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South African Paper No. 1.

SOUTH AFRICA AND THE COMMONWEALTH
Political, Strategic, Economic.

By

H.V. ROBERTS

Prepared for the
Commonwealth Relations Conference
Lahore, 1954.

The South African Institute of International Affairs,
Equity Building,
88, Fox Street, Johannesburg.

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Part One.

THE POLITICAL POSITION OF SOUTH AFRICA IN RELATION
TO THE COMMONWEALTH AND THE WORLD.

1. The Internal Political Situation.

A year before the last Commonwealth Relations Conference in 1949 a Nationalist Party Government came into office with a very small majority. In fact it was only possible for it to govern through the co-operation of the Afrikaner Party, which followed the principles of the late General Hertzog. At that time it was difficult to foresee what repercussions this change of government would have on relations with the Commonwealth and on foreign relations generally, particularly as the result of the 1948 election came as a surprise to many supporters of both the Nationalist Party and the United Party. The Government strengthened its position by absorbing the Afrikaner Party during its five-year term of office and, further, by gaining an increased majority in the 1953 elections.

On the other hand, the parliamentary opposition to the Government has weakened considerably. Through the death of Field Marshal Smuts in 1950, it lost its greatest personality and the Government's most formidable adversary in debate. Since the 1953 elections it has lost further ground. Two new parties have been formed which draw their strength entirely from the main opposition party - the United Party. They are the Federal Party, which wants a federation rather than a Union of the provinces of South Africa, and the Liberal Party which desires a greater extension of rights to the non-European population. The United Party itself has been split by a dispute over policy and leadership and seven of its members sit separately in the House, call themselves the Independent United Party and have already offered their support to the Government in some of its legislation. A pressure-group outside Parliament, known as the Torch Commando, became prominent in organising demonstrations against the Government, but has shown signs of fatigue if not of disintegration since the 1953 elections.

Though one does not want to venture far into political predictions, especially since personality has played such a prominent part in Union politics, the facts (notably the future composition of the electorate) indicate the likelihood of a governing party of a strongly nationalist character for some years. It is therefore important, in considering the Union's political relations with the Commonwealth, to pay particular attention to the attitude of the National Party (as it is now called in English) towards association with the Commonwealth. At the same time, the opinions and sentiments of the opposition parties (which did receive a majority of votes in 1948 and even in the 1953 election though a minority of seats as a result of an electoral system which favours the country districts) cannot be overlooked in an assessment of South Africa's attitude to the Commonwealth nor can they be entirely ignored by the National Party Government, whose sitting members are at present all Afrikaans-speaking. The Opposition may be described as solidly opposed to any loosening of the Commonwealth ties, although some of their supporters might not deplore some reduction in symbols such as the British Flag and Anthem. Others would be directly opposed, for sentimental reasons, to any such reduction, while the majority of the Opposition supporters would regard such a move as a preliminary step to a Republic.

The National Party is avowedly republican but there is clearly some difference of opinion in its ranks as to how and when such a republic should be attained and whether it should remain in the Commonwealth. At present republican opinion in South Africa could be divided into two small groups at the extremes and a large central body. At one extreme are those who are pressing for a one-party republic outside the Commonwealth and for its immediate institution. At the other are those who are quite content with the present independent position of the Union in the Commonwealth. The bulk of opinion, desiring a republic - within the Commonwealth at any rate for the time being - is not anxious to cause unrest and thereby possibly jeopardize its chances of success. They feel that time is on their side, particularly as the ratio of Afrikaans-speaking to English-speaking voters is increasing due to a higher birth-rate, and that in due course a referendum would reveal a clear

majority of voters in favour of a republic.

However, the republican issue is to some extent affected by the clearly discernible trend among Afrikaners away from their traditional isolationism and towards a realistic conception of their position in a world grown not only smaller, but predominantly hostile to their way of life. This trend has been brought about by their hatred and fear of Communism, by the realisation that South Africa could suffer direct attack from the air in a future war, by the emergence of India as a force in world affairs and one which is increasingly hostile to South Africa and by the fact that, in the United Nations and elsewhere, most of the governments of the world have been critical of South African policies. In such a world isolationism is difficult to maintain and the desire to identify oneself with a powerful bloc of people having a similar background and culture is strong. In the Union's case it is evidenced by South African participation in the distant Korean war and in the Middle East Defence Command on a governmental level and, on a popular level, by the general absence of criticism of such participation.

Although there is increasing emphasis on "Western Civilisation" and on historical association with Western Europe, there is bitter resentment of any co-operation which Nationalists consider would place them in a subservient position to the United Kingdom or which suggests to them that they are the tools of British imperialism. Both Government spokesmen and the Nationalist press continually emphasise that they will co-operate with the Commonwealth only if it is in South Africa's own interests to do so. The fact that the East-West struggle involves all the nations of Western Europe and that the United Kingdom is not the major power on the Western side makes it easier for them to co-operate with the Commonwealth in this struggle without affronting their national susceptibilities.

