

# NEWSLETTER SAIIA NUSUBRIEF

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**DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE**  
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*Die Suid-Afrikaanse Instituut van Internasionale Aangeleenthede word deur sy Konstitusie daaraan weerhou om 'n mening oor enige aspek van internasionale aangeleenthede uit te spreek. Menings wat in hierdie publikasie uitgespreek word, is derhalwe die eksklusiewe verantwoordelikheid van die onderskeie outeurs en nie dit van die Instituut nie.*

Die Nuusbrief word gratis aan lede van die Instituut verskaf. Kopieë is op aanvraag beskikbaar (75 sent per kopie, plus posgeld).

## DIRECTOR'S NOTES

The Institute's National Executive Council held its biennial meeting in Cape Town on 23 February, 1976. The attendance at this meeting was a record one, with Councillors present from seven of the Institute's eight Branches. The Institute's National Chairman, Dr. Leif Egeland, was re-elected, as was the Deputy Chairman, Mr. Gideon Roos. As Vice-Chairmen of the Institute, the Council elected Mr. H.F. Oppenheimer, Dr. C.B. Strauss and the Chairmen of all the Branches. Mr. J.C. Williams was re-elected as Honorary Treasurer of the Institute.

Copies of the Chairman's Report to the Council have been circulated to all members and associates of the Institute. (Further copies are available on request, if needed.) It is hoped that all members have been able to peruse the Report, as it is an important document, setting out, on the one hand, evidence of the Institute's constructive growth and emphasising, on the other hand, the vital need for substantial additional resources to enable the Institute to fulfil its role more effectively.

While the Chairman's Report is concerned mainly with recent and current activities of the Institute, it is worth recalling that the Institute has a relatively long history, through changing times in South Africa, since its founding 42 years ago. Its growth has been especially noteworthy in recent years, since the establishment of Jan Smuts House as a centre for international studies in 1960, but its role in South Africa is by no means a new one and it was not founded as the result of any particular international circumstances, such as the present critical situation in Southern Africa. It is important to recall this at a time when a number of other organisations have been founded in response to particular events of recent years, affecting South Africa.

At its biennial meeting in February the Council was very pleased to welcome the representatives of two new Branches, founded since the previous meeting of the Council, namely the Border and Transkei Branches. The activities of the Branches throughout the country are an essential part of the Institute's work of stimulating a wider and deeper understanding of international issues, and this indication of the growth of these activities is very gratifying. The Council was also pleased to welcome the founding of a new Institute of International Affairs in Salisbury, Rhodesia, and the close co-operation between it and the South African Institute.

Our links with similar Institutes in many countries throughout the world are of great value to our work, and some of these links were reinforced by personal contact during my study visit to Germany and the United Kingdom in November/December, 1975. In May of this

year, I shall be visiting the United States for a month, when further opportunities will arise for contacts with various institutions working in the international relations field.

A book which will be of interest to many members will be published by Macmillan in London in May. It is *Strategy for Development*, containing a variety of articles based on papers presented at the last major conference held at Jan Smuts House. Members will be informed as soon as copies are available from the Institute. The Institute's next conference is to be held in Umtata from 24 to 27 November, 1976, when the international implications of Transkeian independence will be considered.

This issue of the *Newsletter* is appearing in a new format which it is hoped members and associates of the Institute will find both more attractive and more convenient. Other periodical publications, such as *Southern Africa Record*, will in due course also appear in a different form. The Institute is now planning the publication of a regular *Southern African Journal of International Affairs* to provide an independent forum for the publication of original research on international relations in this region. The successful launching of this new journal will depend on the financial support it receives, and it is therefore hoped that members will be prepared to give it their full backing.

At a recent meeting of the Institute's Administrative Committee, tribute was paid to the memory of Major Louis Kraft, who died in Johannesburg on 18 January, 1976. Louis Kraft was the first full-time General Secretary of the Institute in the years immediately after World War II, and we owe a very great deal to his enterprising initiative in pioneering the Institute's role in South Africa.

John Barratt

Jan Smuts House  
April 1976.



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**EDITOR/REDAKTEUR:** Denis Venter

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All correspondence on editorial matters should be addressed to the Editor, *Newsletter*, South African Institute of International Affairs, Jan Smuts House, P.O. Box 31596, Braamfontein 2017, Johannesburg, South Africa.

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# THE WORLD BANK AND ITS ASSISTANCE TO AFRICA

Dr. Ian M. Hume

It is, perhaps, best to start off by giving a general outline of the structure of the *International Bank for Reconstruction and Development* (IBRD) – popularly known as the World Bank and sometimes also referred to as the “Bank Group” – before focussing on its particular operations in Africa. It is important to understand the nature of the organisation, before examining its operations in any particular region. This is, however, not a critical assessment, but rather a more or less general and factual description of the nature of the Bank and its activities.

## THE WORLD BANK GROUP

My discussion of the Bank will focus on two general themes. Firstly, the status of the Bank, which will include a brief account of its history, its objectives, its membership and its financing; and secondly, the structure of operations in the Bank, in which focus will not only be put on its lending operations, but also on other important activities which it performs.

### Structural Framework

The Bank, together with the *International Monetary Fund* (IMF), was founded at the Bretton Woods Conference in 1944 as one of the United Nations’ “sister” agencies. Despite the fact that the war had not yet ended the 44 nations who attended the Conference were planning for a major effort in post-war international economic co-operation. There were three important needs for this type of co-operation:

- the need for reconstruction in Europe;
- the need to develop the poorer countries of the world; and
- the need for reconstituting the system of world trade and payments.

It was the IMF which was given the task of seeing to the third of these needs – that is, the reconstitution of trade – by providing balance of payments support and a rational structure of foreign exchange policies. For its part, the Bank was charged with reconstructing Europe, and later also with developing poorer countries. Lord Keynes, who was a principal mind behind the conception of the Bank, was quoted as saying at the Bretton Woods Conference: *It is likely, in my judgement, that the field of reconstruction from the consequences of war will mainly occupy the proposed Bank in its early days. But as soon as possible, and with increasing emphasis as time goes on, there is a second primary duty laid upon*

The author was formerly with the World Bank (Latin American and Eastern European sections) and is now Director of the Whitsun Foundation, Salisbury, Rhodesia. This article is an edited version of an address to a meeting of the Institute of International Affairs, Salisbury, on 26 February, 1976.

it, namely to develop the resources and productive capacity of the world, with special reference to the less-developed countries.<sup>1</sup>

Thus, as the Bank opened for business in June, 1946, its first loans, totalling about US\$500 million, were made to France, the Netherlands and Belgium. This sum, however, was about two-thirds of the Bank's usable capital at that particular time and it became clear that the task of reconstruction was beyond its resources. The task of reconstruction was, therefore, taken over by the Marshall Plan and thereafter the Bank increasingly turned its attention to long-term lending for the economic development of its poorer member countries.

Although it is a so-called "sister" agency of the United Nations, membership of the UN is not a precondition for membership of the Bank. The only precondition is that a country must first be admitted to membership of the IMF, and membership of the Bank is then conferred more or less conjointly. This precondition is insisted on by the Bank, because countries are required to abide by certain principles and practices – especially as regards trade and exchange policies and the provision of certain types of information, relating to credit-worthiness and other matters – as laid down by the IMF.

Today the Bank has 125 members, a list which includes most less-developed countries and most of the non-socialist, industrialised countries. The Bank is therefore not really a *world* bank, since most of the socialist world does not, in fact, hold membership. However, while true, this fact follows not from any decision of the Bank's, but from decisions made by the socialist countries themselves. Although the Soviet Union participated in the Bretton Woods Conference and agreed to the Articles of Agreement, it never, in fact, signed them and hence never became a member. While Poland and Czechoslovakia became members, Poland withdrew under Soviet pressure in 1950 and Czechoslovakia placed itself in such a position, over a minor technicality, that it had to be expelled in 1953. In December, 1972, Rumania however joined the Bank and the IMF, thus being the first COMECON country to participate in the activities of these institutions since the withdrawal of Poland and Czechoslovakia in the 1950's. Yugoslavia, of course, though not a member of COMECON, has been a member of the Bank since 1948. In addition to these two countries there are others, notably Algeria, Guinea and Tanzania in Africa, which have socialist regimes of one kind or another. The notable exception to membership among the socialist countries is, of course, Communist China, which applied for membership shortly after taking its seat in the United Nations, but this application was never followed up.

<sup>1</sup> Quoted from Mason, E. and R. Asher, *The World Bank since Bretton Woods*, The Brookings Institution, Washington, DC, 1973.

The Bank is financed from two principal sources. First, there are the capital contributions which all member countries pay when joining. This subscribed capital now stands at a total of some US\$25 billion, but only 10 percent of this is actually paid-up. The unpaid portion is callable and serves as a guarantee fund to secure a backing for Bank obligations in the event of borrowing in order to finance operations. It was always intended that the Bank would provide most of its funds from borrowing, which is now certainly the case. In 1975 the Bank borrowed US\$3,5 billion, while total lending came to US\$4,3 billion.

Interesting changes in the sources of borrowed funds became apparent over the years. Initially it was largely the United States which provided the bulk of the Bank's loanable funds; even to the extent that it was often referred to as the "Dollar Bank". With the economic recovery of Europe, West Germany, along with some other countries, became a major source of borrowed capital. More recently, Japan, after its entry into the super-economy class of nations, became a major money-lender to the Bank instead of a borrower. These trends have all now been eclipsed by the massive financial transfers precipitated by the Organization of Petroleum Exporting Countries' (OPEC's) upward thrust on oil prices. Since the Bank, in its borrowing, had always sought out the most liquid money markets, it is now also doing so in the case of the OPEC countries. In 1975, of the total of US\$3,5 billion borrowed, US\$2,5 billion came from OPEC. Since a good portion of this borrowed money is US Dollars the Bank could still be called a "Dollar Bank", though these are dollars borrowed from countries other than the United States.

The World Bank, in fact, became a "Group" with the creation of two other agencies. In 1956 the *International Finance Corporation* (IFC) was created to provide funds for private sector lending in less-developed countries, and in 1960 the *International Development Association* (IDA) was created. IDA opened a window for lending on soft terms – that is, up to 50 years maturity at three-quarters of a percent interest rate for the poorest countries. Funds for IDA are grants or replenishments to the Association. The purpose of IDA is to raise the effective credit-worthiness (or lower the debt service burden) on countries with per capita incomes less than US\$200 per year.

Just last year, a new lending window was opened for countries in the intermediate income bracket, financing for which has been made available by the so-called *Group of Ten*, some of which have donated capital to subsidise the interest rate on loans from a fund, which has been given the name of the *Third Window*. The Bank, therefore, lends three types of money. Firstly, Bank money, at a market rate of interest currently at 8½ percent; IDA money, at less than 1 percent; and *Third Window* money, at about 4½ percent.



## Structure of Operations

Financial transfers – that is, borrowing and lending from rich to poor countries – is the Bank's major activity, but by no means the only one. The Bank undertakes a large amount of research and analysis, related to development in general and to specific countries, or specific functional areas. The Bank can, therefore, certainly be regarded as the largest single centre for development research and analysis in the world. It also provides substantial technical assistance, in various forms, to borrowing countries, which may range from methods of improved statistical reporting to the provision of project advisers or management personnel. In the case of many of the larger and poorer borrowers – for example, India, Bangladesh and Indonesia – the Bank also acts as the co-ordinator of development finance by being the chairman of aid consortia comprised of major donor countries. This facilitates a co-ordinated aid effort from these countries to the recipients.

With regard to lending itself, the Bank provides only a small part of total investment finance available to the less-developed countries; probably not more than an average of 5 to 10 percent. This means that Bank "leverage" – that is, the ability of the Bank to exert an influence on policies in borrowing countries – is not always very great. However, considering that Bank loans, as a proportion of foreign exchange inflow, are often of a much higher percentage, and given also the non-financial benefits which accrue to countries that borrow from the Bank, it probably does have an influence far beyond the small weight of its direct financing capabilities.

By its Articles of Agreement, the Bank is required to lend primarily for specified projects. Initially the bulk of its financing was, therefore, used to meet the import requirements for projects. Project lending is still the main activity of the Bank, but loans have been provided for general import requirements to meet particular situations in developing countries, such as short-falls in foreign exchange earnings arising from the effects of drought on exports, or other catastrophies, and lately the difficulties experienced by a number of developing countries following the sharp increases in the price of oil. As a proportion of all lending, however, these non-project loans accounted for less than 10 percent of Bank and IDA lending in 1975.

