

SELLING OUT TO APARTHEID

**BRITISH GOVERNMENT SUPPORT
FOR TRADE WITH SOUTH AFRICA**



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'SOUTH AFRICA IS THE ONLY INSTANCE OF A SOCIETY WHICH HAS INSTITUTIONALISED RACIAL DISCRIMINATION IN THE CONSTITUTION AT ALMOST EVERY LEVEL OF SOCIETY AND GOVERNMENT.'

(British Policy Towards South Africa — Foreign and Commonwealth Office, 1988)

'AS SOUTH AFRICA BECOMES MORE INDUSTRIALISED IT WILL CONTINUE TO PRESENT NEW AND EXCITING OPPORTUNITIES AND I HOPE THAT BRITISH COMPANIES CONTINUE TO BE WELL REPRESENTED . . .'

(Alan Clark, Minister for Trade, 26.11.87)

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◆ FOREWORD

From Bishop Trevor Huddleston CR

For all of us who are concerned to end apartheid speedily, the most distressing feature of Foreign Affairs policy towards South Africa is its absolute refusal to consider mandatory sanctions in line with the overwhelming evidence in favour of this at the United Nations and amongst Commonwealth countries. However there is not only this upsetting and totally immoral refusal to isolate the tyranny imposed by Pretoria on its majority population, there is also massive support by the British Government for increasing trade with South Africa.

This report spells out the extent to which the British Government is prepared to go to make money out of the evil of apartheid and in so doing to destroy the lives of thousands through sustaining the Pretoria Government in its policy of institutionalised racism.

I hope all who read this report will make sure that the British Government is made aware of public opinion in this country. Every citizen can do his or her part in the struggle for liberation of the South African people."

Trevor Huddleston CR.

The Rt. Revd. Trevor Huddleston CR.

◆ INTRODUCTION — 'GOOD BUSINESS TO BE DONE ...'

'Government Support for SA Trade' read the banner headline in the Department of Trade & Industry's monthly magazine, *British Business* in December 1987. The story referred to a 'keynote' speech made by Trade Minister, Alan Clark, to the United Kingdom-South Africa Trade Association (UKSATA), a speech that represented the public unveiling of a new government onslaught to promote trade and investment in the apartheid state.¹

As the Minister gave his address, the less well-publicised aspect of the campaign was also underway: a trade mission, the first to be organised by UKSATA, was touring South Africa with the blessing and assistance of Whitehall.

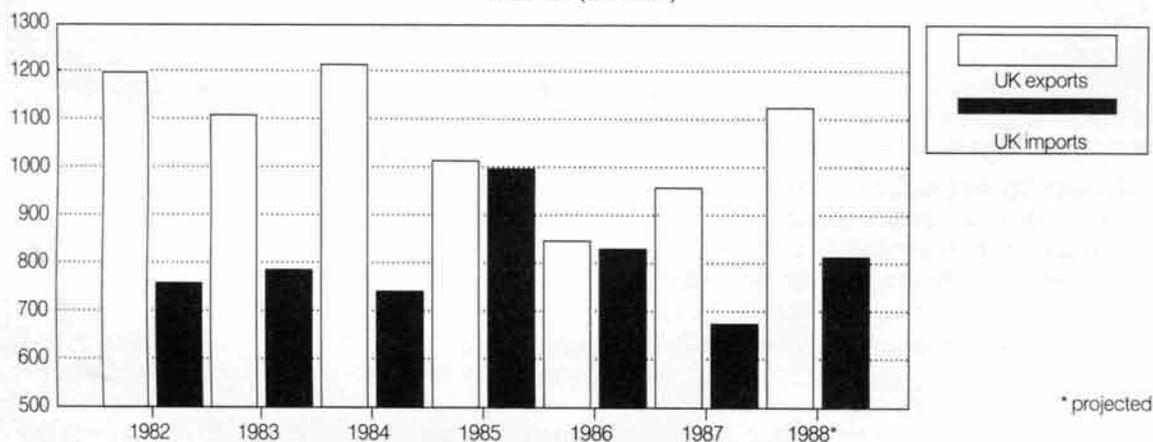
A year later, the same audience gathered to hear Sir James Cleminson, Chairman of the British Overseas Trade Board (BOTB), the export promotion arm of the Department of Trade and Industry, report on the impact of the government's campaign.

'Looking back on the year, he told UKSATA, 'there is a very clear message. That is that the UK has been a reliable — probably the most reliable — trading partner [of South Africa].' He described in detail the 'progress' made in pushing trade with South Africa — the 'landmark' of UKSATA's first trade mission; the trips made by British government officials to South Africa and the return visits of 'South African ministers, officials and businessmen' to see Alan Clark and Trade Secretary Lord Young; the 'numerous seminars and presentations' organised by the DTI, BOTB and UKSATA, all with the sole intention of boosting British trade and investment in South Africa.²

Sir James' speech presented efforts to promote South African trade as a veritable crusade. 'There are still some who have not received the message . . . There is good business to be done here and I would urge you to secure more of it.'

According to Mrs Thatcher's private secretary in a letter to the AAM, the speech was 'fully consistent with Government policy towards South Africa'.³

UK Trade with South Africa
1982-88 (£ million)



The British government's brazen support for economic ties with South Africa contrasts strongly with the position of the overwhelming majority of other countries. Although a number of Western nations continue to maintain significant economic relations with South Africa, the apartheid regime's aggressive and repressive policies have caused most of South Africa's main economic partners to discourage or limit their trade links. Britain's progress has been in precisely the opposite direction.

