

SOUTH AFRICA'S EXPANDING RELATIONS WITH LATIN AMERICA, 1966-1976

by

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The documentation of South Africa's relations with Latin America has previously received only cursory mention in work on contemporary South African history. This paper seeks to examine the significance of these relations and to raise a number of pertinent questions about the role of the state in its efforts to promote such linkages.

Although trade relations existed since the early nineteenth century (1), and South Africa had limited diplomatic representation in Argentina and Brazil since 1938 and 1943, respectively (2), it is only in the last dozen years that relations with Latin America have been expanded significantly.

The conjuncture of the mid-1960s in South Africa saw a period of sustained expansion of the gross domestic product which was assisted by new injections of foreign investment following the severe repression of the nationalist movement. But "growth" required the importation of large amounts of expensive and sophisticated capital goods, and this took place at a much faster rate than did the increase in exports. South African exports - two-thirds of which consisted of primary products - had to overcome the adverse effects of an inflationary cost structure, and it became imperative that new markets for manufactured products be found, especially because it was feared that gold production would plateau and decline in view of the constant official price.

Although Africa seemed the ideal target for a South African sub-imperial role, numerous political constraints presented themselves, only to be compounded later, after the abortive attempts at "dialogue" and "detente". Manufactured goods were also unlikely to be competitive with those produced in western Europe and North America, South Africa's traditional markets for primary products. Thus it was that Latin America began to be considered and cultivated as a new avenue for the marketing of South African exports. For this it was required that the state prepare the way by increasing diplomatic links (especially trade representation), and by extending credit and credit insurance facilities to exporters.

The first major diplomatic thrust occurred in July 1966, when the Foreign Minister, Hilgard Müller, and the Secretary for Commerce and Industry, H. Kotzenberg, visited El Salvador, Brazil, Uruguay and Paraguay. One of the immediate spin-offs of the visit was the extension of relations to include Paraguay and Bolivia, and the consul-general in Buenos Aires received accreditation to these two states. In Rio de Janeiro, Müller and Kotzenberg discussed trade expansion with officials of the

Brazilian Foreign Ministry (known as Itamaraty), and arranged for a Brazilian trade mission to make a fact-finding tour of South Africa in September the same year. The mission's report echoed the optimism about prospects for commercial expansion which underlay the Castelo Branco military government's thinking. (3)

With the reversal of the "independent" direction of Brazil's foreign policy as pursued by previous civilian governments, Castelo Branco had set about purging Itamaraty of those officials who were in favour of closer relations with Afro-Asian states. Despite playing host to the UN Human Rights Seminar on Apartheid in Brasilia barely a month after Müller's visit, and despite voting in favour of General Assembly Resolution 2202A (XXI) the following December, which asked all states to "discourage immediately the establishment of closer economic and financial relations with South Africa", Brazil's growing trade began to outweigh anti-colonial considerations as a criterion for developing relations with South Africa. Itamaraty's schizophrenia was to last well into the next decade. (4)

Brazilian exports to South Africa had increased by 25% in the first two years of military rule, exceeding its closest rivals, Argentina and Mexico, by 62%. In 1967, on the recommendation of the trade mission, Brazil participated in the Rand Easter Show, obtaining orders for over \$3m, mostly for manufactured goods such as lathes. The 1968 Show afforded Brazil orders totalling nearly \$3m in three days for lathes alone, and in 1970 forty Brazilian enterprises from seven states displayed their products. Trade Commissioners were exchanged, and Lloyd Brasileiro initiated a shipping service. In order to redress the trade balance, highly favourable to Brazil, South Africa sought to provide incentives for Brazil to purchase capital goods and services in addition to the small amounts of gold and asbestos which accounted for most of Brazil's imports. To this end, a \$5m revolving credit fund in the Brazilian National Bank for Economic Development (BNDE) was established by the South African government.

