one another. This attitude is highly commendable and ought to be endorsed and consciously emulated by all of us, for the single overriding imperative of international relations is international peace. This is a fact which should be borne in mind, particularly by smaller countries, for they too have a duty to work towards a relaxation of tension after the example set by the major powers. It would be a tragedy if the world should move out from under the shadow of major power confrontation only to be faced by the threat of increasing conflicts of smaller scale. Such a tragedy must be averted by responsible leadership in this Organization as well as by the individual efforts of each one of us.

In her external relations, South Africa, for her part, remains willing to pursue all avenues of contact and communication, with the object of relaxing tensions and creating conditions favourable for the resolution of problems of concern to us. Where our efforts in this direction have been reciprocated, the results have been encouraging. South Africa remains ready to enter into discussions with any country, on the African continent or elsewhere, which shares our approach, an approach rooted firmly in the principle of the peaceful settlement of disputes. South Africa harbours no aggressive intentions against any country, hence our willingness to conclude non-aggression pacts with other States in Africa. Accusations that we have committed acts of aggression are totally unfounded. We are irrevocably opposed to the use of force and violence in international relations.

It is deplorable that force and violence, in the form of indiscriminate attacks against innocent, uninvolved and unsuspecting individuals and groups should have become a characteristic of our times. Terrorism takes many forms but a common component is the utter disregard by the perpetrators for established authority and their determination to subvert, and if possible to destroy, constitutionally established law and order both national and international. It is doubtful that the international law of sovereign States can survive in a meaningful way if the international community should fail to discharge its responsibilities to curb this evil. It is a source of concern to my Government that so little progress has been made on this urgent world problem in the Committee on International Terrorism, which held its first session in July and August this year. My Government considers that the Assembly should urgently commence drafting a General Convention on terrorism. We cannot afford to evade or to confuse the issue while terrorism is rampant.

If we, the international community, resolve that we shall settle our political differences without having recourse to force, if we renounce irresponsible methods of terror and violence and if we continue to make progress in disarming a world bristling with lethal weapons, we can direct our energies and our resources to the solution of the world's other pressing problems, which are many. A number of these are problems of a non-political nature, and confront mankind as a whole. I suggest that the most basic problem of all, and one which encompasses a host of supplementary problems, is how in the future we shall balance the world's rapidly increasing population against our planet's dwindling resources, taking into account the rising economic and social expectations of the very same people whose numbers are increasing at a phenomenal and unprecedented rate. We have, for example, already been given a disturbing reminder this year of the difficulties of providing everywhere the most elementary of man's needs - food. The spectre of famine was raised by the devastating drought in West Africa, and drought conditions, floods and other natural disasters elsewhere. Let me at once express South Africa's sympathy to those who have suffered as a result. These disasters and the consequential threat of famine should not be seen as isolated occurrences. They are a foretaste and a warning of the problems that will have to be dealt with in the future.

Another serious problem with which mankind will have to deal is the potential energy crisis. It is necessary that there be the closest co-operation between the developed and the developing nations in the consideration of this matter for, after making due allowance for the need for protecting the quality of our environment, energy is the key to the material improvement of man's estate. We are faced with the possible gross depletion of the total known reserves of all sources of energy, if energy is in future consumed at the rate forecast today. It is therefore essential for all of us that the different energy producing resources of the earth be rationally exploited in the interest of mankind as a whole. Nuclear energy undoubtedly occupies a key position in supplying mankind's energy needs of the future. Nuclear power reactors which will supply only about 51,000 megawatts of electricity in 1976,

are expected to contribute as much as 564,000 megawatts in 1985 and then to double their supply in the space of the next five years. In terms of total world requirements of electricity, nuclear energy is expected to supply 23% by the year 2000, as compared with half of one percent in 1970.

South Africa is one of the world's major producers of uranium. We possess large exploitable deposits of low-grade uranium, and we provide a stable supply of a portion of the world's uranium on a competitive basis. At the present moment we are engaged in assessing our capability of supplying this nuclear fuel in an enriched form since enriched uranium is the fuel for most nuclear power reactors.

Having said this, let me add that South Africa's atomic energy programme is devoted to peaceful purposes exclusively. It has always been our policy, and it remains our policy, to sell uranium only on condition that the uranium be made subject to I.A.E.A. or equivalent safeguards to ensure that it is not diverted to military purposes. In the same spirit, the uranium enrichment project to which I have just referred will also be applied for peaceful purposes only. To this end, the South African Government proposes to negotiate, at the appropriate time, an agreement with the I.A.E.A. for the application of safeguards to the enriched uranium produced by the project, so as to ensure that the product is used solely for peaceful purposes.

We believe that this development will not only herald a new era of industrial and economic growth in South Africa, but will also enable us to make a contribution to the efforts of the international community to solve the potential world energy problem.

Mr. President, may I at this point digress to refer in a few words to the unfortunate events at Carletonville of which mention has been made in the course of the General Debate. The tragic loss of life is deeply regretted. Sympathy with the next of kin was expressed by my Prime Minister immediately after the incident. A memorandum compiled by my Mission, in the course of reproduction as an official document, will place the matter in perspective. Meanwhile I would simply ask that judgment on the incident not be formed on the basis purely of emotion. What transpired at Carletonville will be determined by the judicial inquiry which has been instituted.

Mr. President, turning now to the question of South West Africa, may I say at the outset that my Government has noted with regret the repeated calls on the Security Council to terminate the contacts between South Africa and the Secretary-General. These contacts represent a voluntary attempt to use the facilities of the United Nations for the pursuit of a peaceful settlement of the problem. This is one of the primary purposes of this Organisation. Yet the call now is apparently to bypass and to set aside the machinery which the United Nations offers for the peaceful settlement of problems. This must inevitably serve as an encouragement to those who advocate confrontation, force and violence as a means to an end in South West Africa. And this course is being advocated despite the fact that in the 14 months between March 1972 and April 1973, during which contacts were made, more real progress was achieved in the search for a solution to the problem in the United Nations context than in all the preceding years.

For the first time in the history of the Territory, directly as a result of the contacts, representatives of black, white and other groups from throughout the Territory have been brought together around a table under the Chairmanship of the Prime Minister of South Africa for the purpose of discussing and trying to resolve issues with Territory-wide implications. We consider that this is a significant and important development for, as my Prime Minister has declared, it is the inhabitants of South West Africa themselves who must decide their own future and

not South Africa or the United Nations.

We for our part do not consider that we have the right to impose a settlement on the Territory and we do not believe that the United Nations has the right or indeed wishes to impose a settlement on its inhabitants. We shall respect their wishes.

We have indicated that any exercise to ascertain the wishes of the population will not be compromised by any existing political and administrative arrangements. And we have stated, with regard to the question whether individual population groups may suddenly become independent as separate entities, that we do not envisage such an eventuality. We expressed the latter position in dealing with a point raised by the Secretary-General as to whether the possibility could arise, in the light of South African legislation, that one or other of the population groups might acquire separate independence before the South West African people as a whole had exercised their right to self-determination.

We believe that all this, taken together with the other points set out in the South African statements reproduced in the Secretary-General's reports, constitutes progress in the real sense of the word. South Africa, for its part, is ready to engage in further contacts, for we believe that we ourselves, as well as the United Nations, should persevere in searching for a solution.

We realise that there are those who believe that progress has been too slow. On the other hand, they too should realise that this is a most complicated and intractable problem, and that it cannot therefore be solved overnight. This is fully recognised by the Secretary-General who stated in his report of 30 April, 1973, that "should the Security Council decide to continue these efforts (i.e. the contacts), it should bear in mind my earlier statement to the effect that time and protracted discussion would be required if any progress is to be achieved."

Mr. President, South Africa's presence in the Territory is accounted for by the undertaking we have given to ensure that its inhabitants are able and ready to exercise their right to self-determination and independence.

We have no designs whatsoever with respect to any part of South West Africa's territory. In the meanwhile, we believe we have a duty to continue to assist in the development of South West Africa in all spheres, economic, social and political. We derive no financial or economic advantage whatsoever from our presence in the Territory. Every cent which accrues from taxation levied on income derived within the Territory, including profits on foreign investments and operations in the Territory, is re-invested in South West Africa for the benefit of all its inhabitants. In addition, South African taxpayers contribute to the Territory's advancement on current account alone (i.e. excluding payments to finance capital projects) funds which in 1972 amounted to approximately \$80 million and in 1973 are estimated at around \$61 million. It will be appreciated that our resources are not unlimited. Moreover, we have responsibilities also to our own peoples in South Africa, where there is an increasing need for funds for development purposes. Nevertheless, we make this contribution to South West Africa in the genuine belief that it is our duty to do so.

One cannot of course forecast the outcome of the Security Council's consideration of the Secretary-General's latest report. We recognise that the gap separating us, although narrower than it has ever been as a result of our contacts with the Secretary-General, still exists. But we would hope that the Council and this Organization as a whole will be guided by the imperative need for peaceful evolution by consent of those directly concerned, namely the inhabitants of South West

Africa both Black and White. We believe it is crucial that all the segments of the population of South West Africa should be enabled to get together to sort out their problems and to resolve them to their own satisfaction, in a manner consistent with the peaceful objectives of the Charter.

As I have indicated, a start has already been made in this direction. We have also been encouraged, in this regard, by a series of discussions which have recently taken place and are continuing between representatives of the white group in South West Africa and representatives of such groups as the Hereros, Namas and Damaras as well as of the organisation known as the Voice of the People. The latter representatives are amongst those who are known to be opposed to the South African Government. Nevertheless, they have all in the course of these discussions expressed themselves as favouring dialogue in South West Africa and as being opposed to violence as a means to an end. As an example of these discussions, I may mention that Mr. Clemens Kapuuo of the Hereros and Mr. D.F. Mudge, a Member of the Executive Council for South West Africa, met in Windhoek on the 24th September. In a joint statement issued shortly thereafter, they declared that they were both in favour of contact and dialogue as a method of solving the problems of South West Africa and that they rejected violence. In the course of their discussions, according to the statement, they exchanged views on matters relating to South West Africa in general. It was clear, the statement added, that both of them wished to promote the interests of their respective peoples and of the peoples of South West Africa as a whole. Further meetings of this nature are envisaged.

These meetings of individuals of differing views and attitudes are an indication of the desire of the inhabitants of the Territory to involve themselves jointly and directly in the future evolution of South West Africa, and we hope they will receive encouragement to seek progress in this way. We for our part will afford them every encouragement.

Mr. President, in this world of continual change, we recognise and accept the need for change also in areas of our own responsibility. Our policies are anything but rigid or static. My Prime Minister has stated in Parliament that the South African Government is a Government of change, and will continue to bring about change in a systematic and orderly way as warranted by changing circumstances and changing requirements. But we believe in change by evolution and not by violence. This is why we attach special importance to the consultations which are continually in progress between the Government and the leaders of the black and other peoples in South Africa.

We have stated on many occasions that our policies provide for the different black nations in South Africa to achieve self-government in the geographic areas of their jurisdiction and to advance to complete sovereignty and independence in the sense in which this concept is generally understood. In other words, each of them would qualify for membership of this Organization. They are aware that they can negotiate their independence, in the full sense of the word, with the South African Government at any moment of their choice, as the South African Prime Minister has repeatedly stated.

Eight black nations, totalling about 14 million people, have already achieved self-government in varying degrees. Six of them have their own Parliaments, their own Cabinets and Prime Ministers, the latter answerable to their Parliaments. The two other black nations, including the 4 million Zulus, have Legislative Assemblies, with executive power vested in Executive Councils. During the course of the last two years five elections have been successfully held to elect members of the Parliaments. A sixth election is still to be held.

Arising from this political progress, the South African Government and the Prime Ministers and leaders of all the various nations are continually in dialogue with each other. Frequent contacts take place at all levels from Prime Minister downwards and in the private as well as the public sector. In fact, my Prime Minister has, during the seven years of his premiership, held more official discussions with the leaders of these nations than all his predecessors together. Many of these leaders, moreover, travel abroad and state their positions publicly. Their opinions on matters of detail, falling within the overall objectives of South African policy, do not always coincide with the opinions of the South African Government - but it is their prerogative and duty to put the position of their peoples as they see it. The South African Government regards these contacts and discussions as essential for the promotion of peaceful evolution.

