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the Anti-ApartheidMOVement
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L A B O U R' S R E C O R D O N T R A D E W I T H
S O U T H A F R I C A

Cyril Lord, the textile manufacturer, is not well known for political prophecy. But on October 5, 1965, the Guardian reported him as saying, one full year before the elections which brought a Labour Government to power, that he thought "relations between South Africa and Britain might be much better under a Labour Government than under the Conservatives. "Harold Wilson", he said, "would do nothing to undermine trade relations with South African". Three and a half years later, taking stock of the Labour Government's trade relations with South Africa, Cyril Lord can be seen to have been right.

Despite the UK arms embargo on South Africa in 1964, and the campaign of economic sanctions against Rhodesia since 1965, South Africa is still trading with Britain - indeed more than ever before. Her exports to Britain (excluding gold) in 1955 amounted to \$124.1 million. In 1965 this figure had risen to \$178 million. South African imports from the UK in 1955 reached \$166.6 million and in 1965 \$247.2 million. (Figures: Standard Bank Review February, 1967). By January 1966, after only 15 months of a Labour Government, British trade with South Africa had risen by \$12 million, nearly seven per cent. From UK export figures for January 1967 showing that exports to South Africa rose by \$5 million over those of January 1966 we can see that this trend is continuing. South African minds nonetheless made uneasy by the intensification of the programme of Rhodesian sanctions through UN mandatory action in December 1966, were reassured early this year, following the visit of their Minister for Economic Affairs, Dr. Diederichs to Europe in January.

The Minister said while here (according to the Standard Bank Review, February 1967) that only an unequivocal British assurance that there would never be sanctions against South Africa would remove uncertainties in the Republic.

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The Review Esports that later in J&muli, Mf: W. E. Luke, chairman of the United Kingdom South Africa Trade Association and chairman of the Southern Africa section of the British National Export Council arrived in South Africa and told journalists there that, according to Mr. Harold Wilson and Mr. Douglas Jay, Britain would not support any UN resolutions calling for effective action:

The truth of these reports would be consistent with attitudes've adopted by most responsible Labour Party spokesmen, since long before the Party assumed office. -11

As early as September 19, 1963, the Daily Telegraph, reporting the eighth Socialist International meeting, said "The Labour Party delegation has refused to support general economic sanctions against South Africa."

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tiidn April 15, 1964, Mr. Wilson told the leaders of best European

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socialist parties meeting in London that he was not in favour of a trade embargo on South Africa. If it was effective he said, "it would harm the people we are most concerned about, the Africans and those Whites fighting to maintain some standards of decency." He said that the only kind of economic sanction that should be considered was an oil sanction if South Africa took aggressive action.

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The next day, Mr. Wilson's message to the International Conference on Economic Sanctions Against South Africa, which opened in London on April 14, expressed opposition to a general trade boycott. In "Sanctions", he said, "which hit at the people of South Africa, without influencing its government, would be futile and tragic."

(However, that same day, Mrs. Barbara Castle, appearing for the Anti-Apartheid Movement before the United Nations Special Committee on Apartheid, in London to observe the Sanctions Conference, told its members "British businessmen who invest in South Africa are providing the economic sinews of the abhorrent policy of apartheid.") The previous year, speaking for the Executive on South African motions at the Labour Party conference, Mrs. Castle had said Labour was determined to weaken (Dr. Verwoerd's) regime in every way it could; she gave a warning to investors that "if they chose to build their future in a five year state they did so at their peril." No wonder that the Government press in South Africa was disturbed by the inclusion of Mrs. Castle as a Minister of Overseas Development in the new Labour Cabinet. (Guardian, October 19, 1964.) As things turn out, they need not have worried.

In the House of Lords the Parliamentary Secretary to the Board of Trade, Lord Rhodes, said on February 11, 1965, "we are proud to trade with South Africa, make no mistake about that."

And indeed, throughout Labour's period in office, steps have been taken to promote South African trade. In January 1966, the formation of a new organisation was announced. The United Kingdom South Africa Trade Association was set up privately to protect and promote British investment in South Africa - where, at the end of 1964, the United Kingdom held 60% of all foreign investments, totalling some \$910 million in 1962, the earnings on which have been running at some \$60 million a year.

The new organisation was also designed to develop trade between Britain and South Africa, already booming.- In 1966, South Africa was Britain's fourth best customer, and Britain South Africa's biggest supplier. Major British exports are cars (511.9 million worth Jan-Sept. 1966) textiles (\$11.5 million) and electric power machinery (\$8.7 million). From South Africa Britain buys mainly metal ores (\$16 million) and canned fruit (\$12.8 million). (All figures from 5....

Financial Times November 22, 1966).

The United Kingdom South Africa Trade Association's president is Sir Nicholas Cayzer, Chairman of the British and Commonwealth Shipping Co. Ltd., which includes the Union Castle Line, and its chairman is, as we have seen, Mr. W. E. Luke, chairman of Lindustrial Ltd., and of the Southern African section of the British National Export Council, a government-sponsored body, set up in 1964.