Relations with members of the Commonwealth other than the United Kingdom are slight except in the case of the Asian members where they are simply bad. The inauguration in 1952, on Australian initiative, of a direct air service between Australia and South Africa and a short visit of the Australian Prime Minister in 1953, however, served to emphasise not only that there

is some community of interest between the two members in the southern hemisphere but also that ties exist between the outflung parts of the Commonwealth as well as between those parts and the centre.

11. South Africa and the United Kingdom.

It is South Africa's relations with Britain that are of paramount importance, not only for historical and sentimental reasons, but also because the United Kingdom is still by far the most powerful member of the Commonwealth.

During the last five years the Union's political life has not been marked, as it has been in the past, by protracted debates about symbols and titles. In February, 1953, a Bill was approved without much comment setting out Queen Elizabeth's titles as: "Elizabeth the Second, Queen of South Africa and of her other Realms and Territories, Head of the Commonwealth". The old controversies may be revived by a motion which has been tabled for the present session calling for the dropping of the British Flag and National Anthem. Yet it is true to say that "..... in the last five years a governing party committed to republicanism, which until recently was equated with secession from the Commonwealth, has done nothing to weaken the association of what may be called foundation members of the Commonwealth, and has even strengthened it by demonstrating since its assumption of power that fears of early secession under Nationalist rule were unfounded".(1)

Two main points of friction between the Union Government and Britain have arisen because of the wide divergence in policy towards the native races in Africa and, arising partly from it, criticism of the South African Government by the British press and some important organisations. To deal with this point first, press criticisms of the Union, many of which have been

(1) Louis Kraft. "The Forces which shape Foreign Policy in South Africa". Paper submitted to the Conference of Leaders of Institutes of World Affairs, New York, October, 1953.

undoubtedly ill-informed, have upset not only the Nationalists but many English-speaking South Africans who are quite opposed to the National Government. The most serious incident occurred when the National Executive of the British Labour Party, after criticising the South African Government, pledged its support to the South African Labour Party. Commenting on this, Dr. Malan declared: "Interference must necessarily be followed by estrangement - to what extent no one can foresee. By this action the British Labour Party has shown itself to be a disruptive influence in the Commonwealth. Its return to power will be a catastrophe".

The divergence of the policies pursued by Britain in Africa and by the Union Government in South Africa is without question the main source of friction between the two countries. The rapid advance towards self-government in parts of British Africa has been regarded with dismay in the Union and the possibility that one or more of the West African territories may soon be admitted to Dominion status is resented. Dr. Malan, in a speech at Cape Town in 1951, emphasised that events in West Africa were affecting all African territories and pointed out that in the past Commonwealth solidarity had been based on specific common interest and sufficient homogeneity of cultural and political outlook. With the admission of new Asiatic States, he declared, and the prospective admission of African Colonies, such homogeneity and common interest would no longer exist.

Even though one may dismiss much of the concern expressed in the Nationalist press in regard to the future of the Commonwealth as insincere, being rather a heaping of coals on an anti-British fire, one has to take note of the South African Government's genuine inability, committed as it is to a policy of permanent White control, to keep in step with a Commonwealth that is becoming less and less white both in numbers and in outlook.

The problem of the transfer to the Union of the High Commission Territories of Basutoland, Bechuanaland and Swaziland has been made all the more difficult by the widening gulf between the native policies of South Africa and Britain. Provision for such a transfer was

made in the South Africa Act, passed by the British Parliament in 1909. This, of course, was before the Statute of Westminster was even envisaged. The question of transfer was last raised in 1935 by the late General Hertzog but discussions in 1938 were inconclusive. The matter was raised again by Dr. Malan towards the end of 1949, since when both Governments have issued White Papers setting out the previous negotiations that have taken place. Dr. Malan has made many references to the subject both inside and outside the House; he has declared that the position is 'untenable', threatened to make the matter an issue at the 1953 election (but did not) and towards the end of 1953 declared that the matter must be settled within five years. The British Government has remained firm in its previous statements that the opinion of the inhabitants of the three territories must be consulted. Dr. Malan has retorted that, as the Federation of the Rhodesias and Nyasaland was carried through against the wishes of the native inhabitants, it 'has put firmer ground under our feet'. The case is, however, somewhat different: the Central African territories were not transferred but merely federated under the same British sovereignty; while the transfer of the High Commission Territories would involve a transfer of land and peoples from the Crown in the United Kingdom to the Crown in the Union.

There is little doubt

- (a) that public opinion in the United Kingdom, which no Government could wisely ignore, would not tolerate a transfer of the peoples of the territories to the Union in present circumstances.
- (b) that, if native opinion in the territories were consulted, it would be opposed to incorporation in the Union.

An impasse has clearly been reached but, in view of Dr. Malan's insistence that the matter be settled within five years, it is likely that relations between the United Kingdom and the Union will suffer through press campaigns in the two countries.

111. Relations with the Asian Members of the Commonwealth.

Relations between South Africa and the Asian members of the Commonwealth have steadily worsened during the last five years. The original cause of the dispute - the treatment of Asians in the Union - has, from the Asian point of view, been aggravated by the passing of the Group Areas Act by which provision was made for Asians to be precluded from living or owning property except in specified areas. The South African Government's point of view is that India has imperialist aims in Africa and that, by refusing to participate in a round-table conference and preferring to conduct an open campaign in the assemblies of the United Nations, she has revealed that she is not interested in reaching a solution of the problem.