In recent years, there has been a dramatic shift in the sectoral composition of Bank lending. This shift followed an analysis of development performance made during the 1960's (the so-called *Second Development Decade*).<sup>2</sup> It was shown that, despite significant progress in economic growth amongst most developing countries, the mass of the

2 The principal vehicle for this analysis of development performance was a study commissioned by the Bank, undertaken by a team under the chairmanship of Sir Lester Pearson. See Pearson, Sir L. (ed.), *Partners in Development*, Praeger, New York, 1969.

people in these countries had very little share in this growth. Income distribution, therefore, was found to be of such a pattern that the *benefits of growth were not evenly spread amongst the population.* Under the presidency of Robert McNamara, the Bank undertook to make a direct assault on this problem: by lending only for projects whose benefits would directly reach the poorer income groups. Such projects were sought out, for example, in small scale agriculture and rural development.

In the first two decades of the Bank's operations, heavy emphasis was placed on the financing of projects for the generation of electrical power, and for transportation. By 1952, two-thirds of all lending for development consisted of loans for these two sectors. Following McNamara's policy, the sphere of lending activity of the Bank has broadened and particular emphasis was placed on the development of agriculture and rural development in the poorer developing countries. In the fiscal year 1975, US\$1,8 billion of Bank and IDA funds were earmarked for agriculture and rural development, while only US\$500 million was lent for electric power generation, and US\$1 billion for transportation. Substantial sums were also lent for education, industry, telecommunications, water supply and sewerage, population planning, tourism and urbanisation. The emphasis in Bank lending has increasingly shifted to projects designed to serve the poorer population sectors in the less-developed world directly. It is therefore likely that lending for rural development and services for the urban poor will absorb increasing shares of all Bank and IDA funds.

In conclusion it must be stressed that the Bank is an international agency and for this very reason it is non-political in status – at least in the sense that it is responsible to no particular parliament and no single political authority. Its purpose is the structural development of human, natural and other resources in developing countries. This it tackles primarily through the application of finance to specific projects, supported by a variety of other activities designed to promote the progress of the developing countries of the world. Recently, it has focussed more clearly on the poorer of these countries and on the poorest population sectors in these countries – a trend which is clearly visible in the dramatic changes in the structure of Bank lending, and in the introduction of new types of lending to cater for the needs of the poorest segments of the world's population.

#### **THE BANK IN AFRICA**

The Bank's work in Africa is divided into three regional departments, servicing East, West and North Africa. (North Africa is, in fact, included in a separate regional department of the Bank, dealing with North Africa, the Middle East and Europe.) Of the 54 countries in and off the coast of Africa, 40 are Bank members. With the excep-

tion of South Africa, all these countries are so-called Part 2 countries – that is, they are countries with a borrowing rather than a lending relationship to the Bank.

Taken as a continental unit Africa has, in recent years, received the largest share of Bank and IDA lending, equal to nearly one quarter of the total. In 1975, this amounted to 78 operations, for a total of US\$1 472 million. This volume of lending was split between East Africa, about US\$600 million; West Africa, US\$400 million; and North Africa, the remaining US\$400 million. On a per capita basis, this lending represents about US\$4,50 for East Africa; US\$3,00 for West Africa; and US\$5,50 for North Africa. Not too much significance should be placed in these per capita figures, because they vary rather widely between individual countries, for reasons unrelated to any specific factor.

The share of IDA lending to these countries is significantly larger for East Africa than for West Africa, reflecting the greater numbers of population in East Africa with a per capita income less than US\$200. In East Africa the total population of countries in this bracket was nearly 128 million in 1973; in West Africa almost 107 million. The West African total, however, includes 71 million in Nigeria; a country which received no IDA funds. In 1975, IDA lending to East Africa was almost half of the total lending to that region – that is, about US\$312 million – while in West Africa, IDA loans were nearly US\$120 million, constituting about one third of total lending. Separate figures for North Africa are unavailable and I shall, therefore, have to focus almost entirely on the East and West African regions, leaving aside the countries of North Africa.

TABLE	REGIONAL PER CAPITA LENDING		
	Est. 1975 Population	1975 Lending	1975 PCL(US\$)
EAST AFRICA	141,6	656,4	4,64
WEST AFRICA	142,4	424,2	2,98
EAST ASIA and PACIFIC	315,4	976,4	3,10
SOUTH ASIA	815,6	1 189,6	1,46
EUROPE, MIDDLE EAST and NORTH AFRICA	289,5	1 434,2	4,95
LATIN AMERICA and CARIBBEAN	288,7	1 215,0	4,21
TOTAL	1 993,2	5 895,8	2,96

### **Sectoral Share of Lending**

The sectoral composition of lending, which has recently shifted quite dramatically, reflects an attempt to mitigate the effects of basic instabilities in the economies of countries in these regions, as well as to tackle problems of income distribution. The two principal sources of such instabilities are commodity price fluctuations – most of these countries are commodity exporters – and the recurrence of drought conditions, the most dramatic of which affected the Sahelian countries in recent years. Many countries of both East and West Africa have also shown an increasing need to import food. Considering that these are countries which generally enjoy favourable conditions for agricultural production, this is clearly a manifestation of a distortion in the pattern of production and trade. Since a large proportion of the population in these regions depends on subsistence agriculture for their livelihood, the need to import food also reflects the widespread incidence of low and stagnant subsistence incomes, brought about by low agricultural productivity.

In response to these problems the Bank's lending programme has given heavy emphasis to agriculture and related rural development projects, aimed at sustaining a higher income potential among the rural population. This reflects the new trend in lending policy. In the West African region, lending for agriculture and rural development increased from 17 percent of total lending in the period 1969 to 1973, to 57 percent in 1975. In that year, total lending in this sector to both African regions amounted to almost US\$450 million. In addition, US\$154 million was lent for transport – highways and road components, which were in many countries allied to agricultural production and rural development. It must be pointed out that most of the 20 agricultural projects in West Africa, for which loans were made available in 1975, emphasised domestic food and livestock production and were aimed at raising productivity in the rural economy, so as to improve the nutrition and health levels of the rural population. Less than a fifth of all loans made for agriculture went to projects of the more conventional type, that involved, for example, large-scale production of export crops. The bulk of the lending was for integrated rural development projects, including components for credit, provision of imports, health and other amenities and road construction associated with the project region.

In the West African region, 6 000 km of roads, related to rural development extension, were constructed or up-graded in 1975. Typical of these rural development projects were the six projects in West Africa (three in Nigeria and one each in Senegal, Sierra Leone and the Ivory Coast) which together totalled US\$124 million – that is, an average of about US\$20 million per project. In the East African region, possibly the most noteworthy of the rural development pro-

jects are the Lilongwe Land Development Project, for which US\$8 million was recently lent to complete Phase 3; and the Kigoma Project in Tanzania, for which US\$10 million IDA credit was given.

Despite the strong emphasis on rural development and agriculture, the Bank's operations in other sectors should not be ignored. For example, the Bank lent US\$115 million for industry in East Africa during 1975; it lent almost US\$100 million for education, US\$65 million for power and US\$74 million for telecommunications. There were also smaller loans for tourism, urbanisation and water supply, as well as an amount of US\$60 million made available for non-project lending.

### **Specialist Activities**

The Bank, therefore, supports a varied portfolio of projects. In addition to these, there are other important areas in which the Bank has played a role. Four sets of activities, which go beyond simple project lending, could be mentioned: these are the Bank's co-financing activity; its support for regional co-operation; its special programme to combat river blindness disease in West Africa; and its assistance to development planning and agricultural research.

### **CO-FINANCING**

The principle of co-financing a project involves the co-opting of a financial partner for a Bank project, who, by financing a portion of it, effectively release Bank funds for lending to additional projects. By securing such financing, the Bank can thus bring a net addition of resources to the country concerned. Such operations in West Africa, for example, involved participants from France, Canada, Kuwait and the European Investment Bank, to an amount of US\$44 million – in addition to Bank financing of US\$86 million. In principle this, therefore, represented a 50 percent net increment in the resources available to the countries concerned from these co-financed projects.

### **REGIONAL CO-OPERATION**

While developments in regional co-operation in Africa were of major importance during the last two years and included the signing of the *Lomé Convention* and the draft treaty of the 15 Francophone countries, the Bank also played its part in stimulating economic co-operation. For example, it has financed studies on regional industrial and irrigation potential in West Africa; specifically the provision of a US\$1 million IDA credit for an engineering study of the Senegal River Basin, which is designed to improve the water resources available to the Sahel region.

## RIVER BLINDNESS DISEASE

The Bank has played a significant part in the mounting of a programme to combat river blindness disease in the Volta River Basin. This disease is transmitted by a small black fly, which inhabits the river valleys of Benin, Ghana, the Ivory Coast and other neighbouring countries. The disease, which causes partial or total blindness, has forced thousands of people to move away from the most fertile river valleys in these countries. Of the 10 million people living in the affected areas nearly 1 million have contracted the disease and at least 70 000 are blind or partially blind.

An international action plan was started in 1974, involving a US\$120 million co-ordinated effort over a 20 year period, to eradicate the fly and rehabilitate the areas. The Bank's role in the programme has been to mobilise funds on a world-wide basis, in order to finance the programme which is now underway.

## RESEARCH AND PLANNING

The Bank has also made an important contribution to research and development planning in Africa. In agricultural research, the Bank is a co-sponsor of the Consultative Group on International Agricultural Research (CGIAR), which supports the activities of a dozen major research centres around the world, including those responsible for fostering the so-called Green Revolution. The other co-sponsors are the *United Nations Development Programme (UNDP)* and the *Food and Agriculture Organization (FAO)*. Four of these centres are in Africa: a rice development centre in Liberia; a livestock centre in Ethiopia; an animal diseases centre in Kenya; and a tropical agriculture centre in Nigeria. In all cases the research undertaken tends to be adaptive, rather than purely academic.

The Bank assists development planning, both by financing and assisting in engineering, feasibility and other studies for specific investment projects, as well as by assisting national planning efforts at the macro-economic level. There are 10 permanent Bank offices in Africa; the two largest being those of the regional missions in East and West Africa, based in *Nairobi and Abidjan respectively*. These offices are able to maintain a permanent relationship with member governments and other local agencies.

### **Some General Considerations**

Where is all this activity, all this lending by the Bank, leading to? Is it really worthwhile for the recipient countries and will there ever be an end to this dependency on development funds? In a study on the Bank's activities in Latin America, Keith Griffin tried to show that there was a demonstrable negative correlation between Bank involvement in a country and the growth in its Gross National Product (GNP). This was a somewhat simplistic study, but one of its main

arguments was that, basically, the more the Bank lent to a country, the less it would invest from its own funds, the more it would consume and the slower its economy would grow.

Whether one accepts this thesis or not, it is well to reflect on what specific benefits one feels can be derived from the Bank's activities. The desirable limits for volume and type of lending a country should wish to receive from the Bank, should also be considered. It is argued, for example, that the Bank lends for infrastructural projects, which are often of a kind that do not generate any cash flow, which can in turn be directed by the fiscal authority to re-pay the Bank in due course. A highway project, for example, would be in this category. The country, it is argued, is in this case saddling itself with a foreign exchange debt service burden, which is not in any way directly sustained by the project. Surely, there is a limit to the amount of this type of borrowing a country, particularly an African country, which may be poor and acutely short of foreign exchange, would wish to enter into.

Two things should, however, be mentioned here. Firstly, the Bank seldom if ever looks at any particular project to reimburse itself for the loans made in the execution thereof. With regard to re-payment the Bank focusses on the country's ability as a whole, not on the ability of a specific project. This must, however, not be confused with a lack of interest in the viability of Bank projects. All Bank projects have to satisfy a minimum financial and economic pay-off, measured as a so-called internal rate of return. Broadly speaking, this concept determines both the financial and economic benefit of the project to the economy as a whole.

With regard to the overall limits of bank lending to a country, it is true to say that the Bank is more conscious than the particular country of the aforementioned limits and is careful to keep the volume of lending strictly within the country's ability to repay. There is, of course, no single measure of this ability. The Bank uses the term "credit-worthiness" to describe this, but there are a dozen or more identifiable components of credit-worthiness. Generally speaking, however, the first indicator to be considered is the ratio of debt service obligations to total foreign exchange earnings – that is, the debt service ratio. If the ratio begins to rise beyond a notional target ratio for a particular country (and the target may vary from country to country, depending on the stability of exports, the structure of the economy, the efficiency of management, political stability and other factors) the Bank will begin to consider restraining its lending volume. To give an idea of the magnitude of debt service ratios in Africa, and to indicate clearly the highly subjective nature of these ratios, one may reflect on the following figures. For Africa as a whole, nearly US\$22 billion in public debt was outstanding at the end of 1973, with an annual debt service payment equal to about 10 percent of this amount. Debt

service ratios for individual countries vary widely. For example, in 1973 Egypt had a debt service ratio of 34,6 percent; Zambia 28 percent; Botswana 2,5 percent; Ghana 2,3 percent; Kenya 5,2 percent; and Zaire 7 percent. These ratios, apart from those of Egypt and Zambia, are relatively low. The continental average is probably around 8 to 10 percent. Another way of looking at this issue is to compare the total debt outstanding with the annual foreign exchange earnings. Taking Africa as a whole, these were broadly of the same magnitude. Keeping in mind that the Bank's lending to Africa accounts for less than one fifth of the total debt outstanding, it can be argued that the ratios are relatively conservative. In some of the more advanced developing countries debt service ratios generally lie in the range of 15 to 25 percent.