In fact 1987 and 1988 saw the reversal of a general trend of declining British exports to South Africa as companies took advantage of the government's pro-South African stance. During the first nine months of 1988 the value of British goods sold in South Africa rose to £806 million compared with £682 million in the same period in 1987, an increase of 18%.

In monitoring Britain's economic policy towards the apartheid state, the AAM has accumulated considerable evidence of the close co-ordination and planning that has gone into the government's campaign to boost apartheid trade. Its dual purpose has been to win markets from other countries that are more reluctant to trade in South Africa, and to counter the sanctions campaign waged by opponents of apartheid.

In its cynical enthusiasm for the job, the government has ridden roughshod over agreements to curtail trade with South Africa, made at Commonwealth and EEC summits.

THE DTI AND BOTB

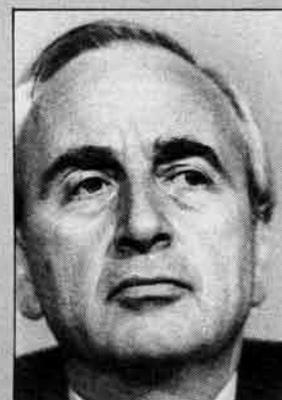
Analysis of government policy on trade to South Africa returns repeatedly to the role of the Department of Trade and Industry (DTI) led by one of Mrs Thatcher's favourite ministers, Lord Young.

Lord Young is no stranger to controversy over South Africa. Part of his contribution to the 1987 election campaign was to claim that sanctions against South Africa would cost 120,000 British jobs, a wildly inflated figure contradicted even by the DTI's own estimates.

Much of the DTI's work on trade promotion is carried out by the British Overseas Trade Board (BOTB), an arm of the DTI that provides a bridge between Whitehall and the world of commerce and industry. Lord Young holds the Presidency, it is chaired by Sir James Cleminson, ex-head of the CBI, and its Chief Executive is a top DTI official, David Dell. Representatives from individual companies, other government departments and unions are also members, as is the Duke of Kent.

In the era of the 'enterprise culture' the DTI's

standing within the ministerial pecking order has increased. It has often been noted that the DTI's aggressive approach to commercial links with South Africa has dismayed the Foreign Office, which pursues a line, in public at least, designed to be more sensitive to international opposition to apartheid.



Lord Young of Graffham,
Secretary of State
for Trade and Industry

◆ BRITAIN'S SANCTIONS OBLIGATIONS

Mrs Thatcher has never sought to disguise her personal animosity to sanctions. Yet on several occasions even she has found the weight of international opinion too much to bear, and has been forced to concede sanctions or, as she prefers to call them, 'measures'. Those affecting exports and trade promotion are as follows:

European Community Measures agreed in September 1985

1. A rigorously controlled embargo on exports of arms and paramilitary equipment to South Africa.
2. Cessation of oil exports to South Africa.
3. Cessation of exports of sensitive equipment destined for the police and armed forces of South Africa.

Commonwealth Measures agreed in Nassau, October 1985

1. No government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa.
2. A ban on the sale and export of computer equipment capable of use by South African military forces, police or security forces.
3. A ban on the sale and export of oil to South Africa.
4. Strict enforcement of the Mandatory Arms Embargo Against South Africa.

Commonwealth Measures announced in London, August 1986

1. A voluntary ban on new investment in South Africa.
2. A voluntary ban on promotion of tourism to South Africa.

European Community Measures, September 1986

1. A ban on new investment in South Africa.

That Mrs Thatcher has had to agree to any sanctions is a serious defeat for government policy. But the symbolic potency of Britain's limited sanctions greatly exceeds their practical impact on economic relations with South Africa.

◆ DISINVESTMENT PROVOKES NEW TRADE INITIATIVE

While the appearance of sanctions as a reality on the political agenda in 1985-86 was a setback for the DTI, as long as the measures lacked teeth, the damage was containable. The factor that spurred the government to put its weight fully behind trade promotion was the evidence accumulating during 1987 that the sanctions and disinvestment campaigns were attaining an unstoppable momentum.

Fifty-nine British firms announced their withdrawal from South Africa between the start of 1985 and the end of 1987 including such major names as Barclays, Legal & General and BICC.⁴ They took with them their market contacts in South Africa and their direct interest in opposing sanctions. UKSATA's Executive Director complained that companies 'had picked up the inference that trade with South Africa was not approved'.⁵ This disinvestment and sagging confidence represented a dramatic blow for the government and the South African business lobby, with serious implications for the future of British exports to South Africa.

In the course of 1987, then, it became abundantly clear that an urgent initiative was needed if Britain was to retain its position as one of South Africa's main economic partners, and if the rising tide of pro-sanctions opinion was to be quelled.

When the DTI responded to this situation it was not with a fundamental questioning of its traditional bullish attitude to trade with South Africa, but instead with a transparent restyling of its trade support arrangements.