One of our concerns, in this evolutionary process, is the question of human dignity. The South African Government is fully conscious of the importance of recognition and acceptance of the human dignity of the individual, and my Prime Minister has publicly stressed the central position it must take in future political developments in South Africa. Earlier this year in Parliament he said he was at all times prepared to do away with unnecessary measures if these measures stood in the way of healthy relations in South Africa.

There is nothing which exercises the minds of South Africans more than the solution of our own special political problems. It is after all our future we are building and it is our security that is at stake.

We ask the international community to respect our desire to resolve our problems without interference. Let me repeat, however, that we are at all times ready to enter into discussions concerning our internal policies, with anyone who is genuinely interested therein. But in the final analysis, it is we ourselves who must solve our problems and solve them we must and shall, whatever the sacrifice, if we are to continue to live in peace and prosperity in South Africa.

Mr. President, this brings me to the end of my prepared statement. Before resuming my seat, may I refer briefly to the efforts made to prevent me from addressing the Assembly.

I do not intend to deal with the accusations levelled against my Government in the course of these efforts, for they are irrelevant to the issues before the Assembly. I must however totally reject them.

We have witnessed here an attempt to violate the principle of freedom of speech and expression in this august Assembly. It was an attempt to deprive the representative of a Member State of his inherent right to participate in the proceedings of the General Assembly and to state the case of his country. If it had succeeded, it would have put the clock back 2000 years, for it was the Romans who introduced the concept *audi alteram partem* - listen to the other party - a principle which has survived for over 20 centuries and is still observed and cherished in all civilized societies.

The actions of some representatives were unworthy of the dignity and status of this Assembly. Moreover, far from humiliating me and my country, they have succeeded only in furnishing proof of the length which they will go to undermine a principle which forms one of the main cornerstones of the United Nations, and without which it cannot survive.

Finally, Mr. President, in view of what has happened here, I must place on record my strongest possibly objection to the unprecedented, illegal and unconstitutional action by the General Assembly concerning South Africa's credentials. My Government views it in the most serious light indeed.

STATEMENT BY Dr. THE HON. N. DIEDERICHS, MINISTER OF FINANCE
AND GOVERNOR OF THE FUND FOR SOUTH AFRICA, AT THE ANNUAL
MEETING OF THE INTERNATIONAL MONETARY FUND, NAIROBI, KENYA,
26 SEPTEMBER 1973

I am glad to join with other Governors in expressing my gratitude to the Government and people of Kenya for the gracious hospitality which they have extended to us. The hospitality of Africa is traditional, but a special word of appreciation is due for the excellent arrangements which have been made for our convenience and comfort.

I should like to associate myself with the congratulations extended to Mr. Witteveen on his appointment, and to assure him of our co-operation and support in his difficult task.

It is to me a source of gratification and pride that this Annual Meeting should be held on Africa soil, and I believe that this marks a milestone in the development of the African continent. As Mr. McNamara has said, "Africa is the continent of the future, where many of the greatest development opportunities of the years ahead are going to be found." I am therefore glad to note, from the very interesting Annual Report of the World Bank Group, that the target set five years ago, namely, to treble the amount of lending to Africa, has been achieved. Unfortunately, the real value of assistance has been eroded by inflation, a problem to which I shall return later.

I look forward to a further increase in lending to the developing countries of Africa in the years ahead, and in this respect my country is ready to play its part. I am happy to say that South Africa, despite heavy and increasing financial commitments for the development of the less developed regions within our own borders, has decided to treble its annual contributions to IDA under the Fourth Replenishment.

In increasing the quantity of development aid we should not lose sight of its quality, and development finance institutions should exercise particular care in selecting projects which will assist in achieving the maximum sustainable rate of growth. I support the emphasis which Mr. McNamara placed upon the development of small-scale agriculture.

In its own field the Fund can also play an important part in development. Here I have in mind greater technical assistance to developing countries in monetary and fiscal matters. Fund missions to developing countries for annual consultations should perhaps spend less time on broad descriptive surveys and more on exploring ways in which the authorities may be assisted in strengthening their monetary and fiscal systems to meet their development needs.

As far as the activities of the Fund are concerned, the two main documents before us are the Annual Report and the Outline of Reform submitted by the Chairman of the Committee of Twenty. The Annual Report contains much that is encouraging, especially in regard to the rate of economic growth in both developing and developed countries and the expansion of world trade.

At the same time, the Report expresses concern about the persistently high rate of inflation in most countries. It goes so far as to say that: "Among the difficult tasks of economic management facing most members of the Fund ... none is more urgent, or of greater significance for the longer run, than that of finding a solution to the problem of controlling and reducing inflation."

With this view I wholeheartedly agree. Apart from harmful internal effects of inflation, I have already mentioned its eroding effect on the real value of development aid, and I would also emphasize the interaction between inflation and the international monetary disturbances of recent years. Some of the international monetary developments of this period, in particular the excessive increase in reserve currency holdings, have undoubtedly been a major cause of worldwide inflation. At the same time, inflation has helped to bring about monetary unrest, not least by diminishing confidence in currencies generally.

This brings me to the Outline of Reform. Let me say immediately that I consider the reform of the international monetary system to be an urgent matter. The present state of affairs is not satisfactory. As the Fund Annual Report points out, key elements of the Bretton Woods system are no longer being observed and, in particular, international currency relationships lack firm foundation in an internationally agreed set of rules or code of conduct. Since exchange rates are intrinsically a matter of international concern, there is accordingly a need to bring exchange rate policies and practices under the framework of a system founded on international agreement and commanding general support.

It is true that, despite the currency crises and uncertainties, world output and trade have expanded during the past two years. But this affords no ground for complacency. When the present cyclical upswing in the main industrial countries comes to an end, possibly next year, or if the U.S. balance of payments improves considerably, which it must do if payments equilibrium is to be restored in the world, the international monetary system will probably be subjected to severe additional stresses and strains. This might well lead to competitive devaluations, downward floats, increased restrictions on trade and current payments and other undesirable developments, which could have extremely harmful consequences for the world. It is important therefore that agreement should be reached on the main elements of monetary reform in time to forestall developments of this kind and to restore confidence.

Unfortunately, the Outline of Reform before us makes it only too clear that, while the Committee of Twenty and the Deputies have worked intensively on various aspects of the reform and have made some progress, some of the most basic issues have not been resolved. These include the issues of convertibility, consolidation of the overhang of reserve currencies, the role of presumptive reserve indicators in the adjustment process, the management of reserves, floating exchange rates, gold, the nature and valuation of the proposed new SDR, and the link between the SDRs and aid to developing countries. Moreover, the positions of some of the major industrial countries on many of these matters, are at present far apart, and the prospects for early agreement on the main issues do not seem particularly favourable.

I must also record my doubts as to the wisdom and workability of some of the reform proposals currently being considered by the Committee. One of my main concerns is that the new system on which agreement is now being sought will have a strong inflationary bias and will therefore suffer from the same basic defect as the *de facto* dollar standard of recent years. And this at a time when, as the

Fund Annual Report has confirmed, the most urgent economic problem facing the international community is worldwide inflation.

My basic reason for fearing a continued inflationary bias is that acceptance of some of the main proposals before the Committee will mean that the balance of payments constraint on inflationary overspending and on excessive capital outflows through reserve creation will remain weak. The proposed system of adjustment, for example, may well penalize surplus countries for following more successful anti-inflationary policies than other countries, and thereby weaken their incentive to curb inflation. At the same time, deficit countries will be "let off the hook" too easily, instead of being induced to take appropriate measures to restore domestic and external equilibrium. Similar effects will probably flow from the excessive exchange rate flexibility which might well be a feature of the new system. Finally, if we are realistic, can we ignore the real danger of too many SDRs being created in the proposed new system?

There are other aspects of the Outline of Reform which give me concern. Take, for example, the proposal for the establishment of a reserve indicator structure which might be used, presumptively, to activate pressures. Apart from the great practical difficulty of reaching agreement on such a structure, I doubt whether, in the light of the experience of the past few years, it would really serve a useful purpose. A reserve indicator, after all, is not necessarily a good index of the basic balance of payments or a reliable signal for action on exchange rates or other measures.

I also have serious doubts about the desirability and usefulness of pressures in general. Even over the past few years, can we really believe that pressures would, for example, have induced surplus countries to appreciate their currencies to a greater degree than has actually taken place? I am quite certain that pressures of a type which would produce an open confrontation between the Fund and the country concerned would not help to achieve the results we desire. The whole experience of the Fund over the years has been that a great deal can be achieved by consultation and suasion. We should also not lose sight of the *automatic* adjustment force operating on most deficit *and* surplus countries. I believe that the Committee should lay greater emphasis on consultation and co-operation rather than on coercion.

On reserve assets, it is clear that primary reserves play a pivotal role in any system of convertibility or asset settlement. The Outline states that the SDR will become the principal reserve asset and that the role of gold and of reserve currencies will be reduced. This is easily said but not so easily achieved. Is there anyone in this illustrious gathering who can now tell us exactly what this new SDR really is which has already been chosen as the cornerstone of the future monetary system? Obviously, much still remains to be done to clarify, and to reach agreement on, the nature of the SDR in the reformed system. Moreover, if it is to be the principal reserve asset, it must be universally known, universally acceptable and command universal confidence and credibility - not only among monetary authorities but also in the wider financial community. None of these attributes can be enforced by decree. They can only develop through an evolutionary process which must inevitably take time.

The other primary reserve asset is gold. The Outline does indeed recognize that gold will remain within the monetary system, but I should have liked to see it take a more positive view of the gold's role, especially in the considerable period which must elapse before SDRs can become the main reserve asset in fact

as well as in principle. Whatever gold's ultimate monetary role may be, the immediate facts are that it commands general confidence, that it can play a useful stabilizing and disciplinary role in the monetary system, but that it is prevented from doing so by its present unrealistic official price.

Of the three solutions for gold mentioned in the Outline, the first envisages the retention of the present official gold price with the freedom for monetary authorities to sell, but not to buy, gold on the private market. The second envisages the abolition of the official gold price, with freedom for monetary authorities to deal in gold with one another at a market-related price and to sell, but not to buy, gold on the market. The prohibition on gold purchases on the private market which is common to these two solutions would, I believe, betray a lack of confidence in the ability of the SDR or of reserve currencies to stand comparison with gold as a reserve asset. It would in any event be unenforceable in practice, since purchases of gold could be made by some entity other than the official monetary authority. It would also be an asymmetrical and unjustified interference with the right of a country to choose the form in which it holds its reserves. There is little reason to doubt that such a prohibition, like so many other attempts to reduce the monetary status of gold prematurely, would fail, and this failure would impair the credibility of the whole system.

Of the three solutions for gold mentioned in the Outline, the logic of the situation therefore points to the third, which would abolish the official gold price and permit not only gold transactions between monetary authorities and gold sales on the private market, but also gold purchases on the market by monetary authorities.

Much better even than this third solution, particularly in its effect on confidence and credibility, would be a substantial increase in the official price of gold. This is not mentioned in the Outline but the force of circumstances may well still bring it about. It is simple, straightforward, and, as I have previously argued at these meetings, would be of immense benefit to the monetary system and the world community.

I return in conclusion to our major and fundamental problem of inflation which affects all countries. If inflation proceeds unchecked, no international monetary system, however ingenious, can succeed. If most countries succeed in curbing inflation, then international monetary stability will be so much easier to achieve. Effective action against inflation requires discipline - not a popular word nowadays, but we who are responsible for monetary policy know how necessary it is. The message which goes out from this Annual Meeting will be sadly incomplete if it does not emphasize the need for monetary discipline as an essential condition for stability, prosperity, and successful monetary reform.

LESOTHO, THE O.A.U. AND SOUTHERN AFRICA

(i) Extract from the address by His Majesty, King Moshoeshoe II, to the O.A.U. Meeting of Heads of State and Government in Addis Ababa on 26 May 1973.