Towards the end of 1949 the Union Government invited India and Pakistan to send delegates to the Union to discuss the matter. Pakistan accepted and followed this up with a conciliatory gesture by announcing the withdrawal of the trade ban against South Africa (which had been imposed by India in 1946 before the creation of Pakistan). India also accepted the invitation but refused to lift the trade ban. In February 1950 preliminary tripartite talks began in Cape Town to explore the possibility of drawing up an agenda for a future conference. A joint statement issued on February 19th said that the delegations had agreed to recommend to their Governments that a round-table conference should explore all possibilities of settling the dispute.

On June 6th 1950 the Indian Government informed the South African Government that, in view of the latter's action in "rushing through" the Group Areas Bill (which Dr. Dönges had introduced in April), no useful purpose would be served by India's participation in the proposed round-table conference. The Union Government issued a statement that the Minister of the Interior had informed the leaders of the Indian and Pakistani delegations to the Cape Town talks of the Government's intention to introduce the Group Areas Bill. This was several days before the issue of the three-power announcement agreeing to hold a round-table conference.

Since June 1950 no direct negotiations have taken place between the Union Government and the Asian Governments. The campaign which India had previously

launched in the United Nations assemblies has been sustained and widened by debates on the status of South-West Africa and, recently, on the whole racial structure of South Africa.

It is clear to anyone living in South Africa that the Government will not suspend or amend any of its racial legislation at the instigation of another country or international organisation, particularly since it has been returned to power for a second time by an electorate which supports such racial policies. If India, Pakistan and the United Nations continue to insist on suspension of Union laws as an essential preliminary to a round-table conference, it is unlikely that any negotiations or discussions will take place between the three Governments and, as a result, relations between them may continue to deteriorate through bitter and unprofitable debates in the United Nations.

iv. South Africa and the United Nations.

The relations between South Africa and the United Nations Organisation have been unhappy since the very early days of U.N.O. The dispute about the status of South-West Africa and the bitter debates about the position of non-Europeans in the Union have caused almost the entire European population of South Africa, both English-speaking and Afrikaans-speaking, to lose faith in the United Nations Organisation, at any rate as it is now being conducted. South African participation in the Korean war in answer to the United Nations' appeal was a gesture to the Western Powers and was welcomed by them alone. Those member states of the United Nations which ignored the Korean appeal included the foremost detractors of South Africa and it seems clear that while European nations, the older members of the Commonwealth, and the United States look upon the United Nations primarily as an instrument for the preservation of world peace, the majority of its member states regard it as an instrument of anti-colonial and anti-white propaganda.

South-West Africa.

In the long dispute about the status of South-West Africa no proposal has been put forward which is acceptable to both the Union Government and the United Nations. In the last five years, two outstanding events have occurred: the advisory opinion of the International Court of Justice and the allocation to South-West Africa of seats in the Union Parliament.

The International Court of Justice, on the request of the United Nations General Assembly, in July, 1950, declared unanimously that South-West Africa was still under the mandate assumed by the Union of South Africa on 17th December, 1920. It decided by 12 votes to 2 that the international obligations resulting from the mandate were still uncumbent on the Union, including the obligation to submit reports on its administration and to transmit petitions from the inhabitants. The supervisory functions formerly exercised by the League of Nations were now to be exercised by the United Nations. The court also agreed unanimously that the provisions of Chapter 12 of the Charter, providing a means by which a territory might be brought under the trusteeship system, were applicable to South-West Africa. It decided, however, by 8 votes to 6 that the Charter did not impose on the Union a legal obligation to place the territory under trusteeship. Finally it declared unanimously that South Africa was not competent to modify the international status of South-West Africa without the consent of the United Nations.

The Union Government has not, in law, done anything to modify the international status of the territory. The allocation of seats in the Union Parliament to South-West Africa has given the Europeans of that territory a voice in the affairs of the Union but the Union obtained no corresponding voice in the affairs of South-West Africa. In November 1951 the Union Government informed the United Nations of its willingness to submit its trusteeship of South-West African affairs to the supervision of a committee of representatives of Britain, France and the United States, which it regarded as the countries responsible for according South Africa the mandate after the first world war.

The United Nations, however, has demanded that the territory be placed under full United Nations trusteeship. The Trusteeship Committee, by its decision to hear a petition from South-West African tribal chiefs, caused the South African Government to withdraw from both the Committee and the General Assembly as a protest. The South African Government maintained that the Trusteeship Committee had flouted the International Court's opinion that the degree of supervision exercised by the United Nations should not exceed that applied under the mandate system. Since that time (the end of 1951) no fresh proposals have been put forward which are likely to be acceptable to the Union Government.