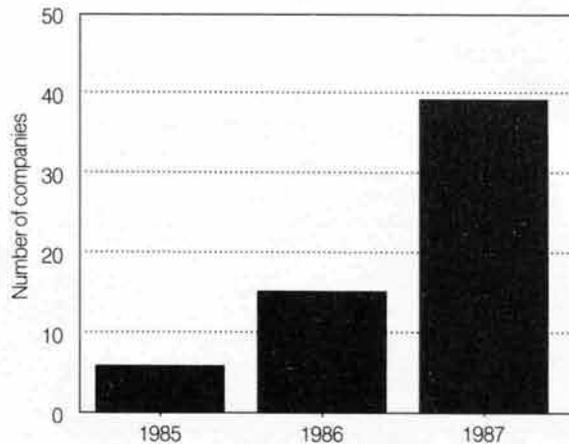
With the backing of another large majority won at the June election, and with Lord Young installed at the DTI, the government felt able to inject a new aggressive edge to its support for trade. A twofold campaign was devised combining government propaganda intended to create a climate of acceptability around apartheid trade, with revamped official services for exporters. This activity would be complemented by swingeing new attacks on sanctions.

◆ OFFICIAL GREEN LIGHT FOR APARTHEID TRADE

The new approach was apparent at the Commonwealth Summit in Vancouver in October 1987. Mrs Thatcher adamantly refused to consider new sanctions, and did her best to rubbish those in force, while defending the position of firms investing in South Africa.

A few weeks later in November, Alan Clark, her Minister for Trade at the DTI, articulated the government's thinking on trade in his 'keynote' speech. Clark claimed that 'South Africa . . . will continue to present new and exciting opportunities and I hope that British companies will continue to be well-represented and to keep winning business from our competitors'. Rejecting any form of official control over trading policy, he asserted

UK Companies Leaving South Africa:
A Rising Trend



trade should be 'determined by the commercial interests of those engaged in it.' This unprecedented top-level endorsement for business-as-usual with apartheid received wide coverage in the press.



Alan Clark MP,
Minister for Trade at the DTI

Clark's choice of an UKSATA gathering to deliver his speech demonstrated the government's determination to reach as many companies with commercial interests in South Africa as possible. It also signalled the DTI's intention to boost UKSATA's credibility in order to encourage participation in the trade missions it was planning.

UKSATA — THE GOVERNMENT'S CHOSEN INSTRUMENT

The DTI's partner in its strategy to promote trade with South Africa is the United Kingdom South Africa Trade Association (UKSATA). This was established in 1965 by W Luke, the Chairman of the London Committee of the South Africa Foundation, body set up by South African business interests to promote a positive image of the country in the aftermath of the Sharpeville Massacre in 1960.

The Association's secret list of around 120 member companies paid almost £100,000 in subscriptions in 1986 'to protect and promote trade between the United Kingdom and South Africa'.

But UKSATA is far more than an 'independent' business grouping — it enjoys close connections with the Conservative Party and with the DTI. One of UKSATA's leading corporate supporters is British and Commonwealth Shipping (now B & C plc), which in 1987 donated £137,000 to the Tory Party, its third biggest single gift. Until 1986, UKSATA's Vice-President was Lord Barber, ex-Conservative Chancellor and Mrs Thatcher's nominee on the Commonwealth Eminent Persons Group. Its current President, Lord Pennock, was President of the CBI from 1980-82.

Since 1972 UKSATA has been the BOTB's Area Advisory Group, or as UKSATA prefers to put it, the BOTB's 'chosen instrument for trade with South Africa'. UKSATA is the only one of the BOTB's seventeen Area Advisory Groups that receives no direct government funding, and whose members are not listed in the BOTB's annual report, a situation that presumably reflects the political

sensitivity of its work. But its semi-official position means it co-operates very closely with the DTI to formulate commercial policy relating to South Africa and therefore has routine access to top DTI and BOTB personnel.

Indeed, UKSATA's annual report for 1987 notes 'We are also most appreciative of the help and co-operation we receive from the staff of the Department of Trade & Industry and the Foreign & Commonwealth Office'.

Prior to 1987 UKSATA confined itself to the discreet role of producing promotional and information material on trade and investment in South Africa. But to coincide with the DTI's renewed enthusiasm for pushing South African trade, UKSATA started organising trade missions itself.

The first, consisting of representatives of a dozen companies went in November 1987, a second was planned for April 1988, and a third visited for two weeks between October and November 1988. UKSATA has moved deliberately to fill the role of the more traditional trade mission sponsors that withdrew with the removal of direct government funding in 1986.

Given Alan Clark's remarks and UKSATA's contacts with the DTI, there can be little doubt that the government has encouraged the development of UKSATA's higher profile in trade promotion. UKSATA is a convenient 'independent' organisation that allows the DTI to maintain the fiction that trade policy towards South Africa is being 'determined by the commercial judgement of those engaged in it'.

British Trade with South Africa
A Question of National Interest



SOUTH AFRICA
BUILDING THE FUTURE

The role of British industry in South Africa

UKSATA and its associate BICSA (the British Industry Committee on South Africa) regularly produce brochures defending trade with apartheid.

◆ TRADE MISSIONS — FAVOURITISM FOR SOUTH AFRICA

Until the sanctions and disinvestment campaigns got into full swing after 1984, South Africa was a favourite destination for British overseas trade missions, receiving an average of one a month. These were usually organised by trade associations or local Chambers of Commerce but many received extensive funding from the British Overseas Trade Board (BOTB), the export promotion arm of the Department of Trade & Industry. Between 1982 and the end of 1984 the BOTB funded 43 trade missions to South Africa to the tune of £347,000 (see appendix 2).