The Costa e Silva government, which succeeded that of Castelo Branco in March 1967, initially sought to play down recent overtures by Portugal aimed at extending the Luso-Brazilian Treaty of Friendship and Consultation which dated from 1953. However, resistance by those interests opposed to "Lusotropicality" was short-lived, and in March 1968 a new set of treaties was ratified by Brazil. These gave her free commercial access to all the Portuguese colonies, the most significant of which were Angola and Mozambique. They became markets for Brazilian manufactures, sources of raw materials, new areas for investment, and staging-posts for Brazilian entry into the South African market, which absorbed nearly double the amount of Brazilian exports that went to Portugal in 1966 and 1967. (5)

In November 1968, the South African Minister of Economic Affairs, Mr Jan Haak, announced that the South African Reserve Bank was to purchase R1.8m worth of bonds made available by the Inter American Development Bank (IADB). This purchase allowed South African contractors and exporters to tender for any development project financed by the IADB in its member-countries, covering all of Latin America except Cuba. (6) Yet, by mid-1974, not a single South African concern had taken advantage of these financial arrangements, according to the general manager of the parastatal Credit Guarantee Insurance Corporation (CGIC), who attends the annual governors' meeting of the IADB. (7)

The Secretary of Commerce, a few weeks after the purchase of the IADB bonds, admonished a group of exporters at a seminar organized by the South African Foreign Trade Organisation (SAFTO) to promote Latin America as an export market:

I think you will all agree that these efforts of the Government to foster the development of expanded trade exchanges between South Africa and the Latin American countries will be fruitless unless the private sector is prepared to avail itself of all possible trade opportunities in those countries created as a result of the Government's recent initiatives in this direction.

If our exporters are prepared to play their part and, in particular, to employ more aggressive marketing methods in their attempts to increase their share of the supply of goods and services to Latin American countries, I am convinced that our export trade with the Latin American world will expand appreciably in years to come. (8)

These remarks point to the fact that the state was taking the initiative in laying the ground for a greater geographical diversification of the South African export trade. The Industrial Development Corporation (IDC) had pointed out that South African industrialists were estimated to have exported approximately 34% of their total net output. In the same year some 30.3% of South Africa's total exports went to a single country, the United Kingdom, whilst 12.9% went to Japan, 7.9% to the USA, and 6% to the Federal Republic of Germany (totalling 57.1% in all). (9) It was anticipated in Pretoria that Britain would ultimately accede to the EEC and that barriers would be thrown round certain traditional agricultural exports. Thus even at this stage the state perceived the need to diversify external markets; in addition, this would spread the risk if one or more of its traditional trading partners imposed economic sanctions.

To this end, further initiatives for expanding exports were undertaken. South Africa participated in international trade fairs in San Salvador, Lima and Bogota. (10) The Minister of Finance, Dr Nico Diederichs, in 1966 announced that the government would make a line of credit available to Latin American states, amongst others; by late 1968 only Brazil and Ecuador had availed themselves of this facility to the total of R1.07m. (11) The three state or state-supported organizations involved in export stimulation and financing, SAFTO, CGIC and IDC, despatched a joint mission to several Latin American states to discuss the supply of capital goods and associated services, and SAFTO published a survey on Brazil and Argentina which found that opportunities existed for the profitable supply by South African manufacturers of goods not produced by these states. The survey stressed that such market opportunities could not be identified unless manufacturers "take the time and trouble to visit the two countries and see for themselves what openings exist for their products". (12)

After months of planning, South African Airways inaugurated a weekly flight from Johannesburg to New York via Rio de Janeiro, on 23 March 1969. Foreign Minister Müller travelled on the first flight and paid a three-day unofficial visit to his Brazilian counterpart, José de Magalhães Pinto. (13) Brazil had resisted UN requests not to authorize the new service, replying that, although she opposed apartheid, "we do not consider it good policy to apply sanctions ... we have always abstained from voting in the UN on the sanctions issue and we are not committed to apply them". (14) In fact, Brazil sent on the return flight a high-level delegation, including the Minister of Commerce and Industry and the Minister of Planning (15), to discuss trade with South African officials and businessmen likely to make use of the new route. Along with the Brazilians came ministerial delegations from Argentina and Colombia, who, together with diplomats from Uruguay, Bolivia and Paraguay, held a dinner for Müller on his return to Cape Town. Addressing them, Müller said: "I believe there is no need for any unnatural or hasty attempts to force the pace in our relations with each other. What I envisage is a joint search for common ground or areas in which co-operation between South Africa and her neighbours across the Atlantic will seem logical and mutually beneficial." (16) Such "co-operation" was evidenced later that year in the UN Security Council, where Bolivia and Paraguay refused to condemn South Africa. (17)