The Racial Situation in South Africa:

In the course of United Nations debates on the treatment of Asians in South Africa, on human rights, and on the 'apartheid' policy of the South African Government, bitter attacks have frequently been made on South African racial policies. The Union Government has consistently denied the right of the United Nations to intervene between the South African Government and its subjects. On the legal issue there can be no doubt that the South African Government is correct in view of the provisions of Article 2 (7) of the United Nations Charter which expressly states: "Nothing in the present Charter shall authorise the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter"

On the moral side, the majority of Europeans in the Union, though some of them disagree with the Government's racial policies, see no reason why conditions in South Africa should be singled out for "improvement". They note that United Nations commissions are not appointed to inquire into, say, the conditions of the native majority of Liberia, and conclude that many of the United Nations members are concerned only with removing the white man from Africa. They note also that no voice is raised when many Member States, some of whom are suspect in the matter, ignore questionnaires on Forced Labour or the White Slave Traffic.

It is possible that further incursions of the United Nations into the domestic affairs of South Africa may cause South Africa to withdraw entirely from the Organisation. Withdrawal from some of its subsidiary agencies was, in fact, considered by the Government during 1953. The fact that the Union Government has not already withdrawn from the United Nations is due to the fervent hope of many South Africans that other states will co-operate in bringing about its reform or, at any rate, in insisting on a scrupulous observance of the provisions of its present Charter.

v. South Africa and the West:

Today in South Africa, for the first time since Union in 1910, there is a common outlook on the world situation and on South Africa's role in it. From the time

of Union through the first World War and right up to and into the second World War, South Africa spoke with two voices on world affairs. Memories of the Boer War, a hatred of British imperialism and a sympathy for the German people arising from these and from a feeling of affinity, caused many Afrikaners to stand aside from, if not actively to oppose, Anglo-French interests up to 1945.

The present struggle of the West against World Communism has brought about a unity of purpose in the two main European races in South Africa. This unity has enabled the National Party Government to do what no previous Union Government could have done: to send South African forces to the Far East (to participate in the Korean War), and in a time of peace to pledge South African forces to service in the Middle East, should a general East-West conflict break out.

The desire to assist the Western Powers is so strong that the South African Prime Minister has dropped a hint that South Africa might welcome an invitation to participate in the North Atlantic Treaty Organisation. He pointed out that, since some of the NATO members have territorial possessions in Africa, any conflict in which they were involved would be likely to involve also the Union's neighbouring territories in Africa. If the Union at some future time should become a member of NATO or a similar organisation, such membership might be regarded by certain elements in South Africa as a substitute for Commonwealth membership, even though a military alliance would conflict more with ideas of national sovereignty than does the loose bond of Commonwealth membership.

vi. South Africa and the African Continent:

In the last few years South Africa has shown a developing interest in the political life of the rest of the African continent. Events that have taken place in various parts of Africa have had repercussions on other African territories and, to some extent, on the Union itself. The political relations of African territories have been in the past simply appendices to the relations of the European powers responsible for these territories, and discussions on such matters took place entirely in the capitals of Europe. With the growing independence of a

number of the African territories, however, foreign relations in the African continent itself are assuming some importance.

The Union's main political interest in Africa is that the Governments of other African territories should be well disposed towards her. For this reason, and in view of her policies in regard to her own African population, she would like to see European powers retaining their control of African territories and views with alarm any rapid advance to African self-government. In this connection Dr. Malan has proposed that all powers with interests in Africa should subscribe to an African Charter which would provide:

- (a) that native peoples of Africa should be protected against penetration by Asian peoples;
- (b) that Africa should be led along the path of European civilization;
- (c) that she should be protected as much as possible from Communist influences; and
- (d) that she should be kept from militarization.

This proposal has been ignored by the European powers in Africa and it is most unlikely that any such proposal of a common policy would be entertained by them. Several voices have been raised in Africa and overseas advocating some form of unified policy, either with a view to preserving white domination or with a view to accelerating native self-government. It is essential to realise at the outset, however, that

- (a) Africa is not one: its native peoples show wide divergences of race and culture. For example, there is much greater difference between the Ethiopian and the West African Negro or the South African Bantu than there is between, say, a Spaniard and a Pole.
- (b) the policies applied by the European powers in Africa are the product of their own diverse political and cultural development.

- (c) the policies which are applied with apparent success in one African territory are not necessarily suitable for export to another territory having a vastly different set of conditions.

Just as an economic map of Africa would reveal differences in wealth and in activity, ranging from subsistence agriculture to great modern industries, so the future political map of Africa will indicate, through the very dissimilarity of peoples and conditions, a wide divergence of political structure.

In such a continent the best that can be hoped for is a clearer understanding of these differences and why they exist and of the motives underlying the various policies that are being practised. South African policies must be considered in the light of the historical achievements of the Afrikaner people and of the rapid economic growth of modern South Africa. The outlook in Africa as a whole is darkened by an ignorance, overseas, in the African continent and even in South Africa, of the complexities of African problems and by the kind of impatience that would solve all problems with a single document or a new constitution.

PART TWO

THE STRATEGIC POSITION AND INTERESTS OF SOUTH AFRICA.

