CHAPTER V

CONCLUSION

Given the discussions in the Chapters, we may conclude that economic interests have remained the most vital factor in shaping Britain's relations with the Republic of South Africa. From a historical point of view, mere economic benefit not only made Britain forget human values, but helped develop a system that is still considered to be an insult to human civilisation. Therefore, more important than anything else, Britain bear's responsibility for the development of apartheid in South Africa. As the colonial state, Britain transferred power to a white minority in the full knowledge that it had no intention of sharing it with the black majority. This took place despite the help Britain had received from the black people of Natal and the Boer republics during the Anglo-Boer war of 1899-1902, and the belief of the black people that their political position would improve under the subsequent peace fell short of their expectations. By the Treaty of Vereeniging (1902), Britain, by deceiving the faith of the blacks, transferred power to a white minority. Thus when the Act of the Union was passed in 1909 it became clear that whites were to become
the members of Parliament. The Act came into force in 1910. Blacks were thus left at the mercy of a remorseless white minority. Following the Statute of West Minster of 1931, South Africa became fully independent, and after the election victory of 1948 under Dr. Malan the National Party gave legal status to its age-old policy of apartheid. As a matter of fact, the development of apartheid as a legal system was made possible by Britain itself. Thus what had remained a major historic responsibility for Britain was to help build the apartheid system in the Republic. The system of apartheid not only served the white South Africans' racist purpose, but also Britain's selfish interests. By handing over power to the South African whites, Britain could secure the large capital invested in South African gold and diamond mines. Cheap black labour not only enhanced British mining interests but also furthered economic benefits to Britain. It was only through the oppression of blacks that the racist regime of South Africa could serve the whites only interests.

From the empirical point of view, it was the British economic interest that determined its policy and stand on South Africa. As for Britain's economic interests in South Africa, it has always been of paramount importance in British policy towards the apartheid regime. Neither the Conser-
The Conservatives, in particular, have clearly articulated a policy of removing government interferences with business at home as well as overseas. Many leaders of the Conservative Party have had personal business interests in South Africa, and the Monday Club, an influential right wing group of the Conservative Party, firmly rejected even the slightest criticism of apartheid which Prime Minister Harold Macmillan had conceded at the height of the Commonwealth debate. The South African Foundation, a lobbying group, has found it relatively easy to build up contacts with important business people in Britain, partly because of Britain's extensive commercial activities in South Africa. For most of modern South African history, English speaking whites have dominated the economic sector; a factor facilitating contemporary commercial relations between the two countries.

The British government actively promoted international trade in view of its weak economy and dependence on foreign markets for exports. This was why it was extremely sensitive to possible barriers to commercial transactions. In addition, it also tried to separate economic matters from political and other considerations. The British government
thus promoted trade while contending that economic growth was the most pragmatic approach to ending apartheid, an easier way to avoid sanctions against the Pretoria regime. Britain's position on economic sanctions thus appears deliberate, and statements from the Foreign Office indicate that while the Conservatives opposed to sanctions as an instrument of foreign policy, they present no credible alternative for bringing about peaceful change in South Africa. Britain's views articulated by Prime Minister Margaret Thatcher and her former Foreign secretary Geoffrey Howe, are that economic sanctions are counterproductive and will actually force the white community to retreat further into the laager. Instead of encouraging peaceful change, punitive actions are seen as hindering positive white attitudes, strengthening the right wing, compelling Pretoria a siege economy, and undermining black employment. But Britain's opposition to punitive sanctions appears to be based less on a careful analysis of how such measures would erode apartheid and more on the fact that significant alterations of the status quo could create severe economic problems for Britain. Many British citizens residing in South Africa are likely to leave in the event of dramatic changes, and almost 120,000 British workers could be unemployed as a consequence of comprehensive sanctions against South Africa. As Howe put
it; "one is entitled to ask: What guarantee is there that, if those jobs were destroyed in Britain, they would not be recreated elsewhere in the world?" However, if sacrificing these jobs would help end racial oppression and advance individual freedom in South Africa, would Britain change its view? When confronted with Argentina's aggression in the Falklands/Malvinas, Thatcher not only called for international sanctions but also dispatched the Royal Navy and marines to restore freedom for 1,800 British subjects almost 8,000 miles from Britain. While this action demonstrated the widely held view among nations that achieving freedom requires individual sacrifices, including a willingness to sacrifice one's life, Britain's policy towards South Africa involves no meaningful sacrifices. In other words, Britain was skillfully evading the challenge to bring about peaceful change in South Africa, despite its declaratory policies.