The new air route soon became important to Brazil, since nearly 60% of the traffic was disembarking in Rio. (18) This prompted the Brazilian airline Varig to set up a reciprocal flight from July 1970; the rapid growth in traffic in both directions saw an increase in the frequency of flights to four a week in 1972. Varig's South African manager estimated that 60% of passengers on both airlines were businessmen. (19) The introduction of a service between Cape Town and Buenos Aires was delayed until April 1973, by which time Argentina had vacated her seat on the Security Council. (20)

Communications were also enhanced by the completion of a submarine telephone cable between Brazil and the Canary Islands in May 1973, which links up with the Lisbon-Cape Town cable. (21) Formerly South Africa had to rely on a limited number of links with Brazil via telecommunications satellite.

Important diplomatic advantages accrued to South Africa following the attendance of Finance Minister Diederichs at the Nairobi conference of the International Monetary Fund in September 1973. The sharp increase in the free market price of gold prompted Diederichs to announce offers of aid to underdeveloped countries which would be funded by part of the gold revenues. (22) On his return to South Africa, he was accompanied by the Uruguayan Finance Minister and the chairman of the Central Bank of Uruguay. (23) As a result of talks in Pretoria, the ground was laid for South African financial assistance to Uruguay, which materialized in December 1974, when South Africa deposited R13.8m in the Central Bank of Uruguay and bought a further R6.9m worth of treasury bonds from the bank. (24) A month later President Bordaberry signed a decree announcing that Uruguay would set up an Embassy in South Africa, "because of closer ties between the two countries as a result of increased trade between them". (25)

The second, and perhaps more significant, response came from Paraguay. In August 1973, Foreign Minister Müller led a delegation to attend an inauguration of General Alfredo Stroessner as president of Paraguay. (25) By the following January it was announced that Stroessner would pay an official visit to South Africa in April. (27) Although hardly an important statesman, even in the Latin American context, Stroessner's willingness to visit South Africa furnished Pretoria with a number of propaganda points, however dubious their content. Stroessner was, after all, a head of state, and only two other heads of state had visited South Africa since 1948 (Portugal and Malawi). The government envisaged public processions, streets lined with cheering crowds, and the pomp of formal state ceremonies.

However, the atmosphere surrounding the visit was to prove less favourable than initially presupposed. The English-language press failed to react with the same euphoria as its Afrikaans counterpart was doing, and published accounts of the repressive and corrupt nature of the Stroessner regime, carefully culled from ideologically "respectable" sources such as the Daily Telegraph and the Reader's Digest which had both published scathing exposés of Stroessner's complicity in torture and heroin smuggling. (28) Students of the University of Cape Town planned to march through the city with banners proclaiming "Stroessner go home", "Release all political prisoners", and "South Africa - don't honour fascists". (29) James Kruger, then Deputy Minister of Justice, invoked for the first time powers acquired weeks before the visit under the Riotous Assemblies Amendment Act 30/1974 to prevent all gatherings in protest against the visitor. "If there are people who do not know their manners", warned Vorster, "then manners will have to be taught to them." (30)

Stroessner duly arrived, with an entourage numbering over 100, including cabinet ministers, army generals, security policemen, businessmen and journalists. Two treaties, one concerning cultural exchanges and scientific and technological co-operation, and the other relating to economic co-operation and investment, were signed by the countries' foreign ministers. (31) At a banquet in his honour, Stroessner declared that "Paraguay practised a foreign policy of loyal friendship with those nations which shared its concepts of freedom, of fundamental human rights, of dignity, of the value of man, and of the democratic system of government". His speech was applauded by a large audience which included Bantustan leaders Ntsanwisi and Phatudi. (32) During the visit, Stroessner continuously received warm official praise for his courage in resisting international objections to his friendship with South Africa.