VI. The Human and Material Resources of South Africa

1. Human Resources.

In the event of a conflict between East and West the Union of South Africa would be able to contribute, relative to the forces that the major participants could deploy in any one theatre of operations, very small numbers of fighting men. The Union would be responsible, in the first place, for the security and defence of a vast area of about one million square miles, made up of the territory of the Union itself, that of the former mandated territory of South-West Africa and the High Commission Territories of Basutoland, Bechuanaland and Swaziland. In all this area, in which there are wide tracts of desert land, live only about 14 million people. This population, unlike that of other members of the Commonwealth, is markedly heterogeneous. The figures of the latest census held in the Union (in 1951) gave a total population of 12,646,000 inhabitants. Of these Africans numbered about 8,535,000, Europeans 2,643,000, Coloureds 942,000 and Indians 365,000.

In considering the Union's human resources from a strategic point of view, we are at the outset confronted by a political fact of great importance: the traditional policy of South Africa is opposed to any arming of the non-European population and there is little likelihood of any change in this attitude in the immediate future. The active military forces of the Union would therefore be derived from a total European population of less than $2\frac{3}{4}$ million men, women and children. It is clear that South Africa would never, even in a time of great emergency, be able to mobilize, many divisions of land forces; she is able to mobilize immediately, according to a statement by the Minister of Defence, one armoured and one infantry division. In time of war part of the available land forces would be required for guard duties and security work inside the Union itself, particularly in view of the vastness of the territory and the possibility of racial tension. Some of this work would be undertaken, of course, by the special force of volunteers known as Skiet Kommandos, which has been developed in districts all over the country in recent years.(1)

- (1) The Skiet Kommandos or Rifle Commandos are formed from citizens between 17 and 60 who have to attend at least two compulsory shoots per annum.

In the naval forces and personnel at her disposition, South Africa is also relatively very weak. If we exclude Ceylon which has no naval forces, South Africa has a navy which is the smallest, both in ships and personnel, in the Commonwealth, and considerably smaller, for example, than that of India. (1) The presence of a permanent British naval base at Simonstown, some twenty miles from Cape Town, and of British naval forces in the South Atlantic, however, offsets this weakness in the event of an East-West conflict. The newly-formed South African Marine Corps, by manning a Union-wide network of radar stations, would back up naval vessels by giving warning of the approach of enemy aircraft and vessels.

It is in the air that a country like South Africa, small in population but powerful in financial and economic resources, is able to develop a military power of considerable importance. A fine record has been achieved by South African flying crews both in the Second World War and in Korea. This proved flying skill coupled with the high physical standards of South African youth are the greatest potential military asset of the country, provided that sufficient numbers of mechanics can be trained or imported to deal with a rapid expansion of the air force in time of emergency. The present strength of the South African Air Force, according to a statement made by the Chief of the General Staff, is nine fighter-bomber squadrons, three of which are equipped with jet aircraft.

2. Material Resources.

Although in the post-war period South Africa has undergone an industrial revolution (see Part Three of this paper) it is primarily as a producer of raw materials that the Union is of major strategic importance. Her mineral wealth includes a number of strategic raw materials of which the most important is uranium. The Union has become in the last few years one of the principal sources of uranium in the world, and the fact that its uranium is associated with and located on existing gold mines has enabled its production to be more readily undertaken. For the mineral products alone which it can supply to the war industries of the Commonwealth and the Western World, South Africa is of great strategic value. Its supply of gold to the Commonwealth, and Britain in particular, would

(1) Jane's Fighting Ships 1953-54.

possibly be a decisive factor in solving the exceptional balance of payments difficulties that a war would occasion.

South Africa has in the post-war period done much to lessen her dependence on imported goods. There has been a spectacular increase in secondary industries, some of which could be converted to war production. Ample reserves of coal and iron would allow a further development of industry. Although there is no natural source of petroleum in Southern Africa, there is a large refinery near Durban and the construction of an oil-from-coal plant at Sasolburg in the Orange Free State, now nearing completion, will reduce the burden on shipping. At the same time it has to be recognised that, for some considerable time, South Africa will be dependent on shipping for imports of many goods such as vehicles and heavy machinery, as well as certain food-stuffs, notably wheat.

Lastly, in this brief account of the Union's resources, mention should be made of the fact that there are excellent rail and road communications (over 13,000 miles of railways and 90,000 miles of road) and a number of good airfields, several of which are capable of receiving the heaviest aircraft in use today.

VIII. The Strategic Interests of South Africa.

1. Middle East.

South Africa is the most secure of all Commonwealth members from the danger of immediate attack in the event of Russian aggression. She is sheltered from an immediate land attack by the very vastness of the African continent and the disposition of Western forces in the Middle East. The first defensive barrier of the Union may be considered to be Turkey, now well-armed and resolute and a member of the North Atlantic Treaty Organisation. It would be hazardous in the extreme for Russian forces to attempt to push down into Africa via the weak Arab states, leaving a powerful Turkey on their flank. In the Mediterranean area there are also several British and American bases, of which the strongest is at Suez. The Union's main strategic

interest is in the Middle East and, in view of this, the Government has joined the Middle East Defence Command and promised land and air forces in the event of an attack. The Union's interest in this area has sharpened in post-war years because of the development of the long-range bomber (which, if Middle East bases were in Russian hands, could attack the Union's industrial and urban centres) and because the amount of support forthcoming from Australia and New Zealand is likely, despite their traditional interest in the Middle East, to be diminished on account of their increased responsibilities in the Far East and of the vulnerability of their supply route to the Middle East.