British decision makers generally refer to Rhodesia as an example of the failure of economic sanctions to effect social and political transformation. David Owen, the leader of the Social Democratic Party in 1986 noted that in addition to an extremely porous border between Rhodesia and South Africa, sanctions were not carefully and determinedly applied, and successive British governments connived in breaking sanctions. A former Prime Minister, Edward Heath,
also contended that a myth had developed about the Rhodesia sanction: "It is not time to say that sanctions had no effect of inducing Mr. Ian Smith to negotiate with Lord Home when he was Foreign Secretary, something which Mr. Smith had previously refused to do." The Rhodesian case presents serious analytical problems as well as practical dilemmas for British policy makers; those who regard sanctions ineffective in the Rhodesian case unintentionally argue for the efficacy of military force, that is, if sanctions did not bring Ian Smith to the negotiating table, then the logical assumption is that guerrilla activities induced him to perceive his interests in a different light.

With regard to the British Labour Party, it endorsed limited sanctions against the Pretoria regime. Following the Sharpeville massacre, it joined the Liberal Party and the Trade Union Congress in boycotting selected South African products for a month. Labour MPs were the most articulate advocate of economic measures against Pretoria and constantly criticised the Conservatives for assisting Pretoria by their reluctance to enforce sanctions, and by acting as a brake on pressure against the white minority regime in various international fora. But the Labour government when in power, as discussed earlier, did not behave radically
differently from the Conservatives in power. Neither party had been willing to drastically alter British policy towards South Africa. Among the Conservative leaders, the most aggressive opponent of sanctions was Mrs. Margaret Thatcher. On becoming Britain's Prime Minister in 1979, Mrs. Thatcher was seen as an ally of the white racist regime of South Africa as she repeatedly opposed Commonwealth demands for sanctions against the Republic. Under Thatcher, despite periodic condemnation of apartheid, Britain appeared almost entirely negative in its attitude to pressurize the Pretoria regime. Instead, Thatcher constantly sought to give credit to the Pretoria government for minor reforms during the Botha years, none of which altered the basic system. A principal argument advanced by Mrs. Thatcher for opposing sanctions was that they would harm blacks more than whites.

Consistent with this view, the government established an Export Credit Guarantee Scheme for British exporters who dealt with South Africa. Various government organisations were also utilised. For example, Lord Jellicoe, Chairman of the British Overseas Trade Board, a government body, visited South Africa in 1984 to promote economic relations. The South African Trade Association also augmented government efforts to promote trade. This association, composed of leading British and South African businessmen, provided its
members with relevant economic data about trade and investment opportunities in South Africa, and facilitated commerce between the two countries. Britain's aggressive trade policies and its unwillingness to end apartheid, inadvertently enhanced Pretoria's leverage.

Whatever justifications Thatcher advanced for her stand on sanctions, she succeeded in almost isolating Britain over this issue. Her stand looked all the more dubious given Britain's economic links with South Africa as well as her readiness to quote an official estimate of December 1985 that 120,000 British jobs could be jeopardised by a ban on trade with South Africa. Job stakes might be one reason, but more important than anything else was Britain's economic interests in the Republic. Historically, Britain has been the largest source of foreign investment in South Africa. In 1961, for example, British investment represented fifty-nine percent of South Africa's foreign liabilities and more than seventy percent of all direct investment there. By 1970, due to competition from other countries, British holdings decreased to about fifty-five percent of all foreign assets, more than the combined shares of all other countries. By 1988 the British share was roughly forty percent and the total value was about $9.1 billion. Al-
though there was a decrease in the British share, it remained South Africa's leading trade partner and the largest investor in the Republic. The whole of South Africa, in fact, bears the stamp of British economic interests. In the face of the international boycott of South Africa, the British Foreign Office appeared more concerned in safeguarding British interests in South Africa than exerting pressure on altering the social conditions in South Africa. Through the Exports Credit Guarantee Department, for example, Britain supplied South Africa with the largest amount of insured bank credits; her investments have remained the highest; her banks have been the leaders in South Africa with British banks holding the majority of South African Public sector bank debt; and British private investment has always been anxious to invest in the Republic. Britain has argued that the existence of these interests provided the leverage with which to influence the policies of South Africa, and therefore, these should remain in South Africa rather than withdraw or be cut off. As Lynda Chalker, the junior minister at the Foreign Office with responsibility for South Africa, said, "You do not convert a Country to Christianity by withdrawing the missionaries." This was a good diplomatic statement but she forgot to note that there was not much evidence that missionaries had ever been active in pursuing
conversions. In other words, Britain, despite its claim that it could influence South African policies, never tried to use its leverage to bring an end to apartheid in South Africa. Britain thus not only laid the foundation of apartheid, but also strengthened it further by maintaining economic links with the Republic. Economic links enabled South Africa to dominate the region economically and militarily, and to use both these levers in pursuit of its narrow national interests.

In the sphere of Britain's political relationship with the Republic, the British government was found to have resorted to policy measures, supportive to the racist regime of South Africa. The underlying intention was the joint exploitation of the black people to the advantage of both, the whites of South Africa and Britain. British government's attempts to perpetuate minority regime's membership of the Commonwealth was one such instance. Underneath the British efforts to retain South Africa within Commonwealth was the British economic motives. It was at this time that South Africa represented one of Britain's most important foreign markets for exports. This economic factor can further be discerned by pointing to the fact that after becoming a Republic in 1961, South Africa was neither deprived of any of the important privileges of her former
financial, commercial and military arrangements. The new Republic was neither ousted from the Sterling area nor from the Preference Area. When the question of UN arms embargo against South Africa came up in 1963, British government's decisions also remained defensive of the racist regime. Here also the underlying forces behind British position was the commercial aspect of British arms sales. Similar British position could be observed from the British stand on sanctions.

