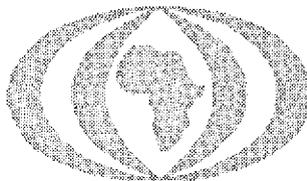


**DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE
THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS**

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To all Nominees of SAIIA
Corporate Members and Donors :

28 February 1983

Background Briefing No. 15, containing the
address on February 16, 1983, by U.S.
Ambassador Herman W. Nickel

Members, who have not yet seen it, will be interested to read the enclosed text of U.S. Ambassador Herman Nickel's recent address at a meeting of the American Chamber of Commerce in Johannesburg.

In view of the uncertainty, and even controversy, in South Africa, in neighbouring countries and abroad over the meaning and effects of the current U.S. policy of "constructive engagement" in Southern Africa, it is felt that this address is a timely exposition of the policy and its implications. This comment is not intended to imply that all questions about the policy have been resolved by the Ambassador, but he does undoubtedly help to clarify various aspects, and his address may continue to serve as a reference point as the policy unfolds further in the developing southern African situation.

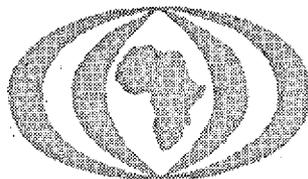
Ambassador Herman Nickel was appointed by President Reagan and has been in South Africa since April, 1982. He was previously on the Editorial Board of Fortune, after serving for many years as a correspondent of Time magazine.

PROF. JOHN BARRATT
Director General

P.S. Background Briefings are issued occasionally by the Institute as a means of providing topical information to corporate members, which by its nature has to be given at greater length than the information provided in the Institute's regular Brief Reports.

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Private Paper for Members :
Not for Publication

Background Briefing No. 15

CONSTRUCTIVE ENGAGEMENT AT MID-TERM

Reproduced below is the text of an address by the United States Ambassador to South Africa, Mr Herman W. Nickel, to the American Chamber of Commerce in South Africa on February 16, 1983.

It is a pleasure to be among the representatives of American firms which are constructively, and I hope profitably, engaged in the industrial growth of this country. In that fashion, you have been contributing to what I regard as the most potent single dynamic for peaceful change in this country - continued industrial growth.

Many of your companies have been here for a long time. Our policy of constructive engagement is of much more recent vintage. In historical terms, two years may just be a fleeting moment - especially when one considers the vast complexity of the process of change in this country. But the clock of politics, alas, runs faster than the clock of history. We have now passed the halfway mark in this Administration's term of office, and while the tortuous process of changes that we would like to see in South Africa itself and in South Africa's relations with its neighbours will certainly not be completed within the remaining two years, our ability to continue on our present course will surely depend on tangible evidence that we have been making progress towards our goal.

Now, any good football team will take advantage of half-time to evaluate its performance and decide if its game plan should be altered. At that juncture the coach rarely lacks for free advice. But as he listens to it, he better keep in mind that what matters in the end is the result, and that the game is not won in the stands but on the field. If you forgive my Washingtonian's pride in the Redskins to shine through, John Riggins' short gains up the middle may not have been very spectacular, but they helped his team win the Super Bowl.

Yet, as anyone in public life knows, perceptions of policy can be as important as the reality - indeed, perceptions can themselves become political realities. That is why keeping misperceptions from assuming a life of their own is a constant challenge to those who make, articulate and execute policy.

The policy of constructive engagement is no exception in that regard. All too often I have come across a huge gap between preconceived notions about what our policy is supposed to be and what it is really all about. From both ends of the political and racial spectrum we hear suggestions that constructive engagement is somehow a policy designed to undergird the status quo. Among those on the far right, this reflects wishful thinking. Among those on the left, it reflects a fear. In either case, the perception could not be further from the reality. The very basis of constructive engagement is our recognition that the status quo in South Africa is simply incompatible with both our national values and our national interest in peaceful development and stability in this vital region. Constructive engagement, in our view, is a more promising approach to encourage peaceful change than progressive disengagement. But there is a second perception gap which we must overcome, and this concerns unrealistic notions about the degree to which the United States can control developments here.

Let no one doubt that we do have influence - and that we are prepared to use it. The state of relations between this country and the United States Government, I believe, matters very much to the South African leadership, and it is obvious that the closeness or distance in that relationship depends heavily on the degree of change and the evidence of momentum which South Africa can produce. Regionally, one reason why we can play a constructive role is that, as in the Middle East, we can talk and work with both South Africa and its neighbours. More and more, African leaders are coming to realise that while they may be able to look to the Soviet Union for the tools of destruction and continued conflict, they have to look to the United States and its Western allies when it comes to peacemaking and economic construction.