#### **The Bank and Rhodesia**

Rhodesia, of course, is not a member of the Bank at present, though in the days before UDI it received Bank loans, the most notable of which was for the Kariba Project. Whether or not the country would seek to become a member of the Bank in new political circumstances would depend on the decision of the Government then ruling, but it would seem that there would be much to be gained by doing so. Given the size of the population, the rich natural and human resources endowment and the stark development needs in certain sectors, the country could expect loans totalling US\$50 to 60 million a year, providing two pre-conditions could be met. Firstly, that suitable projects could be developed and secondly, that the capacity to service this volume of borrowing could be maintained. I have little doubt on the second pre-condition, though one has to speculate on this, since present foreign exchange earnings are not published.

With regard to project preparation, however, it is not clear how well prepared the country would be to receive Bank loans of this size – in all sectors to which funds would be available. Potential for Bank lending to Rhodesia exists in the energy sector, in road construction and communications, in urbanisation, in population planning projects, in manpower training and in rural development, specifically in the African sector. Given the income distribution characteristics of Rhodesia, it seems that rural development in the African sector would be high on the Bank's priority list – as it is in the rest of Africa. In this particular sector, however, the present size of projects – with the exception of some of TILCOR's projects – is small by Bank standards. In order to interest the Bank in this sector, therefore, much larger projects would need to be developed.

It is exciting to consider the tremendous impetus which could be given to the development of the least developed sectors of the Rhodesian economy – and thereby to the total economy – by association with the Bank. Toward the day when that will at last be possible, Rhodesians must direct their hopes.



# THE IVORY COAST: A GENERAL PROFILE AND POLICY TOWARDS SOUTH AFRICA

John Barratt

## THE LEADERSHIP

In discussing the political and economic development of the Ivory Coast and its place in Africa, one can do no better than to start with the President himself: Felix Houphouët-Boigny. He alone stands out as a national leader of his country since long before independence, which was achieved in 1960, and he has been President since then. He played a prominent role in the development of relations between France and her colonies after World War II, and his influence was crucial in determining the timing and form of independence, not only for the Ivory Coast, but also for other countries of French-speaking Africa. Since independence, he has been one of the few leaders of stature in Africa and also one of the few to have remained at the helm of his country through fifteen or more turbulent years of African politics.

For South Africans, President Houphouët-Boigny has particular significance, because it is he who launched a movement for dialogue with the South African Government, arguing that the problems of apartheid in South Africa cannot be overcome by means of isolation, force, boycotts, etc. Although he has not been very successful, in terms of converts to the dialogue cause amongst other African states, President Houphouët-Boigny has maintained his own position since he first announced it publicly in 1970. In 1975, he even sent his Minister of Information to pay an official visit to the Republic.

Born in the rich coffee area of central Ivory Coast, towards the border with Ghana, Felix Houphouët-Boigny graduated from the Dakar School of Medicine and Pharmacy in 1925. But, he had also inherited coffee and cocoa plantations, and he thus, for nearly twenty years, combined the life of a fairly rich planter with that of a "bush doctor". Then in 1944, he formed an Agricultural Union, the main aim of which was to end the system of forced labour on roads and plantations. The union grew rapidly and was reported to have 20 000 members a year later, when Houphouët-Boigny converted it into the Ivory Coast Democratic Party.

He was now launched on his political career, and in 1946 he helped to found the movement which was to carry him into the wider field of West African politics, into the Cabinet of France itself and eventually into the post of President of an independent Ivory Coast. This move-

The author is Director of the South African Institute of International Affairs. This article contains the text, with minor editorial changes, of a paper presented to a seminar on *Exporting to the Ivory Coast*, organised by the South African Foreign Trade Organisation (SAFTO) on 12 February, 1976.

ment was the *Rassemblement Democratique Africain* (RDA) which was a pan-African movement designed to encompass all francophone territories. The Ivory Coast Democratic Party became the local branch of the larger organisation. The RDA was the first inter-territorial political movement in French Black Africa, and it is said to have been formed under the aegis of the French Communist Party which gave it organisational form and encouraged its opposition to the colonial regime, though not at that time to the point of demanding independence. The RDA's rapid growth in French Africa and its electoral successes, including in the Ivory Coast, caused the colonial administration to take strong measures against it, disrupting its organisation and to some extent reducing its effectiveness by the end of the 1940's.

Whether Houphouet-Boigny ever considered himself a communist or not, he does seem to have become disillusioned with the French Communist Party by 1950 – but not before he was nearly sent to prison for his activities. In any case, he apparently felt that his influence would be more effective if he applied it in a less radical political direction. His sympathy then switched to the Socialists and gradually he became strongly anti-Communist. He also moved towards co-operation with the French Government and was twice during the 1950's a member of French Governments. Throughout this time, from 1945 to 1959 (when he returned to concentrate on Ivory Coast politics), he was a member of the French Assembly, elected from his own country.

Most of the RDA members followed the lead of Houphouet-Boigny, but some of the more radical fringe broke away to form splinter parties in other French African territories. At this point mention must be made of a second inter-territorial French African party - the *Indépendants d'Outre-Mer* (IOM) – created in 1948 under the leadership of Leopold Senghor, the prominent African intellectual and poet, who was to become President of an independent Senegal, a post he still holds. This party offered an alternative to Houphouet-Boigny's movement as a middle course between the now more conservative RDA, on the one hand, and its Communist-backed dissidents on the other. The formation of this new movement reflected in part the political and personal rivalry between the two leading figures in French Africa, a rivalry which was to continue for many years and which was to affect the alignments of the newly independent states of French West and Equatorial Africa. Moreover, this unfortunate rivalry between Dakar and Abidjan prevented an effective drawing-together of those francophone states opposed to the more radical approach of a few Black leaders in West Africa, particularly Sekou Touré of Guinea and Kwame Nkrumah of Ghana. This rivalry also detrimentally affected the moves for dialogue with South Africa.

At first, particularly in the 1951 elections to the French National

Assembly, the IOM gained at the expense of the RDA, and it had an influence in Paris on policies towards Africa, resulting in several reforms in the early 1950's. But, the RDA was in the meantime spreading its influence within the African countries and was also cultivating good relations with local French administrators and businessmen. This policy reflected the changed attitude and more pragmatic approach of Houphouët-Boigny. In 1956 the RDA achieved spectacular electoral successes over the IOM, which restored Houphouët-Boigny to his former prominent position and also resulted in his appointment to a full ministerial post in the French Government – the first such post ever held by an African.

Within the Ivory Coast itself Houphouët-Boigny's pragmatism and his policy of economic liberalism gained the confidence of foreign investors, making the Ivory Coast the most prosperous of the West African countries. Its economic advance contrasted very favourably with that of Senegal, and the centre of attention began to shift from Dakar to Abidjan.

Houphouët-Boigny now had a profound influence on the speedy development of the French African territories to independence. These territories were organised administratively in two federations – French West Africa and French Equatorial Africa – with the administrative capitals in Dakar and Brazzaville, respectively. The adoption of the French *loi-cadre*, which Houphouët-Boigny assisted in drawing up, provided for close political and economic collaboration with France on a *bilateral* level with each territory, rather than through the federations. At this time, the second half of the 1950's, the winds of change were blowing strongly in Black Africa; anti-colonialism was the mood and independence the goal. But, the new French policy divided nationalist leaders in French Africa into the "autonomists" who hoped for separate independence of each territory, and the federalists led by Leopold Senghor. The more radical element, under the leadership of Sekou Touré of Guinea, was gravitating towards the federalist camp, and the federalists formed a new inter-territorial alignment early in 1958. But then, with the coming of General Charles de Gaulle, they were split by his decision to hold a referendum on the constitution of the Fifth French Republic. He insisted that a negative vote in this referendum from any African country would mean that that country would be opting for immediate independence, would be cut off from French ties and isolated from other French-speaking territories. Only Sekou Touré opted for this, and Guinea therefore moved out of the French Community.

The federalists were weakened, but they continued, under Senghor, to push for a West African Federation. Houphouët-Boigny, however, also had reasons for concern, in view of the support which Sekou Touré's position had received in many countries, even if only

from minorities, and the support which a number of African leaders were giving to Senghor. He, therefore, again showed his realism and pragmatism by compromising with his previous position and declaring his support for inter-African "ties of solidarity" in various fields between neighbouring countries in West Africa – although he still strongly opposed any reconstitution of the old French West African Federation. He was still opposed to any curtailment of the national sovereignty of individual states, but he was willing to form what he called a *Conseil d'Entente*, which would have no rigid supranational structure, and which would leave each member country free to shape its own political and economic policies in all respects other than the specific ones on which they unanimously agreed to collaborate. In this approach Houphouët-Boigny had the full support of President de Gaulle – which was a big advantage.

By its favourable vote in the December, 1958 referendum, the Ivory Coast became an autonomous Republic within the French Community. All the other countries of French West Africa, except Guinea, chose the same Community status. Of these states the Ivory Coast, Niger, Upper Volta and Dahomey (now Benin) joined the *Conseil d'Entente* with effect from May, 1959. The Community status, however, proved only a brief half-way stage to independence, and the Ivory Coast became fully independent on 7 August, 1960 – the great year of independence in Africa, when sixteen new African States joined the United Nations.

There has been no attempt above to describe fully the evolution of the francophone states, or even of the Ivory Coast alone, to independence. The intention has been simply to highlight the central role of Felix Houphouët-Boigny in the development of French Africa and of his own country. This brief story illustrates the pragmatic nature of his policies, the absence of a consistent ideological approach and his close links with France. These characteristics have continued during the one and a half decades since independence, and they are clearly reflected in the economic policies of his country, in his relations with other Black African states, and in his approach to Southern Africa.

Before turning to the question of relations with South Africa, it is necessary to look briefly at the Ivory Coast itself and its development since independence.

#### **NATION-BUILDING: ACHIEVEMENTS AND PROBLEMS**

The territory of the Ivory Coast, which was carved of West Africa towards the end of the nineteenth century by French colonisers, contained widely disparate societies, inter-acting with one another; it was not a homogenous society, or a nation in the normally understood sense, even by 1960 when it became independent. (This was, of course, not an uncommon situation throughout Africa in colonial

territories which became independent in the 1950's and 1960's.) Until the 1920's the French administration was in fact only a thin veneer over the country, and social and economic change had affected only a very small proportion of the population. Change, however, then began to accelerate, and this was especially true after 1945. Although by 1960, the bulk of the population still retained their primary identification with pre-existing societies or tribes in their own areas, there was a small upper stratum with a commitment to this relatively new territorial unit of the Ivory Coast. A factor which has contributed towards a change from simple tribal, or regional identification to identification with the Ivory Coast as a whole, has been the increasing migration and urbanisation of the population, so that, even if ethnic identification has been largely retained (as in other parts of Africa), tribes have been split up geographically, especially between urban and rural areas.

An advantage in the process of nation-building has been that there is no single large and dominant tribal grouping, with its own culture, in the Ivory Coast; there is much more variation than in some other West African countries, for instance in Ghana where the Ashanti were dominant, causing resentment in other smaller groups. (President Houphouët-Boigny has himself said that, before the French occupied the country, the Ivory Coast was nothing but an agglomerate of sixty disparate ethnic groups.) The largest ethnic group is the Baoulé which comprises less than 20 percent of the total population. Significantly, Houphouët-Boigny is from this group, but it does not seem that there is any undue domination of the political system by the Baoulé – even if there have been some criticism to this effect in the past by opponents of the President.

The tendency seems to have been for a new strata to develop in society, based on educational achievement and wealth, rather than on identification with a particular tribal grouping. This wealth has stemmed from the growing economic entrepreneurship in the form of *independent farming (mainly of coffee and cocoa) and related activities, e.g. trucking*. A middle class therefore developed and is still developing. In this respect the Ivory Coast followed a pattern which began earlier in neighbouring Ghana and also in Senegal.

A significant difference from Ghana is the large non-Ivorian population. During the 1920's and 1930's the Ivory Coast was viewed as a potential area for European settlement; more land was granted to Europeans than in any other West African country. Although the land situation changed after World War II, the European population continued to increase (apart from the officials in the French administration). This perhaps created greater potential for racial antagonism, but it also encouraged a greater "Europeanisation" of the style of life of the upper strata of Ivorian society, and this has been a striking

feature of the Ivory Coast, clearly noticeable in Abidjan. This European component of the population – both non-officials and officials – continued to grow after 1960. On the official level, for instance, there are now many more Frenchmen in government departments than there were before independence.

