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NGO- CONFERENCE - PAPER ON MILITARY, NUCLEAR COLLABORATION AND SUPPLY OF OIL

Paper presented by the African National Congress of South Africa

Over the years, the African National Congress (ANC) has repeatedly called for the total isolation of the apartheid régime and drawn attention to the many links through which foreign governments and companies strengthen our oppressors.

The efforts of the international community to stop economic and military support for the apartheid régime have been sabotaged by the exercise of veto powers in the Security Council to prevent adequate international action and by interpretation of the diluted resolutions that are passed in a manner which allows assistance to continue to flow to racist South Africa.

While all links with Pretoria serve to buttress apartheid, there are some areas where the repressive machinery of the régime is directly supported by actions of foreign governments and companies. Action to stop military and nuclear collaboration, the supply of petrol and petroleum products, and financial and technological assistance in these areas must take priority for international mobilisation against apartheid.

Military collaboration with apartheid

In 1977, fourteen years after the United Nations Security Council called upon all States to "cease forthwith the sale and shipment of arms, ammunition of all types, and military vehicles to South Africa" (Res. 181 dated 7 August, 1963), 55% of the apartheid régime's military budget for 1977 was spent externally i.e. US\$ 1200,000,000. This was a measure of the acknowledged annual military collaboration with the apartheid régime. The reality was far greater: for many items of military expenditure do not appear in the defense budget and neither technological transfers nor nuclear collaboration have been quantified.

In November 1977, a mandatory arms embargo was imposed by the Security Council. However, by threatening to once again cast their veto to favour the apartheid régime, Pretoria's allies were able to dilute the resolution significantly. As a result the mandatory arms embargo as formulated in Res. 418 is neither unambiguous nor comprehensive and military collaboration has continued.

During the past 30 days (June 1980) alone, the Pretoria régime is known to have violated the territorial integrity of at least 3 independent African countries and Mr. Botha has once again broadcast threats to all the neighbouring States. Agents of the régime have attacked civilians in Swaziland and Lesotho and the SADF has once again attacked Angolan civilians and refugees. Pretoria also continues to occupy Namibia illegally.

Within the last three months, it has been revealed that Pretoria's forces had been operating in the independent country of Zambia; that forces were being trained, supplied and maintained to subvert the lawful government of Mozambique; that food fuel and weapons were being provided to Savimbi in the continued effort to overthrow the government of Angola; and that forces opposed to the government of Lesotho were being equipped with South African arms.

The above is a brief summary of the Pretoria régime's most recent transgressions. Its record as an aggressor against its neighbours, and violation of international law and norms is longstanding. Furthermore, in the past few weeks the shooting of school children, the detention of trade unionists, police action against striking workers, the arrest of near 2000 people across South Africa proclaim unmistakably even to the most unreceptive ears, that in Botha's South Africa there is no change.

In the violation of the territory of independent African countries, as in its interval operations, Pretoria uses and displays equipment provided by or produced with the assistance of France, the United States of America, the United Kingdom, Belgium, Italy, the Federal Republic of Germany, Canada and Israel.

Notwithstanding that many of the West's largest arms trading nations claimed that they have been complying with the United Nations arms embargo since 1963, the apartheid arsenal has continued to gain strength from these sources.

US Lockheed Hercules planes were used to transport troops and supplies during the invasion of Angola. These same planes have been used since 1976 to transport troops within South Africa to meet the growing internal challenge to the régime. US Swearingen Merlin IV planes delivered during 1975 and 1976 have been used in both Namibia and Angola. The French Mirages, French and British helicopters, US Cessna's and Italian Bosboks have all been used in Namibia, Angola and Mozambique. Even after the arms embargo became mandatory, the Carter administration authorized the further sale of aircraft to South Africa, allegedly for civilian use. This was done notwithstanding the powers taken by the régime to requisition civilian aircraft for military use; and further, that similar planes are in use by the SADF for surveillance and target direction, and other models are used for military training by the Air Forces of Ecuador, Honduras and Peru.