Yet, despite the leverage and influence this gives us, there are also serious limitations. We cannot dictate policy to any state in the region, nor would we want to. We can influence; we can suggest; we can act as the honest broker, but, in the final analysis, we must deal in the realm of the possible. The notion that if only it wanted to, the United States could somehow wave the magic wand and transform the situation in Southern Africa more or less overnight is wishful thinking. We are not *deus ex machina*. What we can do is to add our voice and influence to forces that are already at work here. If we carefully husband our influence for cases in which it can make a difference, there is a chance it can tip the scales.

To be sure, many people will not find this approach as emotionally satisfying as one of constant declamation and posturing. But then simply making oneself feel good is not a serious policy for a great power to follow. The popularity a great power earns by telling people what they want to hear is short lived unless the rhetoric is followed by results. Otherwise, it will soon be exposed as empty and be seen as a sign of impotence.

So let us close the perception gaps and examine what constructive engagement is really all about.

The first point that I would like to make is that constructive engagement is a regional policy, directed not at South Africa alone, but at all of Southern Africa. Progress towards a more representative government in South Africa and economic progress throughout the rest of Southern Africa are inseparably linked to region-wide stability. This is why we have been working towards a set of interrelated goals. These include :

1. an internationally recognised independence for Namibia;
2. a negotiated withdrawal of Cuban troops from Angola;

3. some form of detente between South Africa and the other states in the region, and, since internal conditions in South Africa also contribute to regional conflicts;
4. the peaceful evolutionary change in South Africa towards a constitutional order to be defined by South Africans themselves but one firmly rooted in the principle of government by consent of the governed;
5. recognition of the need for internationally supported programs for the economic development of the region.

These are all vital threads in the fabric of a stable, peaceful and prosperous Southern Africa. If we try to weave a fabric with some of the vital threads missing, the cloth will be weak and the cloak of stability easily shredded.

The withdrawal of Cuban troops from Angola is one such vital thread. We have recently heard much rhetoric about the alleged "evils" of "linking" Namibian independence to the withdrawal of Cuban troops from Angola. We listen to this public criticism philosophically, because we know that privately most of these critics admit that they have no practical alternative. After all, the need for parallel progress is rooted in political reality, and much as one may dislike reality, there is no way to escape it. It is a distortion of events to suggest that Security Council Resolution 435 could be quickly implemented if only the United States dropped its insistence that the Cuban troops leave. The fact is that when the Reagan Administration took office the negotiations on implementation of Resolution 435 were dead in the water. It is precisely because we recognized the necessity for parallel progress on the two issues that practically all of the contentious issues that used to bedevil Resolution 435 could be resolved. What we are waiting for now is for the Angolan Government to face up to the necessity of choice. We appreciate its difficulties but we are not asking the Government in Luanda to do anything that is incompatible with its security. On the contrary, the decision we are now waiting for holds out the prospect of peace and economic reconstruction for a country ravaged by war and the presence of foreign forces.

We are following with the greatest interest the evolving direct dialogue between the Angolan Government and the Government of South Africa and hope that it will lead to confidence building measures that will make it easier for both sides to create the conditions for implementation of Resolution 435.

We have focused on a Namibian solution because we are convinced that a negotiated settlement that meets the security requirements of all sides could set an invaluable precedent for the resolution of other regional conflicts in Southern Africa. However, we can ill afford to wait for a Namibian settlement before becoming active to stop these other conflicts from escalating into a vicious circle of violence.

Our concept of regional security is one that takes into proper account the security interests of all parties. This includes South Africa's right to exist without incursions and acts of violence that are staged from the territory of its neighbors. But we do not believe that lasting regional security can be based on one power using its superior military strength to impose its will on its neighbors. As Henry Kissinger once pointed out, under such circumstances total security of one power entails total insecurity for its neighbors. It is precisely such sense of insecurity which provides the Soviet Union with the best opening to establish and expand its influence in this region. That is why we welcome the news that the Government of Mozambique and the Government of South Africa are now talking to each other, just as we have earlier expressed our respect for the courage of President Kenneth Kaunda of Zambia in initiating his earlier meetings with the Prime Minister of South Africa. As you know,

the United States and the Government of Mozambique have meanwhile entered into their own dialogue aimed at the improvement and normalization of relations.