Members of this Organisation will remember that on the issues of the liberation and decolonisation of the still dependent territories and the question of the denial of human rights and apartheid, my Government championed the course for a peaceful settlement by negotiation in accordance with both the Charter of the United Nations and the Organisation of African Unity. However, we must ask the question: in this situation where people are denied an opportunity for negotiation, and no constitutional machinery exists for the expression of their views and are left in utter frustration and despair, is this not an invitation to violence and confrontation? Can anybody point to an alternative? What right have we to prescribe any other method? While many colonial powers have embraced the United Nations Charter proclaiming universal fundamental human rights and the dignity of the human personality, Portugal has declared war on the African inhabitants in the territories under her rule. Portugal continues to deny these people their rights of self-determination and independence. She continues to be governed by the outmoded philosophy and myth that Portugal can extend beyond the seas. She is, however, beginning to realise that no people can be perpetually kept in bondage. Whatever the circumstances, whatever the difficulties, whatever the sacrifices and however ruthless the oppression, men will not surrender their rights to freedom, but will take up arms in defence of their rights. This is what is happening in Guinea Bissau, in Angola and Mozambique. Portugal has to use all her meagre resources to try and suppress the heroic struggle of the peoples of these territories. Portugal has, in our view, no alternative in a situation where the outcome of the struggle is inevitable. Her intensification of the struggle can only increase the cost in human lives, but never change the course events will take or their ultimate result. That cost in lives must be placed at the door of Portugal alone. In this respect we would like to pay tribute to Amilcar Cabral, that distinguished Son of Africa, who paid his life for the cause of his people.

Nor is Portugal alone in denying the African peoples of their inalienable rights to self-determination. In Zimbabwe the illegal regime continues to operate in the teeth of independently ascertained African opposition and in complete defiance of condemnation by the international community. This illegal minority regime which is characterised by a complete disregard of fundamental human rights as far as the people of Zimbabwe are concerned has manifested yet another disregard for international law and practice. The closure of the border with Zambia is not only a reckless act but an equally irresponsible exercise of power. Zambia must be congratulated for refusing to accede to this act of blackmail. I would like to declare our total support for the Government and People of Zambia. We regard her courageous stand in calling Smith's bluff and ready acceptance of the consequences of defending and vindicating her integrity as a signal victory for Africa as a whole. My Government's position on this illegal regime is well known. I would once again appeal to the United Kingdom Government to accept responsibility and end this minority illegal racist regime of Ian Smith. It is gratifying to note that the people of Zimbabwe are beginning to exert pressure on the regime which is now frantically exploring avenues for the settlement of the dispute with the United Kingdom Government.

Namibia is a territory now held in trust by the United Nations. It is neither a colony nor a protectorate of South Africa. This fact has been confirmed by a verdict of the International Court. I, therefore, wish to place on record the strong objections of my Government to South Africa's continued practice of superimposing the so-

called tribal self-determination in line with her inhuman bantustan policy. In conformity with my Government's policy, Lesotho was among those countries which blessed the Secretary-General's initiative to make contacts with Pretoria. Addressing herself to the stark realities of the situation, Lesotho is now beginning to entertain serious doubts on the wisdom of this dialogue as South Africa's continuing balkanization of the territory, even during the currency of the negotiations, is clearly calculated to prejudice any possible satisfactory outcome.

The policy of my Government on apartheid and racial discrimination is now well known. It is, however, important on this occasion, as this Organisation enters the second decade to restate my Government's position on this obnoxious system. On the occasion of the International Day for the Elimination of Racial Discrimination my Government stated: "Racial Discrimination or apartheid is a socio-political system which progressively continues to erode away basic human rights and fundamental freedoms. The system is designed to perpetuate and protect privileges based on nothing but colour, which is associated with the alleged superiority of one colour over another. The system is directed at stifling natural creativity, social and economic. It denies certain peoples of the opportunities for self-advancement, freedom of expression and thought, and applies extreme measures against those who dare to express opposing views."

It is perhaps pertinent at this juncture to point out that Lesotho's opposition to racism is part of our national history and goes back to pre-1910 days. It is the abhorrence of racism that led the people of the country to oppose incorporation of the territory into the Union of South Africa in 1910. This is the reason why the O.A.U. flag is flying in the most Southern part of Africa. It will be recalled that the Government of South Africa has always opposed the discussion of this iniquitous system at international forums on the ground that it is a domestic matter. My Government's position is that a system which affects fundamental human rights, and which is contrary to both the U.N. and the O.A.U. Charters, cannot be considered a domestic issue. It is a human issue and has rightly been discussed by the international community.

On the international horizon there is yet a dark cloud which could break out into a torrent with immeasurable consequences. While in Europe the spirit of détente permeates the whole atmosphere, in the Middle East the situation remains tense and explosive. Israel continues to occupy Egyptian territory, a member country of this Organisation. My Government has on several occasions expressed total opposition to the conquest of any territory by force of arms. Lesotho has supported the United Nations Resolution 242 as forming a reasonable basis for a negotiated settlement. The international community must therefore make every effort to implement this resolution. It is in the interest of peace and security in the area that Israel should withdraw from all occupied territories.

I must now turn to the aspect of our Organisation which is of vital importance to the future of my country. It is inter-African economic co-operation. Whilst it was natural that in the first decade the O.A.U. should devote a great deal of time and focus attention on political questions facing Africa, there remains one fundamental objective of this Organisation which is as yet unfulfilled, namely, the uplifting of the living standards of her people. In many speeches made here, reference has been made correctly to milestones of progress which this Organisation has achieved, for which we can all be justly proud. On the other hand unless we can build Africa's economic power through development and advancement in science and technology, our resolutions will continue to be ignored by the enemies of Africa, for Africa's voice without economic power to back it, will not be heard. While we must pursue the liberation of Africa with undiminished resolution we must nonetheless

recognise that unless we can show tangible results in economic development of our countries through inter-African co-operation, our peoples will get, not only impatient but may be disenchanted with their own governments. We must therefore mark the next decade as one of concentration on questions of inter-African economic, technical and scientific co-operation for the fulfilment of the real and basic aspirations of our people, namely, the raising of the standards of living. As we enter the second decade it is our view that this objective should be translated into concrete proposals and clearly formulated programmes for action. As a land-locked country and totally surrounded by a country whose political philosophy is completely different from our own, we would like to see Africa accept responsibility for the economic development of the less fortunate of the member States of this Organisation. My country has been included among the hardcore of the least developed countries by the United Nations. It is therefore important that the Members of this Organisation should agree that it is first and foremost the Africans who must give assistance to promote not only the economic development of our people but also to ensure the political independence of the country. I need not reiterate the well-known now threadbare saying that political independence without economic independence is hollow. My country should not only be an island of political freedom and an outpost of the spirit of this Organisation, but, and equally important, it must also be a demonstrable example of the practical reality of what inter-African economic co-operation can achieve. On a number of occasions my Government has stressed the importance of breaking the geographical isolation of my country in a more effective manner. My Government would like to see this isolation broken by the establishment of trade links with as many African States as possible. Not only will this give such country the opportunity to learn first hand the problems of a country completely surrounded by another but will help to understand better the problems of the southern part of our Continent. I am encouraged to note that the economic Charter which we are being asked to approve includes among other things the establishment of air links. It is the hope of my Government and People that when a Continental airline is established it will embrace the Kingdom of Lesotho. Not only is the airline a link vital for breaking isolation of my country, but it will also provide an important means of communication with the outside world. The immediate and practical step that could be taken to break this isolation is the encouragement of regular or frequent visits among ourselves and the establishment, in our capital, of resident diplomatic missions. Closely associated with the airline communication is the postal and telecommunication link. I am happy to note that the Economic Charter envisages the use of most advanced methods of postal and telecommunication services. I look forward to the day when the whole of this Continent is linked by satellite communication stations with my country forming part of this Continental communication network. I am also gratified to note that Africa is attaching even greater importance to tourist trade. It is in this field that my country could be given greater participation. It will be a fulfilment of the desire for inter-African co-operation when Lesotho becomes part and parcel of package tours organised on a Continental basis.

LESOTHO, THE O.A.U. AND SOUTHERN AFRICA

(ii) *Extracts from the statement by the Prime Minister of Lesotho, Chief Leabua Jonathan, on the tenth Anniversary of the O.A.U., 22 May 1973. +*

We in Lesotho owe no small debt of gratitude to the Organisation of African Unity. Lesotho, together with eight other States, gained independence after the formation of the Organisation. There can be no gain-saying the fact that in our own struggle for independence, we were greatly encouraged by the support given to us at Summits of O.A.U. Heads of State and Government and expressed in no muted terms in various councils of the United Nations. Nor has the success achieved by the Organisation in decolonisation lessened its dedication to one of the major objectives of the Charter, namely "*to eradicate all forms of colonialism from Africa*". We in Lesotho, alongside our African colleagues, have continued to cherish that tradition of decolonisation which was set in Addis Ababa, and are continuing to press for the independence of our fellow Africans in Angola, Mozambique, Guinea Bissau, Rhodesia and Namibia.

The denial of fundamental rights to the peoples of these territories constitutes one of the most serious problems still facing the Organisation of African Unity. In the last analysis, the success or failure of the Organisation to ensure that the process of decolonisation is not stemmed on the frontiers of the Portuguese territories, Namibia and the British Colony of Rhodesia, will determine whether the Organisation justified the confidence and hope which African peoples in non-self-governing territories place in it. It is my sincere hope that the forthcoming session of Heads of State and Governments shall not hesitate to take a hard and frank look at whether the support given to the liberation of these territories has been the most efficient.

At the same time the Organisation should recognize that the application of racism in these territories has introduced a potentially dangerous situation which could in time - and if not checked - nullify the very successes of the independence of the overwhelming number of African countries. In meeting this new situation, and in continuing the struggle for the freedom of the peoples still under colonialist domination, all the qualities of statesmanship and realism shall be required of the Organisation and it is on the practical application of these qualities that will depend the future peace and welfare of the continent and the achievement of one of the objectives of the Charter, namely, "*a better life for the peoples of Africa.*"

The mediatory role of the Organisation has in many instances solved problems between Member States - problems which threatened bilateral relations between members and seemed to offer opportunities for outside influences to exploit African differences. In the problems of the Congo in the 1960s, the Organisation succeeded in minimising the influence of outside powers. In border disputes arising out of the balkanisation of Africa by the avarice of European colonial powers, the O.A.U. has succeeded in assisting to reach peaceful settlements between African States. Only recently the O.A.U. mediatory role has helped to solve the Morocco/Algeria border dispute and the dispute between Guinea and Senegal.

Taking into account the seriousness of the disputes which have naturally arisen as African Governments inherited European-made problems, and the potential for outside powers to exploit such disputes, the Organisation of African Unity can justly express

+ From text issued by The Government Printer, Maseru, Lesotho

pride in the wealth of statesmanship which its membership contains. Nor has this statesmanship been confined merely to problems related to bilateral relations of member states. The mission of 10 Heads of Government of African States sent by the Organisation of African Unity to hold conversations with the Governments of the Arab Republic of Egypt and the Republic of Israel in 1971, with a view to the reactivation of Ambassador Jarring's mission following the United Nations Security Council Resolution 242 of 1967, represented further the ability of Africa to view problems with sobriety and understanding. The acceptance of the Lusaka Manifesto by the O.A.U. Heads of Government and State at their session of 1969 expressed the capabilities for realism and quest for peaceful solutions to problems of the continent. The responsibility for the failure of these two initiatives rests not with the Organisation of African Unity but on those who spurned them.

It must be stated candidly that the successes of the Organisation in the area of economic co-operation are disappointingly low. The volume of intra-African trade belies the just aspirations of the original signatories of the Charter. Intra-African economic co-operation has far too long been left to hitherto unimplemented resolutions of Summits. Intra-African communications have for too long been relegated to arrangements with former metropolitan powers. The wealth of intra-African technical assistance has hardly been tapped. It cannot be denied that pressing political problems have made heavy demands on the energies of the Organisation and that they will probably continue to command the full attention of the Organisation. However, intra-African co-operation, if the Organisation is to achieve one of its major objectives, cannot be left to the periphery of political issues. Success in intra-African co-operation will in fact strengthen the ability of the Organisation to meet the political problems still outstanding and to meet the aspiration for better lives for African peoples.