2. African Continent.

It is likely that the defence of Africa would be conducted, in the near future at any rate, from bases outside Africa or on the northern limits of the continent. In the two previous world wars, this was not the case; in 1914 the Germans had forces in Tanganyika and South-West Africa and in 1939 the Italians had considerable numbers of fighting men in Libya and in Italian East Africa which included Ethiopia, Eritrea and Italian Somaliland. In both wars campaigns were necessary in order to reduce these forces.

All the European powers in Africa today have clearly aligned themselves with the West. It is the internal security of Africa which has now become important. It is essential in any East-West conflict for the Western forces, including those of South Africa, to be able to move freely about the continent, and for the raw materials of Africa to be produced and exported smoothly to the Western industrial nations. The problem is now how to ensure harmonious relations between the native population of Africa on the one hand and their governments and the Western powers generally on the other. As has been pointed out in the political section, there are profound differences among the European powers as to how this may be achieved, differences arising not only from the various political backgrounds and outlooks of the Europeans themselves, but also from the different circumstances in which Europeans find themselves in Africa as well as from the varying degrees of advancement of the Africans themselves. The problem is a vital one for the West, for already military leaders are doubting the wisdom of retaining the base at Suez in the midst of a hostile Egyptian

population. The great revolt in Madagascar after the Second World War, the Mau Mau revolt in Kenya and the unrest that is evident all over the continent emphasize that this deterioration of race relations in Africa could have the gravest consequences on the war potential of the Western world.

There is one factor in the African racial situation which conflicts directly with South African interests; the rapidly increasing Indian population not only in the Union itself but in several territories to the North and particularly in British East Africa. In view of India's hostility to South African policies and of her non-committal attitude in the East-West struggle, the Indian immigrant community could become a menace to the security of the Union and of other parts of Africa.

For South Africa, committed to white domination in the Union, the problem of maintaining harmonious relations with the rest of a continent in which more and more Africans are becoming politically independent, is particularly difficult. Accurate information abroad about the Union's internal conditions and difficulties and accurate information in the Union about conditions in the rest of Africa are prerequisites to any improvement in inter-territorial relations in Africa.

3. South Atlantic.

The Second World War revealed the decreased value of the Mediterranean and Suez Canal as a supply line for shipping and in any future war its value is likely to be further decreased. The vulnerability and instability of the Middle East enhance considerably the importance of the old Cape route. The sea lanes around the southern coasts of Africa and the Union ports of Cape Town, Port Elizabeth, East London and Durban would be likely to see a greater volume of shipping than in any previous conflict. The Union has a vital interest in keeping free these shipping lanes round her coast, not only in the common cause of the Commonwealth and of the Western World, but also for the protection of her own essential imports and exports. In this respect South Africa, as has already been pointed out, is largely dependent on the navies of friendly powers, having, for example, only two mine-sweepers of her own to keep these lanes free of mines.

4. Indian Ocean.

The fourth strategic interest of the Union is the western Indian Ocean and particularly the islands that lie in it, the largest of which is Madagascar. These islands are at present in the hands of friendly powers - France and Britain. The calm which had prevailed in this theatre for decades was disturbed by the incursions of the Japanese in the last war. The Union's strategic interests call for a renewed appraisal of this area particularly in view of the Communist domination of Asia, the disappearance of British naval bases from India and the attitude of the Republic of India which obviously seems to be one of neutrality in the East-West cold war.

5. Antarctic.

A growing strategic interest of South Africa is the Antarctic where the Prince Edward and Marion Islands were occupied by South Africans in 1948. With such other bases as at present exist being in the hands of Commonwealth or friendly nations there is no danger threatening from this area. However, in view of the development of long-range aircraft, the Antarctic will become important as a short route linking Australia and Africa, and a route that is unlikely to be molested in time of war.

PART THREE

ECONOMIC POSITION AND RELATIONS

ix. The Present Economic Position of the Union:

The Union's adverse balance of payments on current account, which had aroused grave concern in 1948, has been to some extent offset by the devaluation of sterling towards the end of 1949, which brought temporary relief, and by the imposition of restrictions on imports. In 1949 the adverse balance of payments on current account was £114 million, in 1950 nil, in 1951 £104 million and in 1952 £65 million. Provisional figures for 1953 indicate that it will be in the neighbourhood of £50 million.

The inward movement of private funds, which was so marked in the post-war years up to 1948, was sharply reduced during 1948 and since then foreign investors have shown some caution in selecting the Union as a field for investment. Gold and foreign exchange reserves fell heavily during January 1954, to a total amount of about £80 million. The decline in January was officially attributed to special demands made on exchange resources, accentuated by demands which resulted from devaluation rumours. The position seems to be righting itself again, for reserves began to rise in February.

It has been suggested by Mr. H.F. Oppenheimer, an Opposition member with large mining and financial interests, that the South African balance of payments problem is a fairly short-term one. He based this opinion on an "informed guess" about the likely course of gold and uranium production. It is calculated that, due to the opening of new gold mines in the Orange Free State and to new uranium production, the annual output of the gold mining industry will have increased by 1958 by about £100 million, with further increases probable after that date.