Official funding for missions to South Africa was available on a scale that belied South Africa's importance as an export market. In 1983 and 1984, South Africa accounted for 1.8% of British exports, yet 29 or 10% of the 290 missions funded by the BOTB went to South Africa. Clearly the political decision had been taken to make money available to maintain levels of trade between Britain and South Africa.⁸

◆ DTI IGNORES NASSAU ACCORD

Under the Commonwealth Accord on Southern Africa agreed at Nassau in 1985, official funding for South African trade missions was to be stopped. Companies and trade associations that had come to rely on government subsidies were alarmed. The Engineering Industries Association, which had been sending three missions to South Africa annually, claimed that 'British industry will lose important contacts with the market because we will not be able to go on trade missions as often on our own'.⁹

However, industrialists' fears were not immediately fulfilled. At least two trade missions, one organised by the Engineering Industries Association, the other by the Leeds Chamber of Commerce, visited South Africa in November 1985, a month after the signing of the Nassau Accord and still received government subsidies. Foreign Secretary, Sir Geoffrey Howe explained that funding had been agreed before Nassau, and 'there could be no going back in mid-flight'.¹⁰

CONTRIBUTIONS TO TRAVEL COSTS

	1985/86		1986/87			1985/86		1986/87		
	Contribution (£)	Contribution (£)	Contribution (£)	Contribution (£)		Contribution (£)	Contribution (£)	Contribution (£)	Contribution (£)	
		first three participations	fourth participation			first three participations	fourth participation		first three participations	fourth participation
Algeria	150	135	70	Israel	400	360				215
Angola	495	445	225	Ivory Coast	500	450				
Argentina*	725	655	330	Jamaica	470	425				
Australia	820	740	370	Japan	785	705†				
Bahamas	415	375	190	Jordan	275	250				
Bahrain	360	325	165	Kenya	445	400				
Bangladesh	445	400	200	Korea	790	710				
Barbados	420	380	190	Kuwait	350	315				
Bolivia	755	680	340	Laos	620	560				240
Botswana	480	430	215	Lebanon	275	250				175
Brazil	655	590	295	Lesotho	445	400				130
Brunei	550	495	250	Liberia	520	470				135
Bulgaria	260	235	120	Libya	245	220				330
Burma	595	535	270	Madagascar	685	615				260
Cameroon	535	480	240	Malawi	595	535				335
Canada	315	285	145	Malaysia	745	670				185
Chile	800	720	360	Malta	185	165				
China	625	565	285	Mauritius	710	640				180
Colombia	595	535	270	Mexico	430					85
Costa Rica	590	530	265	Mongolia	550					230
Cuba	365	330	165	Morocco	215					210
Cyprus	265	240	120	Mozambique	625					270
Czechoslovakia	135	120	60	Nepal	465					
Dominican Republic	470	425	215	New Zealand	935					
Ecuador	640	575	290	Nicaragua	590					
Egypt	280	250	125	Nigeria	345					
El Salvador	515	465	235	Oman	420					

A full year after Nassau, a BOTB leaflet openly available at its Victoria Street headquarters still advertised government subsidies of up to £480 available to cover the travel costs of business people attending trade fairs in South Africa.

Even when funding for travel expenses stopped, the government put other resources into backing missions.

	1985/86	1986/87
£	145	130
	65	60
	130	115
	50	45
	85	75
	65	60
	175	160
	70	65
	65	60
	145	130

BOTB leaflet offering subsidies

for travel costs to South Africa.

◆ DTI INSTRUCTS STAFF TO PUSH TRADE

Following Alan Clark's UKSATA speech in November 1987, the DTI went to the extraordinary lengths of sending roving teams of officials to regional BOTB offices to spread the minister's 'message'.

But even then, the DTI was not satisfied that South African trade was receiving priority treatment. A cajoling circular sent by Mr Barry Harding, the Southern African desk officer at the DTI, to regional BOTB offices carried the unmistakable message that officials should do more to promote exports. It also seemed to suggest that outside the DTI's Victoria Street headquarters there were reservations about the Department's robust attitude to the issue.

SOUTH AFRICA: EXPORT ASSISTANCE AVAILABLE

I fear that the message which my colleagues in the Market Branch here have endeavoured to put across by visits to Regional Offices etc has not reached everyone. I would be grateful if you remind your staff that the Minister for Trade "is content for officials to continue with the present policy of offering exporters the normal range of assistance apart from those specifically banned". In practice this simply means that no financial contribution is presently made towards Outward Missions or Joint Ventures to South Africa. All other assistance continues to be available - including a useful Background Briefing Note, which is updated quarterly, and a range of Market Reports.



BARRY HARDING

◆ BOTB PROMOTION OF TRADE MISSIONS

One BOTB office at least had no qualms and took Harding's memo to heart. In a letter dated 5 January 1988, passed on to the AAM, the BOTB's West Midlands Regional Office wrote to local exporters specifically promoting two forthcoming trade missions. The first was planned by UKSATA and scheduled for April, a second organised by a private group was destined to leave in February. The letter spoke of the 'success' of a previous UKSATA mission in November 1987, and helpfully provided contact addresses for more information.

South Africa continues to present many opportunities for British firms especially those in the construction and engineering sectors' it noted, enthusiastically echoing the Trade Minister's phraseology. The BOTB clearly has no problems with spending public money to promote trade missions to South Africa.