In this connection, we take comfort at the beginnings which are now being made. We sincerely hope that out of the deliberations of the recent meetings of African Ministers in Addis Ababa last March and mid-May in Abidjan, will emerge concrete measures and the political will to translate the objectives of the Charter for intra-African co-operation into reality. Certainly the placement of Lesotho students in Universities in other African countries under the auspices of the Association of African Universities points to small steps in the right direction. We for our part are happy to be able to accommodate students from other African Universities at the Universities of Botswana, Lesotho and Swaziland. Lesotho is furthermore willing to increase the regional co-operation that at present is symbolised by UBLS to other areas including air communication and regional tourism.

The recent plans for the projected Cultural Festival in Lagos next year point to another area of African awareness which has received a stimulus from the existence of the Organisation of African Unity. It is no longer enough for us as Africans to rely on foreigners to articulate our cultural past and heritage. Africa must redefine its personality, research its cultural background and challenge the validity of assertions that Africa is no more than the cultural twilight of Europe.

We have no misgivings about having joined the Organisation of African Unity. Nor do we have any illusions about the problems that still face it. We are not complacent about its capabilities. Yet we see in the Organisation an institutional framework which contains possibilities for the emergence of Africa as a free continent; unburdened of the interests of foreign powers; unfettered of sectional, tribal, racial or national parochialisms - a continent strong and confident to play a role towards peace and the fulfilment of the highest human aspirations.

Lesotho belongs to Africa. In our perceptions of our international interests, we naturally have to take into account our African-ness and our African setting. Lesotho has since its membership of the O.A.U. been happy to play as effective a role as her resources permitted. Lesotho was rapporteur of the 9th Ordinary Session of the Council of Ministers of the O.A.U. and Vice-Chairman of the 17th Ordinary Session of the Council. On this 10th Anniversary of the creation of the O.A.U. our support for the salutary objectives of the O.A.U. remains undiminished and our rededication to its Charter unqualified.

ALGERIA: THE MISUNDERSTANDING OF A REVOLUTION (ISLAM and BERBERISM)

Jeremy Keenan

The Algerian War of Independence began on 1st November, 1954, and culminated, after long negotiations, in the Declaration of Algerian Independence in July, 1962. During those intervening years, French governments rose and fell and a generally accepted one to one-and-a-half million people were killed - many under atrocious conditions - over 500,000 French troops were at one time in Algeria - and so the balance sheet could be drawn up. The mere scale of the war, its countless incidents and phases, the multiplicity of forces involved and their changing alliances, prohibits any detailed analysis of the war within this limited space. I have therefore restricted myself to an appraisal of certain issues which are crucial not only to the understanding of the War, but of Maghribi ("Maghreb" = the West in Arabic: Morocco, Algeria and Tunisia) and especially Algerian Society as a whole - namely, the role of Islam in Algerian nationalism and the nature of "Berberism".

Before dealing with these two issues a few general comments on the "misunderstandings" and the course of the war in Algeria are in order. In many ways the war was unnecessary. During the years between World Wars I and II and immediately prior to the outbreak of the Algerian Revolution, metropolitan France was largely unaware of the pulse of Algeria - the aspirations, expectations and frustrations of the local Moslem population. Significantly, most early "nationalists" wanted assimilation with France in one degree or another. During the Algerian war itself, several opportunities for negotiation were jeopardised. One such occasion was the good officers offered by independent Tunisia and Morocco in 1956 for a meeting between Ben Bella and French interests. This was prevented by the French army hijacking of Ben Bella while flying from Morocco to Tunisia. Following de Gaulle's return to power in 1958 the tasks of 'purging' the armed forces and of pragmatically enlightening both metropolitan France and the European minority in Algeria added greatly to the delay in reaching a settlement.

The immediate cause, or origin, of the war is recognised by most Algerians as the Setif riots on May 8th, 1945 (V.E. Day). Here Moslems in a celebratory procession carried "nationalist" flags, contrary to government regulations. In the chaos and misunderstanding the police lost control and twenty-nine Europeans were killed. Within hours, the whole countryside was alight with rumours of a general uprising, an independent Moslem government, or some such story. About 100 Europeans were killed in the surrounding areas, and brutal reprisal action left about 50,000 Moslems dead. Certainly Messalists (followers of Messali Hadj - an early nationalist who was then in gaol) were looking for a confrontation, but the deeper reasons probably lay in the desperate poverty of the region. France, preoccupied with victory celebrations, was indifferent to Setif. The need for reform was recognised, but in the form of fraudulent elections (*élections à l'algérienne*), these reforms came too late.

During the next few years, a new generation of nationalists, (initially in the "Organisation Secrète" and later in the "Club des Neuf") recognised the need for armed rebellion. The spot chosen for the outbreak of the rebellion was in the poverty ridden Aures mountains

of Eastern Algeria. On the night of October 31st, 1954, some 150 men struck in seventy different places throughout the country. In planning this uprising, the F.L.N. (Front de Libération Nationale) underestimated the strength of the ties between France and Algeria; the obstinacy and courage of the European minority (about 1 million in a population of about 9 million); the number of troops France was prepared to throw into the struggle; the authority that would come to be vested in the military; and world opinion, (which, for most of the war, was luke-warm). The short-sightedness of the Mendès-France government, the initial confinement of the uprising, and the recognition that any sign of capitulation would alienate public opinion, led France to meet force with force.

By the end of 1956 the F.L.N. had grown considerably stronger, largely through the growth in the number of sympathisers among the 'passive' elements of the Moslem population who had witnessed French atrocities. Even so, the number of F.L.N. fighters probably never exceeded 50,000 at any one time, and for much of the war was probably nearer 5,000. By early 1957 it was clear that a settlement would not be reached in the near future. The French army's hijacking of Ben Bella proved to the F.L.N. that the French government was either disinterested or powerless to instigate negotiations and this merely increased the determination of their resistance. On February 2nd, 1957, Jacques Soustelle, the darling of the Algerian European minority, returned to France. On February 6th the French Premier, Guy Mollet, arrived in Algiers to install General Catroux as "Minister-Resident". The Europeans, fearing "integration", demonstrated their feelings to Mollet by rioting through the streets with the tacit approval of the police. Mollet surrendered to the mob, giving them the belief, which they held until de Gaulle's "Barricades week" speech in January, 1960, that they controlled the destiny of France. The 'double standard' of the police in allowing European mob demonstrations was noted by the Moslems, and again confirmed to them the powerlessness and indifference of the French government. The strength and morale of the F.L.N. was further increased by the independence of Tunisia and Morocco in 1956. By early 1957, the F.L.N. had gained control of many areas, and Moslem units in the French army were joining them in considerable numbers.

If the beginning of 1957 saw the F.L.N. at its greatest strength, it also heralded one of the most brutal and terrible periods in modern history - the Battle of Algiers. The decision of the F.L.N. to resort to urban terrorism was not taken lightly, but justified in their eyes as the only means to counter French brutalities. (Several of the early "bombings" were probably the work of the counter-terrorists.) In January 1957 full military control of Algiers was placed in the hands of General Jacques Massu and his paratroopers. The Casbah, the old Moslem quarter of Algiers, was the refuge and centre for the urban guerrillas and Massu's 'paras' gave no quarter. Tens of thousands of Moslems were tortured to death. For nearly twelve months Algiers was alive with the screams of the tortured, the carnage of bomb blasts, treachery, fear and the rule of terror. In October the last F.L.N. leader in Algiers was captured, the Moslem population had been cowed, and the F.L.N. had suffered a great set-back. Many Moslems blamed the F.L.N. for its decision to organise urban terrorism; both French and world opinion were alienated against the Moslems (chiefly because the army controlled the communications network), and any possible negotiations were delayed even further.

In 1958 the morale of the F.L.N. probably reached an even lower ebb through the completion of the almost impregnable fortified Morice line along the Tunisian frontier; this effectively isolated the F.L.N. operating within Algeria from their command-in-exile in Tunisia for the rest of the war. Furthermore, in the extraordinary events surrounding the May 13th, 1958, demonstrations in Algiers (followed in a few days by the collapse of the Fourth Republic), the F.L.N. command witnessed the sight of Europeans and Moslems dancing together in the Forum. Such a sight epitomised much of the absurdity of the war. The ambiguity of this situation resulted from the cowering of the Moslems after the Battle of Algiers; the efforts of the "psychological warfare" department to convince the Moslems that the French were their friends; and the common call by both Moslems and Europeans for the return to power of de Gaulle. The Europeans believed that de Gaulle would put a stop to the rebellion and restore "L'Algérie française". On the other hand, the Moslems, aware of de Gaulle's good relations with both Morocco and Tunisia, saw him as the one possible hope for a generous settlement.

The last four years of the war, from de Gaulle's return to power until Algerian Independence in 1962, are largely concerned with the gradual unveiling of de Gaulle's policy towards Algeria and the long drawn-out process towards eventual settlement. His task of 'purging' and regaining control of the army and 'educating', or pragmatically enlightening, both the European minority in Algeria and metropolitan France; Barricades week, the activities of the O.A.S. (Organisation de l'Armée Secrète), and the Generals' uprising; and the signing of the Evian agreement (18th March, 1962), were all critical episodes in the Revolution, and each in its own way, a turning point.

My concern with the Revolution is not with these intriguing episodes of the war, but rather with the role of Islam and the nature of Berberism in Algerian society. If the immediate cause of the Revolution is generally recognised as being the Setif riots, its roots can be traced much further back - through the inter-war years, to the French conquest in 1830, to the Ottoman Empire - the Spanish occupation - the Arabic invasions, and indeed, without too much of an intellectual twist of mind, to the Roman and even Phoenician settlements! This is not merely an exercise in historical or "social anthropological" acrobatics. When it is considered that Algerian society is characterised by the presence of two major ethnic groups (Arabs and Berbers), and that the number of active (armed) revolutionaries probably never exceeded more than 50,000 at any one time, the nature of the internal forces which provided the cohesion, legitimacy and motivation for the Revolution are pertinent.

If the Arab-Berber cleavage is as pronounced as France's Moroccan "Berber Policy" or the so-called "Berber Problem" of the Maghreb would imply, it is reasonable to ask why the presence of a large vociferous Berber minority in Algeria has not resulted in any significant form of Berber separatist movements or Berber particularism. The same question can be seen within the famous statement of Ferhat Abbas, an early 'nationalist' (assimilationist) - "If I had discovered the 'Algerian nation' I would be a nationalist ... but this nation does not exist."

To a large extent, the whole question revolves around the changing role of Islam in the Maghreb during the late 19th and 20th Centuries. It has been said that France drove the Berbers to Islam (particularly in Morocco), but this charge does not relate so much to Islamisation, but to the reformist movement within Maghribi Islam during the colonial

period; for most Berbers were Islamised by the 11th Century A.D., and Robert Montagne even considers that they were more devoted to their faith than the Arabs. (1)

Initially there was considerable resistance by the Berbers to Islam during, and after, the Arab invasions which tended to take either one of two forms: the adoption of heterodox sects, such as Judaism, which denied their 'paganism' and saved them from the sword; or the adoption of a rigorous puritanism, stricter than the orthodox Islam of the towns. Both of these defense mechanisms, which served to save their mountain homelands from external intervention, have exhibited a remarkable continuity as seen in the survival of many Judaic traits among the older Berber tribes, and the existence of such puritanical sects as the Kharijites in the five cities of the Mزاب (Mozabites).

Nevertheless, the adoption of Islam by the indigenous Berber tribes came to assume a quite particular form, modified and adapted over the centuries to suit their own intellectual and political requirements. Islam was reconciled with the traditional forms of society by the founding of religious kingdoms, the maraboutic brotherhoods, which formed a patchwork of little independent mountain 'republics'. Saugnier, writing in the 18th Century, states that "this man (the religious leader - 'marabout') without any army at his disposition, is nevertheless the most powerful in all Africa. His authority is limitless ..." Similarly, Charles de Foucauld, reporting on a reconnaissance mission in Morocco in the late 19th Century, recounted how in the Tadla region he was met with the claim: "Here there is neither Sultan or 'makhzan' (central government) - only God and Sidi be Daoud."