The payment difficulties of South Africa would be alleviated considerably, if not entirely solved, by an increase in the price of gold, for which the South African Government has been pressing for a number of years. Such an increase could only come about through a policy decision in the United States and, in this, the South African case is strengthened by the support she receives from other

members of the Commonwealth who feel, as she does, that an increase in the price of gold would do much to solve the whole problem of dollar-sterling relations.

The present internal economic situation of the Union is characterised by shortages of capital, materials and labour. While South Africa's fundamentally sound economic position and the anticipated improvement in the output of the gold mines may give rise to optimism about the future supply of capital and materials, the labour situation in an expanding economy is daily becoming more acute. There is a developing shortage of both skilled and unskilled labour. The shortage of unskilled labour is partly occasioned by the traditional habits of leisure of the native peoples and by the lack of sufficiently attractive conditions in the urban centres to which they are called upon to move. The position is further complicated by residential and other restrictions imposed or to be imposed under the Government's "apartheid" policy. Skilled work in the Union is performed by Europeans, and the different sectors of the economy are in fierce competition for it. It would appear that this problem is only likely to be solved by a bolder immigration policy. In this respect South Africa has fallen far behind other Commonwealth countries like Australia and Canada.

Significant changes have occurred in South Africa's economic structure since Union in 1910; the most remarkable has been the rapid growth of manufacturing industry in the years since 1945. Table 1 indicates, by giving the appropriate figures for 1940, 1945 and 1950, the extent of the development that took place in the post-war years. (1) The five most important classes of secondary industry in 1950 were the metal industries with a net output of over £66 million and employing 140,000 workers; food and drink with a net output of £47 million and employing 86,000 workers; clothing and textiles with a net output of £33 million and employing 77,000 workers; building and contracting with a net output of £25 million and employing 79,000 workers; and chemicals with a net output of £22 million and employing 29,000 workers.

(1) Dr. H.J. van Eck. "Secondary Industry in South Africa", the Third Bernard Price Memorial Lecture, delivered at the University of the Witwatersrand, 27th August, 1953.

x. Economic Relations with the Commonwealth and the Rest of the World.

The United Kingdom continues to hold a predominant position in the Union's trade. She is both the Union's biggest customer and the greatest exporter of goods to South Africa. Yet, as is shown in Tables III and IV, her share of exports to the South African market is falling, although the value of these exports has risen. This is due partly to the strong position that the U.S.A. has long held in the South African market and partly to the fact that in the immediate post-war years there was no competition from Germany and Japan. The rehabilitated industries of Germany and Japan have begun to offer serious opposition to United Kingdom exports, and this is reflected in recent import figures of the Union (Table IV). Further challenges from German and Japanese exporters can be expected in the future, for these countries have not yet regained the share of the South African market which they enjoyed in pre-war years. In the period 1935-39, for example, average yearly imports from Germany were almost one fifth of the total imports from the United Kingdom.

Despite restrictions on imports from dollar countries, North America holds a strong position in the South African market and imports from Canada show an important increase. Although the South African Government announced towards the end of 1953 that such restrictions would be removed, the position is not likely to be materially altered for some time, since balance of payment difficulties do not allow of increases in import quotas.

In exports from South Africa France holds, mainly through her purchases of wool, second position to the United Kingdom, and the United States is an important purchaser of raw materials. The extension of trade in recent years with African territories underlines the achievement of South African secondary industry. In 1952, for example, about one third of South Africa's total exports to the Commonwealth went to the three neighbouring territories of South-West Africa, Southern and Northern Rhodesia.

In the three year period 1950-52 Commonwealth countries supplied about 50 per cent of South Africa's imports and received almost the same amount of its exports.

TABLE 1.

SECONDARY INDUSTRY IN SOUTH AFRICA, 1940 - 1950.

<u>YEAR</u>	<u>ESTABLISHMENTS</u>	<u>EMPLOYEES</u>	<u>UNION MATERIALS</u>	<u>IMPORTED MATERIALS</u>	<u>GROSS VALUE OF PRODUCTION</u>
			£	£	£
1940	10,034	360,456	58,880,000	51,371,000	216,700,000
1945	10,877	488,661	119,634,000	68,953,000	373,344,000
1950	14,809	713,151	247,259,000	175,103,000	774,718,000

TABLE 11.

PERCENTAGE DISTRIBUTION OF TRADE BY COUNTRIES,

1950-2, BY VALUE.

	<u>1950</u>	<u>1951</u>	<u>1952</u>
<u>IMPORTS</u>	%	%	%
United Kingdom	41.1	35.4	34.9
Other Commonwealth Countries	16.6	15.7	16.3
U. S. A.	16.0	19.4	20.8
Other Foreign Countries	26.3	29.5	28.0
	<hr/>	<hr/>	<hr/>
	100.0	100.0	100.0
 <u>EXPORTS</u>			
United Kingdom	26.0	25.7	29.8
Other Commonwealth Countries	20.2	22.1	22.0
U. S. A.	8.5	10.5	6.9
Other Foreign Countries	45.3	41.7	41.3
	<hr/>	<hr/>	<hr/>
	100.0	100.0	100.0

TABLE 111.