BRITISH OVERSEAS TRADE BOARD

WEST MIDLANDS REGIONAL OFFICE
Department of Trade and Industry
Ladywood House Stephenson Street Birmingham B2 4DT
Telephone 021-632 4111 GTN 2987 EXT.
Telex 337919 Answer back DTI Bham

Your reference

Our reference

Date 5 January 1988

Dear Exporter

FORTHCOMING TRADE MISSIONS TO SOUTH AFRICA

1. Following the success of its trade mission to South Africa in November 1987, the United Kingdom South Africa Trade Association (UKSATA) has announced its intention to mount a second trade mission there in April 1988. Full details available from:

Tim Bird Esq
UKSATA 45 Great Peter Street
LONDON SW1P 3LT Tel 01 222 0781

2. In addition, Hanwood Management, management and training specialists, will lead a trade mission to South Africa starting 23 February 1988. Full details available from:

David Barnard Esq
Hanwood Management Old School House
Badwell Ash Bury St Edmunds
Suffolk Tel 03598 523

3. In accordance with the UK's international commitments, neither mission will receive any government financial support with that exception the full range of the DTI services is being made available.

4. South Africa continues to present many opportunities for British firms especially those in the construction and engineering sectors.

Yours sincerely

B H VARLEY
Director

◆ **BOTB CHIEF PAYS SPECIAL VISIT TO SOUTH AFRICA**

In February 1988 Mr David Dell, Chief Executive of the BOTB, made a discreet visit to South Africa to improve co-ordination of the DTI's trade promotion strategy between London and Johannesburg. While in the country, he met with South African businessmen and British consular officials, but also with Nick Mitchell, the Executive Director of UKSATA, who had also chosen to visit South Africa 'on business' at the same time. With the forthcoming UKSATA trade mission planned for April, the two would have had much to talk about.¹¹

Mr Dell's visit was his only overseas trip outside the BOTB's 1988 export target areas of Europe, North America and South-East Asia.

◆ 'ALL OTHER ASSISTANCE CONTINUES TO BE AVAILABLE'

Though they are deprived of official funding for travel expenses, the DTI has made strenuous efforts to ensure that trade missions visiting South Africa can still rely on a host of other valuable services provided by government officials. The UKSATA mission in November 1987 benefited from briefings by DTI staff in London, and by Consular staff in Johannesburg, Durban and Cape Town. According to *British Business* (11.12.87), 'British consulates in each city contributed greatly to the success of the mission with the provision of on-the-spot research data'. It reported that initial export orders worth more than R1 million (£250,000) resulted from the mission.

According to Mr Barry Harding at the DTI South Africa desk, 'There is no agreement to which this government is a party which precludes us from continuing to make available the normal range of official assistance to business visitors to South Africa, which includes advice on market conditions, useful contacts and other services'.¹²

◆ COMPANIES FAIL TO MEET THE TRADE MISSION CHALLENGE

In spite of these efforts, many firms seem to be reluctant to answer the call to join trade missions to South Africa. The AAM has obtained the list of the nine companies that went on the mission organised by UKSATA in October/November 1988. It is singularly unimpressive, especially considering that UKSATA missions are being promoted by BOTB regional offices.

Andrew Chalmers & Mitchell Ltd
445/447 Hillington Road
Glasgow G52 4QU

Armstrong Fastening Systems Ltd
(part of Armstrong Equipment plc)
Gibson Lane
North Ferriby
North Humberside
HU14 3HY

Beldray Ltd
(part of Krug International (UK) Ltd, itself a subsidiary of Krug International Corp, USA)
Woolwich Road
Charlton
London SE7 7RJ

Home Automation Ltd
Montague House
High Street
Hoddesdon
Herts EN11 8NA

Huntleigh Technology plc
310-312 Dallow Road
Luton
Beds LU1 1SS

Leathersmiths of London Ltd
The Charfleet Bindery
Canvey Island
Essex SS8 0PA

Master Abrasives
(part of Meister Schleifmittelwerk AG,
Switzerland)

Oilab Lubrication Ltd
Sutherland house
31 Sutherland Road
Wolverhampton WV4 5AR

RL Enterprises
(No company registered by this name)

Most had instructed UKSATA not to release their names. Indeed firms are acutely sensitive about being known to trade with South Africa. An official from the Engineering Industries Association, which now sends a mission once a year (in 1988 this took place from November 5 to 19), admitted by phone that the numbers of participants has roughly halved over the past few years due to fear of 'blacklisting'.

A less than enthusiastic response from companies to the government's trade mission initiative might well explain the rather evangelical tone of Sir James Cleminson's final call to UKSATA to 'go out and get more converts'.¹³ It also means that the increase in British exports in 1988 noted above, was probably due to the activities of companies with existing operations in South Africa rather than to firms new to the country.

◆ MARKET REPORTS FROM HMG

As part of its comprehensive service to exporters, the DTI distributes a series of free 'Market Reports' compiled by the Commercial Department of the British Consulate General in Johannesburg, on various aspects of the South African economy which it says 'offer good prospects for UK companies'. A set obtained by the AAM contains numerous instances where in its enthusiasm to win orders, the DTI is endorsing sanctions-busting operations.

◆ MOSSEL BAY — BREAKING TWO SANCTIONS AT ONCE

The Market Report on Offshore Gas Development in South Africa suggest companies 'consider establishing own subsidiaries' to take advantage of work on the huge new Mossel Bay Gas field. The advice is hard to square with Mrs Thatcher's 'voluntary ban' on new investment in South Africa announced after the Commonwealth Meeting in August 1986.