There has also been considerable African immigration into the Ivory Coast. This immigration increased significantly with the economic boom of the 1950's and it continued to grow in the 1960's at the rate of 1 percent of the total population annually. In Abidjan, by the end of the 1960's, half the gainfully employed male population was foreign-born. This factor has, of course, added to the complexity of the ethnic pattern in the Ivory Coast, and it has been a recurrent source of tension. The population of the Ivory Coast is estimated to be over 5 million, and of this total it is estimated that about 1 million are non-Ivorian from neighbouring countries.

The area of the country is about 125 000 square miles, which is about the size of Great Britain. It is located between the 5th and 10th parallels north of the Equator, and the Southern Ivory Coast therefore falls within a tropical climatic zone, with a narrow daily range of temperature and high humidity throughout the year. It is in the lush forest regions of the south that the significant cash crops – coffee, cocoa, tropical woods, bananas, etc. – are grown. To the north of the forests there is an inland savanna zone where the vegetation is sparse, and only the Man Mountains in the north-west provide a break in this inland plain.

Christian missions do not seem to have made much inroad in the country as a whole. Although the Catholic Church has many adherents in the urban areas, more than half the population is said to be animist, and about one-quarter are Moslems. The literacy level was said to be about 20 percent in 1970, but this has probably increased substantially by now, as considerable effort has been put into education.

In a formal sense the political participation of the people is broad, with periodic elections for the President and a National Assembly. But in practice the participation is limited, as all executive authority is vested in the President, and there is only one recognised political party in the country. Houphouët-Boigny was elected President in 1960 and he has been re-elected three times by overwhelming majorities – the last occasion being in November, 1975, when he received 99 percent of the vote (as the only candidate). By keeping the reins of Government firmly in his own hands and, if necessary, by playing off one faction against another, the President has achieved a remarkably stable political system in his country – especially if this is compared with many other African states. Some opposition to him has emerged during the past 15 years, but it has never seemed to be

very serious in its overall and long-term effects. For instance, there was a crisis in 1963, resulting from a vague political conspiracy, and there were many arrests. It was suggested by the President that this plot had been "ideological" in character and that it was communist inspired. In fact, one of the President's leading supporters traced the sources of the crisis to Houphouët-Boigny's break with the Communist Party in 1950. There has also been some student unrest during this period, and in 1973 there were reports that some young revolutionary officers in the army had been planning a coup. In August of that year seven of the officers were sentenced to death, and four others to life imprisonment. The ring-leader in this case was charged with killing five foreign fishermen in a ritual human sacrifice to ensure the success of the plot, and it is interesting to note that in the 1963 crisis, too, the President severely condemned "fetishist" practises. He said at that time that the threat of these practices among the masses of people could only be overcome by the serious practice of Christianity and Islam (which, as pointed out above, are adhered to by much less than half the population).

Some criticism of the President has been reported, especially among "intellectuals" and in particular regarding his policy of allowing considerable foreign control of the economy, thus limiting the Ivory Coast's real independence, in their view. There is also said to be criticism of his policy of "dialogue" with South Africa and, until recently at least, not much public mention was made of this policy inside the country. It is not possible to say how wide-spread such criticism of the President is, or whether there is any serious, but at present hidden, opposition to him within the country. But, there is no doubt that to all appearances the country is politically stable, and that this stability has had a very healthy effect on economic development.

The question of the future of the Ivory Coast after President Houphouët-Boigny goes is being increasingly raised, as there is a realisation that the President, who is now 70, cannot continue for too much longer. To his credit the President has faced up to this question, and in 1975 the Constitution was amended to provide for the duties of the President to be taken over – while he is abroad or in the event of his death – by the President of the National Assembly. In this way Houphouët-Boigny may have been indicating his successor, namely Mr. Philippe Yacé, who apart from being President of the Assembly is also General Secretary of the country's ruling party. Looking back over the years since independence, Mr. Yacé seems to have been the political strong-man behind the President. Possibly as a result of this role, questions are raised as to his popularity throughout the country. Little is known of his political beliefs, and his actions appear to have been characterised mainly by his loyalty to the President. There are also a few other potential successors, and the situation may become

clearer during the next year or two, as it is generally assumed that this will be Houphouët-Boigny's last term as President. In any case, he will no doubt attempt to ensure a smooth succession, so that stability and steady economic development can be maintained.

Any published account of the Ivory Coast's economic growth begins by describing this as "astonishing", "remarkable", etc., and there is no doubt that, as *The Financial Times* said in a survey in June, 1975, the Ivory Coast has been *a success story in a continent which has produced more than its fair share of disappointments over the past 15 years*. The country has had the highest growth rate in Black Africa since 1960, with its Gross Domestic Product (GDP) rising by an average of 8 percent a year – although there has been a slow-down since 1975 due to the world economic climate. This growth has been based on agricultural production and mainly on three products – coffee, cocoa and timber – which represent about 70 percent of total exports. While the Government's efforts to create efficient production and distribution systems have contributed to the growth of exports, the Ivory Coast had benefited mainly from the performance of world commodity markets and the demand for its products. In the light of the changed world economic climate, however, the Finance Minister said a year ago: *It is no longer possible to base the growth and the development of the Ivorian economy to the same degree as in the past on the expansion of our exports*. He spoke about the need to cut back on non-essential imports, and in this regard he was reflecting concern with problems being faced by many countries. The rate of inflation was said to be running at about 25 percent by 1975.

The Ivory Coast had a record trade surplus in 1974 of 54 000 million CFA francs (\$270 million) – nearly twice the figure for 1973. But it was estimated in December, 1975, that the surplus of export earnings over imports could be as low as 10 000 million CFA francs (\$50 million) for 1975. There was a decided drop in coffee exports and at the same time an increased demand for imports required for expanding industrial and agricultural projects. Coffee exports may have picked up in the second half of the year, but a hoped-for recovery in world markets for primary products is not expected to have much effect until late in 1976.

Another major factor which has contributed to the Ivory Coast's economic growth has been the "open-door" policy towards foreign investment. However, it has been pointed out that, despite the massive influx of foreign investment, the country's industries still make only a relatively insignificant contribution to the economy, and two-thirds of the population still depend directly on agriculture for their livelihood. One of the problems associated with this large foreign investment, which may have to be resolved in the future, is the number of Europeans, mainly Frenchmen, in the country. The



number is about 50 000, compared with only about 10 000 in 1960, and this number may well grow with the development of major industrial projects. The criticism which has been raised is that the funds transferred by these foreigners, together with profits repatriated by foreign companies, are a continuing drain on the country's resources. It is estimated that about 15 percent of the Gross National Product (GNP) leaves the country annually in the shape of capital exports. But, with foreign investment now not so easy to obtain, the Government will be unlikely to take any steps to curb capital exports from the country in the foreseeable future.

The down-turn in economic growth could, of course, have negative effects on the stability of political development, because this stability has depended on the President's strategy of providing greater wealth for his people. So far he has managed to do this, although it is said that relatively little of this wealth – generated in the boom years – has so far filtered down to the average Ivorian in the rural areas, who continue to live at more or less the same level of subsistence as he did before independence – especially in the poorer northern parts of the country.

Although the Ivory Coast's development has so far been based almost entirely on agriculture, it does have significant iron ore deposits in the north-west, and studies have been undertaken with a view to exploiting them. Other mining developments include the discovery of nickel deposits and small quantities of uranium, prospecting for copper and gold, and the production of a small but steady flow of industrial diamonds and gem stones. There is also still hope that oil may be discovered offshore, where there are similar formations to those off the Gabon coast.

#### **EXTERNAL RELATIONS AND DIALOGUE WITH SOUTH AFRICA**

Obviously, relations with France are most important. Apart from historical, linguistic and emotional ties, the Ivory Coast relies on French administrative and financial assistance, as well as on investment from and trade with France. For instance, in 1974 France took 25 percent of the country's exports and provided nearly 40 percent of its imports. The other members of the EEC and the United States together accounted for over 40 percent of exports and over 20 percent of imports. Other countries which have some significance as trading partners are – outside Africa – Spain, the Soviet Union, Yugoslavia, Japan, Iran, Iraq, Greece, Israel and Taiwan, and – in Africa – Nigeria, Mali, Upper Volta, Senegal, Morocco, Algeria and Ghana. (Three of these – Iraq, Nigeria and Iran – are high on the imports list, as oil-producers.)

In the past President Houphouët-Boigny has made major efforts to bring together like-minded francophone African countries in

economic and political groupings. He appears to have set much more store in such regional or linguistic groups than in the OAU. Apart from his interest in the *Conseil d'Entente*, linking the Ivory Coast with some of its more immediate neighbours, he has been an active promoter of OCAMM, a wider grouping of francophone states, including Madagascar and also, more recently, Mauritius. However, the more radically-inclined states have not belonged, and Madagascar withdrew when its government moved to the left. It no longer seems to be an effective organisation, and at its last Ministerial Council meeting (December, 1975) all controversial questions were reported to have been shelved until a summit meeting later in 1976.

In fact, there appears to be a major change in alignments now taking place, away from the concentration on a purely francophone grouping. The gap between these states and the English-speaking states appears to be closing – mainly because of the growing influence of Nigeria. This is reflected in the formation in May, 1975, of the Economic Community of West African States (ECOWAS in English, CEDEAO in French). Nigeria, assisted by Togo, took the lead in preparing for this new organisation, and the Treaty of Lagos (which created the Community) was signed by fifteen West African states. By the end of June the treaty came into effect, when it was ratified by the required seven states – including the Ivory Coast and Nigeria (the two most important).

Previously, President Houphouët-Boigny's relations with Nigeria had been far from cordial, and considerable resentment had been aroused in Nigeria by his support of Biafra in the Nigerian civil war. But, the deep differences of the past have apparently now been bridged, and Houphouët-Boigny's willingness to develop a positive relationship with Nigeria is a further example of his pragmatism and realism. He recognised Nigeria's growing strength and influence (based, of course, on its oil resources), and he saw the tendency of other smaller francophone states to move closer to Nigeria. Apart from the formation of ECOWAS, bilateral co-operation between the Ivory Coast and Nigeria is increasing, with a range of industrial ventures envisaged. Needless to say, oil purchases by the Ivory Coast are involved.

Significantly, Senegal is not whole-heartedly in support of ECOWAS, and President Senghor is pressing for a larger African Community, including Zaire, to balance the strength of Nigeria. But, while it is too early to judge the effectiveness of the new organisation, it has a good chance of success while it has the backing of both Nigeria and the Ivory Coast.

A smaller organisation of francophone states still exists within ECOWAS. This is CEAO which was founded in January, 1974, and which consists of six states – the Ivory Coast, Mali, Mauritania,

Niger, Senegal and Upper Volta. A spokesman claimed that CEAO would play the same role within ECOWAS as the Benelux group plays in the EEC, and, if this smaller group lasts, it may strengthen Houphouët-Boigny's position in ECOWAS.

It should be mentioned that the creation of ECOWAS followed by a few months a major event for most African states, including the Ivory Coast, namely the signing on 28 February, 1975 of the Lomé Convention, establishing an overall trading and economic co-operation relationship between the EEC and forty-six developing African, Caribbean and Pacific states. The Lomé Convention replaced the Yaoundé Convention under which seventeen francophone states were associated with the EEC (and also the Arusha Convention, applying to Kenya, Tanzania and Uganda).

Against the background of all these regional and other important economic relationships with which President Houphouët-Boigny is concerned, how does one assess his policy of promoting dialogue with South Africa? Compared with the Ivory Coast's economic relationships with other countries, there do not appear to be any substantial practical benefits, such as large-scale trade, investment or financial assistance, to be gained from a relationship with South Africa. Nevertheless, one must conclude that the President's dialogue policy is a serious one, which he has consistently pursued since 1970 when he urged African leaders to engage in direct talks with South Africa, because he considered that force would never solve the problem of apartheid. Dialogue and contact, he said, would cure the "leprosy" of apartheid, and he looked forward to a peaceful "invasion" of South Africa by African diplomats, as a prelude to White and Black living there together in a spirit of brotherhood.

Five years later, at the sixth congress of his Ivory Coast Democratic Party, in October, 1975, he stated: *I want to see forty-six African states follow Malawi and have their Ambassadors in Pretoria.* Speaking at some length on South Africa, he also said: *I stick by dialogue and want to help South African Prime Minister John Vorster.*

After his initial call for dialogue in 1970 had failed to elicit any wide positive response in Africa, the President appeared to draw back, but it is clear that his views have not changed, and his efforts have been renewed over the past year or more. He was possibly encouraged in this regard by Mr. Vorster's détente policy in Southern Africa and by his respect for President Kaunda. As a result the past 18 months have seen a visit to the Ivory Coast by Mr. Vorster and a highly publicised visit to South Africa by the Ivorian Minister of Information, Mr. Laurent Dona-Fologo. There is no published indication of any agreements about economic or diplomatic relations between the two countries, but it has been stated that South African Airways can have landing rights at Abidjan on a regular basis, if it needs them. This

involves a break by the Ivory Coast from the OAU policy towards South Africa. (The South African involvement in Angola has had no noticeable negative effect on relations, and in March, 1976, the South African Information Minister visited Abidjan.)