The United States is particularly concerned about South Africa's relations with Zimbabwe. Despite some recent economic and political problems, Zimbabwe's Prime Minister Mugabe has demonstrated that he is a pragmatic leader interested in working with the West to further develop his country. Except for the Soviets, who never backed him in the first place and whom he has kept at arm's length, it can be in no one's interest to see him fail in this difficult endeavor. That is why the United States has been very forthcoming in providing economic assistance to Zimbabwe. To those in this country who take exception to Mr Mugabe's public utterances, we would give the friendly advice to pay at least as much attention to what Mr Mugabe actually does and does not do with respect to South Africa. Deeds, after all, speak louder than words.

As the only great power which can talk to all the actors in the region, the United States is prepared to play its role as an honest broker. But, quite obviously, this is a role it can play only if the parties are prepared to make use of it and to rely on the process of negotiation rather than confrontation. Cross border violence, from whatever quarter, is bound to lead to steady escalation and is incompatible with regional security.

In South Africa itself, we continue to do what we can to promote an overall atmosphere conducive to evolutionary peaceful change. At the risk of repeating myself, but contrary to what you may have been hearing and reading lately, let me stress that we endorse no one's constitutional formula, nor do we presume to put forward one of our own. What we have done is to state our conviction that the future peace and harmony of this society requires government based on the consent of the governed. We have deliberately not gone beyond this broad formulation because it is the job of the South Africans themselves to work out a constitutional solution which provides for such a government. We have made it crystal clear that when we speak of the consent of the governed this must also include the 72% of the population of this country who are black Africans. We cannot accept that they can be deprived of their South African citizenship against their will.

However, having for so long criticized the conduct of South African national politics as a monopoly of the white minority, we can hardly dismiss it as meaningless when the Government takes a first step away from that monopoly, and is even prepared to face a party split in the process. Evolutionary change, almost by definition, is incremental change - and it is only natural that each increment will be viewed as inadequate by those who feel aggrieved by the present system. We understand their feelings.

What is undeniable is that the Prime Minister's constitutional proposals have become the catalyst for far-reaching tactical decisions which each group in South Africa will now have to make. But just as we offer no substantive constitutional formulas of our own, we recognize the right of South Africans to make their own tactical decisions on how to negotiate most effectively with other concerned parties.

While this process unfolds, we hope to make more progress on alleviating some specific problems which attract a good deal of attention in the United States and create unnecessary friction. Greater freedom to travel, by Americans who want to come here and South Africans seeking to go to the United States, is one area where considerable credit could be earned at relatively little cost.

As anyone who has read our latest annual Human Rights Report knows, this Administration does not wink at violations of human rights in this country, or elsewhere. We recognize that any state has a legitimate interest in the maintenance of law and order and that, indeed, the breakdown of law and order would be incompatible with the process of peaceful change. But precisely for that reason we believe in the judicial process which allows every person his day in court and a fair trial. That is why we cannot accept the concept of detention without trial or the onerous punishment of banning, which restricts people by administrative fiat.

The tactical approach of the Reagan Administration towards the human rights issue may differ somewhat from that of our predecessors. We care less about rhetoric and more about results. But let no one doubt the seriousness of our concern. This should not come as a surprise to anyone, for if there is one thing that conservatives feel strongly about it is that the state should not be entrusted with arbitrary and discretionary powers over the individual.

Our belief that an expanding market economy is a powerful force for peaceful change rests on similar philosophical convictions. Because we believe in equal opportunity on moral as well as economic grounds, racial discrimination and artificial barriers in the labour market strike us as unjustifiable on both counts. They simply run against the practical requirements of an expanding industrial society. While South Africa's early economic growth was based on the exploitation of unskilled black labour, the needs of a modern, diversified economy require that blacks be utilized in all sectors and at all levels of economic activity. This does not only mean that blacks gain ever greater economic bargaining power. It means that the constitutional and political system, too, has to come to terms with the ever-growing phenomenon of urbanized blacks.

It seems odd that the obvious social and political implications of this dynamic are ignored by those activists back home who are now pressuring state governments, pension funds and universities to sell their stock in companies with interests in South Africa. Just how depressing the values of these shares - and thus damaging the present holders - is supposed to benefit the black people of this country remains obscure. If the intention is to slow down South Africa's remarkably resilient economy, we all know who will be the first to pay the price for this dubious gesture of solidarity.

Since it isn't our money, we in this government are reluctant to tell U.S. business whether to invest here or elsewhere. Yet we believe very strongly that the U.S. companies here are a positive force for peaceful change in this part of the world.

