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U.S. EXPORTS TO SOUTH AFRICA: THE TOUGH CHOICE

INTRODUCTION

The Reagan Administration currently is re-evaluating the status of the restrictions upon U.S. exports to the Republic of South Africa. The issue is decidedly perilous. On the one hand, the Administration, at this juncture, does not wish to recognize South Africa as a fully fledged trading partner and thus risk identification with Pretoria's domestic racial policies. On the other hand, Washington's new policy of "constructive engagement" must involve some level of actual engagement beyond mere rhetoric. Moreover, the U.S. now must make some concessions to Pretoria in return for cooperation over the Namibia negotiations and as a taste of further concessions should that cooperation continue. A modification of current export restrictions on South Africa could provide Pretoria with the appropriate series of incentives without damaging the U.S. stance against apartheid.

THE EXPORT REGULATION DEBATE

Any suggestion of loosening the Carter Administration's export regulations, inevitably, will offend many political pressure groups, no matter how moderate the proposed modifications may be. Critics who refuse to recognize the complexity of the southern Africa situation will attack any alteration of current export regulations as evidence of Washington's acceptance of apartheid. They will demand further restrictions upon U.S. trade with the Republic, asserting that tighter controls will oblige South Africa's ruling National Party to adopt more radical reformist policies. At the other extreme, some geopolitical analysts point to South Africa's strategic position, its mineral resources and its traditional close relations with the U.S. Because of this, they assert that Washington must make every effort to draw closer to what they see as a vital ally and that all export restrictions, particularly those pertaining to armaments, should be suspended, regardless of that country's domestic situation.

The Administration, however, must stand firm between these two camps and liberalize the export restrictions on South Africa, insofar as they pertain to non-military items. A more far-reaching move in South Africa's favor would undermine the State Department's ability to deal with the southern African "front line states" in the ongoing Namibia negotiations. Conversely, the maintenance of the regulations in their present form could alienate Pretoria and thus wreck the negotiations.

A brief examination of the history of U.S. trade relations with South Africa reveals that the current broad restrictions are of relatively recent origin. They do not, as their advocates suggest, embody the traditional U.S. approach to the South African question. On the contrary, prior to the implementation of the Carter-Young-McHenry policy on southern Africa, the U.S. refused to supply South Africa with armaments but maintained a flexible attitude towards every other aspect of the two countries' trading relationship.

THE CHRONOLOGY OF U.S. EXPORT RESTRICTIONS ON SOUTH AFRICA

In August 1963, the U.S. Ambassador to the United Nations, Adlai E. Stevenson, announced that Washington would abide by Security Council Resolution 182, which called for the voluntary curtailment of all exports to South Africa of arms, ammunition, military vehicles and support materials in light of the Republic's refusal to abandon its policy of racial apartheid. The Johnson Administration then went one step further and, in instructions to the Department of Commerce, sought to establish some control over the export of "dual use" equipment. These are goods of a civilian character, destined for civilian use, which, nonetheless, could be of use to South Africa's police or military under certain circumstances. Exporters of such merchandise would be required to obtain an export license from the Department of Commerce. The Department reserved the right to scrutinize such exports for potential military uses and export licenses were often denied. In 1968, the Johnson Administration forbade the inclusion of U.S. components in foreign-manufactured arms and ammunition destined for South Africa.

The Nixon Administration took exception to its predecessor's provisions for restricting the export of dual use equipment. In 1969, the National Security Council was asked to re-evaluate export restrictions on South Africa and a memorandum, approved in January 1970, recommended that the Administration encourage South Africa to adopt moderate, reformist policies by following a relatively lenient policy toward the export of dual use equipment. Consequently, the Department of Commerce was instructed to issue export licenses for non-military exports to the Republic unless there was strong reason to suspect that these goods were destined for the military or police.

The Carter Administration once again re-evaluated Washington's trade relations with South Africa and revoked the Nixon policy on dual use equipment. The Department of Commerce was instructed to forbid all exports to South Africa, even though they might have no clear or direct application for the military or the police, if the sale of such items could be said to "strengthen apartheid" or spread the belief that the U.S. lacked commitment in its opposition to apartheid. Given the exceptionally broad nature of these prohibitions, it can be said that the Carter Administration gave itself carte blanche to prevent any export to South Africa. These regulations are still in force; they are now due for annual review by the White House and State Department.

THE CASE FOR MODIFICATION

The case for modification rests on two specific and two general points:

1. The regulations, in their present form, are unenforceable.

2. Failure to modify the regulations could hinder the progress of the Namibia negotiations.

3. Maintenance of current export restrictions may never oblige South Africa to alter its domestic policies. Stricter regulations will be no more effective and will only serve to hamper U.S. business involvement in the Republic, despite the fact that U.S. companies have a positive record in breaking down customary racial barriers.

4. In light of the above factors, there is no justification either for the maintenance of the current regulations or for further restrictions on U.S. trade with South Africa.

Enforcement

Advocates of strict U.S. export controls tend to ignore one crucial factor: the enforcement of such restrictions upon South Africa would require an army of U.S. officials, operating abroad, to monitor European, Japanese, Israeli, Taiwanese and South Korean exports to South Africa, and another body of officials stationed in the Republic to monitor South Africa's imports.

