

Sanctions to be lifted from South Africa; IMF ready to pounce

by David Hammer

In a speech before the Anti-Apartheid Committee of the United Nations General Assembly on Sept. 24, African National Congress leader Nelson Mandela called, at long last, for the world to lift virtually all its remaining economic sanctions against the Republic of South Africa. The previous day, South Africa's all-white Parliament voted in Cape Town to, in effect, put itself out of business, by establishing a multi-racial Transitional Executive Council to run much of the country's affairs until a planned election on April 25, 1994, in which all black South Africans, for the first time, may take part. Mandela had waited for that irreversible moment to make his call.

World leaders greeted his speech with open arms. In Washington, Clinton called for the hundreds of cities and states which still had sanctions on their books to repeal them immediately, and announced that he would send a trade and investment mission to South Africa, headed by Commerce Secretary Ronald Brown. Canada and Australia announced that they would remove their remaining sanctions, and the British Commonwealth as a whole is expected to follow suit.

The conventional wisdom is that now that sanctions are lifted, and South Africa has access to International Monetary Fund (IMF) and World Bank money (which will in turn help guarantee other credits), the country, led by a new African National Congress (ANC) government, will turn the corner, if haltingly, toward economic recovery and a rosy future for black and white alike. A late-September series of investment seminars in New York and Washington, together with an intensive focus on South Africa at the yearly IMF/World Bank meeting at the same time, were supposed to initiate that process.

In fact, under IMF tutelage, the country is staring into the pit of economic collapse and civil war, on a scale which will dwarf its current problems.

The British recolonize

As designed by the Anglo-American establishment, the purpose of sanctions was never to achieve racial justice for black South Africans—indeed, they hit blacks the hardest—but to crack South Africa's economy, so that the nation could be recolonized. The British, the dominant power in South Africa for almost 200 years and now aided by Washington

and the IMF they jointly control, are using the twin tools of economic warfare and covert fostering of violence to destabilize the country, as documented in *EIR's* book *Tiny Rowland: The Ugly Face of Neocolonialism in Africa*.

Though horribly marred by apartheid, South Africa since World War II developed a powerful economy through its dirigistic state sector industries in power, iron and steel, and armaments, together with state backing for a highly productive private agricultural sector. And of course, the country's mineral wealth is legendary.

But now South Africa's economy is crumbling, with unemployment over 50%, and the country in danger, as Mandela said in his U.N. speech, of "becoming a wasteland." Much of this devastation was produced by the sanctions enacted in 1985, and the resultant credit cutoff when South Africa responded to the announcement of sanctions with a partial debt moratorium. That announcement caused the IMF and World Bank to cut all ties to the country, following which private banks stopped virtually all loans as well. It was in part the prospect of the IMF/World Bank's promises of hundreds of millions of dollars in immediate aid as soon as the ANC was firmly on the path to power, that helped push the vote on Sept. 23 to set up the Transitional Executive Council.

But the IMF has only produced devastation wherever it has gone, as in the former East bloc, Russia, Ibero-America, and in Africa itself, where it oversaw a net capital transfer abroad of over \$200 billion during the 1980s. As virtually every leader in South Africa, of whatever political persuasion, has been saying for years, a new political dispensation will result in horrible bloodshed unless the economy grows rapidly.

The IMF's track record is so notorious that Mandela in his U.N. speech also warned that the IMF and World Bank would not be allowed to impose their conditionalities on South Africa: "We are determined to handle our economic affairs in such a way that any support that accrues from these institutions does not impact in a negative way on our sovereignty." But there is no such thing as "support" from the IMF without handing over sovereignty, a fact which perhaps explains the intense secrecy surrounding IMF meetings with ANC officials over the last year, and President F.W. De Klerk's meeting with the IMF in July.

A 'Middle East' solution?

Both Mandela and De Klerk have been at pains to argue that the recent breakthrough in Israeli-Palestine Liberation Organization (PLO) relations—made possible solely because of a shared commitment to large-scale economic development—has nothing to do with South Africa. Said De Klerk after meeting the Polish foreign minister in mid-September, “The parallel is that negotiation is the only viable peaceful solution, but I think the situation there is fundamentally different from ours.” Mandela, asked by Reuters whether if the settlement offered a model for South Africa, replied, “No, our negotiations are going on under their own steam.”