The Southern African section was established in February 1966 and the close co-operation which it is given by the Government shows official concern for the maintenance of South African economic links. (See paragraph 8.)

In November 1966, when British Government intentions to call on the UN for mandatory economic sanctions against Rhodesia were made known, the feeling was widespread that for them to be effective some steps would have to be taken against South Africa. The Republic had made its intention to continue trading with Rhodesia quite clear, and Mr. Ben Schoeman, Transport Minister, warned Britain of steps South Africa might take to hurt her.

This led to several well-informed articles in the British press pointing out "How Britain could ride out sanctions" (Alan Day, Observer 11.12.66). "On the figures", said Christopher Johnson in the Financial/4

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Times (22.11.66) "South Africa is far more dependent on her trade with Britain, than Britain is on her trade with South Africa. South Africa sells one-third of her total exports - excluding gold- to Britain, and buys 28% of her total imports from Britain."

Perhaps as a counter to this, a confidential memorandum prepared by Whitehall officials two years previously was leaked to the Daily Telegraph on December 29, 1966. It said that at least 40,000 people would be likely to become unemployed if economic sanctions against South Africa became effective.

The report claimed the balance of payments would suffer a loss of about \$500 million. The Daily Telegraph commented that it clearly illuminated Mr. Wilson's anxiety not to let the Rhodesian Sanctions become an economic war against South Africa.

At present, the Prime Minister seems determined. No steps 'at all have been taken against the Republic, openly defying the UN call for mandatory sanctions and still benefitting from Commonwealth 'trade preferences, though she left that body in 1961 - and it is unlikely that any are planned.

The great desire to get shot of the Rhodesian problem is not so great that the British Government will tackle the root of the Southern African problem.

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L A B O U R' S R E C O R D O N A R M S

Opposition Pledge

"Act now and stop this bloody traffic in the weapons of oppression." So Harold Wilson pleaded with Harold Macmillan, then Britain's Prime Minister, to cease trading in armaments with the South African regime. He was speaking at a rally in Trafalgar Square on Sunday, March 17th, 1965, organized by the Anti-Apartheid Movement. This was Mr. Wilson's first statement, on assuming the leadership of the Labour Party, pledging the Party to cease the supply of arms to South Africa, "as long as apartheid continues", when it became the government of Great Britain.

He repeated his pledge on several subsequent occasions, including it in the Labour Party Manifesto for the 1964 elections.

For years before the Trafalgar Square rally, Britain had been supplying South Africa With arms on a large scale, untrammelled by considerations of morality_or public opinion.

Only When South African police fired on a peacefully demonstrating crowd at Sharpeville in 1960, killing 69 people With British-made weapons, did the British public begin to realise how they were involved: dramatic pictures of the South African police aboard British-made Saracen armoured cars both at the Sharpeville demonstration and during the subsequent State of Emergency, drove this home.

British Help

The South African Air Force has been built up With the help ef British planes - the Vampire, Shackleton, Dove, Viscount and Canberra bombers. Britain has provided Westland wasp as well as military helicopters of the Auster and other types and the Centurion tank stands-with the Saracen armoured car as standard equipment for the South African army and police forces.

Tear gas and the equipment to make it has also been sold to the South African police and Army by Britain. British-made frigates and destroyers went to make up the South African Navy's strength under the

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terms of the Simonstown Agreement.

As this trade continued in the "weapons of oppression" as Harold Wilson called them, or "the equipment necessary for defence from external aggression of a member of the western Alliance" as South Africa, (and for sometime the-British-Government) called them; Britain at the UN became inflamed on the issue.

The Security Council passed several resolutions calling for an end to the supply of arms to South Africa. Britain voted for two of these on December 4th, 1963, and June 18th, 1964, and the Douglas-Home government implemented them in part, making a distinction between arms supplied for internal repression, which were embargoed, and arms supplied for defence against external attack - a distinction Harold Wilson found invalid at the time (foreign affairs debate in the House of Commons, June 18th, 1964.)

Contracts signed in 1962 for the provision of 16 Buccaneer low-flying naval strike bombers were not withdrawn despite opinions like those of the Guardian's air correspondent who had said of the plane (October 12th, 1962) "there can be no doubt that it would be a useful instrument in the hands of the South African Government for internal security. Both for reconnaissance and ground attack it offers excellent performance."

On November 17th, 1964, the day Mr. Wilson announced his arms ban on supplies to South Africa and yet hesitated over the Buccaneer contract, Christopher Johnson wrote in the Financial Times "There is no doubt that the Buccaneer can be used for internal security as well as naval defence. It is a subsonic aircraft with bombing capacity which would in fact be more suitable for use against African locations than the supersonic strike aircraft which are already bidding to replace the Buccaneer in its naval role."

Arms Ban Announced

The same day the new Prime Minister announced his promised arms embargo on South Africa, but with immediate qualifications. Current contracts with South Africa were to be fulfilled and the Prime Minister specified that spare parts for "certain equipment sent there" would continue to be supplied. On November 25th, Mr. Wilson repeated his statement that "existing contracts would be honoured" and sanctioned the shipment of the 16 Buccaneer bombers already ordered and partly paid for by the South African Government.