The state visit was followed up in January 1975 by a mission of top South African civil servants (33) to Paraguay and Uruguay, charged with the realization of certain of the measures of the treaties of co-operation with Paraguay. Agreements were signed whereby South Africa would build two sugar plants and a pulp processing plant, would invest in two massive hydro-electric projects which Paraguay was building jointly with Brazil and Argentina, would provide a R33m line of credit for the

purchase of South African equipment and services, and would finance the construction of new Ministries of Justice and Foreign Affairs. (34) In Uruguay discussions centred on tourism and beef exports.

In August 1975, to coincide with the celebration of Paraguay's national day, Vorster repaid Stroessner's visit of the previous year, receiving a rapturous welcome in Asuncion. Further loans totalling R6m were arranged, to assist road-building, housing, agriculture and the liquidity of a Paraguayan bank. The visit was also used to co-ordinate South Africa's entire Latin American strategy; the heads of all her diplomatic missions in Latin America and the UN were summoned to Asuncion for deliberations. The success attained in relations with Paraguay would have to be repeated in other states in the continent. (35) South African troops had already entered Angola, unbeknown at this stage to the South African public; it was hoped that Latin American diplomatic support would materialize in the event of the issue being raised in international fora. Vorster returned home after a stopover in Uruguay, where he was received by President Bordaberry. (36)

One of the aspirations of South Africa's Latin American strategy was to increase ties with the Andean Pact states. Colombia was attempting to industrialize, Ecuador and Venezuela were oil producers and might be valuable in helping South Africa smash the Arab oil embargo, whilst Chile, Peru and Bolivia were mining economies which would have need of South African mining expertise. For reasons of ideological proximity, South Africa chose to focus her initial attention on Chile. At first, the Pinochet junta was reticent in its response, fearing it might be further isolated internationally as a result of closer ties. Yet this did not deter external vilification of her policies, and the junta decided to throw its caution to the wind. It offered to denationalize the Ovenstone holdings, appropriated by the Popular Unity government, and invited further investment by this South African fishing group. (37) South Africa sent a joint IDC/CGIC mission to examine the expansion of export credits and considered the possibility of transferring her Mining Counsellor from Buenos Aires to Santiago, where a new embassy had been opened during 1975. (38) In March 1976, Chile reciprocated by opening a consulate-general, despite a flood of condemnation from the UN and the OAU, and in August that year government representatives received Mr Ernest Blom, an industrialist who was styled as "Commercial Ambassador of the Transkei Government" and who offered investments and the transference of "high level scientists and technicians from the Transkei [sic]". (39) South Africa provided credits to the Chilean mining industry, and in December 1976 the Chilean Commission for Nuclear Energy reported that two South African enterprises had applied for a licence to export uranium to the junta. (40)

But South Africa had miscalculated Chile's potential as a staging-post for expansion into other Andean states: the junta's Friedmanite economic policies created a huge rift with the other more protectionist members of the Pact, and in 1976 Chile announced her intention to quit the Pact. (41) A second defeat for the Andean strategy came when Venezuela announced to the UN General Assembly in November 1976 that she would discontinue commercial contacts with South Africa. (42) This represented a loss of an export market worth R60m in 1976, when Venezuela was South Africa's biggest customer on the continent. (43)

Of the Central American states, some of whom had been visited by the South African Minister of Mines, Pieter Koornhof, in 1974 (44), Mexico was by far the most important, but she had closed her consulate in Cape Town earlier that year, in deference to UN resolutions. (45)