The sole intention of the Mossel Bay scheme is to blunt the impact of the international embargo on oil supplies to South Africa. The natural gas found at Mossel Bay will undergo a complex conversion process to liquid fuels providing up to 10% of South Africa's oil import needs. Britain is one of the many oil producing countries that have banned crude oil exports to South Africa. But the DTI Market Report goes out of its way to encourage British companies to participate in this embargo-busting project and notes that 'British industry is well placed to benefit from this development'.

Adverts for British companies offering services for the Mossel Bay project appear in the South African press.



Howden, throughout its 100 year history, has always been concerned with product improvement and development. This philosophy has enabled it consistently to manufacture products which set standards of quality and performance for the rest of the world to try to reach.

Howden Group companies have a very diverse involvement in the petrochemical industry — all the way from the wellhead to the refinery. Howden supply oil gas separators, gas distributors and scrubbers, and a range of equipment for off-shore oil and gas exploration and development.

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Fans A) Gas treating B) Ventilation C) Cooling	Separators A) Mechanical B) Condensate removal C) All other systems	

P.O. Box 9901 Johannesburg 2000
Tele: 48-7338 Telephone 493-4453

◆ COMPUTERS FOR THE MILITARY

The DTI's Market Report on Computer Technology, issued in May 1987, identifies a lucrative market for electronic equipment with the Council for Scientific and Industrial Research (CSIR). This sinister organisation has long been at the heart of South Africa's military research establishment. Its personnel and hardware have worked on a variety of military projects including mine sensors, high-speed explosives and target sighters.

The Report's endorsement of the CSIR as a suitable customer conflicts with obligations made in both Commonwealth and EC summits to restrict exports of computer equipment to military and security forces.

◆ BAN ON TOURISM = PROMOTION OF TOURISM

In October 1986, Mr David Trippier, Minister at the Department of Employment, explained how the government intended to implement the 'voluntary ban' on promotion of tourism conceded by Mrs Thatcher at the Commonwealth Summit held in London two months previously. 'I am therefore appealing directly to those in Britain involved in the travel business — travel agents, tour operators and carriers — not to promote South Africa as a tourist destination'.

He might well have added the BOTB to his list.

In October 1987 the BOTB published a new version of 'Hints to Exporters', a regularly updated BOTB booklet designed as an introductory guide to South Africa for business visitors. It contained a full-page advert for Southern Sun Hotels, a major South African hotel chain. The advert was targeted at the 'independent leisure traveller'.

Realising that it had made a potentially embarrassing blunder, the BOTB was forced to send a circular to all recipients urging them to destroy the booklet due to 'an error of significant importance'. But while the advert for Southern Sun may have been withdrawn, ones for South African Airways, which is owned by the parastatal company SATS, are still accepted.

◆ DTI DOUBLETHINK ON NAMIBIA

The BOTB's 'Hints to Exporters' booklet on South Africa also contains a section on Namibia. It explains that 'While South Africa's occupation of the territory continues, it is the British Government's policy neither to encourage nor discourage commercial links with Namibia'. In the following pages it goes on to describe Namibia's economy, and to provide details of travel, hotels, language and currency — information of use specifically for businesspeople visiting Namibia.¹⁴

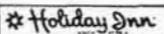
◆ DTI BREAKS NEW GROUND AND THE CULTURAL BOYCOTT

In his speech to UKSATA in October 1988, Sir James Cleminson explained that the government was exploring 'other sectors of possible business' including civil aircraft and TV programmes. Indeed the previous July, the DTI had written to television companies urging them to investigate South Africa as a market for TV programmes.

'The UK is particularly well-regarded in South Africa at present' explained the letter. With the DTI working so tirelessly on South Africa's behalf, this is hardly surprising.¹⁵

Advert for a South African hotel chain which appeared in a BOTB booklet

Now in South Africa Southern Sun and Holiday Inn combine to guarantee fixed hotel rates and great value.

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*Subject to currency fluctuations.

◆ CONCLUSION

The British government's policy towards South Africa has long demonstrated a total disregard for the yearning of the peoples of South Africa and Namibia for freedom from apartheid. But its active promotion of trade with South Africa is also at odds with the wishes of the British people. A Gallup poll commissioned by the AAM in July 1988, showed that 56% of people with an opinion on the issue favoured economic sanctions against South Africa. The successful campaigns conducted against British companies investing in South Africa also testify to the widespread revulsion the majority of people feel for continuing economic connections with apartheid.

Yet this government persists in attempting to defend the apartheid regime from the impact of effective economic sanctions. Its policy has been felt at all levels, from local councils to the international diplomatic arena. In the words of Sir James Cleminson, 'legislation has reduced the risk of companies being victimised by some local authorities because of their South African interests . . . The UK has actively and successfully opposed, not just abstained, from United Nations Security Council Resolutions calling for sanctions, and has . . . even rebutted strongly attempts to interpret more widely the limited measures already agreed.'¹⁶

Perhaps more shameful even than the government's opposition to sanctions and promotion of trade with South Africa when all other countries are discouraging it, is the strong element of naked self-interest underpinning the policy.

South Africa is seen as a lucrative market for British goods, the more so as other countries' trade restrictions open opportunities for British exporters. Whether it is pushing computers for the South African military, or oil drilling equipment to help undermine the oil embargo, the government's intention is to increase Britain's share of South African markets. It is an attitude that may seem profitable in the short-term but which is likely to provoke retaliatory measures from countries imposing sanctions not just in Africa and the Commonwealth, but also in the USA where legislation already allows for just such action against countries taking advantage of its sanctions.