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He repeated that no further South African contracts for arms supplies would be entered into, but very significantly, said: - "Her Majesty's Government will of course, allow the shipment of spares for the 16 Buccaneers as and when required."

EXceptions

The first welcome for the arms bcn was thus quickly tempered by Mr. Hilson's qualifications and exceptions. Despite the future loss of export trade because of the 'hethighmthe Daily Telegraph on let July 1966, estimated at \$280 million on sales to South Africa of Army equipment with military application) the UOK.'s relations With and responsibility for some of South Africa's growing military strength were not at an end.

As the British Council of Churches pointed out, "Britain will be involved militarily with South Africa into the 1970s because of the undertaking to supply spare parts" (The Future of South Africa, 1965). tThe British Council of Churches said of the decision toilet the Buccaneers through the embargo zu "if South Africa is regarded as the possible object of UN police action, then these self-same planes supplied by Britain could be used against any UN force." Telling words today, as the UN prepares to review both plans for assuming its mandate over; South West Africa, and the success of mandatory sanctions on Rhodesia. The other gross breach of the arms embargo the Labour Government has permitted related to the grant of a permit to Vauxhall Motors to sell \$400,000 worth of four-wheel drive motor chassis for armoured cars or lorries to the South African Army. The US and Canadian Governments -had already refused licenses for the export of similar vehicles to local firms.

The ties which link South Africa and the UK militarily, despite the arms embargo remain multiple.

Simonstown Aggeement

In April 1965, Harold Wilson said that Labour appreciated the importance of the Simonstown base and had no wish to disrupt the "agreement with South Africa which allowed for Britain's continued presence there. He made clear that his call for an arms embargo did not include purchases in terms of 'the Agreement (which provides for the pruchase of ships and ancillary equipment.)_

Thus on Januwry 17th 1966, the Sunday Telegraph reported that

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"an order from South Africa for three submarines worth \$13 million has been accepted by Britain."

Lately however less and less emphasis has been placed on the value of the Simonstown Agreement to the British defence system and the Government has recently decided (Financial Times September 28 1966) to vacate the base within the framework of its plans to reduce defence expenditure overseas.

Local Manufacture

Britain is more subtly involved with South Africa's arms build-up through British companies in South Africa which are helping the development of the Republic's home-based arms manufacturing industry - GOVERNMENT expenditure on which has gone up from \$157,612 in 1960-61 to \$16,501,250 in 1965.

In 1962, Imperial Chemical Industries participated in a \$10 million H project involving the setting up of three armaments factories in South Africa, by African Explosives and Chemicals Industries, which it owns together with the Anglo-American Corporation. These factories were designed to produce tear gas, ammunition for small arms, anti-tank and aircraft rockets.

The British Miles Aircraft Company has registered a South African subsidiary with plans to establish a factory to manufacture the Mark 11 Student Plane.

The Atlas Aircraft Corporation, newly set up in South Africa with foreign aid to manufacture South Africa's first jet trainer aircraft, gave a demonstration flight of the Macchi MB 326 jet trainer assembled locally on May 11th last year. It is an Italian plane manufactured with Bristol Siddeley Viper engines built under license from Britain and transferred to South Africa. (The export of the engines from Britain direct would be banned under the arms embargo.) Manufacture of the plane is due to begin this year.

Britain is also involved in South African arms manufacture as local companies recruit supplies of skilled personnel from this country, which places no obstacles in their way as other European countries do.

At present, the Atlas Aircraft Corporation, has a team in Europe to attract 600 workers to its factory in the Transvaal.

Thus, directly and indirectly, and albeit on a diminishing scale, Britain is still involved in helping to increase South Africa's military
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strength.

The Labour Government, while taking the first practical and very welcome, step towards British dissociation from apartheid with its arms ban, has nonetheless left loopholes in its policy.

United Nations

Several resolutions of both the UN General Assembly and the Security Council on the arms question have been quite specific in their terms and allow for no exceptions. In August 1963, the Security Council, for instance, "solemnly called on all states to cease forthwith the sale and shipment" of arms of all types to South Africa. In December 1965 it went further, calling for the immediate end of the sale and shipment of "equipment and material for the manufacture and maintenance of arms in South Africa."

In June 1964, the U.K. Government voted in favour of a Security Council resolution spelling out even more clearly that member states were required to "cease forthwith the sale and shipment to South Africa of arms, ammunition of all types, military vehicles and equipment and materials for the manufacture and maintenance of arms and ammunition in South Africa."

Despite his proud rider, when announcing the arms ban to the House of Commons, that he had now brought the U.K. "into line with UN resolutions", Mr. Wilson, by allowing loopholes and omissions to exist in his arms policy has neither satisfied U.N. requirements, nor lived up to the spirit of some of his own more impassioned speeches as Leader of the Opposition.