Evidence recently uncovered in the United States reveals official complicity in the supply of military equipment and technology through the joint US Canadian Space Research Corporation. The journalists on the Barlington Free Press who have been responsible for uncovering the dimensions of the collaboration have expressed concern that apparent complicity by government agencies in the United States and other countries is being bypassed in the official inquiries.

The investigations by these journalists have revealed collaboration in the transfer of equipment and technology on a staggering scale:

In 1976 the head of the South African Artillery School Col. P.M. Lombard and the then quality director of Armscor (Dennys Zeederberg) were part of a group of five military and armaments personnel given US visas. Among the arms manufacturing plants they visited was that of Space Research in Vermont, where an agreement for supply of various equipment was signed.

Amongst the equipment supplied to the Pretoria régime were at least 50,000 artillery shells. The semi-finished shells were provided to Space Research from a US army ammunition plant in Scranton, Pennsylvania. A retired US Air Force Colonel turned arms dealer, Jack Frost who acted as an intermediary between Armscor and Space Research has said that he notified both the US army authorities and the State Department of the deal.

At least two shipments of shells were made via the British ruled island of Antigua on the ship Tugelaland. Two further shipments were channelled through Barreros Hermanos of Barcelona, a company that was also involved in shipping rifles from Belgium to South Africa in 1978.

The Space Research Corporation also sent at least one of its GC45 guns to South Africa on the ship Tugelaland. The Space Research project manager for the 155 mm shell development, Steve Adams was one of 10 technicians sent to South Africa, where he remained as an employee of an Armscor affiliate Cementation Engineering. The G5 self propelled 155 mm gun claimed by Pretoria as 100% locally designed and produced is in fact a product of this collaboration with Space Research.

Space Research has also sent ballistics testing equipment to South Africa and US technicians visited military testing ranges in 1977 and 1978. It is now known that Space Research obtained investment funds from Armscor. Acting through a front company registered in Holland, called Space Capital International \$ 10 million was supplied from South Africa in exchange for a 20% holding in Space Research. The deal was signed in the London Office of the First Pennsylvania Bank. Since Space Research has links with a number of other companies, the full ramifications of Armscor's 20% holding need to be further examined. For example, the Space Research Corporation and Fabrique Nationale of Belgium jointly own another Belgian based company Space Research International. Fabrique Nationale was the company that shipped rifles to South Africa in 1978.

Though the case of Space Research is one of the largest revealed since the mandatory arms embargo, US complicity in breaches of the embargo is not unique. The United Kingdom has a long record of interpreting the embargo in such a way as to allow continued assistance to flow to the apartheid régime. Thus a licence was granted to permit Marconi to export Tropospheric scatter communications equipment to the South African Armaments Board in 1976. Britain allows the sale of computers to South Africa regarding them as "normal commercial trade" even when they are sold to the police or military or to the Atlas Aircraft Corporation.

Last year the British government admitted that the British company Plessey was supplying radar air surveillance system to the Pretoria régime, and training South African military personnel in Britain. This flagrant breach of the embargo was explained away on the grounds that the equipment was also intended for civilian use.

Similar arguments have been used frequently by the government of the Federal Republic of Germany to mask its breaches of the embargo. For example, the Federal Republic of Germany (FRG) persists in claiming that the Advocaat surveillance system is "civilian" notwithstanding that it was delivered to the South African navy, was installed in the then headquarters of the navy at Silvermine, and the FRG trained naval officers to operate the system. This allegedly civilian system was also provided with NATO codification. The US, UK, France, Denmark and Netherlands supplied equipment and spares for the installation.

FRG equipment in use by the apartheid military includes Airbus Industrie A 300, Transall aircraft, BO105 helicopters and Milan missiles. FRG equipment has also been supplied to the St. Lucia missile range and engines for the South African navy's missile carrying patrol boats.

Countries such as France, Italy and Israel did not even claim to comply with the 1963 embargo and have supplied a very large part of the racist régime's naval and air equipment and armaments either directly or by licencing arrangements.

As international pressure against military collaboration with apartheid has increased, the transfer of equipment is done indirectly. Thus tanks from India were transferred via Jordan. Recent reports suggest that France will supply military equipment through Egypt.

In Denmark, reports of a number of arms shipments to South Africa on Danish ships have been published, and the government is conducting an enquiry.

