

MEMORANDUM FOR DISCUSSION WITH MR M RADEMEYER SENIOR GENERAL  
MANAGER OF CALTEX PETROLEUM CAPE TOWN HEAD OFFICE  
ACCOMPANIED BY THE FORMER CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
OF CALTEX PETROLEUM CORPORATION USA,  
MR RAY JOHNSON AND MRS. JOHNSON AND MR AND MRS EDSON CANOVA  
BY MANGOSUTHU BUTHELEZI CHIEF MINISTER KWAZULU AND  
PRESIDENT INKATHA FREEDOM PARTY

ULUNDI. 22ND MARCH 1991

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Mr. Johnson, I welcome you and Mrs. Johnson, and Mr. Rademeyer and Mr. and Mrs. Canova to Ulundi. I receive you as the outgoing Chairman and Chief Executive Officer of Caltex Petroleum Corporation, and in my remarks to you I address Caltex.

Before doing so, however, I want to wish you everything you want for yourself now that you have laid down the reigns in what must have been a demanding job by any international standards. I am always at a loss to know what to wish people in their retirement. All I know is that because of my own job there has never been time to pursue my own interests. It is a day and day, seven-day-a-week, 12-months-a-year job and you must have eaten and slept oil in the same way as I eat and sleep politics.

I really love music but I do not have time to listen to music. I love nature. I am the Chairman of the Rhino and Elephant Foundation and I take an active interest in conservation developments. I hardly have time to look at a bird outside my window, let alone wander around the wilderness areas of South Africa which are so utterly beautiful.

I therefore can only wish you the kind of retirement in which you



can do what you want to do. Caltex has come to South Africa to stay and you were at the helm of things when immense pressure was brought to bear on Caltex Corporation to withdraw from any involvement in South Africa.

I really want to thank you for the fact that under your executive direction, Caltex stuck it out and continued to be an international lifeline to the real struggle that was taking place in this country.

I am quite convinced that if American leaders could really see South Africa's actualities for what they are, not one of them would have voted for sanctions against this country. Their misperceptions were forced by them being battered by those who were claiming that South Africa could not change and that nothing other than sanctions remained as a tactic this side of a hideous blood-bath.

This pro-sanctions lobby was of course headed by the African National Congress which sought the punitive and economic isolation of South Africa as a supportive strategy which would strengthen the armed struggle and weaken Pretoria as a military and revolutionary target.

Now that things are turning out as they are turning out, it is my plea that those who were influenced by this ANC propaganda and supported sanctions against South Africa in good faith can now be persuaded that that analysis was entirely wrong.



It was not marching armies, and it was not revolutionaries, and it was not exiled political leaders who forced on White South Africa and the South African Government the necessity to change. None of the reforms that have been precursors to Mr. F.W. de Klerk's address to Parliament last year were political victories for revolutionaries.

It was opposition to apartheid here on the ground that accumulated the gains that culminated in the South African Government having to abandon apartheid. They abandoned apartheid because they had to. Mr. de Klerk's February 2nd address to Parliament last year was not an act of political volition. He had to take the steps he took in his leadership because without the National Party being led the way he is leading it, it would have no future.

The crisis of course came at the end of Mr. P.W. Botha's term of office as State President and National Party leader. History will always record that it was he, Mr. Botha, who did more than any Head of State before him to point South Africa in the right direction. History will also, however, record that while he could see the mountains ahead that had to be climbed, he was so consumed in constant preparation to do the climbing, that he could never actually do the climbing. He just did not have that final courage which Mr. de Klerk so patently has in which action can be added to deed.

Mr. de Klerk assumed office with the National Party in a crisis situation. The whole of institutionalised South Africa had been besieging the ruling National Party for quite some time. Organised



mining, commerce, banking and industry were actively preparing for survival in post-apartheid South Africa and in doing so, they were developing around them the kind of political forces which were far more dangerous to apartheid than the armed struggle, because they were forces in the midst of the National Party which could not be shot out of existence.

South Africa's religious institutions, its legal institutions and its sports bodies were all totally opposed to apartheid and campaigning for the new South Africa.

This institutional pressure for change was of course added to the economic crisis that apartheid found itself in. It was not a crisis, I emphasise, which was produced by sanctions. The economic crisis which finally acted to tip the South African scales was a crisis long in the making and a crisis in the making by internal South African problems.

Fundamental to the crisis was the conflict between on the one hand expanding the economy at five to six per cent per annum to keep pace with population growth and to secure rising standards of living, and on the other hand in having to deal with a Black/White substitution ratio which made nonsense of apartheid.