One general impression that persists in the minds of many is that British defense co-operation with, and arms sales to, South Africa was purely due to a perceived threat to South Africa. Often it has been assumed that the intensification of the cold war ideologies after the second world war clearly endangered the security of South Africa and, therefore, it was the moral responsibility of Britain to extend the security umbrella to South Africa through military co-operation. Given the cold war situation of the time, this argument was found to be the safest cover to hide the real interest of Britain. The real interest of Britain, as far as the Cape route was concerned, was commercial shipping. Therefore, whatever strategic importance South Africa gained was due only to serving British as well as other
Western economic and commercial interests. Pragmatically speaking, it was the British economic interest that led to the signing of the Simonstown Agreement in 1955. During this period arms sales were found to be a lucrative business for western powers. The arms industry not only created domestic job opportunities, but also helped strengthen the economies of supplier countries. The propaganda of a communist threat was only to create a situational myth whereby the military-industrial complexes of the west could flourish. Since this was the time when the competition for arms was gaining momentum, South Africa was perceived by the British as a good market. In order to maintain a monopoly Britain thwarted the South African effort for a multilateral defense arrangement, and instead drew it into a bilateral defence pact. Desperate for arms to suppress the blacks and dominate the southern African region, South Africa had no other option but to submit to the British offer. In other words, the implementation of legislation by the Pretoria regime to strengthen racial discrimination against the black South Africans seemed irrelevant to Britain's economic interests. It was in fact the British-supplied weapons which were used in Southern Africa to suppress the blacks by the racist regime of South Africa.
Despite the call for an arms embargo by the UN against South Africa, the Conservative government in Britain preferred to ignore it and continued the sale of arms to South Africa. Although the Labour government under Harold Wilson agreed to observe the boycott, numerous loopholes made this a mere farce. British businessmen and politicians opted for a liberal interpretation of the arms embargo and argued for honouring existing contracts under the Simonstown Agreement. For instance, the British believed that some military equipment could not be used by the South African government to suppress the blacks, and that weapons essential for ensuring security interests around the Cape were exempt from the embargo. Spare parts and replacement systems needed by South Africa were also excluded. This explains British obsession for making profit through arms sales. Had it been genuinely committed, it would have opted for stringent measures. As to the existing evidence, there is nothing to suggest that Britain did take such measures. There is also another area where the British commercial attitude can be tested. Here we have also found that no action was taken against subsidiaries of British firms located in South Africa which manufactured military equipment. Companies such as British Petroleum and Imperial Chemical have contributed to South Africa's defense. British Petroleum which owns several
hundred gasoline stations and half of the largest oil refinery in South Africa, sells oils to the police. Imperial Chemical controls about forty percent of AECI, its South African affiliate, which makes explosives for the mining industry as well as tear gas for the Police and Army.

Britain has thus failed to enforce strictly the measures to which it was formally, if reluctantly, committed. The implementation of these measures made a mockery of their stated objectives. In the case of the arms embargo, British controls were riddled with loopholes.

Considering the global divide on ideological lines, South Africa was perceived by Britain and other western powers as an important supplier of minerals. Since most of the alternative minerals were concentrated in the former Soviet Union, it was one of the reasons for Britain to attach 'strategic importance' to South African minerals. As the British industries were dependent upon the supply of South African minerals, the consideration of South Africa as strategic had, therefore, all the implications for the ultimate British economic interests.

The British economic interest thus has a profound impact on the development and maintenance of the apartheid
system in the Republic of South Africa. As the former colonial power, as a major foreign investor in the Republic, as a principal trading partner, and indeed, as the principal arms supplier, Britain is certainly placed in a unique position in the world. It has consistently blocked the adoption of effective action by the international community. In September 1985 at the EC council of Ministers, at the Commonwealth Summit at Nassau in October 1985, at the Hague European Council meeting in June 1986, at the Commonwealth Review meeting in London in August 1986, and repeatedly in the UN Security Council, Britain has blocked and vetoed sanction proposals against the racist regime of South Africa.

In politics the perceptions of what a country intends to do are as important as the actual policies it carries out; in terms of South Africa, whatever Britain argued during the Thatcher years, the image was that of a grim rearguard by Britain's Prime Minister to prevent effective action against Pretoria. As it appeared the British Prime Minister assumed the role of the principal ideological opponent of sanctions. Resorting to the arguments that were characteristic of the cruder forms of apartheid propaganda, she had gone on the offensive against sanctions. Her rhetoric delighted the racist South African regime, and encour-
aged the sanction breakers. Commercial interests thus played a vital role in shaping Britain's policy towards South Africa.