Hence, U.S. ability to enforce current export restrictions must be questioned seriously. How can an official of the U.S. embassy in Pretoria be expected to recognize a U.S. part in a West German light aircraft? How can he be expected to recognize a component in a Japanese computer which has been manufactured with the use of U.S. technology? More important, why would the South African government ever allow foreign officials to inspect its entire range of imports for U.S. content? Certainly, this is not a privilege which sovereign states would grant agents of a foreign power. It is also somewhat difficult to visualize European and Japanese companies allowing U.S. officials free run of their plants in their search for U.S. components in exports destined for South Africa; one would not expect U.S. companies to comply with similar requests from a foreign government.

Namibia

The U.S. currently is taking the lead in negotiating independence for South Africa's protectorate, Namibia. The negotiations appear to be going well and have reached the stage where the U.S. must appear willing to offer South Africa some concessions in return for Pretoria's support of Namibian independence.

Opponents of such concessions ignore the fact that South Africa is not suffering in its battle with the guerrillas of the South-West Africa People's Organization (SWAPO). Pretoria can bear the financial cost of the war quite easily, casualties are light and morale is high as a result of several apparently successful raids on SWAPO bases in Angola. Circumstances thus do not demand that South Africa cooperate with the U.S. in seeking Namibian independence. Indeed, a powerful group within the National Party opposes granting independence to Namibia within the near future, on the grounds that South African ground forces are winning the military struggle and that independence should be granted only after total victory over SWAPO has been achieved.

If the U.S. wishes to keep South Africa on the course of compromise it must enable the present leadership of the National Party to demonstrate that the Republic stands to make substantial gains from cooperating with the U.S. over Namibia. Otherwise, the "total victory" party in Pretoria yet may be able to take over the direction of Namibia policy.

The Effectiveness of Export Regulations

Washington must face the fact that South Africa is dependent upon the U.S. for only 16.5 percent of its broad range of imports. Consequently, the termination of U.S. exports would not force the National Party to adopt a policy to which it was adamantly opposed. Given South Africa's virtual monopoly of certain strategic minerals and its command of Zaire's and Zimbabwe's primary mineral export routes, the U.S. ironically seems more dependent upon South African exports than vice versa.

Of course, if South Africa is denied access to high technology U.S. exports, it would suffer economically. Yet, to assert that deprivation of high technology imports would necessarily prompt changes in South Africa's racial policies is to assume a degree of economic rationality altogether atypical of the National Party. Apartheid itself is economically dysfunctional but this factor has not speeded the reform movement.

In the light of Washington's failure to secure substantive European or Japanese support for multilateral economic moves against the Soviet Union in the wake of the invasion of Afghanistan and the subversion of the Polish trade union movement, it seems highly unlikely that the U.S. would enjoy greater success in seeking support for similar moves against South Africa. So long as West Germany, Japan and other industrial nations continue to treat their own economic interests as the primary criteria of their foreign policies, South Africa will not lack for high technology imports.

THE MORAL QUESTION

Some advocates of sanctions against South Africa have acknowledged that the National Party cannot be forced to follow a policy which runs contrary to its fundamental wishes. However, they assert that the primary question is not one of effectiveness but of morality. In short, they argue that the U.S. should not associate with any state which deviates so broadly from its own stance on human rights.

The moral question is not quite so simple. A truly moral foreign policy would have to be applied uniformly; there can be no "selective morality." Since the cause of human rights is in retreat in almost every southern African state, the U.S. would be obliged to cut commercial contacts with almost every state in the area. FRELIMO's suppression of political opposition movements and its persecution of the Catholic church would deny Mozambique the ability to export to the U.S. Similarly, the MPLA's (Popular Movement for the Liberation of Angola) intolerance of opposition and its refusal to hold elections would render Gulf Oil's position in Angola untenable. Prime Minister Robert Mugabe's apparent determination to dispense with his political opponents would lead to the curtailment of U.S. aid to Zimbabwe. Do the advocates of a South African embargo endorse such a total withdrawal from southern Africa? A truly moral foreign policy would require that they do so.

Even if Pretoria were southern Africa's sole offender against human rights would it be moral, therefore, for the U.S. to cut all trade connections with the Republic? The abandonment of involvement would also prove to be the abandonment of influence, influence which many U.S. companies have been using to good effect within South Africa.[1] What would become of the black South Africans who now are working for U.S. corporations, especially those who have been promoted to positions which Afrikaaners traditionally have reserved for whites? How would Washington be able to work for racial progress in South Africa? Certainly, the National Party would have few motives to recognize the wishes of

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1 See Herman Nickel, "The Case for Doing Business in South Africa," Fortune, June 19, 1978, for an overview of the record of U.S. corporations in South Africa.

a foreign government which prohibited all commercial contact with South Africa. In short, Washington would be guilty of crass hypocrisy were it to downgrade relations with South Africa and thereby deprive the U.S. of its capacity to assist the Republic's black and colored populations in their quests for expanded civil rights.

CONCLUSION

The Carter Administration, which pursued a policy of unremitting hostility towards Pretoria, failed utterly, both in its efforts to accelerate the National Party's racial reform plans and in its quest for Namibian independence.

The Reagan Administration, while seeking similar substantive ends, has reversed Carter tactics. "Constructive engagement" is not, however, an easy option. The Administration, in pursuing this policy, will be obliged to grant certain concessions to South Africa, some of which may prove unpopular in certain sections of the Congress. The State Department simultaneously will be pressuring for return concessions from Pretoria. Therefore, relations between the two countries, on occasions, may be strained. No other policy, however, promises such potential benefits for both parties, particularly from a geopolitical point of view. The abrogation of controls on U.S. non-military exports to South Africa will prove to be a valuable first step towards the implementation of a truly constructive policy towards South Africa.

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