Brazil at this time began to cease vacillating over whether to support black or white Africa. Foreseeing the imminent collapse of the Portuguese empire and perceiving her increasing need of Africa's markets and resources, Itamaraty stepped up trade relations in West Africa and began to distance herself discreetly from Portugal. In January 1974 Brazil publicly condemned colonialism for the first time, in a joint declaration signed in Rio by the Foreign Ministers of Brazil and Nigeria, which agreed on the right to self-determination and independence, and which repudiated "apartheid, colonialism, and all forms of ... discrimination". (46) This

stand earned oil-hungry Brazil promises of co-operation and association with the Nigerian National Oil Company. It also facilitated a more rapid penetration into West African economies by Brazilian manufacturing industry, much of which was spearheaded by Brazilian subsidiaries of foreign transnational corporations. (47) The policy was reinforced by General Ernesto Geisel, who was inaugurated ten days before the Portuguese revolution in April 1974. Geisel had formerly headed the state-owned oil corporation, Petrobras, and well understood Brazil's need to ensure her energy supply, without which the "Brazilian economic miracle" would certainly disintegrate. Brazil's new Africa policy, dished up as "pragmatismo responsavel" to placate the substantial pro-Portuguese lobby, entailed the rapid recognition of the People's Republics of Guinea-Bissau, Mozambique and Angola. (48) In a speech in London Geisel's Foreign Minister, Antonio Azeredo da Silveira, stated:

The African contribution to Brazilian culture has been remarkable ... it is only too natural, therefore, that we should try to develop the warmest and closest relations with the African countries. Of course, a special place in those relations is reserved for the Portuguese-speaking nations whose life as independent states is now beginning. Our willingness to co-operate with them, on the basis of mutual respect and reciprocal advantage, is total as is the frankness and openness of our intentions. (49)

Brazil's intentions soon became clear: "aid" to the oil industry of Angola, to the coal industry of Mozambique; "assistance" in marketing the Angolan coffee crop; credit of \$50m to both states. Petrobras was the first foreign concern that Angolan President Neto invited to explore for oil in Angola. (50)

Brazil's exports to Africa rose from \$70m in 1971 to \$400m in 1977, when South Africa accounted for roughly 9% of Brazil's African market, despite being her largest non-OPEC trading partner on the continent. (51) Brazil now terms her attitude to South Africa as "correct, not cordial", in keeping with which she has announced the cancellation of the 1979 Cape-to-Rio yacht race. (52)

Yet the "correctness" of the relationship includes an enthusiastic welcome for South African private investment. The decision to denationalize certain industries and mines, taken by Brazil's top technocrats, Finance Minister Mário Simonsen and Planning Minister Joao Paulo Velloso, provided South African monopoly-structured industry with a useful chance to buy its way inside Latin America's principal national economy. (53) The ubiquitous Anglo-American Corporation of South Africa had been prescient enough to have set up a Brazilian subsidiary (AMBRAS) during 1973. (54) In 1975 it was able to purchase a 4% holding in a group of goldmines in Minas Gerais (55), 40% in a company prospecting for gold and other base metals in Bahia (with minority holdings held by Bethlehem Steel and the Hanna Mining Corporation) (56), 30% in an explosives factory chain (held by the Anglo/ICI subsidiary, African Explosives and Chemical Industries) (57), 50% of a construction consortium (the other 50% held by South African monopoly Roberts Construction) (58), some shares in a fertilizer factory built by Louis Luyt's Fertchem International (59), and 40% in a diamond prospecting company. (60) Armies of Anglo personnel and tons of South African capital goods entered Brazil, to such an extent that a Brazilian Congressional Commission set up an investigation into these deals, at a time when another Commission was calling on cabinet ministers to give evidence on "foreign penetration in different sectors of the economy", including the mining sector. (61) But Anglo had once again used foresight; its chairman, Harry Oppenheimer, visited Brazil in March 1975 and held discussions with Geisel and other leading technocrats, a mere month before the Commission sat. (62) None of Anglo's investments were disturbed by the Commission, and later in the year another mining house, Gold Fields of South Africa (in which Anglo has substantial investments), acquired 34% of an iron mine and a share in a prospecting company. (63)

Shaft Sinkers, another Anglo subsidiary, operated contracts in Bolivia, Chile and Peru. (64) In Peru, it was contracted to sink shafts in a copper mine owned by a US company, which later granted Anglo certain exploration rights in its mining

concessions in Peru.(65) General Mining, which Anglo helped capitalize in the early 1960s, became involved in prospecting for gold and other minerals in Venezuela. (67) South Africa's construction monopolies, Roberts Construction and Concor, obtained massive contracts: the former helped to build a copper mining construction project in Chile (68), the latter formed part of an international consortium to construct the R120m Majes Irrigation Project in the Peruvian Andes. (69) The fishing monopolies, Ovenstone and Willem Barendz, helped capitalize new fleets in Chile and Argentina, respectively. (70)

Thus, by and large, it is the monopoly sector of private industry which has thrust its way into Latin America, with parastatal organizations providing much of the state-to-state and export credit financing.