In addition to supplying or facilitating the supply of military weapons and equipment there are other areas of military collaboration which continue: manufacture under licence in South Africa; the transfer of technology, and training of personnel, and exchange of information in companies, research and educational institutions; manufacturing by subsidiaries in South Africa for Armscor; undertaking to construct military and strategic infrastructure as well as other contracts for the military; financial support for military and associated projects by way of investment, loans and guarantees; the exchange of strategic and military information; and direct consultation and relations of military personnel.

South Africa now manufactures under licence a variety of armoured vehicles, fighter planes, guns, trainer and transport aircraft, and patrol boats. South African subsidiaries of a number of Western companies act as sub-contractors to Armscor and Board members have sat on the Defence Advisory Council.

As the case of Plessey and Space Research above indicate the transfer of technology technicians and training continues. The ANC publication: "Conspiracy to Arm Apartheid Continues - FRG - South Africa Collaboration" provides detailed case studies of how South African "scientists" have visited Western institutions and companies in order to obtain information of military use. Much of the collaboration in these fields occurs with the full knowledge and agreement of the governments. The United States claims to have stopped the sale of goods and technical data to the apartheid military and police forces, but its prohibition is so worded as to exclude Pretoria's Institute of Defence Research and this leaves open a channel for the transfer of technical information to the armaments industry and other military institutions.

Nuclear collaboration

Apart from assisting the apartheid régime to acquire the most sophisticated conventional weapons and equipment, the same Western countries have collaborated to provide the racist régime with a nuclear capacity. The former President of the South African Atomic Energy Board has gratefully acknowledged the "training and assistance so willingly provided by the United States of America" in the nuclear programme.

Though it has made numerous denials of nuclear collaboration with the apartheid régime the complicity of the FRG government, research institutions and companies providing apartheid with a nuclear capacity is undoubted. In response to the evidence of breaches of the embargo the FRG government refers to its glossy brochures. It is important to note however, that these do not even attempt to deal with the very detailed documentation published by the ANC: "Conspiracy to arm apartheid continues - the FRG South Africa collaboration".

France having previously assisted at a research level, is now providing two nuclear reactors. France is well aware that the Pretoria régime is both impervious to international censure and is self-sufficient in uranium supplies. Therefore the mechanisms of international safeguards are rendered inoperative. Nonetheless it persists in its intention to provide these reactors.

The involvement of the United Kingdom in Pretoria's nuclear programme is extensive. Britain has been involved in the mining and processing of uranium oxide. It has provided finance, technical help and has purchased the product. Nuclear research establishments in Britain have welcomed and assisted South African scientists and officials of the Atomic Energy Board and provide a fertile recruiting ground for apartheid's nuclear programme. Imperial College of the University of London welcomes students financed by South African parastatals to its nuclear engineering course. The South African plant for production of uranium hexafluoride (the necessary first step for uranium enrichment) owes much to British technological assistance.

The apartheid régime has left no doubt that it will use the nuclear option. At the United Nations Seminar on Nuclear Collaboration with South Africa held in London in February 1979, the ANC produced evidence that by 1972, studies had already been undertaken demarcating areas of South Africa where nuclear explosions could be detonated without serious seismic damage.

The results of these studies revealed that in Pretoria's assessment it would be "feasible" to detonate nuclear devices of up to 10 Kt along almost the entire border of South Africa. The nuclear test conducted by the Pretoria régime in September 1979 confirmed the régimes nuclear capacity. The way is now clear for the use of tactical nuclear weapons by the racists in their aggressions against neighbouring States in Southern Africa.

The responsibility for the horror this will unleash in Southern Africa lies not only with Pretoria but also upon those who have aided the criminal régime and provided it with the capacity to unleash such devastation upon our continent.

Fuelling apartheid

The apartheid system is particularly vulnerable to an effective oil embargo, for until this year only four per cent of the country's liquid fuel needs have been locally produced.

Sensitive to the possibility of an oil embargo, the Pretoria régime has pursued policies over a number of years that have tried to dampen the rate at which the consumption of oil has expanded. Combined with the ready availability of cheap coal, the result has been that in South Africa there is a proportionately smaller use of oil than in other industrialized countries. But simultaneously, this proportion effectively represents an irreducible minimum, with little room for further economies of reduction in consumption without severe recession. Thus the régime has to find alternate or substitute fuels, or expand still further its oil-from-coal production. Both options require considerable expenditure.