The most lucid description of Maghribi Islam is probably that by the French sociologist Jacques Berque who likened it to an Arab rose (desert rose) - "The starred polygon - It evokes an alternation ... On the one hand, meditation and withdrawal into the ancestral grotto, (where its vital strengths are concentrated), and, on the other hand, the display of forces shown by the offensive angels of the geometric figure; or the internal angels - recalling the 'zawiya' (religious centres) where soldiers prepared for the 'jihad' (holy war), and the aggressiveness of the outgoing angels, with warriors surging from the grotto and its refuges." (2)

The inherent withdrawal or defensive mechanism of Maghribi Islam seems to derive from both historical experience and Koranic doctrine. The successive occupations of the Maghreb (except perhaps the Arab) have had little impact beyond the litoral. Occupiers have come and gone and left Maghribi society relatively unscathed. Even after the French conquest in 1830 and the seventeen years of resistance in the name of the "jihad", Abd el Khader, the first Algerian "revolutionary", told the French: "You are merely passing guests. You may stay 300 years, like the Turks, but in the end you will leave."

Koranic doctrine was the basis of Maghribi conservative superiority, its moral and intellectual paralysis, its pacivity and fatalism - "Yours is the best community that has been made for men: you order what is proper, forbid what is reprehensible, and believe in Allah" (Koran 111: 106-10). It was these attitudes and values that were to be criticised so strongly by the reformist movement. And yet, if we consider the initial contact of Maghribi Islam with Christianity, as brought by the French after 1830, there was little need or justification for them to reassess their views or their faith. The Moslem could quite easily feel superior to the presumably Christian settler, for Christianity in Algeria hardly extolled its virtues. Following the seizure of

Algiers, Marshall Bugeaud, experienced in scorched earth policy from the Napoleonic campaigns in Spain, lead a "great invasion to Africa, in the style of the Franks and the Goths."

The destruction, brutality and barbarity of the French forces compares with the Battle of Algiers some 110-20 years later. This introduction to Christianity did much to justify the Moslem's religious self-sufficiency and righteous pride. But it was the self-satisfied attitude - "Islam is a perfect religion. We are Moslems, therefore we are perfect" - that was so repugnant to the reformists. One of the great calamities of Moslem civilization, according to an Algerian commentator, is the complacent and satisfied optimism born in a more or less voluntary delusion. By depriving this civilization of the incentive of creative dissatisfaction, it prepared it euphorically for the strangulation of death - "Colonizability". Or, from the pen of an Algerian novelist - "Worst of all is the lethargy, the somnolence. We hear only of settlers and colonization. But the real evil is our mentality ..." (3)

It is difficult to see here the possibility of an emergent nationalism, yet alone a revolutionary, and yet I believe that the emergence of Algerian nationalism (and in the Maghreb as a whole) came from within Islam. It arose from the inherent mechanism of Maghribi Islam to defend itself by puritanical reform, and in all three countries the emergence of early nationalism is closely linked with such reformist movements.

French rule posed Maghribi society with the problems of modernisation and change, the challenge of cultural adaption and the question of identity, and in meeting these "threats" the reformist movements can be analysed in social and political terms. Although ideologically linked to Sheikh Mohammed Abduh in Morocco (1849-1905), it was in Algeria that the reformers, under the leadership of Abd al-Hamid Ben Badis, were of greatest importance and retained their identity longest. The main aims of the reformist movement (Association of 'Ulema) were against the brotherhoods which were easily discredited by denouncing their traditional mediatory role with the central (French) government; to expand Arabic and Islamic education; to reform traditional religious education to make it adaptable to modern requirements; and to reject and discredit anything that suggested assimilation. Teaching was orientated to emphasising the accomplishment of this-worldly deeds - "God does not change a people until they change themselves" - "Work for this world as if you would live forever, work for the next world as if you would die tomorrow". And it was Ben Badis who replied to Ferhat Abbas by saying: "We, too, have searched in history and the present, and we have discovered the Algerian Moslem nation does exist This Algerian Moslem nation is not France, cannot be France, does not want to be France."

Whether such ideals as self-reliance, modernisation, national identity, and so forth, emanated directly from the reformist movement or from other groups which were operative, particularly during the inter-war years, is difficult to say, for the reformist movement was to a large extent transitional - designed to clear away the brotherhoods and the mentality of passivity and fatalism, and thus allow the transition to secularism. Whatever their position in this respect the Ulemas gave a certain legitimacy to these other more secular movements by providing a legitimate base for Algerian nationalism on the precepts of a Moslem identity, and in this respect acted as a cohesive force amidst potentially divisive elements.

The question of cohesion and national identity, particularly in terms of Islamic solidarity or unity, brings us back to the question of

Berberism. There are many differences between Arab and Berber, such as their different languages (most Berbers are bilingual - especially the men), different social and political organisations, and so forth, which gave rise to the French "Berber policy" in Morocco. But these distinctions are muted and more or less hidden within the religious homogeneity of Sunni Islam of the Malikite rite. Before returning to this question of religious homogeneity, we should briefly look at certain other factors which do not rule out the possibility of Berber separatist movements, but make their incidence less likely.

In Algeria there are four main Berber communities: the Kabyles of the Grand Kabylie and Djurdjura mountains, the Chouia of the Aures mountains, the small Mozabite community (Kharijites) in the Northern Sahara (Mzab valley - Ghardaia), and the Tuareg of Ahaggar and Ajjer in the extreme south of the country. The geographical isolation and numerical size of the latter two communities makes them politically insignificant, while the Kabyles (2-3 million), through their migrancy to France and Algiers, are much more cosmopolitan and tend to look down on their more rustic neighbours the Chouia (1 million). These geographical and social distinctions, in conjunction with the absence of any trans-national Berber movement, mitigates the changes of Berber separatist movements and Berber particularism. In addition, the cultural distinctions between Arab and Berber are muted, not only by their religious homogeneity (except the Mozabites), but because most Berbers are "Arabised". The absence of Berber literary language has not only denied them a "High Cultural Tradition" (4) and any formal Berber education, but made them susceptible to the adoption of Arabic and/or French. Berbers have always been prominent in Algerian political elites, but have rarely acted as "Berber spokesmen".

The unifying force of Sunni Islam throughout the Maghreb tended to be underestimated by the French, or rather they concentrated their focus on the more discreet ethnic differences between Arab and Berber. For as Professor Ernest Gellner so aptly commented, in summarizing Lawrence Rosen's study of Arab-Berber ethnic relations in Central Morocco: "A North African, looking around for a sign by which to identify or characterise a friend or an enemy, will find plenty close at hand, and some on the distant horizon: close to hand, a shared ancestor, an affinal link, pasture rights, a shared saint or pilgrimage, or, if necessary, an 'ad hoc' sacrificial meal to ratify an alliance and an obligation. On the horizon, there is Islam and the faiths from which it knowingly distinguishes itself." (5) If the Reformist movement did not necessarily clarify an already clear horizon, it is suggested that it sharpened up the hazy middle distance which was French and colonial.

Footnotes

1. Robert Montagne, *The Berbers: Their Social and Political Organisation*, 1931 (trans: 1973)
2. J. Dejeux, *Confluent* No. 34, Oct. 1973, pp 759-80
3. Assia Djebar, *La Soif*, Paris 1957:
see also Malek Bennabi, *Vocation de l'Islam*, Paris 1954
4. William B. Quandt, "The Berbers in the Algerian Political Elite", in E. Gellner & C. Micaud (eds) *Arabs and Berbers*
5. E. Gellner & C. Micaud (eds), *Arabs and Berbers*, Introduction p. 14
6. Lawrence Rosen, "The Social and Conceptual framework of Arab-Berber relations in Central Morocco", in E. Gellner & C. Micaud (eds), *Arabs and Berbers* pp 155-73

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VARIETY IN COMMUNIST THINKING

Jan F. Beekman

Introduction

When I use the word "communism" or "communist thinking" or communist "management", my conception of communism has nothing to do with the law in South Africa. The law here (Suppression of Communism Act, for instance) has defined communism in a very broad sense, making it almost equivalent to organised subversive political action in South Africa. Everybody, of course, is completely free to define things as they see fit, provided other people are informed about the definition, and provided other people are also aware of the fact that *other* definitions are possible. In this case, however, I cannot help thinking that the definition which our legislators have given to the concept of "communism" may often be misleading, unless one at the same time gives all the details about how and why this particular definition was chosen and how communism is understood to mean something quite different in the rest of the world. It is probably unnecessary to have to do so and, in so far as it is unnecessary, I apologise; but I would remind you of the fact that communism, as it is generally understood in the world, has nothing whatsoever to do with subversive action or with violence.

It has to do with a model distribution of income, with the answer to the question who owns the resources in a country, or in the world, and with the way in which the resources in the world are allocated and administered. It is, above all, an economic, and therefore a political, and therefore a philosophical concept. It is both an ideology and a very realistic set of economic rules, a system and a process. I do not want to go into the ideological background of the matter here. For one thing, I am not competent to do so; for another, ideological communism is emotionally too far away from me to enable me to identify with it and, moreover, it is, in this country, controversial to such an extent that it would be very difficult to arrive at a constructive discussion.

But I would like to go into the practical side of it, and in that context it so happens that a big part of the world *is communist*. It is that, and it is proudly so. We have lived through over 55 years of "separate development" on this issue. The communist and the non-communist worlds had very few relationships with one another, and the lack of concrete knowledge about one another's points of view has become dangerous and appalling. It was Claude Lévi-Strauss who identified lack of knowledge as the main reason why people tend to underestimate other people's value systems, cultures and thoughts. He maintains that there does not exist such a thing as inferiority or primitivism. According to him, the only inferiority that exists is the inferiority of people who think that other people are inferior. (This is a thing to keep in mind when talking about other systems, particularly so when the system is utterly strange and unappealing for application in our situation.)

It is only recently that we have had the chance to acquire information about the People's Republic of China; that we learned about authentic facts in relation to Cuba; that we were adequately informed about details of the Soviet Union and its satellite countries. We still speak about the communist "bloc" and, in doing so, we refer to a political power concentration, which is

threatening and which, to many of us, is monolithic. And to some extent this, of course, presents the truth. A power concentration is *always* threatening. It is one of the definitions of a power structure. But is it monolithic? We *know*, intellectually, that it is not. But emotionally there is the Russian bear, red or black-brown in colour, grumbling somewhere in the north-east, and it might well want to eat up all our cherished Christian values. This bear has cubs and it has one important relative, a particularly nasty one, in the Chinese dragon family. The main thing about them all is that they are communist.

Communist leadership in the Soviet Union has always tried to keep its cubs, or, if I may change my symbolism, its flock under control. But the flock would not be a real flock if some sheep had not tried some adventures on their own. Flock members always do. Hence heresy. Hence, and this is more important, the eternal struggle for deviant interpretations within an orthodoxy, trying to deviate without being heretical. Some of these efforts succeed, some do not. I would like to draw your attention to two examples of this phenomenon within the communist flock, one on the borderline, and at least officially, almost always blatantly outside the flock, one securely and undisputedly inside: Yugoslavia and Roumania; the Socialist Federative Republic of Yugoslavia and the Socialist Popular Republic of Roumania.

Roumania

I shall never forget how I visited Roumania for the first time. It was winter; winters in Roumania are very cold. The sky was overcast, the whole town of Bucuresti presented the colours of grey, dirty white and black. White snow, grey houses and a grey sky, people clad in black, with black furcaps. Not a very gay or stimulating spectacle. It was at the beginning of the evening, and I was walking in the street. It was difficult to get tickets for theatre, or concert, restaurants were not yet open, most shops were closed, and the whole atmosphere was rather cold, forbidding, uncompromising and unpleasant. But taking in the situation, there came second thoughts. Why was it difficult to get tickets? Because the population is so culture-conscious, because the cultural level is so unexpectedly high; because it is so easy and cheap for everybody to visit museums and concerts and theatres. Culture is almost free in communist countries. And everything in food and drink and in shops is so difficult to get, because this is a firmly regulated poor country on its way to development. It *has* to be difficult, it *has* to be strictly organised, if it wants to develop at all. Only a few generations ago, this country, or at least 98% of its inhabitants, lived in virtually mediaeval conditions. Really, the discipline and the sense of organisation and severity ought to be admired instead of criticised. And then came, on that winter evening, the synthesis for myself in a Hegelian triangle of thesis, anti-thesis and synthesis: Yes, I do admire what I see, but at the same time I hope that it will never be necessary for me to *live* here. Sometimes it is better to admire from far than from within.