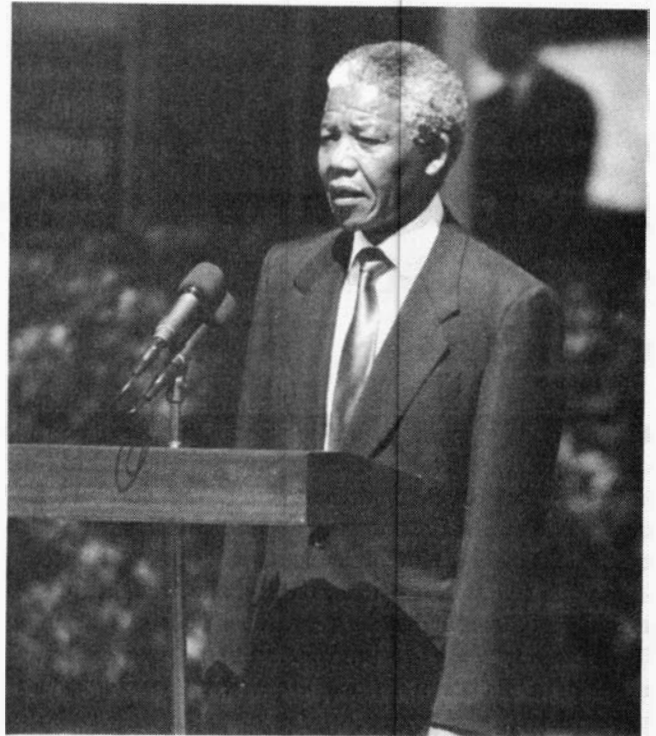
In fact, as U.S. statesman Lyndon LaRouche has emphasized for years, apparently intractable political problems can only be solved from the standpoint of rapid economic development, which defines a mutual self-interest for all sides.

As LaRouche commented in 1990, upon hearing the news of Mandela's release, words even more true now than when they were spoken, “The problem is developing a high-technology structure, to build up the basic economic infrastructure and the social, that is, educational and medical infrastructure, required to elevate the entirety of the population of the region, beginning with South Africa itself, to a level of cultural potential and economic potential for proliferation of small, relatively high-technology firms, and including the development of an independent, flourishing African agriculture to match the quality of the Afrikaner farms in that region.”

One crucial feature of such a program would be overcoming South Africa's water shortage. Through a combination of large-scale water projects involving the country's neighbors to the north which have a surplus of water, particularly Zambia and Zimbabwe, and nuclear-powered desalination, vast tracts of arid or semi-arid land could be turned into highly productive farmland. Such a desert is the Karoo in the Western Cape, a huge area which gets almost no rain, but is famous for the luxuriant growth which springs up after the slightest shower. If this area were opened for agriculture, one of the biggest sources of tension between the ANC and the Afrikaners—the demand by ANC radicals for large-scale land redistribution—could be virtually eliminated, as entirely new, virgin lands would become available for aspiring African farmers.

Were this and similar large-scale programs to become the cornerstone of the current multi-party negotiations, much of the intense paranoia and political wrangling could also be avoided, since each party could be confident that such economic development is in everyone else's own deepest self-interest. Already, the ANC is known to be terrified at the upheavals which will result among even its own base, if the long-awaited and long-promised economic benefits do not materialize soon after the ANC takes power.

Such a program, financed by a national bank on the model of Alexander Hamilton's National Bank of the United States,



Nelson Mandela in Washington, D.C. in June 1990. His call for an end to sanctions was greeted by world leaders, but if sanctions are replaced by an IMF austerity regime, the country will plunge into civil war.

which extended credit solely for hard commodity production and infrastructure, would secure the true independence of all South Africans, both for the Africans who have been slaves under apartheid, and for the Afrikaners who in turn have been dominated by British capital through the Oppenheimer family's Anglo American Corp., which controls over 50% of all the firms traded on the Johannesburg stock exchange.

Such an economic program would run afoul of British imperial schemes, and also of the Clinton administration's new strategic doctrine of installing “market democracies” around the globe. As enunciated by Clinton National Security Adviser Anthony Lake in a recent speech, any violations of what the U.S. defines as a “free-market” economy, or as “democracy,” will be treated as a strategic threat to the United States. Lake named two countries in Africa in particular: Nigeria and South Africa (see p. 60).

Perhaps this is why the United States is pouring hundreds of millions of dollars into a new air base in Botswana, across South Africa's northern border. As one leading South African political figure recently stated: “The latest information we have on that base is very disturbing. There are enormous underground storage facilities, for sustained operations. There is a lot of activity up there, and there is no conceivable peaceful reason for a major base in the middle of the desert like that. And it has extensive sophisticated electronics capabilities.”