Yet the pursuit of commercial advantage is an incomplete explanation for the government's attitude. Though there is money to be made out of apartheid, the South African market is relatively small compared with other overseas export targets, and the proportion of British foreign trade conducted with the country has been declining steadily since the 1960s. In 1987 only 1.2% of British exports went to South Africa.

The efforts put into boosting economic linkages with South Africa therefore reflect a far deeper strategic commitment made by this government to maintaining the status quo in South Africa. By persuading companies to continue trading with South Africa, the government is providing economic lifelines for the apartheid regime and is artificially strengthening the vested commercial interests opposed to sanctions. In defending the regime from sanctions it is literally keeping the apartheid regime alive.

The words of John Vorster, the ex-Prime Minister of South Africa might well provide the motto for the government's apartheid trade policy: 'Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence'.

◆ NOTES

1. *British Business*, December 1987
2. Speech by Sir James Cleminson, Chairman of the BOTB to the UK South Africa Association (sic), 13 October 1988
3. Letter from Charles Powell (Private Secretary to Mrs Thatcher) to the AAM, 1 November 1988
4. See the *South African Disconnection*, AAM April 1988
5. *The Independent*, 25 July 1987
6. *British Trade with South Africa — A Question of National Interest*, UKSATA, 1982
7. *British Business*, *ibid.*
8. Figures calculated from BOTB *Annual Report*
9. *Daily News*, 23 October 1985
10. *Daily News*, 21 November 1985
11. *Guardian*, 7 June 1988
12. Barry Harding to Ken Cameron (Fire Brigades Union), 16 March 1987
13. Cleminson, *ibid.*
14. *Hints to Exporters: Southern Africa*, BOTB January 1986
15. *Guardian*, 2 July 1988
16. Cleminson, *ibid.*

APPENDIX 1

◆ KNOWN TRADE MISSIONS VISITING SOUTH AFRICA AFTER THE NASSAU ACCORD

1985 NOVEMBER. Organised by Leeds Chamber of Commerce. Received £6,000 in subsidies from BOTB.

1985 NOVEMBER. Two weeks duration. Organised on behalf of the Engineering Industries Association (EIA) by Bevois Valley Engineering.

1986 NOVEMBER. Two weeks duration. Organised on behalf of the EIA by Bevois Valley Engineering. Comprised of twelve companies: Airedale International Air Conditioning Ltd, Bevois Valley Engineering & Motors Ltd, Cego Engineering Ltd, Domnick Hunter Filters Ltd, J J Huber Ltd, Johnson Screens Ltd, Lineman Halflo Ltd, The Moflach Co Ltd, Robert Hipkiss Ltd, Chas F Thackray Ltd, Whitfield & Son Ltd, F G Wilson (Engineering) Ltd.

1987 NOVEMBER. Two weeks duration. First trade mission organised by UKSATA. About 30 companies according to the *Guardian* (21.9.87). Lynda Chalker, Minister of State at the Foreign Office confirmed (letter to Donald Anderson MP 18.11.87) that DTI officials briefed the leader of the mission and staff from the Commercial Department of the Consulate General in Johannesburg provided further briefing in South Africa. The mission also held a reception for 100 people in a Johannesburg club (see text).

1988 FEBRUARY. Organised by Hanwood Management, a private consultancy based at Bury St Edmonds, Suffolk. This mission was publicised by the British Overseas Trade Board (BOTB), an arm of the DTI in a general letter to exporters in January 1988 (see text).

1988 FEBRUARY. Chief Executive of the BOTB, David Dell, visited South Africa and met there with Nick Mitchell, Director of UKSATA.

1988 APRIL. Organised by UKSATA. Publicised by BOTB in same letter (see text).

1988 OCTOBER/NOVEMBER. Two weeks duration. Organised by UKSATA. Comprised of nine companies (see text) 'Normal Government support' available including official briefings, according to the *Observer* (15.5.88).

1988 NOVEMBER. Two weeks duration. Organised by the EIA.

1988 NOVEMBER. Delegation of 'senior businessmen . . . to assess trends in the South African economy and market opportunities for British business' (UKSATA press release 7.11.88). Led by Sir Keith Stuart, Chairman of UKSATA and the Association of British Ports and also included representatives from NEI, APV Baker and 600 Group (*African Economic Digest*).