Several conclusions can perhaps be drawn from President Houphouët-Boigny's statements and actions, about his policy towards South Africa:

- He does not approve of the South African Government's racial policies and wants to see substantial change in the Republic away from discrimination.
- He does not prescribe a specific policy for South Africa, as an alternative to separate development, and he may even consider accepting Transkeian independence as a contribution towards positive change.
- He believes that force and boycotts are not the means to bring about change – for practical as well as moral reasons.
- He is a convinced advocate of peace in Africa generally, seeing violence both as an obstacle to the development which Africa needs, and as creating the opportunity for the intervention of outside powers, especially the Communists.
- He wishes to assist in bringing about peaceful change in Southern Africa, seeing himself in the role of a leading African and even world statesman and peacemaker.
- He recognises South Africa's potential contribution towards African development, if only Black/White differences can be resolved peacefully.
- While he is not motivated by an expectation of substantial economic benefits for the Ivory Coast from a relationship with South Africa (because there are no obvious needs in this respect), he would probably regard economic links as a positive form of contact, giving concrete expression to the policy of dialogue. In view of his more open expression of support for dialogue over the past year, one can expect now that his Government will encourage such links with South Africa.

# RHODESIA: FEDERATION TO DÉTENTE

N. J. McNally

This talk is essentially a personal view of Rhodesia and, I must confess, a minority view.

To understand White Rhodesia one must understand that, since some years before UDI, there have been no Whites elected to the House of Assembly in Salisbury who were not Rhodesian Front (RF) supporters, except Dr Ahrn Palley who is no longer a Member of Parliament. He was, in fact, elected in a Black constituency in the days when that was still possible. Even Allan Savory, who was for some time a considerable thorn in the flesh for the RF, was elected as a Rhodesian Front MP, crossed the floor and lost his seat in the subsequent election. So, for the last twelve years, the Rhodesian parliamentary scene has been dominated by the Rhodesian Front, whose only opposition in the House has come from a small and largely ineffective number of Black MP's.

I spent my first ten years – from 1954 to 1964 – as a junior member of the Central African Federation's diplomatic service, and my first appointment abroad was in Pretoria as third secretary in the Federal High Commissioner's Office. My main memory of those years – and it is quite amusing to think of it in the light of today's relationship between Rhodesia and South Africa – is how Rhodesians were inclined to patronise South Africans. The Federation was then the darling of the Western world, and South Africa was the outcast; Rhodesia was the apostle of racial partnership and very conscious of its moral superiority. In just over two decades the position has, however, changed rather dramatically and for most White Rhodesians South Africa is now the "Big Brother".

After leaving Pretoria, I spent three years, from 1959 to 1961, in Rhodesia House in London. Part of that time I spent as private secretary to the High Commissioner and I recall tense days involving negotiations over the Northern Rhodesian Constitution.

I gained two major impressions then, which are probably still relevant today. The first was that once one puts a time-scale on majority rule, a very profound impact on the whole political structure of a country is imminent. I recollect an attempt in Northern Rhodesia to organise a transitional government, which was to last, I think, for three years. In fact, it lasted about twelve to eighteen months. The reason is that once one fixes a date, particularly in a country with a Colonial Civil Service like Northern Rhodesia, the entire structure starts to fall apart. Civil servants naturally begin to look for promo-

The author is President of the Institute of International Affairs, Salisbury, Rhodesia. He is a member of the Salisbury Bar and serves on the political committee of the Rhodesia Party. This is an edited version of a talk given to a meeting of the Pretoria Branch of the South African Institute of International Affairs, on 8 July, 1975.

tion elsewhere, people begin to depart, and this inevitably has an escalating and accelerating effect.

The second impression I gained from the Northern Rhodesian Constitutional talks was how cynical politicians are about the concept of a qualified franchise. I was young and perhaps idealistic in those days and I used to be quite concerned about the proper level at which to fix franchise qualifications. But, I soon realised that no politician had moral scruples about this. The main concern was not really whether a man earning, say, R100 a month was fit to have the responsibility of a vote. It was rather to know how many Blacks would win seats if franchise qualifications were fixed at that particular level. If the answer was "too many", then politicians were very readily persuaded that people could really only exercise their responsibility properly if they earned R200 a month. Consequently, I have tended to become somewhat cynical about the concept of a qualitative franchise. It is essentially a device for controlling or preventing the transfer of power and life becomes much simpler if one regards it as such.

This leads me on to another thought, which it is convenient to interpose here. South Africans are very inclined to say to Rhodesians: *You have chosen the path of political integration by means of a qualified franchise. You have committed yourselves to a course which must inevitably lead to black majority rule as more and more Blacks qualify for the vote. You cannot now back away from that inevitable conclusion.* I personally would not quarrel with the sentiment behind that attitude. But, as a device for controlling the transfer of power, the qualified franchise has a serious limitation, and I think this limitation should be more widely appreciated in South Africa.

The point I seek to make, is this. Most people in Southern Africa look upon the qualified franchise as a simple mechanical exercise, in terms of which the number of Blacks in Parliament increases steadily and smoothly until a point is reached at which there are more Blacks than Whites. It may look rather simple if one draws it on a piece of graph paper, with the black line mounting more sharply than the white line, until they intersect at parity.

But, in real life this is not what happens. Experience in Rhodesia shows that as Black numbers in Parliament rise the Whites react by electing more conservative White MP's. Liberals fail to win seats, because they are suspected of being, as it were, Black men in disguise. Thus, as one gets closer to parity and at the critical stage when the greatest degree of good-will and co-operation between the different races is needed, the opposite occurs. Instead of co-operation, there is a growing tendency towards polarisation, with reactionary Whites and nationalist Blacks glaring at each other across the narrowing divide. It does not seem that a solution is going to be reached in Rhodesia along these lines.

The Central African Federation was dissolved on 31 December, 1963, and earlier that year I was fortunate enough to be on the Secretariat of the Federal Review Conference at Victoria Falls. The Conference was presided over by Mr R. A. B. Butler, the British Minister for Central African Affairs, and he and the Federal delegates seemed to dominate the Conference. There was, however, only one really charismatic figure present – Mr. Kenneth Kaunda of Zambia; an absolutely tremendous personality.

I remember one puzzling thing about the Conference. The Southern Rhodesian Prime Minister and leader of the Southern Rhodesian delegation was Mr. Winston Field. He did not, however, seem to play a very significant part in the Conference. Most of the talking for Southern Rhodesia was done by an almost unknown personality, the Minister of the Treasury, whose name was Ian Douglas Smith.

I do not intend to say much about the famous argument as to whether or not Southern Rhodesia was promised independence at the break-up of Federation. People are inclined to believe what they want to believe, but for my part I would have been very surprised if Britain had seriously contemplated granting independence before Southern Rhodesia's racial problems had been resolved.

From the dissolution of Federation, until about 1970, Rhodesia was totally dominated by the Rhodesian Front party. There was no meaningful opposition in or outside Parliament. Sporadic disturbances in the African townships were largely the result of bitter feuding between African nationalist groups and thus had little immediate political impact. White confidence grew steadily as crisis after crisis was surmounted. It was during this period that a major characteristic of present-day White Rhodesia developed – the belief that the prophets of doom were talking nonsense; that White Rhodesia under the leadership of Ian Smith could win through against almost any odds. I can remember being told on many occasions, with absolute certainty and by knowledgeable people, that Rhodesia could not survive; that the mining industry could not last six months; that the tobacco industry could not last more than one season, etc. But, not only did Rhodesia survive; it prospered. Now the position has been reached where it is almost impossible to convince White Rhodesians that anything can go wrong.

A fascinating aspect of the period up to 1970, which included the settlement talks on *HMS Tiger* and *HMS Fearless*, was that White Rhodesians saw settlement as an issue between their Government and the British Government. Black nationalism was entirely irrelevant in this exercise. Settlement meant achieving recognition of Rhodesia's independence in return for some minor concessions, which would convince the rest of the world that the country's Black population was not in such a bad position. Settlement meant that

sporting ties with the United Kingdom could again be resumed; that Rhodesians could go on holiday in Europe without passport problems; and that sanctions would be lifted.

Partly this was due to the fact that many of the Black nationalist leaders were detained and depersonalised – it was and is an offence to even mention the name of a detainee. As a result the Whites promptly forgot all about them, although the Blacks did not. Any Black man could be asked at any time what Joshua Nkomo or Ndabaningi Sithole thought about the situation in Rhodesia and he would tell you. Rhodesian Whites fooled themselves to such an extent that when Mr. Smith and Sir Alec Douglas-Home reached a settlement in November 1971, the Ministry of Internal Affairs assured the Government that the African people would support the settlement, and would back the chiefs who favoured a settlement.

Yet, as is well-known, when the Pearce Commission conducted its test of acceptability early in 1972, it found wide-spread opposition to a settlement in Rhodesia. Black university students fanned out over the country and by dint of persuasion and some intimidation managed to secure a major victory for Black nationalism. In this they were led by an obscure and mild-mannered clergyman, named Bishop Abel Muzorewa.

The victory that was achieved did not lie in the rejection of the proposals themselves. I have always believed that the proposals were broadly acceptable to the African people. But the African nationalists, with their uncanny sense for the power game, which is both their strength and their weakness, saw the Pearce Commission as their opportunity to prove, once and for all, that no decision on the future of Rhodesia could be taken by Whites and then simply imposed on Blacks. That was the victory they achieved and the results have been dramatic. From that day on successive British Governments have said to Mr. Smith: *It is no use settling with us. Settle your problems internally with the nationalists and then come to us for formal approval.* Mr. Smith himself has accepted this and has negotiated with the Black nationalists ever since. It is also interesting to note that, when Allan Savory said bluntly that it would be necessary to talk with terrorist leaders, he was howled down as a traitor. Yet, since December, 1974, that is what has happened.

After the collapse of the Smith/Home Settlement, events marched steadily into the realm of confrontation. From December, 1971, the terrorist war became a reality, and then the Lisbon coup of April, 1974 and the prospect of independence for Mozambique, brought revolutionary Africa to Rhodesia's doorstep. The possible loss of the ports of Beira (Sofala) and Lourenco Marques (Maputo) posed very serious problems for the Rhodesian economy. By the end of 1974, "détente" became the catchword in Rhodesia, when news broke of talks between Rhodesian officials and African nationalist leaders in



Lusaka.

Détente, like settlement, is a term which is very widely misunderstood. I attended a symposium in Gaborone in April, 1975, organised *inter alia* by the South African Institute of International Affairs, which was opened by Mr. Archie Mogwe, the Foreign Minister of Botswana. Mr. Mogwe pointed out that détente was misleading if it was taken in its ordinary sense, *viz.* a lessening of tension between nations. African leaders are not concerned with the lessening of tensions; except perhaps incidentally. They are primarily concerned with the establishment of majority rule in Rhodesia and South West Africa/Namibia, and the elimination of racial discrimination in South Africa. Détente therefore simply means that they are willing to try to achieve this by peaceful means.

There is thus a wide gulf between what Mr. Smith rather airily calls "the détente exercise", and what Black leaders see as the object of détente. One has only to read the OAU *Dar-es-Salaam Declaration on Southern Africa*, adopted in April, 1975, to see that their objective for Rhodesia is the achievement of majority rule by means of a negotiated settlement. This is certainly not the Rhodesian Front's idea of a settlement.

Yet, what does the Rhodesian Front mean by a settlement? This is extraordinarily difficult to determine. Some of the younger MP's have been talking about the need for power-sharing and there have been vague ideas about a Swiss canton system. I have asked some of them what they mean, and it seems clear to me that this is no more than preliminary thinking on their part. They cannot explain how the concept would work in Rhodesia with its 21 to 1 Black/White ratio. The idea was in any case rejected quite firmly by the Whaley Commission in the late 1960's. The Government, however, has not committed itself either to power-sharing, or to a Swiss canton system. It has contented itself by saying that it has a plan for any contingency, and the electorate has been content to leave it at that.

The settlement talks are bedevilled not only by this complete divergence as to the meaning of the term "settlement", but also by Black nationalist disunity. As is known there is a major division between the old traditionalist, *Zimbabwe African Peoples Union* (ZAPU) group led by Joshua Nkomo, and the younger intellectual, *Zimbabwe African National Union* (ZANU) group, led by Ndabaningi Sithole. ZAPU tends to be Matabele-orientated (the Matabeles constitute about 20 percent of Rhodesia's Black population), while ZANU is largely Shona-based. The division is, however, not absolutely along tribal lines. ZANU has tended to seek support from the Red Chinese and plays a major role in the terrorist war. ZAPU, on the other hand, seeks Russian support. The leaders of these two groups are, furthermore, divided by deep personal animosities.