The U.S. is now South Africa's leading trading partner. U.S. direct investment in South Africa is over 2.6 billion dollars, and there are over 300 firms and subsidiaries doing business here. This gives us leverage which disinvestment would remove. If you weren't here, your Chamber would hardly have been in a position to add its influential voice to those who persuaded the government to shelve the so-called Orderly Movement of Black Persons Bill.

The efforts the Chamber and your individual companies have made to improve the lot not only of your workers but also of communities in general are examples of what can be accomplished by socially-aware firms. Pace College is a beacon of social concern, but we recognise that this is only the most visible of your efforts in this area.

I recently had the opportunity to glance through the 6th Report of Signatory Companies to the Sullivan Principles and was pleased to note that difficult

economic conditions have not prevented your companies from making further progress this past year in implementing the Sullivan Principles.

The statistics in the report are impressive - over 3 400 000 rand spent on employees for training and educational programs, an increase of more than a million rand over last year. Educational assistance to non-employees came to one million two hundred thousand rand and affected almost 8 000 individuals. Contributions to educational institutions totaled almost three million rand, and assistance to the community at large in housing, health and related areas came to over eleven million rand.

You have every right to be proud of this record. It sets an example to others, not only in the private sector, but to us in government as well.

Since you are up against the problem every business day, you need hardly be told that the economic growth which this country so desperately needs for every conceivable reason is not going to be possible unless South Africa can come to grips with its educational crisis. The dimensions of the problem have been courageously described in the report of the De Lange Commission. As Gordon Luce, U.S. Delegate to the UN General Assembly said recently, "the United States, for one, is now looking beyond mere expressions of sympathy and outrage toward practical ways of rectifying the situation."

Specifically, in 1982, in a joint project with the private sector, we sent 117 black South Africans to the U.S. on full scholarships. While this program will continue, we have come to recognise that, in the terms of cost-effectiveness, there are great advantages to providing educational assistance to black South Africans here. Despite obvious pitfalls, we are confident that we can find ways to make sure that our aid is granted in a way that is non-political and at the same time does not associate the U.S. government with the institutions of apartheid. A final decision has not yet been made as to how the bulk of our funds will be spent, but we already have developed material to assist black students pass the matric exam.

At the same time, our international visitors' program is an invaluable tool for better communication between our two countries. In 1982 thirty nine South African opinion makers and community leaders of all races and persuasions had a chance to see the U.S.A. and meet with their American counterparts from coast to coast. Their reports on their return make some of the most encouraging reading that crosses my desk. This program, I am pleased to say, also happens to be one of the biggest programs of this kind which USIS administers anywhere in the world.

Finally, let me mention one of my favourite programs - our self-help program - which allows our Embassy to make small grants to community groups who have organised themselves to meet their needs - from new boreholes to day-care centers. Not only is it a program that produces maximum benefit from minimal means and red tape, it also keeps us in daily touch with the needs of people at the grass-roots level.

All of these efforts are significant and many have contributed to the process of peaceful change. The concern demonstrated does make a difference, and people's lives are changed for the better.

As I pointed out at the outset, critics tend to over-estimate the power of the U.S. to influence South Africa and under-estimate the complexity of the external and internal changes they demand. Critics tend to ignore the small but significant victories - and we ourselves often don't talk about them. For when you work quietly, it also means that you can't crow about

what you have achieved - especially when your influence has been only one of many factors.

What all this adds up to is that halfway through this presidential term, we are not about to abandon our game plan and start throwing all too risky desperation passes. On the contrary, there is every reason to persevere.

If there is one thing our experience in Southern Africa should teach us, it is that supposed solutions imposed without legitimate authority cannot endure, because they lack support. The U.S. has neither the authority nor the will to dictate to the countries of this region. It is important to note, however, that this administration has shown a greater understanding of the difficulties and nuances of the situation than past administrations and could well be more understanding than any future administration. There is a narrow "window of opportunity" for all parties concerned, and I sincerely hope it does not become an opportunity missed.

We know that the process of evolutionary change is not a quick one. Construction engagement is not a matter of putting your coin in the machine and immediately getting your package of gum, and kicking the machine certainly won't help. We plan to continue despite criticism - often based on a distorted view of our goals - to work with both patience and persistence to achieve the longer-term objectives of our policy : A South Africa moving through a process of peaceful evolutionary change away from apartheid and towards a society that addresses the equities of all groups, majority and minorities alike. This Administration is determined to play its role, along with South Africans of good will, to achieve this goal. We know it can be done.