The defence of apartheid through internal action to preserve the white man's interest resulted in curbs being placed on economic growth. Before Mr. P.W. Botha and Mr. J.B. Vorster, Dr. Verwoerd grappled with this problem and actually appointed an Economic



Advisory Board which was basically set the task of securing economic growth while adhering to apartheid dictates.

Mr. Vorster continued in that vein but by the time Mr. Botha took over the crisis had so deepened that he realised the fundamental requirement of an increase in confidence in the South African economy among its prime actors, could only be achieved through political reform.

All this had nothing to do with sanctions. It is my contention in fact that had there been no sanctions and had there been continued investment in South Africa, internal tensions would have built up sooner and we would have had the F.W. de Klerk turn of events earlier.

Those companies which remained on in South Africa to fuel economic growth and to entrench the existence of a middle-class in Black society were real sources of forces for change. Economic activity demanded change in the first place but more importantly, and most often grossly under-estimated, economic activity had the additional advantage of producing candidates for vertical mobility in Black society.

It is the supervisor who cannot become a manager who hits the ceilings in job promotion. It is the manager who cannot become a director who hits the ceiling in job promotion. It is a middle-class Black South Africa bumping his head against apartheid ceilings which generated a very important segment of black leadership. It was the black professionals of South Africa who



bumped their heads against social ceilings and could not live in decent suburbs and could not send their children to decent schools, that generated the tensions and the demands backed by leadership qualities that were important in bringing about change.

Economic development has not only increased the tensions in South African society demanding change but it has also furnished the process of change with erudite leaders capable of putting things together and going places.

Economic development had beneficial results further down the line as well. Below the frustrations of supervisors, economic development created the frustration of the handyman who could not become a journeyman and it created the frustration of skilled handymen who wanted to market their skills but could not do so because apartheid restricted their free movement in the labour market.

On another level economic development, because it had to defeat apartheid on the shop floor to remain productive resulted in a Black/White subterfuge in the advancement of Blacks. Blacks were not allowed to do skilled work but bosses had to give them skilled jobs because there were insufficient Whites to go around. Black/White job substitution had to take place.

Economic development ensured that so-called white cities could not get whiter and that month by month, Blacks were becoming more and more entrenched as indispensable to Whites in white areas.



Even before Mr. F.W. de Klerk took over, Dr. Gerrit Viljoen, the Minister of Constitutional Development, had occasion to say that Blacks were not only necessary in white areas but that it was desirable for them to be there. This was a direct negation of one of the central tenets of apartheid.

Sanctions followed behind these vital developments and it is these vital developments which produced the necessity for the government to climb down to abolish Pass Laws and Influx Control Regulations to increase the mobility of black workers, and climbed down to give Blacks permanent urban residential rights skilled pools of labour were needed in industrial areas.

It was the Black penetration in the market place which resulted in the Apprenticeship Act being scrapped which prohibited Blacks training as journeymen and resulted in the need for Blacks to be granted trade union rights. These were major advances against apartheid and the armed struggle had nothing to do with them. Sanctions were irrelevant to them. They would have been there without sanctions and the armed struggle.

Sanctions were hideously misconceived. They were totally unnecessary and while they were aimed at Whites and the Government they ended up leaving Whites and the Government unaffected, or very largely unaffected, but battered Blacks who were supposed to be the beneficiaries of sanctions.

All the reasons why sanctions should not have been imposed, and all the reasons why the best that the world could do for South Africa



was to ensure vigorous rates of economic growth, are equally valid as reasons why there should be a great stepping up of investment in South Africa now.

Poverty is a destroyer of democracy in Africa and the Third World. Spreading mass poverty has proved fatal to democracy everywhere in Africa. We have mass poverty already in South Africa which is dangerously near reaching levels creating problems which will not be able to be tackled constructively and successfully. If poverty increases and continues to spread after we have negotiated political victories, we will not be able to establish a stable democracy.

The South African poverty situation is redeemable. We have a greater prospect of success because South Africa has a very strong and resilient economic infrastructure, it has a very important and powerful management class, it has technical sophistication and it has operational sophistication and efficiency.

South Africa has tremendous advantages in Africa because it has an efficient road and rail transportation system, air transportation system and it has an efficient telecommunication system. Its electricity and water supply systems are unparalleled in Africa.

There is a great deal we can build on in South Africa. There is a great deal that will underpin economic growth. These factors of success co-exist with the most industrialised work-force in Africa and co-exist with vast residues of untapped mineral wealth.



South Africa has prospects of growth and we can have a bright economic future if we get our politics right earlier enough and if the world invests strongly enough in South Africa. That investment must begin now. American delays in lifting sanctions are totally unjustified.

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