Over and above these groups is what is called the "Umbrella ANC", led by men of a more moderate nature, who were not involved in the old ZAPU/ZANU rivalries. There are men such as Bishop Muzorewa himself, Dr. Gordon Chavanduka and Dr. Elliot Gabelah. Whether these men can achieve unity is a matter for speculation. It will be tragic if they do not, because the need in Rhodesia at present is for a settlement with Black nationalism as a whole. As long as Black nationalism is divided, there is a danger of civil war and tribal conflict, which makes the Whites understandably reluctant to consider the transfer of power.

To reach a settlement with the chiefs, or with the minority Black pro-settlement groups, offers no solution to this problem. Mr. Smith could go a long way towards uniting Black nationalism under a moderate leader, if he were to introduce a programme for the abolition of racial discrimination. Equally, he could unite Black nationalists under a militant leader, if he were to reject a settlement.

Rhodesia's present situation, therefore, is extremely delicately balanced. Logically, I would say there is no prospect of a settlement, because there is too large a gap between what the Black nationalists see as an acceptable settlement and what Mr. Smith regards as a reasonable settlement. Fortunately, human beings are not always logical and I have some hope that a settlement can be achieved, simply because both sides are under considerable pressure to do so. It is here that South Africa (and Zambia) can play such an important role, and I hope that South Africa will continue to play it through all the frustrations which are bound to occur.

# UNITED STATES FOREIGN POLICY AND NATIONAL SECURITY

Dr. Henry Kissinger

I have come here today to talk to you about the vital and intimate relationship between America's foreign policy and our national security. As Secretary of State I am not, of course, directly involved in the preparation of our defence budget, or in decisions regarding particular weapon programmes. But, as the President's principal adviser on foreign policy, no one knows better than I that a strong defence is crucial for our role in the world. For a great and responsible power, diplomacy without strength would be empty. If we were weak we could not negotiate; we could only hope or accommodate. It is the confidence of strength that permits us to act with conciliation and responsibility to help shape a more peaceful world.

Other nations must not be led to doubt either our strength or our resolution. For how others see us determines the risks they are prepared to run and the degree to which they are willing to place confidence in our policies. If adversaries consider us weak or irresolute, testing and crises are inevitable. If allies doubt our constancy, retreat and political shifts are certain.

And so, as Secretary of State I am inevitably a partisan of a strong America and a strong defence as the underpinning of a strong foreign policy. I have a responsibility to make clear to the American people and to other nations that our power is indeed adequate to our current challenges; that we are improving our forces to meet changing conditions; that America understands its interests and values and will defend them; and that the American people will never permit those hostile to us to shape the world in which we live. I do not accept the propositions that other nations have gained military ascendancy over us, that the Administration has neglected our defences, or that negotiations to reduce the threat of nuclear war are unwise. These charges sound remarkably like the "missile gap" claims which aroused anxieties in 1960, only to dissolve suddenly a few weeks after the election.

We do face serious challenges to our security. They derive from the unprecedented conditions of the termonuclear age, the ambiguities of contemporary power and the perpetual revolution in technology. Our task is to understand the real permanent requirements of our security, rather than to be seduced by the outmoded vocabulary of a simpler time.

The author was, from 1969 to 1975, Special Assistant for National Security Affairs to the President of the US, and has been US Secretary of State since September, 1975. This speech was given to the World Affairs Council of Dallas and the Southern Methodist University, Dallas, Texas, on 22 March, 1976, and it is reproduced from the *Official Text* (with minor editorial changes) issued by the United States Information Service.

What are the national security issues we face? What is the true condition of our national defence?

- Firstly, the inevitable growth of Soviet economic and military power has produced essential strategic equality. We cannot halt this growth, but we must counterbalance it and prevent its use for political expansion.
- Secondly, America remains the most powerful nation in the world. It will remain so, if the Congress approves the President's proposed defence budget. But evolving technology and the military programmes of others impose upon us the need for constant vigilance and continuing major effort.
- Thirdly, technology has revolutionized the instruments of war and introduced an unparalleled complexity into the perceptions of power and the choices that we must make to maintain it. The defence establishment we have today is the product of decisions taken ten to fifteen years ago. Equally, the decisions we make today will determine our defence posture in the Eighties and beyond. And the kind of forces we have will determine the kind of diplomacy we are able to conduct.
- Fourthly, as nuclear arsenals grow, the horrors of nuclear war become ever more apparent, while at the same time the threat of all-out nuclear war, to deter or resist less than all-out aggression, becomes ever less plausible. Under the umbrella of strategic equivalence, testing and probing at the local and regional level becomes more likely. Hence, over the next decade we must increase and modernize the forces – air, land and sea – for local defence.
- Fifthly, while a weak defence posture produces a weak foreign policy, a strong defence does not necessarily produce a strong foreign policy. Our role in the world depends as well on how realistically we perceive our national interests, on our unity as a people and on our willingness to persevere in pursuit of our national goals.
- Finally, for Americans physical strength can never be an end in itself. So long as we are true to ourselves, every Administration has the obligation to seek to control the spiral of nuclear weapons and to give mankind hope for a more secure and just future.

#### **THE LONG-RANGE CHALLENGE OF DEFENCE**

To cope with the implications of Soviet power has become a permanent responsibility of American defence and foreign policy. Sixty years of Soviet industrial and economic growth, and a political system that gives top priority to military build-up have, inevitably, brought the Soviet Union to a position of rough equilibrium with the United States. No policy or decision on our part brought this about. Nothing we could have done would have prevented it. Nothing we can do now will make it disappear.

But, while we cannot prevent the growth of Soviet military strength, we can and must maintain the strength to balance it and ensure that it will not be used for political expansion. There is no alternative to a substantial defence budget over the long-term. We have a permanent responsibility and need a steady course that does not change with the fads of the moment. We cannot afford the oscillation between assaults on defence spending and cries of panic; between cuts of 40 billion dollars in Administration defence budget requests over seven years and charges of neglect of our defences.

This claim on our perseverance is a new experience for Americans. Throughout most of our history, we have been able to mobilize urgently in time of war and then to disarm unilaterally when victory was achieved. After World War II, we rapidly demobilized our armies relying largely on our nuclear monopoly to preserve the peace. Thus, when the Korean War broke out we were little better prepared than we had been ten summers previously. Only recently have we begun to understand – and then reluctantly – that foreign policy and military strategy are inextricably linked, that we must maintain defence preparedness over the long-term and that we will live for as far ahead as we can see in a twilight between tranquility and open confrontation. We need a defence posture that is relevant to our dangers, comprehensible to our friends, credible to our adversaries and that we are prepared to sustain over the long-term.

#### **THE IMPERATIVES OF TECHNOLOGY**

Technology has transformed the conditions and calculations of military strength in unprecedented fashion. The paradox of contemporary military strength is that a momentous increase in the element of power has eroded the traditional relationship of power to policy. Until the end of World War II, it would never have occurred to a leader that there might be an upper limit to useful military power. Since the technological choices were limited, strength was largely defined in quantitative terms. Today, the problem is to ensure that our strength is relevant to our foreign policy objectives. Under current conditions, no matter how we or our adversaries improve the size or quality of our strategic arsenals, one overriding fact remains: an all-out strategic nuclear exchange would kill hundreds of millions on both sides in a matter of hours and utterly devastate the nations involved.

Thus, the current strategic problem is virtually the diametric opposite of the historic one. Planners used to pursue increased over-all power. Today, we have a total strength unimaginable a generation ago, but we must design, diversify and refine our forces so that they are relevant to – and able to support – rational foreign policy objectives. Historically, military planners could treat the technology of

their times as stable; today, technology revolutionizes military capabilities in both strategic and tactical forces every decade and thus presents policy-makers with an ever increasing spectrum of choice.

And yet, the choices we make now will not, in most cases, really affect the structure of our forces for from five to ten years – the time it takes to design new weapons, build them, and deploy them. Thus, the policies Administrations are able to carry out are largely shaped by decisions in which they took no part. Decisions made in the 1960's largely determined our strategic posture for the 1970's. We can do little to change the impact of those earlier decisions; the Administration in power in the Eighties will be able to do little to change the impact of the decisions we make today. This is a sobering challenge and it turns national security policy into a non-partisan responsibility.

In choosing among the options that technology gives, we – and every Administration – must keep certain principles in mind:

- *Firstly, we must not simply duplicate Soviet choices.* The Soviet Union has a different strategic doctrine.
- Secondly, because of the cost of modern forces, we face complex choices. In many areas we face a trade-off between quantity and quality, between numbers and sophistication.
- Thirdly, because of our higher wage scales, particularly for our volunteer forces, any increase in our forces will weigh much more heavily on our economy than on that of adversaries whose pay scales are only a fraction of ours. For this reason, and the value we place on human life, we have always had an incentive, indeed an imperative, to put a premium on technology – where we are superior – rather than sheer numbers.
- Fourthly, we must see beyond the numbers game. Quality confers advantages as much as quantity and can sometimes substitute for it. Yet, even we cannot afford every weapon that technology makes possible.
- Fifthly, at some point numbers count. Technology cannot substitute indefinitely for numerical strength. The belief that there is an unlimited amount of fat to be cut in the defence budget is an illusion. Reductions almost inevitably translate into a reduction of affectiveness.

America possesses the economic and technological foundation to remain militarily pre-eminent; we can afford whatever military forces our security requires. The challenge we face is not to our physical strength – which is unequalled – but of our will to maintain it in all relevant categories and to use it when necessary to defend our interests and values.

#### **STRATEGIC FORCES AND STRATEGIC ARMS LIMITATIONS**

Our nation's security requires, first and foremost, strategic forces

that can deter attack, and that ensure swift and flexible retaliation if aggression occurs. We have such forces today. Our technology has always been ahead of the USSR by at least five years; with appropriate effort we can ensure that this will continue to be the case. We are determined to maintain the strategic balance at whatever level is required. We will never allow the balance to be tipped against us either by unilateral decision, or a build-up of the other side; by a one-sided agreement, or by a violation of an agreement. But we must be clear what "maintaining the balance" means. We must not mesmerize ourselves with fictitious "gaps". Our forces were designed according to different criteria than those of the Soviet Union; their adequacy must be judged by our strategic needs, not theirs.

In the middle 1960's we could have continued the deployment of heavy throw-weight missiles, following the Titan or the Atlas. But the Administration then in office decided instead to rely – in addition to our large bomber force – on an arsenal of 1 000 new relatively light, sophisticated, and extremely accurate intercontinental ballistic missiles (ICBM's) and 656 submarine-launched missiles on 41 boats. We deployed these systems rapidly, halting our build-up of launchers in the 1960's when it was judged that technological improvements were more important than an increase in numbers.

The Soviet Union chose a different course. Because of its more limited technological capabilities, it emphasized missiles whose greater throw-weight compensated for their substantially poorer accuracy. But – contrary to the expectations of American officials in the 1960's – the Soviets also chose to expand their numbers of launchers beyond what we had. Thus, the Soviets passed our numerical levels by 1970, and continued to add an average of 200 missiles a year – until we succeeded in halting this build-up in the SALT Agreement of 1972.

Therefore – as a consequence of unilateral decisions made a decade ago by both sides – Soviet missile forces today are somewhat larger in number and considerably heavier in throw-weight, while ours are superior in reliability, accuracy, diversity and sophistication. We possess far larger numbers of warheads – 8 500 to their 2 500 – and we have several hundred more strategic bombers.

Whether we move in the direction of greater throw-weight will largely depend on recommendations made by the Department of Defence and the Joint Chiefs of Staff; it is not essentially a foreign policy decision. But in making it we will be governed by our needs, not by a compulsion to duplicate the Soviet force structure. The destructiveness of missiles depends on a combination of explosive power and accuracy. For most purposes, as accuracy improves, explosive power becomes less important – and heavy land-based missiles become in fact more vulnerable. Since we have stressed accuracy, we may decide

that we do not need to approach the level of throw-weight of Soviet weapons, though nothing – certainly no SALT Agreement – prevents us from substantially increasing our throw-weight if we choose.

Whatever our decision regarding technical issues, no responsible leader should encourage the illusion that America can ever again recapture the strategic superiority of the early postwar period. In the Forties, we had a nuclear monopoly. In the Fifties and early Sixties we had overwhelming preponderance. As late as the Cuban missile crisis of 1962 the Soviet Union possessed less than one hundred strategic systems, while we had thousands.

But today, when each side has thousands of launchers and many more warheads, a decisive or politically significant margin of superiority is out of reach. If one side expands or improves its forces sooner or later the other side will balance the effort. The Soviet Union first developed an ICBM; we matched it. We then added a lead in numbers of strategic missiles to the lead we already had in bombers; they caught up and surpassed us in missile numbers though we still remain far ahead in numbers of bombers. When our Trident submarines are in production by the end of this decade, we will begin to redress that numerical imbalance as well as improve the flexibility and survivability of our forces.

We were the first to put modern ballistic missiles on submarines and we were the first to put multiple warheads on missiles. Though we remain ahead in both categories, the Soviets found ways to narrow the gap. And the same will be true in the future, whether in missile accuracy or submarine, aircraft or cruise missile technology.