ORIGIN OF IMPORTS, 1950 - 1952, BY VALUE.

	Imports (£ million)		
<u>COMMONWEALTH</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
United Kingdom	126.4	166.4	146.5
Canada	12.9	17.7	18.2
Malaya	5.2	11.6	5.4
Northern Rhodesia	4.7	9.3	5.6
Southern Rhodesia	4.7	6.8	7.0
South-West Africa	4.7	5.5	5.0
Pakistan	-	5.1	8.0
* Australia	2.8	4.2	3.5
Ceylon	4.4	5.0	5.0
New Zealand	0.3	0.2	0.5
	<hr/>	<hr/>	<hr/>
Total, Commonwealth :	177.4	240.2	214.8
	<hr/>	<hr/>	<hr/>
<u>OTHER COUNTRIES</u>			
U.S.A.	49.2	90.9	87.5
Germany	6.9	14.8	17.1
Italy	6.2	17.3	6.9
Japan	8.4	12.3	6.0
Belgium	3.0	11.9	7.6
Sweden	6.3	10.1	8.9
Arabia	4.1	9.0	10.3
France	4.7	8.2	9.2
Belgian Congo	6.2	6.6	7.8
Iran	11.1	6.2	0.7
Switzerland	-	-	3.7
Netherlands	2.7	5.8	6.4
Brazil	3.0	3.5	2.4
	<hr/>	<hr/>	<hr/>
Total, Other Countries :	129.9	229.6	205.2

* Figures for 1949-50, 1950-51, 1951-52 in £A

(Minor exports to the Union are shown only in the totals.)

TABLE IV.

DIRECTION OF EXPORTS, 1950 - 1952, BY VALUE.

	Exports		
	(£ million)		
<u>COMMONWEALTH</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
United Kingdom	57.8	86.3	97.0
Southern Rhodesia	16.5	30.7	27.1
South-West Africa	7.5	14.1	16.1
Northern Rhodesia	6.4	10.7	12.7
* Australia	3.6	5.3	4.4
Malaya	1.4	2.1	1.8
Canada	1.3	1.8	1.3
New Zealand	1.0	1.7	1.2
Pakistan	-	1.0	0.7
Ceylon	0.1	0.2	0.3
	<hr/>	<hr/>	<hr/>
Total, Commonwealth :	102.6	160.4	168.7
	<hr/>	<hr/>	<hr/>
<u>OTHER COUNTRIES</u>			
France	27.1	45.3	43.8
U.S.A.	18.8	35.3	22.5
Netherlands	9.0	14.8	15.9
Germany	9.5	10.7	14.6
Italy	9.9	11.5	14.0
Belgium	8.7	9.4	7.8
Japan	0.7	2.3	4.5
Switzerland	-	-	10.2
Sweden	2.5	2.1	1.9
Belgian Congo	1.8	3.1	3.8
Brazil	1.1	1.8	1.2
Arabia	0.3	3.1	1.1
Iran	-	-	0.1
	<hr/>	<hr/>	<hr/>
Total, Other Countries :	119.5	175.1	156.9

* Figures for 1949-50, 1950-51, 1951-52 in £A

(Minor importing countries are shown only in the totals)

TABLE V.

CHIEF IMPORTS OF SOUTH AFRICA 1951 & 1952.
BY VALUE.

	£ million	
<u>IMPORTS</u>	<u>1951</u>	<u>1952</u>
Cotton piece goods	35.3	14.1
Rayon piece goods	29.0	9.2
<u>Paper:</u>		
Cardboard, strawboard etc.	2.5	1.3
Newsprint	2.2	3.8
Printing, other	3.5	2.7
Wrapping	<u>8.2</u>	<u>6.3</u>
	16.4	14.1
Motor spirit	14.4	15.5
Motor car chassis	13.8	12.0
<u>Apparel:</u>		
Outer garments	5.2	3.9
Underclothing	2.3	1.3
Hosiery	4.5	2.4
Other	<u>1.4</u>	<u>1.9</u>
	13.4	9.5
Agricultural implements, etc.	12.1	8.6
Wood, unmanufactured	11.4	9.2
Woollen piece goods	11.3	4.6
Rubber, unmanufactured	10.7	5.0
Motor truck, van and bus chassis	7.1	8.2
Diamonds, rough	6.1	9.9
Fuel oils	5.5	3.8

TABLE VI.

CHIEF EXPORTS OF SOUTH AFRICA, 1951 & 1952.
BY VALUE.

£ million

<u>EXPORTS</u>	<u>1951</u>	<u>1952</u>
Gold:		
Bullion	85.0	94.6
Processed and semi-processed	<u>68.5</u>	<u>65.1</u>
	153.5	159.7
Wool	74.7	59.0
Diamonds	25.2	27.0
Fruit	14.7	10.2
Hides and skins	10.5	9.0
Asbestos	7.0	8.9
Copper, bar and blister	6.4	11.2
Wattle bark and extract	6.1	7.3
Maize	6.0	1.4