The apartheid economy is fuelled in large measure by coal, of which there are vast resources. Due to the starvation wages paid to black miners, the pithead price for coal in South Africa is between one-half and one-third of the price in Europe and the United States of America. Hence this fuel has been favoured.

Large-scale projects are being planned and launched to increase domestic sources. Yet even when one takes into account these massive efforts to reduce the dependence on oil imports, the fact remains that for the foreseeable future both the apartheid economy and the repressive apparatus will remain dependent on external supplies for nearly half the present needs and to a greater extent when one allows for an expansion in consumption.

Governments

When the Arab oil producers first imposed their embargo in 1973, Iran was supplying 20 to 30 per cent of oil imports. After the embargo Iran increased its exports and prior to the revolution 90 per cent of South Africa's crude imports originated in Iran. Oil from Bahrein, Brunei, Indonesia, Iraq, Kuwait, Oman, Qatar and the United Arab Emirates made up the balance. After the success of the Iranian revolution the apartheid régime lost its major source of crude oil. In the first quarter of 1979, there was a 40-per-cent reduction in the volume of imports compared to imports during the last quarter of 1978. In the middle of the year imports were still declining and were believed to be in the region of only 150,000 barrels per day. South Africa was buying oil mostly on the spot market, paying around \$ 35 to \$ 40 at a time when the oil price was under \$ 20.

In the year since the Iranian embargo of oil to South Africa, it has become evident that oil is reaching South Africa through a number of channels, some known and some as yet unknown. In its efforts to secure oil supplies, the apartheid régime has secured the collaboration of some Governments, the major oil companies and international criminals.

United Kingdom, the régime's long-standing ally, has assisted by providing direct oil supplies and by facilitating indirect supplies. Currently, about 25,000 barrels per day are being exported to South Africa from a British colony: the Sultanate of Brunei, whose external relations are still controlled by the British. The oil is supplied under a contract between the London-based Shell International Petroleum and SASOL. Shell International Petroleum is a subsidiary of Royal Dutch Shell.

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At the Guadeloupe Summit Conference, attended in early 1979 by the Heads of Government of South Africa's main protectors (the United States of America, the United Kingdom, France and the Federal Republic of Germany), it was agreed that "the United Kingdom and the United States would guarantee South Africa's annual oil imports of 15 million tons for an indefinite period. In return, Pretoria could resume full diplomatic pressure on Salisbury to bring about a peaceful solution there." (Financial Mail, Johannesburg, 9 February 1979.)

In June 1979, shortly after coming to power, the British Conservative Government announced a reversal of policy and allowed deals in which North Sea oil would be made available for European Economic Community (EEC) and International Energy Agency (IEA) markets in exchange for crude oil supplied to South Africa. By this swap arrangement the Thatcher Government facilitated the supply of oil to the British Petroleum subsidiary in South Africa via Conoco.

The impression has been created that the British change of policy merely applied to permitting a swap arrangement. However South African reports have stated that the Conservative Government had ended the ban on the export "direct or indirect" of North Sea oil to South Africa. The régime's Minister of Industry, Trade and Consumer Affairs, Dr. Schalk van der Merwe, said that a number of new oil sources were being investigated and therefore the British decision did not come as a complete surprise. (The Citizen, Johannesburg, 30 June 1979.)

There have been few other confirmed reports of governmental connivance in supplying oil to South Africa but numerous press reports of deals. There are however, a number of oil producers which are neither members of the Organization of Arab Petroleum Exporting Countries nor OPEC and which have made no policy commitment on the supply of oil to the apartheid régime. Pretoria has shown interest in obtaining oil from Mexico and from China, and consideration is being given to assisting new producers to develop their resources in exchange for long-term contracts.

Petroleum products are however being openly exported to South Africa from Italy, United States of America, United Kingdom, Netherlands, Federal Republic of Germany, Belgium and Luxembourg, Greece, Australia, Japan, Spain, France, Switzerland, Denmark, Canada, Sweden. The products include lubricating oils and greases, pitch and resin, motor spirit and light oils, lamp oil and white spirit, distillate fuels and residual fuel oil.