But what of exports? Had South Africa managed to diversify geographically? Between 1966 and 1976, North America and Oceania took the same shares of South Africa's total exports (13% and 1%, respectively); Europe's share dropped from 58% to 55% and Africa's dropped from 16% to 10%; the areas which increased their shares were Asia, from 9% to 17%, and Latin America from half of 1% to 2 $\frac{1}{2}$ . (71) In relative terms, therefore, Asia's share nearly doubled, and Latin America's increased fivefold, making the latter South Africa's fastest growing export market, albeit a small one. The slicing of the African share of exports meant that the developing countries' share dropped from 18.8% to 15.6% over the ten years. (72) Thus any diversification since the last half of the 1960s seems to be of a very small order indeed, and mainly occurred amongst the more industrialized, traditional South African markets. In 1974/75 SAFTO reported the steady expansion of the share of total exports to a group of smaller industrializing states which it termed the "Second Eleven" (which include Brazil and Argentina). (73) "The nature of South Africa's exports to the Second Eleven in comparison with exports to Africa", SAFTO claimed, "suggests that there is scope for considerable expansion of exports of manufactured goods to these countries". Indeed, their share of total exports had risen from 3% to 7 $\frac{1}{2}$ % between 1969 and 1976. (74) It seemed important, therefore, in line with this export strategy, that the Brazilian and Argentine markets continue to be cultivated.

The expansion of economic relations with Latin America raises certain questions about the nature of the South African state and its ability to act on behalf of locally-based capital. Owing to the rapid rate of centralization and concentration of capital since the late 1950s, it is no longer easy to define the discrete interests of contending "fractions" of capital. Monopolization has led to the situation whereby single corporations have acquired interests in various sectors of South African industry, and "national" capital has acquired transnational interests. Clearly, the state has provided avenues for the expansion of the monopolies into Latin America, tolerating a degree of direct external investment which is quite substantial. This is significant because it comes at a time when there is a severe recession, partly attributable to a decrease in the level of foreign investment in and loans for South Africa. It is perhaps the fact of the recession itself, and the fall in the domestic rate of profit, which has caused the monopolies to seek profits elsewhere, and Latin America is one of the few regions where this is possible. (75) The state may perceive that this is one way of stimulating a certain amount of domestic production for export, thereby serving a twofold purpose: ensuring amelioration of balance of payments problems, and maintaining a certain responsiveness to the petit bourgeoisie's demands for employment. In addition, by stimulating economic linkages, the state is actively organizing capital accumulation with the long-term aim of strengthening the relative power and autonomy of the national economy in the world system. The survival of South African capitalism is dependent upon a sophisticated coercive apparatus, and in this regard the linkages with Latin American states have proved useful.

#### Military Collaboration

A persistent theme of South African official propaganda throughout the 1960s and 70s has been the emphasis on her strategic significance to the West. In this context, South Africa has sought to extend her military role in the South Atlantic and

Indian Oceans, and by so doing to become an integral part of the Western strategic defence system. (76) This role was often perceived as a hemispheric one, support for which was sought in Australasia as well as Latin America. (77)

One of the implications of this role was seen as the formation of a South Atlantic Treaty Organization, to include Argentina, Brazil and Portugal (also a NATO member), aimed at the defence of the South Atlantic, particularly against Soviet naval incursion. Co-operation with Portugal in her colonial wars was already occurring at this time, and in May 1968 Defence Minister P. W. Botha told Parliament that South Africa had taken part in a secret international conference "at service level" with friendly southern hemisphere states about joint defence of the sea-routes. (78)

