2.

Africa’s principal exports, excluding gold and uranium.
Britain, Cenï¬\201ral African.Federation, U.S.A., Germany, Belgium, Japan, France, Ital], the Netherlands and Mozambique - in that order.

They are

0. EFFECT OF A BOYCOTT ON BRITAIN

1.

2.

Britain is South Africaâ\200\231s chief trading partner.
Britain is far more concerned about the loss of markets for her own gOOds in Seuth Africa as a result of a boycott, than about the problems of finding alternative sources of the goods she buys from South Africa. tOf South Africa’s exports other than golq, only wattle and bark extracts, certain precious metals inthe
1â\200\230:
platinum group and, to a lesser extent,â\200\231asbestos, could not easily be replaced by alternative suppliers. ’

3.

It is clear that South Africa’s biggest customers, Britain chief among them, have in their power a weapon which others are anxious to use, and will come under increasing pressure to use it (of. U.N; resolutions).
It is equally clear that even without a boycott, Britain’s markets in SOuth Africa will inevitably shrink, as the South African government is forced increasingly to use the â\200\234 weapOn of imbort control to safeguard its reserves..

4.

Nevertheless, it is equally clear that a unilateral boycctâ\200\230

of South African goods would do extensiVe damage to the British economy without affecting the South African one to the same extent a since alternative suppliers are available to South Africa.

VD..CONCLUSIONS

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1. It is not practical politics to ask Britain unilaterally to declare an official boycott of South African goods: such action â\200\230would inflict the minï¬\201mum˜damage on the South African eeonomy, and the maximum in Britaina
2._ HOW could Britain protect her economy against the effects of

the temperary ending of trade with South Africa?
An examination of South Africa’s exports and imports, product by product (see document) refeals that three countries buy the same kind of goods ’and in the Same proportions as South Africa does; and that they are also suppliers of the same kind of exports as South Africa;
They are Australia, Brazil and Argentina;
These are thus capable of replacing South Africa as trading partners of Britain, provided barter deals can be worked out with them.
The document examines the advantages and problems of such barter deals, and concluee S, generally, that only a very flexible form of agreement is possible, such that some purchases â\200\224 if considerably reduced ˜L’ would have to continue to be made in South Africa.

,
But even granted the success of these arrangements for

3.

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protecting the British economy from the effects of’a boycett, it
remains true that only an international agreement could ensure that
a British ooyoott did not result simply in a fieldâ\200\224day for Britainâ\200\231s
competitors. ˜In all but a few of her exports, South Africa could sel;
most of her output elsewhere.
severely upsetting the international markets}
agreement between all the producers and consumers of eaoh of
South Africa’s_prinoipal exports is the only way of declaring an
effective boycott which at the same time minimises the ill˜effeots
in the rest of the Whrld. bThe document gives an outline,(p. 33)
of the steps that would have to be taken to reach such an agreement:
Since this section may be said to represent the principal
practical conclusion of the document, it should be read in the
original.

At the very least she is eapable of
Thus an internsï¬\201.rmra’1

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Summary of Main Points from

SANCTIONS AGAINST SOUTH AFRICA

by Patrick Van RenSbeï¬\201i%*

A. INTRODUCTION

l. The starting point is the assumption, not here discqssed,

that economic sanctions against South Africa represent the best chance of a peaceful solution of its problems.
document is to discover how British participation could be induced with minimum damage to her economy. ?Sanotiohs may take the form of one of three measures.

The object of the

2. First, the withdrawal of capital.

Nearly Â£1,000m. of the

on the contrary, the fact

jï¬\2024500m.â\200\224odd foreign investment in South Africa comes from Britain. Clearly, private foreign investment is not susceptible to a political demand for its withdrawal:
that Â£l9lm, out of the total Â£2,017m. national income in 1960_ accrued to nonâ\200\224SOuth African factors of production emphasises the interest of foreign capital in preserving a stable and expanding eoenomy.
On the other hand, some of this capital is already being withdrawn, where allowed, in response to fears for the future.
effect both on industry and on the foreign reserves of the country.â\200\230
The document is net precise about this effect, making only the twe general statements that a satisfactogx rate of industrial grcwth is not possible without foreign oapgtal; and that import" osntrol is a necessary - and so far effective ˜ corrective to a1 fall in foreign reserves as a result of capital withdrawal.

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3. Second, cutting off supplies to South Africa of essential

Starvation of foreign capital could have an important

Of these oil is the most obvious.

or strategic commoditiesQ’
present, however, an oil embargo is unlikely owing to the surplus of oil, and an effective international agreement which includes all producers and consumers is a preureQUisite.
machinery and metal manufactures are another essential imhort. But most of these some from Britain (and, to a.lesser extent; the U.S.) whose economy could not bear alone the full brunt of an ˜emhargo.
would be needed to ensure that no alternative suppliers were forthcoming.

To be effective, moreover, an international agreement

Industrial

At

0â\200\231

4. A boycott of South Africa’s exports.

The main body of the

document is devoted to a consideration of the effect of such a boycott.

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B. EFFECT OF BOYCOTT ON SOUTH AFRICA

1. South Africa depends to a high degree on its exports. â\200\230In

1960 her total merchandise exports were equal toâ\200\230a fifth of her net national income.
quarter 9f the national income.(c.f. 4% in the case of the U.S.).

If gold is added, exports represent a

2. The agricultural-seotor of the economy is probably the most

vulnerable to boycott. iMoreover, it is in this sector that the effect w0uld he felt most strongly by the’EurOpean, relative to the non-European, part of the population, since farmÃ©labour
H
oannst easily be retrenched in response ts a fall in profits.

3. In 1959 the capital inflow, together with sales of gold,

only just topped South Africa’s deficit on trading account.
It
follows that a sharp outflow of capital, such as occurred after Sharpeville; necessitates a sharp restriction on imports.
a boycott of capital should not be giVen too much weight in view of the asps available to the South African gcvernment both in’ checking a capital outflow and in restricting imports.

But

40 Ten oountnies each imparting more than Â£5m. worth of South. African goods, are responsible for buying all but Â£40m. of South

..../over