The Companies

Apartheid's collaborators frequently try and shield themselves behind the activities of "independent" companies. Breaches of the arms embargo and nuclear collaboration are all too frequently blamed on companies over which Western Governments claim they have no control, though often they own these same companies. Similarly the breach of oil sanctions against Southern Rhodesia has been laid at the door of "companies", notwithstanding the evidence of the knowledge and connivance of Ministers in the successive British Governments, and the absolution now conferred by the British Government on the companies for their nefarious and illegal activities.

In like manner the main channels used in ensuring the continued flow of oil to the apartheid régime are the major oil companies. But as we have noted in the case of British Petroleum's swap deal, the logistic acrobatics of oil companies are usually accomplished with the permission of Governments supporting apartheid in South Africa.

The Governments of France and the United Kingdom have substantial shareholdings and exercise ultimate control over two of the major oil companies operating in South Africa: British Petroleum (BP) and Total. The British Government has a majority 51 per cent shareholding in BP and the two Directors it appoints to the Board have the right to veto any decision concerned with foreign relations. Through its 40 per cent shareholding, the French Government controls the Compagnie Francaise des Petroles (CFP) which in turn has a majority 61.6 per cent shareholding in Total South Africa.

The three other international companies operating in South Africa - Shell, Caltex and Mobil - are subsidiaries of transnational corporations with their metropolitan bases in the United Kingdom and the Netherlands for Shell and the United States for Caltex and Mobil.

These five companies together supply nearly 85 per cent of the regional demand for petroleum products. All of South Africa's refineries have been established and are being operated by a consortia of these international companies and the South African owned SASOL. These companies are responsible for all the crude oil imported into South Africa.

The Pretoria régime has integrated the oil companies into its plans to counter an oil embargo. Since 1967, it has introduced a series of regulations covering the operation of oil companies, which have been periodically extended and strengthened. These include the following:

- (1) The companies are required to make available excess capacity in refineries for refining crude from any source;
- (2) As required for strategic and logistic reasons, specialized petroleum and oil products must be produced regardless of commercial considerations;
- (3) The construction or expansion of refineries and associated plants requires the prior approval of the Secretary for Industries, who has the power also to control location, capacity and products. This power can be exercised against any company that does not co-operate;
- (4) A minimum of three months' supply of oil products including fuel must be stored by the oil companies and a minimum of 12 months' supply of the chemicals and lubricants needed for the refineries and other plants must be kept in stock;
- (5) Companies are prohibited from setting any conditions on sale of their products and certain percentages must be reserved for purchase by sections of the State apparatus including military.

These regulations serve to mobilise the oil companies into the strategic planning for the survival of apartheid. They were not introduced because of any reluctance by the oil companies to co-operate fully with the régime, but they provide an umbrella under which the companies can shelter and continue actively to buttress the apartheid régime. The regulations have been used as alibis and have been quoted in boardrooms and shareholders' meetings as alleged justification for continuing to fuel the repressive machinery of the apartheid régime.

The companies have been richly rewarded by the régime for their co-operation, by setting fuel prices at a level providing highly profitable returns, and by permitting expansion into the most profitable areas of the economy. Thus in addition to their involvement in prospecting and coal mining, nearly half the highly profitable coal export quotas have been given to BP, Shell and Total. The State-owned Industrial Development Corporation has gone into partnership with BP in Sentrachem, the country's largest chemical company. Shell has been given concessions for base metal prospecting and Esso and Total are involved in uranium mining and prospecting.

BP, through its interests in Sentrachem, is to be involved in a fourth oil-from-coal plant. A joint project between Sentrachem and General Mining was announced last month. A different process from that used in SASOL is under investigation. Overseas interests besides BP are probably involved in the technology for it has been announced that "testing of several hundred tons of the Springbok Flats coal is to be undertaken in overseas pilot plants." (The Citizen, Johannesburg, 14 February 1980.)