Roumania is a middle-size country of 287 000 sq.km. with roughly 21 million inhabitants. It is a comparatively *new* country in the sense that its present form only dates from 1918 after a centuries-long struggle against Poles, Russians, Turks, Austrians, and Hungarians. It is very communist indeed. Only 0,2% of "industry" is in the hands of craftsmen's shops and small-scale private industry; of the other 99,8%, 95,4% is in state hands and 4,4% in the hands of cooperatives. In agriculture, about 9% of the arable land is in the hands of private owners (2 years ago, against 76% in 1950). Most of these 9% are small farms, going in for crop-growing or orchards and nurseries. The state owns 30% of the arable land; the remaining 60% is in the hands of cooperatives. This is almost fully

orthodox communism: the resources are owned by the community, following the Russian example. A Russian atmosphere prevails. There must be a markedly pro-Russian attitude of the population. But is there?

If you happen to speak Russian and you try to address people in the street in Russian, you will be disappointed. Certainly, Russian is taught in school, but it is not popular. In fact, no slavonic language is popular. It must be remembered that the Roumanian culture is Roman/Latin. Roumania is the name of the country. The language was originally a type of Latin, which is still fairly purely spoken in one district, and the second language of the country is decidedly French.

And when you talk to people in the government offices, to cabinet ministers, to communist party officials, to business people, to the receptionist in your hotel, or to the host who is officially entertaining you in the evening, you always hear the same story. That story is: we are not an Eastern-European country, we are Western. Our culture and our heritage are Western, and our future is Western. Certainly, we are communists, because the economic system of communism is the only one that can ultimately develop our country. But we are firm believers in co-existence and hope that others are too. This situation can best be explained by saying that Roumania belongs economically to the East but culturally to the West.

How do they manage? Let me describe two tools they use and one main principle. Administratively, Roumania is a republic, governed on three levels: national, district and local. The national government is at Bucuresti; there are 39 districts plus the municipal district of Bucuresti, making a total of 40, and these 40 districts are subdivided into just over 2 700 communes. The country is almost, but not quite, unilingual. Cultural differences are considerable, as might be expected in a country of the size and location - the Balkans, known for their turbulent history.

The development of this administrative machine is carefully planned. Several plans, all working at the same time, cover timespans of 1 year, 5 years, and 10 years. But the main and crucial venture in Roumania is the 5-year plan, the quinquinal. How does it work? In every single one of the communes a popular council is elected. It consists of 40-60 people, representing the population of the commune, which is normally between 4 000 and 8 000 people. To achieve effective representation a survey is made, analysing the commune's population in composition, age-grouping, male-female, profession, language (if, in fact, minority groups do exist). Eventually other important local circumstances and party membership are also considered. The councillors are a faithful projection of the result of this survey, because the list of candidates is made up on the strength of it. According to official Roumanian philosophy, this is true democracy. This council makes its plan for the forthcoming 5 years. This plan goes together with the plans of the other communes of the district, to the capital of the district, where they are harmonised to one district 5-year plan. Thereafter the same procedure starts again on a national level, the 40 districts' 5-year plans being harmonised by the national planning board.

This national planning board is one of the most important bodies in the whole republic. Top scientists and top politicians (among them practically the whole cabinet) are members. Their job is to make the planning procedure as realistic as possible. Their basis is three-fold: in the first place, there is the outcome of the last 5-year plan, the reality of the day; in the second place, the growth that can possibly be expected in terms of population tendency, the observed

patterns of internal and external change; in the third place, the plans from communes and districts, as they were presented to them. To determine a growth rate for a future period of five years is tricky. If you set your goal too high, you will not reach it and the result is either cheating or frustration. If you do not set your goal high enough, you will develop under optimum, because a 5-year plan tends to act as a self-fulfilling prophecy. When the national planning board has adopted a 5-year plan, it is discussed in the executive of the communist party and in the cabinet. After that it is ready for publication. This is usually done by the Prime Minister presenting it to the general assembly (Parliament). As from the adoption there it is law.

This law now has to be implemented. In order to do so, the government must keep check of two processes. The one is an internal, national process. It must watch the development in its 40 districts and 2 700 odd communes. Roumania has chosen a highly centralised concept of government, where the central government keeps the reins firmly in hand. It is, in fact, this centralisation which is the most marked characteristic of the whole management system in Roumania.

But Roumania is not a thing in itself; it is one element in two different international systems; the Western and the Eastern. Development is only satisfactory if it manages to function in both systems at the same time. Its external policy, therefore, reminds the spectator of a continuous skating performance of high calibre on very thin ice; this is simply because the communist political and economic bloc, under Russian leadership, does not like too noticeable flirtations with the West. It is an endless give and take. If in one week an agreement is made with the French government and the Renault factories on the fabrication of Renault cars in Roumania under a Roumanian name (Dacia, after the original population), the next week will bring a political agreement with Poland on an issue of national defence. The Roumanian government, under Prime Minister Ceausescu has shown real great statemanship, in its skilful manoeuvring in the narrow political margin which is left to the members of the Comintern and the Warsaw Pact. The crowning piece, so far, was a change in the legislation for National Defence, which took place some months ago, whereby the complete independence from other countries (meaning, of course, the U.S.S.R.), notably in defence matters, was heavily underlined. All this was brought about by skilful planning, skilful manoeuvring, by almost complete centralisation, without in the least being unfaithful to communist principles. Roumanians are still orthodox and rigid communists.

Yugoslavia

Yugoslavia is comparable in size, in number of inhabitants and more or less in historical antecedent (it is about the same size and has the same number of inhabitants and a similar turbulent history), but it is not comparable in anything else. Yugoslavia is a proper federation of six more or less independent republics; it is heterogeneous with four or five markedly different languages and three or four main religions. But, more important, it is a communist country that has always flatly refused politically to join the other Eastern-European states under the dominance of the Soviet Union. It has, under Tito's leadership, steered free from the East bloc as well as from the West bloc and it has always played a forefront rôle in the group of "non-aligned" countries, together with, for instance, Indonesia and Egypt. This course, however attractive it may seem for a country, has not proved to be an easy one. There was always the danger that the other communist countries (because Yugoslavia is properly communist, there is no mistake about that) would exert political, economic and even military pressure to such an extent that conformism to Russian requirements would be the only way out (as it happened in Hungary in 1956, as it happened in Czechoslovakia

in 1968, as it *almost* happened several times even in a non-communist country like Finland). There was furthermore the danger that nationalism in autonomous parts of the Yugoslavian Federation, particularly in Croatia and in Slovenia, would wreck federal unity to the point where national unrest would call for intervention from the side of the "Big Brother".

But despite occasional unrest, despite a famous court case like Djilas Yugoslavia has, so far, managed to remain independent, to play a constructive rôle in world politics, to develop from a technical, economic and social point of view and to safeguard its integrity and identity. It is rather a remarkable case of statesmanship. Yugoslavia, in this world, belongs to the well-respected countries, well-respected both by the capitalist, the socialist and the communist nations. How does it manage?

There are, of course, a number of factors contributing to this result, but one of the main items has undoubtedly been that Yugoslavia has contributed to the current politico-administrative systems in the world by launching its so-called "self-management" policy. It did so to a large extent in the administration of the government; it did this even more in the field of industrial management.

To a European, Yugoslavia suggests tourism, vacation, scenery, fishing trips, and the sun over marble in Dubrovnik. Yugoslavia has never been behind the "Iron Curtain" and Europeans have nearly always moved freely into and out of the country. But it is also a developing country in the Balkans, which has embarked on a way of speedy industrialisation. Industry contributes over half of the national income, agriculture is down to about 20% and the other sectors (mainly service rendering) to less than 30%. It is seriously attempting to develop a society with post-industrial values. But it does not do that on the basis of an average industrialising society; it does it on the basis of self-management. This means that self-actualisation is more important than achievement, that self-expression is more important than self-control, interdependence more than independence, collaborative relations more than competitive relations, linked objectives more than separate objectives. It also means that resources belong to society; they are not "owned" in an absolute sense. It is one of the many countries where education and professional expertise mean far more than political affiliation.

The educational situation was bad after World War II and there is still some illiteracy among the working-age population, but among the youngest age groups it has diminished to almost nothing (in the group 15-19 years old from 12,8% in 1953 to practically zero in 1970). Industrialisation means urbanisation and this, together with the war-time destruction, caused serious housing and other social complications and therefore a heavy taxation on the morale of the workers. The government started on a completely centralised model, like the Roumanian. But it always preserved the political space to manœuvre, and within a few years there was great uncertainty in the country, because nobody knew what the government was going to do. Was it going to decentralise, or was it not? There have been years when the situation was so confused that in a calendar year, an average of *three* regulating orders, proper laws, from the central government were issued per working day, pertaining to the economic situation of the country. (This was still true in the year 1965) - and these were only federal laws, and do not include the state and local laws! But slowly the decentralisers won their case, and after 1965 decentralisation was accepted as the guiding principle for the whole country, whereas self-management was the ideological and practical model in which this decentralisation found its expression. It is in complete contrast to the Roumanian example, and yet it has

remained truly communist. It is Yugoslavia's unique contribution to the world, in political and economic thinking, and it deserves to be studied very carefully, both in its theoretical conception and in its practical results. In fact, many countries are looking very carefully at what is happening in Tito's home, especially developing countries in Asia and Africa.

Self-management is a set of theoretical conclusions, taken from value judgements; it is also a practical guideline for public and private companies. It has not, and does not pretend to have, eternity-value, or even a sort of "missionary" overtone. It does not threaten anybody else, it is not a sort of "world programme". It is temporary and Yugoslavian, and that is all there is to it. The basic concepts of self-management are as follows:

1. It is a process, a transition period, in which a "New Man" will be educated and trained to operate in a stateless society and in which he will be guided by his conscience.
2. A member of a given organisation should be liberated from the bonds of hierarchy and alienation; these are the by-products of a vertical organisation which distinguishes between workers and managers. In a self-management all are workers *and* managers.
3. The sources of influence in self-management are not supposed to be based on vested hierarchical positions, but on professional authority and pure authority by acceptance.

This seems very idealistic, more or less like saying, "Everybody should be good and then society will come to peace". Which, of course, is true, the only little snag being that everybody just *is* not good and probably never will be.

When Tito started, after World War II, he was a successful rebel-leader, a kind of guerrilla chief who had succeeded. He was a doctrinaire Stalinist, but he was also a nationalist. In order to make his nationalism creditable, he *had* to come with something new, something more than just saying, "I am a Yugoslav". For what could be the real point of not conforming to the Comintern? He was forced to be an innovator, and he became one. Self-management was what he offered and what his people accepted and came to believe in. The government set - to some extent - an example, but was not unchallenged. Tito has been involved in political fights all the time, practically to the present day. He had to fight against centralisation tendencies, for instance, in the secret police. He won the battle; he ousted the Chief of the secret police, Rankovic, his comrade of revolutionary days, as recently as 1966. But he also had to fight against one of the possible weaknesses of any decentralisation process, namely, complete lack of control and undesirable nationalism in each of the six federated states that threatened to upset the unity of the whole republic. What is more, he had to make true that self-management really leads to self-management, that is collective leadership. Was not he, himself, with his fargoing centralised power, the very contradiction of his own theories, visible for anybody who took the trouble to think twice? People from the Balkans have always been politically conscious and distrustful.