During 1969, naval units paid courtesy visits to Argentina, and the Department of Defence played host to the Commander-in-Chief of the Argentine navy. It was decided to exchange naval attachés in order to regularize inter-military contact, and to arrange joint naval exercises. (79)

Brazil, on the other hand, responded coolly. She had received both the South African Foreign Minister and the Portuguese Prime and Foreign Ministers that year, and as a result came under heavy attack from the Afro-Asian states. Whilst trade expansion was diplomatically feasible, Brazil refrained from military involvement and SATO failed to materialize. (8)

Rumours about the resuscitation of the SATO concept recurred in September 1976, following the visit of Vice-Admiral Johnson, head of the South African Navy, to Buenos Aires during the annual joint manoeuvres of the US and Latin American navies. (81) Yet, although Argentine Foreign Minister, Admiral Guzzetti, announced in a televised interview that he believed a SATO involving South Africa would be an efficient means of guaranteeing the security of the Cape sea-route (82), his Brazilian counterpart, Azeredo da Silveira, unambiguously announced that "there is not the slightest possibility of a system of collective defence in the South Atlantic" if South Africa was to be involved. (83) Johnson was quoted in the Brazilian press as saying: "I would like to collaborate with the Brazilians and have them collaborate with us. We cannot remain alone. We can't guard this side of the South Atlantic on our own. The Brazilian navy is five times as big as South Africa's and it could give us a hand in controlling the passage around the Cape. We have excellent relations with the Argentine navy - we exchange information and we visit each other periodically." (84) Whilst Brazil continues to rule out military collaboration with South Africa, the SATO concept will remain in abeyance.

The Chilean navy paid a courtesy visit to South Africa when its training barquentine Esmeralda called at Cape Town in March 1977. (85) The vessel had been used immediately after the coup for the internment of sailors loyal to President Allende. It has also been claimed, by SWAPO and by Chilean exiles (86), that Chilean mercenaries are fighting alongside South African troops against SWAPO forces in Namibia. (87) Argentina, too, is concerned to assist the anti-guerrilla operations: in 1975 it was reported that she had offered South Africa the Pucará, an Argentine-designed counter-insurgency fighter plane made with French, British, Swiss and Belgian components. (88)

#### The Potential for White Migration

Certain Latin American states, keen to benefit from white insecurity in southern Africa, are stimulating immigration into underpopulated parts of their territories. Prior to his South African visit, General Stroessner said in a press interview: "South Africans would be most welcome to settle in Paraguay, especially those with a sound knowledge of sugar, citrus and cattle farming." (89) In March 1977 the representative of a Paraguayan investment company visited Rhodesia to publicize farming opportunities in his country; in late 1976 Rhodesia had been visited by a

Uruguayan lawyer authorized to sell land; a group of 40 Rhodesian tobacco farmers visited Argentina to assess the possibilities of resettling there, after it was reported that thousands of hectares were being prepared for the settlement of 100 white Rhodesian families in the province of Salta, 1000 miles north of Buenos Aires.(90)

The most significant example of land being offered has come from Bolivia, whose Secretary for Immigration, Dr Guido Strauss Ivanovic, announced his intention, in March 1977, to "encourage the entry into the country of a large and important number (later revealed as 150,000) of white immigrants of German and Dutch origin, especially from Namibia, Rhodesia and South Africa". (91) Financial backing for this scheme was sought from the West German government and the UN Intergovernmental Committee for European Migration (ICEM), which is helping to sponsor the Argentine scheme. (92) The Bolivian state, primarily responsive to the 5% of the population claiming pure European descent, has throughout this century sought the colonization of the fertile eastern part of the country, which lacks the infrastructure for development. (93)

The local response on the part of peasants, workers and the church in Bolivia was a vigorous one. An international campaign was mounted, backed by the church (94), to repudiate the importation of racism into Bolivia. Protests by the Bolivian Indigenous Indian Association occurred (95), and the Bolivian Workers' Union signed a joint communiqué with the Organization of African Trade Union Unity to condemn the scheme. (96)