To protect their profits the companies have embarked with enthusiasm on programmes that will serve to evade an oil embargo. It is known that the oil companies connived with the Smith régime, building up oil stocks in Rhodesia and running them down in Zambia just prior to the Unilateral Declaration of Independence (UDI).

In South Africa they have expanded their refining capacity, in some cases doubling it and setting up plants for the production of specialized products previously imported into South Africa. Investment funds and technology have flowed in freely for oil exploration, refining, oil pipelines, the petrochemical industry, and mining and transport of minerals. Most important of all, they have ensured that crude oil has continued to come to South Africa, notwithstanding embargoes of producer countries.

Financial and ancillary collaboration

The Pretoria régime's energy programme is receiving large-scale financial assistance from companies, banks, and Governments. The Electricity Supply Commission (ESCOM) regularly raises loans on the international financial market. Various companies have poured investments into prospecting and mining of coal and uranium. Governments have given export credits freely for the construction and equipping of the uranium enrichment plant, SASOL, the Koeberg nuclear reactors, the Maatla and Duvla and other power stations, and the petrochemical industry.

Equipment for the various projects continues to be provided by large companies from Austria, the Federal Republic of Germany, France, the United Kingdom, and the United States, and technology flows from the companies, from universities and from State-financed research institutes. Companies in the FRG are involved in the tests and assessment for the new process to be used in South Africa's projected fourth oil-from-coal plant. The Swedish company Alpha laval has donated an ethanol plant to a South African university.

Thus the collaboration in ensuring the energy needs of the apartheid system extends well beyond the oil companies alone, and the oil embargo needs to be placed within the context of comprehensive mandatory economic sanctions against the régime.

International Criminal Action:

In response to the growing pressure, the Pretoria régime has begun to engage in acts of piracy and theft. However, instead of penalising such activities as treating them as the crimes they are, there has been a tendency to accept these actions as fait accompli. In the case of arms being produced under licence, governments and companies accept that South Africa will continue to manufacture regardless of withdrawal. They do not seek to devise sanctions of a severity that will deter the régime from its criminal activity. Rather they condone the breach of their own laws and violation of their public policy.

In many cases oil from countries who support an embargo is being diverted to South Africa. The most notorious case was that of the tanker Salaam which off-loaded 193,000 tons of Kuwaiti oil in Durban at the end of 1979. More recently it has become known that Norwegian tankers in particular have been taking oil to South Africa. One, the Havdrott, has made a number of trips and, using false papers in Iran and Saudi Arabia, has brought over 1 million tonnes of oil for the apartheid régime. These tankers, their owners and crew have thus acted in violation of the laws and policy of Iran and Saudi Arabia both of whom have imposed an embargo.

In the case of the tanker Salaam, no prosecutions followed. Shell has accepted payment for the oil pirated into Durban, and has continued to trade with the companies concerned. Similarly when South Africa illegally seized a cargo of Libyan owned tanks and arms, the question of payment rather than restitution and penal sanction was raised.

Rather than such acceptance of illegal activity, immediate action is required against the Pretoria régime as well as the agents who make the deals and the shipping companies that carry the illicit cargo.

Unless such action is taken, the Pretoria régime will simply pirate or hijack whatever it requires. As early as 1960, the 2nd Conference of Independent African States recommended to its members that they should "refuse any concession to any company which continues to sell petroleum to the Union of South Africa."

Governments committed to support the liberation struggle in Southern Africa need to take collective and unilateral action against companies and countries which divert their resources and manufactures. This can best be done if the legal responsibility is placed on the initial purchaser or licensee to ensure that the product does not reach South Africa through any subsequent resale. Responsibility having been placed, severe penalties against the initial purchaser must be provided for and any case of breaches must be imposed.

All countries opposed to apartheid hold considerable power, which can be used to deny any future contracts or concessions to companies which continue to collaborate with apartheid in South Africa.

Action:

The only completely effective way of stopping military and nuclear collaboration with the apartheid régime and stopping oil reaching the apartheid régime, is its total isolation - politically, militarily, and economically. While pursuing this objective we need immediately to reformulate the mandatory arms embargo to ensure the stricter definition of arms, and equipment, and to include technology transfers, financial assistance and nuclear collaboration of any sort.