A country's economy rests upon its industry. It was in industry above all that self-management became a reality. Workers managed their own factories; the decentralisation theories of American industrialists and theoreticians like McGregor and the famous G Motors under Sloan were applied to the extreme. And, in the beginning, with great success. This is not unusual; it often happens that a new theory succeeds, amongst others, because the first group of people believe in it and show a devotion and a self-sacrificing attitude that would turn almost any theory into a success. But Yugoslavia is, just like Roumania,

and show a devotion and a self-sacrificing attitude that would turn almost any theory into a success. But Yugoslavia is, just like Roumania, not on its own. It is part of the world and, economically, it is part more of the Western than of the Eastern world (it has for example fargoing agreements with the Common Market). Recession, inflation waves do not leave Yugoslavia untouched. And decentralisation has dangers. Around 1965, at the same time that decentralisation won a complete victory, clouds appeared in the economic sky. Tito was nearing 80, an old man, involved in all sorts of national and international political struggles. However, he fought once again; this time for two things. First, a centralisation of overall policy-making in the whole of the Republic; but secondly, for a continuance of the decentralisation self-management policy in industry and in every other thing - because the party-theoreticians continued to believe in the value of decentralisation. The communist party, which had let control slip away, took matters once more in hand and purged itself; a kind of cultural revolution and a purge according to the Yugoslav style, that is to say without any bloodshed, a peaceful purge. It was necessary to make people see that self-management is not an easy thing, but can only succeed if the people who implement it are prepared to face their own weakness. Tito did a third thing. He put the Presidency of the country into the hands of a group of people representing the state of Yugoslavia. A collective leadership, a step on the road which eventually must lead to a "stateless state".

It is too early to know whether this purification and cultural revolution will have the desired effect, and it is of no consequence. The Yugoslav experiment is under way and nobody knows what the outcome will be. Some give it a good chance, some *believe* in it, others are sceptical. It is not for us to judge it, nor is it our affair. It is, however, interesting as a phenomenon, which one watches with the respect and sympathy owing to a country which tries to solve problems in a way they themselves choose without hurting or threatening other people.

The point I am trying to make is that a philosophical and political system of the importance of communism, a system which is followed by a big part of this world, is *not* a monolithic thing. This is both understandable and logical. But this goes so far that truly communist countries, neighbouring countries even (Yugoslavia and Roumania have a common frontier of 546 km) interpret their communism in completely contradictory ways. The main policy principles in the two are basically and fundamentally opposed to one another. There is, indeed, great variety in communist thinking. I would like to carry this point just a bit further.

Communism has two aspects, that are very clear to every educated man or woman who is interested in politics and government. First, it is strange and different and, second, it is threatening. It is not uncommon to connect these two, saying that it is of necessity both at the same time. Let me, for the sake of argument and on the strength of arguments like the ones put down, just for a moment disconnect the two. Communism, as a phenomenon, can indeed be a threat to the rest of the world. This is especially so when one sees communist countries as a power bloc and when one looks at the "world revolution" type of theories that some, notably Russian, communists adhere to. But here we have two communist countries, one inside the Comintern and one outside, that are both firmly out of step with the rest. They are both, but especially Yugoslavia, considered to be trouble shooters, heretics and underminers by the other members of the Comintern family.

Would it not be wise for us to look very carefully at developments in these countries, to be a bit more sophisticated in our appreciation of non-capitalist countries and not to be too aggressive in our attitude towards them?

Apart from the fact that it never hurts to show respect for an honourable effort, these two efforts do not intend to harm us, they might even be considered to be moderately useful.

Variety in communist thinking is worth studying; human relations always are. The world has become so small that we cannot very well afford to neglect them.

Professor Beekman is Professor
of Public Administration
at the University of Cape Town.

The above talk was given to a meeting of the Cape Town
Branch on 12 September, 1973.

*INVESTMENT IN SOUTHERN AFRICA:
THE STAND OF THE WORLD COUNCIL OF CHURCHES TOWARDS SOUTH AFRICA
AND THE REACTION FROM SOUTH AFRICA*

John Rees

HISTORY

The World Council of Churches has been speaking prophetically on the South African situation since 1954. At its Evanston Assembly in that year, and later at its New Delhi and Uppsala Assemblies, it asked that the Churches in South Africa seriously consider their whole position in regard to the policy of Apartheid. It was the Council's opinion that Apartheid would ultimately lead to a very unhappy situation within the life of the country, to the extent that it envisaged that there might even be violent repercussions.

It was in 1968, at the Uppsala Assembly, that the World Council of Churches looked seriously at the question of racism. At that Assembly. White racism was identified as the most blatant form of racism being practised in the world - a world beset with racial tensions and violence. From that Assembly the mandate was given to set up a Desk to look at the whole question of racism, and so was born the Programme to Combat Racism. This Programme is in two parts: the Programme itself - an on-going research programme looking into the causes of racism right around the world; and also a special Fund to Combat Racism, from which grants are made to organisations which in the opinion of the Central Committee of the World Council of Churches are combatting racism in their particular areas. It was from this Committee that the controversial grants to certain organisations operating in southern Africa were given.

In 1971, at the Addis Ababa Central Committee meeting, the World Council of Churches asked that the question of investment in southern Africa be carefully looked at by its member Churches, and the Programme to Combat Racism immediately put special emphasis on this. Together with the United Nations Unit on Apartheid, it began to study the whole picture. Meanwhile other agencies around the world took an interest in this subject, so that there are now a number of political institutions and universities all working together on such questions as boycotts of South African goods, boycotts against investors who have money in South Africa, possible blockades of South Africa, and general economic action against South Africa. Over a period of one year these various committees met, and eventually the Programme to Combat Racism announced that it would recommend to the World Council of Churches the withdrawal of investments in South Africa and disinvestment on the part of the Council itself in respect of those stocks which it held. (The resolution containing this recommendation was submitted to the Central Committee of the World Council at its August, 1972, meeting. See below, pages 36-37, for the Central Committee's final resolution.)

INVESTMENTS IN SOUTH AFRICA

To illustrate the approach of the World Council of Churches I shall here present the information and viewpoint given in the relevant W.C.C. document, produced by the Executive Committee of the Programme to Combat Racism. ("Background paper to the recommendations of the Executive Committee of the Ecumenical Programme to Combat Racism to the Central Committee of the World Council of Churches on Investments in Southern Africa")

The document gives figures on foreign economic involvement as follows:

Foreign economic involvement in Southern Africa, primarily by the U.S.A. and countries of Western Europe, takes three forms: TRADE, LOANS, and INVESTMENTS. Some idea of the extent of this foreign involvement could be total outstanding foreign currency obligations (loans) of the Government and public corporations were as follows:†

<i>LOANS:</i>	Pounds Sterling	14,788,276
	Florins	58,337,000
	Deutsche Marke	1,195,000,000
	Swiss francs	2,267,921,461
	United States dollars	91,455,000
	Units of account	62,550,000
	European Currency Units	25,000,000
	Maltese Pounds	5,000,000

(Figures from U.N. Apartheid Committee, May 1972)

INVESTMENTS: The figures for foreign investment in South Africa reach the staggering total of £2,984 million in 1970.

In 1965-67 foreign investment in South Africa averaged £93 million a year: in 1968-70 it averaged £235 million and in 1970 itself it reached a record of £328 million. The total for 1971 will be even higher: in the first six months of 1971 foreign investment was £226 million, over 50 per cent higher than the figure for the first six months of 1970.

Britain is by far the largest single investor in South Africa: in 1970 sterling investment (nearly all British) there amounted to £1,728 million, 58 per cent of total investment. Investment from Western Europe was £721 million, 24 per cent of total investment. Dollar investment (nearly all from the USA) was £438 million, 15 per cent of total investment."

When the World Council of Churches was faced with this question at its Utrecht meeting in August 1972 (at which meeting I was present), it analysed the situation on the basis of three possible approaches or alternatives, as presented to it by the Programme to Combat Racism. In summary these were :

A. The argument for increased involvement, which stresses that by the promotion of investments and infusion of money the lot of the underprivileged would be altered as a result of increased work opportunities and higher wages.

† Some words appear to be missing in this sentence as reproduced in the document.

B. The argument for reform, by pressing business interests to provide better opportunities and to plough back profits into educational and other benefits for the black community.

C. The argument for withdrawal, by severing links, stopping providing economic support for the White minority, withdrawing investments, and creating such an unfavourable climate for overseas investors that they would be put off investing in South Africa.

The first two alternatives were rejected, and the third one was accepted. The arguments in respect of each alternative were as follows, summarising from the document referred to above :

A. *Arguments against increased involvement*

1. The border industries have failed, being a totally unviable proposition.
2. The increases in population negate the idea of developing the homelands fast enough.

As regards the possibility of developing the Bantustans through investments, the background document said that "... the bluff was called by the Rand Daily Mail which stated:

'We have at the moment 3.7 million Whites and 13.7 million Africans. The Bureau of Census and Statistics estimates that by the end of the century there will be 7 million Whites and 27.9 million Africans ("Die Beeld" recently published new estimates, which it said were authoritative, of 6 million Whites and 35 million Africans).

'At the moment 4.1 million Africans live in the projected Bantustans. If these areas are developed to a quite unimaginable degree with the creation of 85,000 new jobs a year (the present average is 100), they will be able to accommodate at most 10 million Africans by the end of the century.

'That means at least 17.9 million Africans will still be living in "White" South Africa - or 25 million if one works on "Die Beeld's" figure. Plus 5.8 million Coloureds and 1.1 million Asians.

'In other words even if separate development is implemented with unimaginable success, "White" South Africa will still be more than three-quarters Non-White. Nothing will have been solved.' (Rand Daily Mail, 18 April, 1970)

In addition there is the more obvious contradiction that Apartheid is a system designed specifically to provide cheap labour by the use of force.

Sometimes foreign companies claim to oppose Apartheid by circumventing the restrictions on the use of black labour, and they may even consider violating regulations when the need arises. But many of these violations are approved by the Government, because of the shortage of white workers for "white" jobs.

3. Increased use of and dependence on black labour does not lead to better living conditions or to political power for Blacks. African, Asian and Coloured participation in the industrial work force has risen from 64 per cent in 1946 to 77 per cent in 1970. Yet this period also saw the growth of a sophisticated network of discriminatory legislation to counter African nationalist aspirations. For instance, since the passage of the Group Areas Act in 1956, the Government has removed more than half the entire Indian population from their homes and placed them in specially designed townships; and in 1970 parliamentary representation for Coloured people was finally ended.

4. The wage gaps in the period 1966-1971 in fact increased rather than decreased, particularly in the mining and manufacturing industries.

5. Increases in overall African wages over the years 1956-70 were offset by inflation and population growth, thus causing the per capita income to drop.

6. An additional factor is the question of white immigrants filling new jobs, thus removing opportunities for black people. In the ten years 1961-1970 a total of over 374,000 immigrants had arrived in South Africa.

B. *Arguments against reform*

1. Reference was made to what was said to be the Polaroid failure. Under this "reform" Blacks took over White jobs where Whites were given higher positions, which was the pattern of the past being maintained.
2. In addition, there was a whole statute book of legislation against creating opportunities for the sharing of work opportunities with Blacks.
3. The question was raised as to what reform there could be without the existence of trade unions to play their part.
4. It is worth quoting here from the background document referred to above:

"Moreover, as has been pointed out by Mr. Tim Smith of the U.C.C.'s Council for Christian Action, a close scrutiny of the statements of the most liberal industrialists shows that they 'do not ask for an abolition of apartheid nor even the abrogation of the industrial colour bar, but merely for the relaxation of some restrictions which would enable them to fit non-whites into jobs where whites are no longer available. The underclass would be allowed to move a small number of "representatives" up the pyramid, but the essential pyramidal relationship, which makes the rules, would not have shifted one inch.

"If our goal is to alter that power relationship so that political power is shared, the goal of all the Coloured, African and Asian political parties before they were banned, then the integration of a number of skilled Africans into the lower echelons of the white economy is hardly a cause for celebration. The political power remains firmly rooted in the hands of a government responsive only to a white constituency. The result is simply a nation of slightly better fed and clothed political and economic serfs ...

... In fact the theme of white control is the parent of apartheid, allowing parts of the latter to be reshaped without touching the former.'