The pattern is clear. No net advantage can long be preserved by either side. A perceived inequality could shake the confidence of other countries, even when its precise military significance is difficult to define. Therefore, we certainly will not permit a perceived or actual imbalance to arise against us and the Soviet Union is likely to follow similar principles. The probable outcome of each succeeding round of the strategic arms race will be the restoration of equilibrium, at a higher and costlier level of forces, and probably with less political stability. Such temporary advantages as can be achieved are not strategically decisive. The long lead times for the deployment of modern weapons should always permit countermeasures to be taken. If both sides remain vigilant, neither side will be able to reduce the effects of a counter-blow against it to acceptable levels. Those who paint dark vistas of a looming US inferiority in strategic weapons ignore these facts and the real choices facing modern leaders.

No nuclear weapon has ever been used in modern wartime conditions or against an opponent possessing means of retaliation. Indeed, neither side has even tested the launching of more than a few missiles at a time; neither side has ever fired them in a north-south direction as



they would have to do in wartime. Yet, initiation of an all-out surprise attack would depend on substantial confidence that thousands of re-entry vehicles launched in carefully co-ordinated attacks – from land, sea and air – would knock out all their targets thousands of miles away with a timing and reliability exactly as predicted, before the other side launches any forces to pre-empt or retaliate, and with such effectiveness that retaliation would not produce unacceptable damage. Any miscalculation or technical failure would mean national catastrophe. Assertions that one side is “ahead” by the margins now under discussion, pale in significance when an attack would depend on decisions based on such massive uncertainties and risks.

For these reasons, the strategic arsenals of the two sides find their principal purpose in matching and deterring the forces of the opponent, and in making certain that third countries perceive no inequality. In no recent crisis has an American President come close to considering the use of strategic nuclear weapons. In no crisis since 1962 – and perhaps not even then – has the strategic balance been the decisive factor. Even in Korea, when we possessed an overwhelming superiority, it was not relevant to the outcome.

It is against this background that we have vigorously negotiated mutual limitations in strategic arms. These are compelling reasons for pursuing such talks:

- Since successive rounds of competitive programmes will almost certainly yield only equilibrium, we have sought to regulate the competition and to maintain the equivalence that will exist in any case at lower levels.
- Stabilizing the strategic balance frees resources to strengthen our forces in areas where they are most needed; it will ease the problem of enhancing our capabilities for regional defence and in sea power – the areas where an imbalance could have serious geopolitical consequences.
- Agreed limitations and a more calculable strategic relationship will facilitate efforts to reduce political confrontations and crises.
- And, finally, the American people expect their leaders to pursue every responsible approach to peace and stability in the thermonuclear era. Only then can we expect them to support the sacrifices necessary to maintain our defensive strength.

We have made progress toward these goals. In the 1972 SALT Agreements we froze antiballistic missile systems in their infancy and thus avoided potentially massive expenditures and instabilities. We halted the momentum of the Soviet missile build-up for five years – a period in which, because of the long lead times involved, we had no capacity for deployment of our own. We intended to use that five-year interval to negotiate a longer-term and more comprehensive agreement based on numerical equality, and failing that to close the nume-

tical gap by our own efforts as our modernization programmes developed.

This is precisely what President Ford achieved at Vladivostok a year and a half ago, and what we are trying to enshrine in a binding treaty that would run through 1985. Both sides would have equal ceilings on missiles, heavy bombers, and on multiwarhead missiles; this would require the Soviets to dismantle many weapons, while our planned forces would not be affected. And neither the weapons of our allies nor our forwardbased nuclear systems, such as carriers and tactical aircraft, would be included; these had been Soviet demands since 1969.

These are major accomplishments which are overwhelmingly in our interest, particularly when we compare them to the situation which could have prevailed had we failed to achieve restraints on Soviet programmes. Nevertheless, very important issues remain to be resolved. We will make every effort to conclude a satisfactory agreement, but we will be driven solely by the national interest and not by arbitrary or artificial deadlines.

The SALT Agreements are the opposite of the one-sided concessions to the USSR, as they are so often portrayed. Soviet offensive programmes were slowed; none of ours were affected. Nor has the Administration countenanced Soviet violations of the first SALT Agreement as has been irresponsibly charged. In fact, we have carefully watched every aspect of Soviet performance. It is the unanimous view of all agencies of our government – only recently reconfirmed – that no Soviet violation has occurred, and that none of the ambiguous actions that we have noted and raised has affected our security. But, we will remain vigilant. All ambiguous information will be carefully analyzed. No violations will be tolerated. We will insist on full explanations where questionable activity has occurred.

Thus, our strong capability for local and regional defence is essential for us, and together with our allies, we must build up these forces. In a crisis the President must have other choices than capitulation or resort to strategic nuclear weapons. We are not the world's policeman – but we cannot permit the Soviet Union or its surrogates to become the world's policeman either, if we care anything about our security and the fate of freedom in the world. It does no good to preach strategic superiority, while practicing regional retreat.

This was the issue in Angola. The United States had no significant stake in a purely Angolan civil war. The issue was, and remains, the unacceptable precedent of massive Soviet and Cuban military intervention in a conflict thousands of miles from their shores – with its broad implications for the rest of Africa and indeed many other regions of the world. The danger was, and is, that our inaction – our legislatively imposed failure even to send financial help to Africans

who sought to resist – will lead to further Soviet and Cuban pressures, on the mistaken assumption that America has lost the will to counter adventurism or even to help others to do so. It is time, therefore, to be clear that as far as we are concerned Angola has set no precedent. It is time that the world be reminded that America remains capable of forthright and decisive action. The American people know that the United States cannot remain aloof if basic principles of responsible international conduct are flouted and the geopolitical balance is threatened by a pattern of outside interventions in local conflicts.

The United States has made clear its strong support for majority rule and minority rights in Southern Africa. We have no stake in and we will give no encouragement to illegal regimes there. The President and I have made clear that rapid change is required and that the opportunity for negotiated solutions must be seized. We will make major efforts to promote these objectives and to help all parties to return to the negotiating table. The proposals made by British Foreign Secretary Callaghan seem to us a most constructive approach. We welcome them.

But, let no one believe that American support can be extorted by the threat of Cuban troops or Soviet arms. Our co-operation is not available to those who rely on Cuban troops. The United States cannot acquiesce indefinitely in the presence of Cuban expeditionary forces in distant lands for the purpose of pressure and to determine the political evolution by force of arms. We have issued these warnings before. I repeat them today. The United States will not accept further Cuban military interventions abroad. We are certain that the American people understand and support these two equal principles of our policy – our support for majority rule in Africa and our firm opposition to military intervention.

Angola reminds us that military capabilities by themselves cannot solve our foreign policy problems. No matter how massive our arsenals or how flexible our forces, they will carry little weight if we become so confused in our decision-making and so constrained in defining our interests that no one believes we will ever act when challenged. The issue is not an open-ended commitment, or a policy of indiscriminate American intervention. Decisions on whether and how to take action must always result from a careful analysis and open discussion. It cannot be rammed down the throats of an unwilling Congress or public.

But, neither can we avoid decisions when their time has clearly come. Global stability simply cannot survive the presumption that our natural choice will always be passivity; such a course would ensure that the world will witness dangerous challenge and major changes highly inimical to our interests and our ideals.

## THE STRENGTH AND WILL OF AMERICA

If America's defence is to match the nation's needs it must meet three basic requirements:

- Our strategic forces must be sufficient to deter attack and credibly maintain the nuclear balance.
- Our forces for regional defence, together with those of our allies, must be clearly capable of resisting threat and pressure.
- And at home, we must once again unite behind the proposition that aggression unresisted is aggression encouraged. We must be prepared to recognize genuine threats to the global balance, whether they emerge as direct challenges to us or as *regional encroachment* at a greater distance. And we must be prepared to do something about them.

These are the real issues our leaders now face, and will surely face in the future. They require answers to some hard questions, such as the following: Where can our defence dollars be most productively spent? What programmes are needed that are not already underway? What would be the cost of these programmes and over what period of time? What, if anything, would we have to give up? What are the premises of our defence policy – against what threats and with what diplomacy?

Administration and critics alike must answer these questions if we are to have an effective national policy. And in this spirit, I have spoken today about the relationship between defence and foreign policy.

Military strength is crucial to America's security and well-being. But, we must take care not to become so obsessed with power alone that we *become a fortress America* and neglect our ultimate political and moral responsibilities. Our nation is the beacon of hope to all who love freedom not simply because it is strong, but because it represents mankind's age-old dream of dignity and self-respect. Others before us have wielded overwhelming military power and abdicated moral responsibility or engendered fear and hatred. Our resources – military, industrial, technological, economic and cultural – are beyond challenge; with dedication and effort they shall remain so. But a world of tenuous balance, of a nuclear equilibrium constantly contested, is too barren, perilous and uninspiring. America has always stood for something deeper than throwing its weight around; we shall see to it that we shall never relinquish our moral leadership in the search for a just and lasting peace.

We have gone through a difficult decade not because we were weak, but because we were divided. None of our setbacks has been caused by lack of American power, or even lack of relevant power. The fundamental challenge to America therefore is to generate the wisdom, the creativity and the will to dedicate ourselves to the peace and

progress of humanity. America's ultimate strength has always been the conviction and basic unity of its people. And despite a decade and more of testing – despite assassination, war and institutional crisis – we still remain a vital, optimistic and confident people.

It is time once again for Americans to hold their heads high. It is important to recall once again some fundamental truths:

- That we are still the strongest nation on the face of the earth;
- That we are the most generous nation in history; we have fed the starving, opened our arms and our hearts to refugees from other lands, and given more of our substance to the poor and downtrodden around the world than any other nation;
- That we are needed to maintain the world's security;
- That we are essential to any hopes for stability of human progress;
- That we remain the bulwark of democracy and the land of promise to millions who yearn for freedom and a better life for themselves and their children;
- That we therefore have a responsibility to hold high the banner of freedom and human dignity for all mankind.

Our record of achievements should be but prologue to what this generation of Americans has it within its power to accomplish. For the first time in history, we can work with others to create an era of peace and prosperity for all mankind. We shall not fail. With faith in the goodness and the promise of America we shall master our future. And those who celebrate America's tricentennial will look back and say that this generation of Americans was worthy of the ideals, and the greatness of our history.

# BRIEF REPORTS

## THE UNITED STATES AND THE WORLD

... I say it is time we quit downgrading ourselves as a nation. Of course it is our responsibility to learn the right lessons from past mistakes. It is our duty to see that they never happen again. But, our greater duty is to look to the future. The world's troubles will not go away. The American people want strong and effective international and defence policies.

In our constitutional system, these policies should reflect consultation and accommodation between the President and Congress. But, in the final analysis, as the framers of our constitution knew from hard experience, the foreign relations of the United States can be conducted effectively only if there is strong central direction that allows flexibility of action. That responsibility clearly rests with the President. I pledge to the American people policies which seek a secure, just and peaceful world. I pledge to the Congress to work with you to that end.

We must not face a future in which we can no longer help our friends, such as in Angola – even in limited and carefully controlled ways. We must not lose all capacity to respond short of military intervention. Some hasty actions of the Congress during the past year – most recently in respect of Angola – were in my view very shortsighted. Unfortunately, they are still very much on the minds of our allies and our adversaries.

A strong defence posture gives weight to our values and our views in international negotiations; it assures the vigour of our alliances; and it sustains our efforts to promote settlements of international conflicts. Only from a position of strength can we negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement will serve our interest and minimize the threat of nuclear confrontation.

The defence budget I will submit to the Congress for the fiscal year 1977, will show an essential increase over last year. It provides for a real growth in purchasing power over last year's defence budget, which includes the costs of our all-volunteer force. We are continuing to make economies to enhance the efficiency of our military forces. But, the budget I will submit represents the necessity of American strength for the real world in which we live.

As conflict and rivalries persist in the world, our United States intelligence capabilities must be the best in the world. The crippling of our foreign intelligence services increases the danger of American involvement in direct armed conflict. Our adversaries are encouraged

This is an extract with minor editorial changes, taken from the foreign policy section of President Gerald Ford's *State of the Union Address to the US Congress* on 19 January, 1976, and is reproduced from the *Official Text*, issued by the United States Information Service.

to attempt new adventures, while our own ability to monitor events, and to influence events short of military action, is undermined. Without effective intelligence capability, the United States stands blindfolded and hobbled.

In the near future, I will take actions to reform and strengthen our intelligence community. I ask for your positive co-operation. It is time to go beyond sensationalism and ensure an effective, responsible, and responsive intelligence capability.

#### **THE SOVIET RECORD OF INTERVENTION IN ANGOLA**

President Gerald Ford and Secretary of State Henry Kissinger have been accused in the Soviet press of making misleading statements about the Soviet interventionist role in Angola – but the record of events in that former Portuguese colony speaks for itself.