APPENDIX 2

◆ BRITISH TRADE MISSIONS TO SOUTH AFRICA RECEIVING GOVERNMENT FUNDING 1982-1984

<i>Organiser</i>	<i>Grant (£)</i>	<i>Participants</i>
Engineering Industries Assoc.	9130	21
Coventry Chamber of Commerce	9960	23
Thames Export Club	8685	19
Assoc. of British Manufacturers of Photographic, Cine & Audio Visual Equipment	4980	11
Export Council for the British Jewellery & Giftware Federation	4565	11
Worcester & District Chamber of Commerce	2075	10
Scottish Council Development & Industry	7470	17
Engineering Industries Assoc.	7885	18
Birmingham Chamber of Industry	7055	16
Engineering & Building Centre	4980	21
Derby & Derbyshire Chamber of Commerce	4565	11
Wolverhampton Chamber of Commerce	7055	16
Engineering Industries Assoc.	5760	12
Society of Motor Manufacturers & Traders	8160	16
	<u>92325</u>	<u>222</u>
1983		
Engineering Industries Assoc.	5760	12
South Bucks & East Bucks Chamber of Commerce & Industry	5280	10
Association of British Mining Equipment Companies	2880	15
Walsall Chamber of Commerce	10560	21
Federation of Sussex Industries	10560	21
Coventry Chamber of Commerce	8640	17
Sheffield Chamber of Commerce	12960	26
Engineering Industries Assoc.	5280	11
Bristol Chamber of Commerce	9120	18
Scottish Council Development & Industry	10080	20
Birmingham Chamber of Industry	7680	15
Manchester Chamber of Commerce	10560	21
Dundee & Tayside Chamber of Commerce	12480	25
South Wales Exporters Club	6240	12
Engineering Industries Assoc.	9600	19
	<u>127,680</u>	<u>263</u>
1984		
Leicester & County Chamber of Commerce	8640	17
Engineering Industries Assoc.	9600	19
Society of Motor Manufacturers & Traders	7680	15
Merseyside Chamber of Commerce	12480	25
Federation of Sussex Industries	7200	14
Worcester & Hereford Chamber of Commerce	11520	23
Coventry Chamber of Commerce	10080	20
Scottish Council Development & Industry	8640	17
Agricultural Engineers Assoc.	4800	9
London Chamber of Commerce	7680	15
Engineering Industries Assoc.	5280	11
Birmingham Chamber of Commerce	11040	22
Sheffield Chamber of Commerce	8640	17
Engineering Industries Assoc.	13920	28
	<u>127,200</u>	<u>252</u>
Grand total	347,205	737

Source: Parliamentary answer from Paul Channon MP to Donald Anderson MP 14.6.85

A Statement from the National Union of Civil and Public Servants

The Trades Union Congress, and the Civil Service Unions, have long established policies in favour of economic sanctions against the ruling regime in South Africa. The reasons for this hardly have to be spelt out, but they stem from the moral issues involved and the deep feeling of repugnance felt by many of our members, whose official duties involve them in work connected with South Africa. This is particularly true in DTI where many members have as their official role the promotion of trade with that country.

Because of that, the Civil Service Unions have submitted a detailed paper to DTI Ministers. This argues that the provision of DTI services and the priority given to South Africa needs to be re-examined. In short we have pressed that trade links and the services provided to trading partners of South Africa should cease. The Department's reply is perhaps revealing inasmuch as they have said that 'the Government's policy regarding trade with South Africa is not an appropriate subject for the Departmental Trade Union Side to discuss with Departmental Ministers'.

Contrasted with the policies of the trade union and labour movement, the policies of the current Government are very different. They have made clear on numerous occasions their opposition to general economic sanctions against South Africa. Their policy is one of sending 'political signals' to Pretoria, but that the level of civil trade with South Africa should, within the limits of international obligations and undertakings, be determined by the commercial judgement of those engaged in it. In other words, market forces should not only decide general economic questions, but possibly the greatest moral and political question of the day as well!

Whatever the merits of the Government's case, the blunt truth is that it just isn't working and the 'political signals', are going unheeded in Pretoria. During 1988, we witnessed the clampdown on anti-apartheid organisations in South Africa, further restrictions on the South African trade union movement and a growth of South African state terrorism, as evidenced by the assassination — or attempted assassination — of opponents of apartheid on the streets of Paris and Maputo.

The National Union, which is affiliated to the Anti-Apartheid Movement, is delighted to be linked with the production of this booklet. Our fervent wish is that it will help to bring about a change of heart on the part of the British Government and that they will join with others to put practical pressure on the South African regime for economic and social change.

Leslie Christie
General Secretary, National Union of Civil and Public Servants



APPENDIX 4

◆ MAJOR UK EXPORTS TO SOUTH AFRICA BY COMMODITY 1985-1987
(RANKED ACCORDING TO 1986 FIGS.)

COMMODITY	VALUE OF EXPORT (£000)		
	1985	1986	1987
Office machinery & data processing equipment	81,699	70,200	60,260
General industrial machinery	67,134	62,417	60,260
Artificial resins & plastics	63,063	51,528	45,081
Organic chemicals	47,156	48,947	46,204
Electrical machinery, apparatus & appliances	53,483	48,042	51,629
Specialised machinery	70,922	46,957	60,258
Power generating machinery	62,722	46,229	75,529
Miscellaneous manufactures	67,134	42,003	61,051
Road vehicles	76,467	39,157	51,656
Miscellaneous chemicals	39,421	36,094	43,150
Beverages	39,634	32,982	39,780
Professional, scientific instruments & apparatus	34,817	29,472	37,658
Misc. metal manufactures	28,153	26,196	29,294
Telecommunications, recording/reproduction equipment	34,907	25,020	18,590
Paper, paperboard & pulp	20,029	21,879	18,885
Sub-total	786,741	627,123	714,406
Other	222,447	222,434	234,178
Grand total	1,009,188	849,557	948,584

Source: *British Overseas Trade Statistics*



This report catalogues the British government's collaboration with apartheid in the area of trade promotion. It shows how the government, and particularly the Department of Trade & Industry, has systematically pursued policies with the aim of boosting trade with South Africa, at a time when other countries are doing the exact opposite. In revealing the government's promotional methods and the incentives it offers to persuade firms to trade with South Africa, the report demonstrates the government's cynical evasion of Commonwealth agreements which ban the finance of trade missions to South Africa.



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