"He adds : 'By pressing for certain limited economic reforms but not for deep-rooted change liberal industrialists will be able to achieve a number of economic objectives:

- greater productivity than is possible with white workers;
- overcome the problem of not having a regular supply of cheap labour;
- produce at lower unit costs because of paying lower wages to non-whites for doing the same jobs, thus increasing their profits;
- be able to compete in the export market, especially in the rest of Africa, and so hope to increase their political stranglehold on areas in that continent;
- at the same time maintain the artificially high standards of living of the white community;
- put on a face to the rest of the world that their intentions are honourable.'" (Tim Smith, American Corporations in Southern Africa)

C. *Arguments for Disinvestment and Withdrawal*

The Council accepted this approach which would include applying pressure on overseas companies so as to create a negative image of South Africa. Some arguments used in favour of this approach were :

1. The Council should identify with the oppressed peoples and show them that they were receiving support from outside in their struggle.
2. Less money would be available for armaments.
3. The possibilities of exploitation would be reduced, if there was less investment.
4. Attention was paid to what had been said by the South African Students Organisation (SASO) and by the Coloured People's Labour Party, who had spoken against investment in South Africa.
5. The contention that Blacks would suffer as a result of withdrawal, was overruled by the argument that they could hardly suffer any more than at present.

The World Council of Churches adopted the latter approach believing it to be the only non-violent course left open to them and one which might offer a far-reaching solution.

WHAT HAPPENED AT UTRECHT

There were three South Africans at the Utrecht meeting, and each of us made our particular stand against the resolution for disinvestment. We were involved in a considerable number of discussions, and in no small measure played our part in the redrafting of resolutions which were proposed. Finally, the resolution which was adopted by the Central Committee of the Council was as follows : (The Central Committee consists of 120 members. There were four votes against the resolution and several abstentions.)

The World Council of Churches, in accordance with its own commitment to combat racism, considering that the effect of foreign investments in Southern Africa is to strengthen the white minority regimes in their oppression of the majority of the peoples of this region, and implementing the policy

as commended by the Uppsala Assembly (1968) that investments in "institutions that perpetuate racism" should be terminated:

- a) *instructs* its Finance Committee and its Director of Finance
 - i) to sell forthwith existing holdings and to make no investments after this date in corporations which, according to information available to the Finance Committee and the Director of Finance, are directly involved in investment in or trade with any of the following countries: South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guinée Bissao; and
 - ii) to deposit none of its funds in banks which maintain direct banking operations in those countries.
- b) *urges* all member churches, Christian agencies and individual Christians outside Southern Africa to use all their influence including stockholder action and disinvestment, to press corporations to withdraw investments from and cease trading with these countries.

It is noteworthy to mention that the German Churches put up a very strong defence of investment in South Africa.

Our stand as Representatives from South Africa

We pleaded for selective engagement. We believed that the arguments (particularly that of disinvestment) were weak, being easy conscience-salving solutions. The analysis which had been carried out was on purely financial facts, whereas we believed that we were living in a dynamic and changing situation and there were many who were working in South Africa and who wished for the establishment of a common society. Our view was a hopeful one. We believed that by investment and pressure on those people who were investing in South Africa, favourable opportunities could be provided for Blacks. Further, we were concerned that there should be Christian balance, so as to ensure that the two alternatives for investors should be fairly stated - i.e. both investment and disinvestment. It was against this background that the resolution was taken.

WHAT HAS HAPPENED AFTER UTRECHT

We believe that after Utrecht there has been considerable interest in what companies should be doing in South Africa. This has been illustrated in my own case: I have been invited to a host of meetings to address businessmen on their responsibilities towards South Africa. We also believe that it is important that the United Church of Christ, one of the leading opponents of Apartheid, decided to reject the World Council of Churches' recommendations and to back the stand of the Church in South Africa. It is against this background that I am disappointed in the reaction of the Hon. the Minister of the Interior who has intimated that he would ban the admittance of researchers into South Africa, for I believe that we would be able to create a healthy climate for achieving change in industry, which is much needed.

SOME OBSERVATIONS AND CONCLUSIONS

Many of the problems which come before the World Council of Churches are similar to those brought before the United Nations. The rich are getting richer and the poor are getting poorer. How does the world cope with

this, and how does a conscience stricken West react to an accusatory Third World? South Africa is a microcosm of a world beset with racial troubles. The rich West and the poor Third World can easily find a common enemy in South Africa, which enables them to turn a blind eye to their own shortcomings and act in a common manner against South Africa, thereby diffusing the issues which they are facing at home.

Yet the reaction on the part of South Africa is very similar - we tend to over-react to whatever the world says and does, but in particular, in South Africa, we over-react to the World Council of Churches. The issue before South Africa, i.e. of justice and reconciliation and of equal opportunity for all, therefore becomes diffused; and we are caught in exactly the same bind as our overseas friends.

As a South African, I am deeply concerned about the fact that we tend to react and over-react and thereby isolate ourselves even more.

These are some of the conclusions I wish to draw from my experience:

1. We do not have the time to sit on committees and discuss the problem - what we need now is action, for the tenor and feeling of the people in South Africa is very strong. We must show that we mean business.
2. We need urgently to discuss at top level and in all our leadership
 - i) the training of African leadership and its implementation,
 - ii) the payment of living wages, and
 - iii) the creation of equal opportunities.
3. The moral ethics at play in industry should be analysed. What do we pay? Why do we pay? Why do we draw a distinction on the basis of colour?
4. I believe that the time has come for the support of Black initiated projects with no strings attached. This means that we must look at the whole subject of corporate giving and what this entails.
5. I believe we need to analyse carefully the effects of our present legislation on the whole economy. In this regard I commend the book *Power, Privilege and Poverty* published by Sprocas.
6. I believe that the time has come for the development of a Code for Investors so that they may have a yardstick against which to judge themselves.
7. I believe that an absolute priority is free and compulsory education for all.
8. I believe that the time has come for us to work on practical models so as to give hope to many of the dispossessed peoples.

Mr. John Rees is General Secretary of the South African Council of Churches. In this capacity he has attended meetings of the Central Committee of the World Council of Churches.

Mr. Rees addressed a meeting of the Witwatersrand Branch of the Institute on 31 August, 1972, on the subject of the W.C.C.'s stand on investment in South Africa (plus certain other territories in southern Africa). The above article is a shortened and revised version of the information, comments and conclusions conveyed by Mr. Rees at that meeting.

BRIEF REPORTS / KORT VERSLA E

Britain's Economic Relations with African States

The August/ September 1973, issue of *Overseas Review* (published by the Conservative Political Centre in Britain) gives the following information regarding economic relations with Black States of Africa: -

Trade: Britain's total trade with all African states is of the order of £1,400m. Of this approximately £800m. consists of exports to and imports from Black African states. (The remainder is principally our trade with South Africa.) The following are the three largest trading partners of Britain in Black Africa with the figures of their import and exports for the year ending 31st December 1972:

	<u>EXPORTS TO UK</u> (£m.)	<u>IMPORTS FROM UK</u> (£m.)
Nigeria	156.1	153.9
Kenya	29.0	55.6
Zambia	60.4	46.2

In 1965 the figures for British imports from and exports to Rhodesia were £29.2m. and £31.5m. respectively. Since then and as a result of the sanctions policy, trade has been reduced to negligible proportions. With such a long gap in normal trade, it is impossible to estimate what the level of trade might have been had controls not been introduced. However, it seems clear that even were normal trading now to be resumed with Rhodesia, Britain is very unlikely to ever again to have the share in the Rhodesian market that it had up to 1965, when we supplied about 30 per cent of Rhodesia's import needs.

Investment: Figures for direct investment are never as up-to-date as trade figures, and the last year for which published figures are available is 1968. In that year the book value of Britain's investment in Africa, south of the Sahara (excluding South Africa, Rhodesia and the Portuguese territories) stood at approximately £328m. If one takes the three independent Black African states where Britain has the largest investment stake, the book value of our investment in 1968 was as follows:

Nigeria	£93.6m.
Kenya	£53.7m.
Zambia	<u>£25.6m.</u>
Total	£172.9m.

It should be noted that these figures exclude oil, banking and insurance, which are all areas of business where British firms have for long been active in Africa. The same qualification applies to our investment in South Africa which was £585.6m. in 1968.

In a Written Answer on 26th June, Lord Balniel set out estimates of net additional investment in African states south of the Sahara (excluding South Africa, Rhodesia and the Portuguese territories) for the years 1969-71. The total of net investment over these three years came to an estimated £114m., thus increasing substantially the 1968 figure.

Of growing importance to the overall picture of Britain's economic involvement in Africa is the factor of Nigerian oil. Nigeria has a significant proportion of the known oil reserves of the world, and is currently supplying this country with 10 per cent of its import needs. British companies are playing an important part in develop-

Congressman Biester said he believed American businesses "are doing better" in this regard "in the sense that they are paying better wages to Blacks than indigenous companies or companies from other countries are doing. But I feel they can do much better by paying a full wage rate for the job which, it seems to me, even the American companies are not sufficiently doing."

Congressman Bingham said the report which the two legislators will submit on their trip "will reflect the fact that we both believe American companies in South Africa should be pressured to improve their practices with regard to Black African labor, to raise the standard of Black Africans in wages, training, and education, but that we will not support the drive that such companies should be urged to pull out." He continued:

We'll also recommend that American investors consider investing in the Homelands -- the new semi-autonomous areas in South Africa that are, to a degree at least, administered by Black leaders. This would be something of a new departure. But I think from my talks with Black Africans within South Africa and some leaders outside South Africa, that they believe this would be a constructive thing for American enterprise to do, and I suspect that we'll recommend that.

Regarding Lesotho, Congressman Biester said he had learned that there were 250,000 "Lesothians" working in South Africa. "They are working for a number of companies and, obviously, many of them have considerable skills. There is a possibility for American investment in their own land, so that they can use their skills where they can live with their own families and contribute to increased production for their own country. I think it is an idea worth exploring and worth promoting to the American private sector."

The above report is based on an article in USA News Digest, Vol.12, No.40, 3 October, 1973.

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- Prepared by the Institute's Staff -

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RECENT INSTITUTE PUBLICATIONS AVAILABLE

Some Reflections on the General World Situation by Dr. Charles Malik.
Dr. Malik, a former Foreign Minister of the Lebanon and President of the U.N. General Assembly, visited South Africa in 1972.
This paper is based on an address to a meeting of the Witwatersrand Branch of the Institute during that visit.

Southern African Voting Patterns in the United Nations General Assembly, 1971 and 1972 by David Hirschmann.

This paper contains an analysis of the voting positions taken by all the independent countries of the southern region of Africa on the important issues of concern in this region, which are considered annually in the General Assembly.

Questions Affecting South Africa at the United Nations, 1972 compiled by John Barratt and David Hirschmann.

This paper is the latest of an annual series, containing the texts of resolutions and important statements concerning South Africa's relations with the United Nations.

The Bridge and the Laager: South Africa's Relations with Africa, with Specific Reference to Malawi by David C. Preiss.

This essay was prepared by a student in the Department of International Relations of the University of the Witwatersrand.

MEMBERS ARE REMINDED that the above papers, as well as papers listed in previous issues of the Newsletter, are available on request at no charge.
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The Goodyear Tyre and Rubber Co. (S.A.) (Pty) Ltd.
Haggie Rand Ltd.
Hill Samuel S.A. Ltd.
Industrial Development Corporation of S.A. Ltd.
Johannesburg Consolidated Investment Co. Ltd.
Legal and General Assurance Society Ltd.
The Metal Box Company of South Africa Ltd.
Mine Labour Organisations (Wenela) Ltd.
Mobil Oil Southern Africa (Pty) Ltd.
Natal Tanning Extract Company Ltd.
Nedbank Ltd.
Plate Glass and Shatterprufe Industries Ltd.
Pretoria Portland Cement Company Ltd.
Price Waterhouse & Company
Rembrandt Tobacco Corporation (S.A.) Ltd.
Shell South Africa (Pty) Ltd.
S.A. Associated Newspapers Ltd.
S.A. Breweries Institute.
S.A. Philips (Pty) Ltd.
South African Iron and Steel Industrial Corporation, Ltd. (ISCOR)
The Standard Bank of South Africa Ltd.
Syfret and S.A. Trust Cos. Ltd.
Tiger Oats & National Milling Company Ltd.
Total South Africa (Pty) Ltd.
Toyota South Africa Ltd.
The Trust Bank of Africa Ltd.
U.D.C. Bank
Unilever S.A. (Pty) Ltd.
Union Acceptances Ltd.
Union Corporation Ltd.
Volkswagen of S.A. Ltd.
White's Cement Co. Ltd.