It has been only in recent years that Africa became a continent free of rivalry among the great powers, and that was a condition the United States had hoped to see preserved. Yet, now one of the big powers, the Soviet Union, and its client state of Cuba are seeking to impose a regime of their choice upon the people of Angola.

The Ford Administration began publicly sounding the alarm in December, 1975, about the Soviets' dispatch of 400 military advisers and almost 200 million dollars worth of modern military equipment into Angola; an area far removed from any direct Soviet security concerns. Fact is, however, that Angola is only one of eleven countries on the African continent that, despite their remoteness from Soviet security concerns, have been the targets of Soviet military aid and military advisers in recent years.

According to recent US Defence Department statistics, the USSR pumped almost 3 000 million dollars into Angola, Mozambique, Guinea, Mali, Nigeria, Uganda, Somalia, Algeria, Libya, Sudan and Egypt during the years 1971 through 1975 – and more than 2 200 million dollars of that was in military aid. In the same period some 2 900 Soviet military advisers were sent to those countries. The effect of the Soviet effort, Defence Secretary Donald Rumsfeld has pointed out, *is to develop ports and airfields and depots, and to strengthen governments that (the Soviets) feel are favourable to them. Reasonable observers, the Secretary said, properly can be concerned about the involvement by the Soviet Union in so many nations of Africa.*

Soviet involvement in Angola includes weapons so sophisticated that the troops of the pro-Moscow *Popular Movement for the Liberation of Angola* (MPLA) cannot operate many of them. Therefore, an 11 000-man Cuban expeditionary force is in the vanguard of the fighting for the MPLA. Moscow's military shipments to Angola dur-

This is an edited version of a report written by Marie H. Koenig, and is reproduced from the *USA News Digest*, Volume 15, Number 3 (February 11, 1976), published by the United States Information Service.

ing 1975 totalled 179 million dollars, equaling the entire amount of all military aid from all sources to sub-Saharan Africa in 1974. The Soviets shipped infantry weapons, machine guns, bazookas, mortars and recoilless rifles, armoured personnel-carriers, heavy artillery, light and medium tanks, truck-mounted multitube rocket-launchers, helicopters, light aircraft and MIG-21 jet fighters, to be piloted by the Cubans.

While making the point that the Soviet Union has moved into an area where it has no historic interests, the Ford Administration also contends that the implications of Havana's unprecedented and massive intervention cannot be ignored. In the last week of January, 1976, Dr. Kissinger told the US Senate that Cuba's actions are *a geopolitical event of considerable significance*. He emphasized that *for the first time, Cuba has sent an expeditionary force to another nation on another continent, . . . this blatant power play cannot but carry with it far-reaching implications – including the impact it will have on the attitudes and future conduct of the nations of this (Western) hemisphere.*

Dr. Kissinger plans to visit Latin America during February, 1976, and while there he will take soundings on the reaction to Cuban adventurism. He says he has the impression already that *several Latin American states are profoundly concerned about Cuban actions and what this may foreshadow.*

The record shows that Moscow reduced its military equipment support of the MPLA for about two years in 1973-74, but resumed it in the fall of 1974, exactly when the "national liberation" struggle in Angola was over and responsible Angolan and Portuguese officials were looking forward to the establishment of a sovereign Angola. Under the terms of the Alvor Accord signed on 15 January, 1975, a transitional coalition government was to be established by the MPLA, the *National Front for the Liberation of Angola* (FNLA) and the *United Front for the Total Independence of Angola* (UNITA), looking toward Independence Day on 11 November, 1975. The Alvor Accord could have worked only as long as none of its parties was strong enough to exclude the others from a future government. With the promise of vast shipments of Soviet weapons, however, the MPLA had little incentive to accept a minority partnership.

It is viewed in Washington as no coincidence that major violence broke out in March, 1975, when massive shipments of Soviet arms began to arrive. The clashes increased in frequency in April, May and June, when deliveries of arms escalated by air and sea. On 9 July, all-out civil war started when the MPLA attacked the FNLA and UNITA, forcing them out of Luanda. In August, intelligence information showed the presence of Soviet and Cuban military advisers, trainers and troops. According to statements by Cuban officials, a large Cuban military training program began in Angola in June, 1975. There was yet another big increase in Soviet and Cuban mili-



tary aid in October, while Cuba began its own airlift of troops in late October. The weight of Soviet assistance and advisers, plus the Cuban forces, began tipping the scales of battle in December. At that point most of the effective fighting for the MPLA was being done by the Cubans. It was clear that the Soviets, the Cubans and the MPLA were aiming for a decisive military victory, and that Moscow was exploiting a national liberation struggle in a post-independence period by its own opportunistic move to put a minority group in power and gain unilateral advantage.

With these facts of communist intervention receiving increased publicity, the Soviet Communist Party newspaper, *Pravda*, and the Soviet Press Agency, *Tass*, accused the Ford Administration on 1 February, 1976, of painting "a distorted picture of the Angolan situation."

However, the American warning issued by Dr. Kissinger at a Senate hearing on 29 January, 1976, is clear: *If a continent such as Africa, only recently freed from external oppression, can be made the arena for great power ambitions; if immense quantities of arms can affect far-off events; if large expeditionary forces can be transported at will to dominate virtually helpless people – then all we have hoped for in building a more stable and rational international order is in jeopardy.*

#### **Appendix: Soviet and Cuban Aid to Africa**

The US Defence Department has released figures detailing Soviet and Cuban assistance in Africa, both economic and military. It reflects 1971 to 1975 data in dollar value of economic aid actually drawn and military equipment actually delivered. Additional economic and military aid has been approved, but not yet drawn upon or delivered.

- Algeria – Soviet military advisers, 600; Soviet military aid, 89 million; Soviet economic aid, 174 million;
- Libya – Soviet military advisers, 300; Soviet military aid, 363 million; Soviet economic aid, no figure shown;
- Egypt – Soviet military advisers, 200; Soviet military aid, 1 313 million; Soviet economic aid, 355 million;
- Sudan – Soviet military advisers, 80; Soviet military aid, 32 million; Soviet economic aid, 11 million;
- Guinea – Soviet military advisers, 110; Cuban military advisers, 310; Soviet military aid, 39 million; Cuban military aid, negligible; Soviet economic aid, 94 million;
- Mali – Soviet military advisers, 33; Soviet military aid, 12 million; Soviet economic aid, 10 million;
- Nigeria – Soviet military advisers, 50; Soviet military aid, 39 million; Soviet economic aid, 6 million;
- Uganda – Soviet military advisers, 300; Soviet military aid, 48

- million; Soviet economic aid, 12 million;
- Somalia – Soviet military advisers, 1 000; Cuban military advisers, 50; Soviet military aid, 132 million; Soviet economic aid, 32 million;
- Angola – Soviet military advisers, 170; Cuban military advisers, 11 400; Soviet military aid, 108 million; Cuban military aid, 70 million; no figures shown for Soviet and Cuban economic aid;
- Mozambique – Soviet military advisers, 25; Soviet military aid, 12 million; no other figures shown.

#### **UNITED STATES SENATE HEARING ON POLICY TOWARDS SOUTHERN AFRICA**

At a hearing of the Senate African Affairs Sub-committee on 19 March, 1976, Mr. William E. Schaufele, Jr., Assistant Secretary of State for African Affairs and Sub-committee Chairman, Senator Dick Clark, discussed the US position on a number of issues related to Africa, including majority rule in Southern Africa, Soviet-Cuban influence there, US assistance to Mozambique, Tanzania and Zambia, and US diplomatic recognition of Angola. Senator Clark explained in an opening statement that the purpose of this and other hearings of his Sub-committee has been to examine the interrelated questions of the major powers in Southern Africa, and US policy toward liberation movements in that area.

When asked by Senator Clark whether the United States gives higher priority to the influence of communism, or to the struggle for majority rule in Southern Africa, Assistant Secretary Schaufele replied that the situation in Southern Africa must be looked at in both African and global terms. *We believe in majority rule, but we are also concerned with the expansion of Soviet efforts in that part of the world, he said. We do not want to make the choice between either of them . . . in our role as a global power, we have to look at both issues.*

Senator Clark said that in his opinion, the worst Southern Africa policy the United States could adopt would be one based on the old formula: back the side the communist powers are opposing. *That would put the United States on the side of racial domination, he said. It would be disastrous for our relations with Africa, our international prestige, and our view of what this country stands for in the world.* However, it has also become clear that the United States can and should take the initiative away from the communist powers in Southern Africa. The Senator agreed with Assistant Secretary Schaufele that the best policy is the one the United States is actively pursuing, which encourages peaceful change in Southern Africa. *The United States can make an important and perhaps decisive contribution to peaceful change, he said.*

Senator Clark questioned Assistant Secretary Schaufele about ac-

tions the United States has taken to promote peaceful transmission to majority rule in Southern Africa. The Assistant Secretary explained that the United States has sometimes departed from supporting some resolutions in the United Nations, which on the surface seemed to put pressure on the White minority regimes in the area. One example he cited was a Security Council resolution to place economic sanctions on South Africa. Such a resolution would have only "cosmetic effect" he said, because, considering South Africa's extensive sea-coast, such an embargo would be very difficult to monitor. The effectiveness of such United Nations actions must, therefore, be considered.

Assistant Secretary Schaufele further told the Senate Subcommittee that President Gerald Ford and Secretary of State Henry Kissinger have clearly stated that the United States will not support the White minority regimes in Rhodesia and Namibia in any way. In addition, the United States is ready to favourably consider how, in co-operation with other nations, to provide financial and material assistance to Mozambique to help offset its losses for closing its borders with Rhodesia. *I think this is one of the most significant actions we have taken in recent years. I compliment you on this excellent decision,* responded Senator Clark. He also stated that American efforts to provide assistance to Zambia and Tanzania are important positive actions, which show the United States is committed to more than just rhetoric in working for a peaceful solution to the potentially explosive situation in Southern Africa. Assistant Secretary Schaufele explained that whereas in the past Zambia had preferred not to seek security assistance from the United States, the situation has changed. *We are prepared to provide such assistance,* he said, and the United States is also willing to provide food aid to Tanzania.

When asked by Senator Clark whether the United States should establish good relations with Angola by recognizing the MPLA Government, in order to provide an alternative to Angola's reliance on the Soviet Union, Assistant Secretary Schaufele said that such diplomatic recognition by the United States will come *when we are convinced that it is truly an African government which is not dependent on foreign forces.* The process of establishing diplomatic relations can be a prolonged one even for countries having good relations with the MPLA, he explained. *We are watching the situation closely,* and are also interested in the attitudes of other African countries which are closely involved with Angola.

Senator Clark agreed that the issues in Southern Africa are complex, but he said the fact that America is a multiracial society gives it some major advantages in helping to realize peaceful change in Southern Africa, because it is committed to racial equality and the protection of minority rights. *The great dilemma the US Government faces in Southern Africa is whether it can have the best of both worlds: how we can find*

*a way to both check Cuba's aggressive action, while not at the same time giving support to the regimes in Salisbury or Windhoek, concluded Senator Clark. I would oppose any action our government would take which would give support, direct or indirect, to a regime we consider illegal.*

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- Messina Transvaal Development Company Ltd., The  
Metal Box Company of SA Ltd., The  
Mine Labour Organizations (Wenela) Ltd.  
Mobil Oil Southern Africa (Pty) Ltd.  
Natal Tanning Extract Company Ltd., The  
Nedbank & Syfrets-UAL Holdings Ltd.  
Otis Elevator Company Ltd.  
Plate Glass & Shatterprufe Industries Ltd.  
Pretoria Portland Cement Company Ltd.  
Price Waterhouse & Company.  
Reef Lefebvre (Pty) Ltd.  
Rennies Consolidated Holdings Ltd.  
Rembrandt Group Ltd.  
Retco Ltd.  
Reynolds Brothers Ltd.  
SA Associated Newspapers Ltd.  
SA Board Mills Ltd.  
SA Breweries Ltd.  
SA Iron & Steel Industrial Corporation Ltd., The (ISCOR).  
SA Marine Corporation Ltd., The  
SA Phillips (Pty) Ltd.  
SA Sugar Association.  
Schindler Lifts (SA) (Pty) Ltd.  
Shell SA (Pty) Ltd.  
Siemens (Pty) Ltd.  
C G Smith & Company Ltd.  
South African Coal, Oil and Gas Corporation Ltd (SASOL).  
Standard Bank of South Africa Ltd., The  
Stellenbosch Farmers' Wineries Ltd., The  
Tiger Oats & National Milling Company Ltd.  
Total SA (Pty) Ltd.  
Toyota South Africa Ltd.  
Truworths Ltd.  
Trust Bank of Africa Ltd., The  
UDC Bank Ltd.  
Unilever South Africa (Pty) Ltd.  
Union Corporation Ltd.  
Volkswagen of SA Ltd.  
Woolworths (Pty) Ltd.