Yet, in December 1977, Strauss confirmed that the first 50 families were due to arrive the following February. (97) The former Bolivian vice-consul in Cape Town claimed that he had been contacted by "hundreds of farmers who wished to go to Bolivia, all of them Afrikaans-speaking and mainly prosperous well-established farmers". (98) However, the present vice-consul claims that "the number of departures for Bolivia has been somewhat exaggerated in the press ... and I do not believe that enquiries for emigration are being received from any class other than the farming community. There are no official statements that I know of by either Government and this could well be an indication of the relevant minitude of the matter". (99) These remarks indicate an attempt to play down the issue. White emigration is occurring at a higher rate than ever, and is officially discouraged, so that overt organization of such schemes within South Africa may be impolitic.

#### Conclusion

This paper has attempted to trace some of the salient linkages between South Africa and Latin America, and to delineate some of the constraints on their development. The rationale for increasing the linkages was shown to be based on the need for the geographical restructuring of South Africa's export markets at a particular conjuncture, and that this process was hastened partly because of Britain's accession to the EEC, partly because of the diminution of its African market, and partly because of the imperative to find a market for the increased proportion of manufactured goods in its total exports. It was the state which created the diplomatic and financial "infrastructure" for a significant expansion of direct investment in Latin America on the part of South African-based monopolies, represented principally by the mining, construction and allied sectors. In Brazil this was facilitated by coincidental, domestically planned denationalization decisions; Paraguay, on the other hand, constituted a case of "aid", rating as the Malawi of Latin America. (100) Military advantages of these linkages were also manifested, although collaboration on a large scale has not occurred, largely owing to Brazil's unwillingness to jeopardize a potential sub-imperialist role for herself in Africa. (101)

Increasing links will continue to preoccupy those who perceive the relationship with some misgiving, owing to the potential for regimes on both sides of the South Atlantic to reinforce one another's survival, to the potential for their nuclear collaboration, and to potential for the exportation of South African social relations into the Gran Chaco.

- (55) Sunday Times, 30 March 1975; Rand Daily Mail, 22 April 1975, 26 March 1976; The Argus, 29 March 1976; The Star, 4 June 1975.
- (56) Die Beeld (Johannesburg), 23 August 1975, 27 April 1976.
- (57) Sunday Times, 6 April 1975.
- (58) The Argus, 13 July 1976; The Star, 9 December 1976.
- (59) Rand Daily Mail, The Star, 27 July 1973; South African Financial Gazette, 3 August 1973; Sunday Times, 19 August 1973.
- (60) The Argus, 7 April 1975.
- (61) Rand Daily Mail, 22 April 1975.
- (62) Sunday Times, 30 March 1975.
- (63) The Star, 8 November 1975; Bullier, op. cit., p. 92.
- (64) The Star, 23 October 1974; Chile Democratico, Pretoria-Santiago: chronology of collusion (New York, May 1976), pp. 9-10; Financial Mail (Johannesburg), 8 August 1975.
- (65) Sechaba, 11, 3, July-September 1977, p. 63.
- (66) Anthony Hocking, Oppenheimer and Son (Johannesburg: McGraw-Hill, 1973), pp. 372-373.
- (67) Sechaba, loc. cit., p. 61.
- (68) As a result of the visit of the junta's counsellor, Felipe Varela, in 1975. See Financial Mail, supra.
- (69) South African Financial Gazette, 16 June 1972, 20 December 1974; The Star, 8 March and 22 May 1974, 9 December 1976; Rand Daily Mail, 28 May and 17 December 1974; Die Transvaler (Johannesburg), 27 September 1974, 22 February 1977.
- (70) See interview with Andrew Ovenstone, The Argus, 23 February 1975; also Die Beeld, 10 February 1973.
- (71) Own calculations, based on Republic of South Africa, Department of Customs and Excise, Monthly Abstract of Trade Statistics, January-December issues, 1966-1976.
- (72) Asian proportion adjusted for Japan.
- (73) The others are listed as Australia, Finland, Hong Kong, Ireland, Israel, South Korea, Spain, Taiwan and South Africa herself. See SAFTO, 12th Annual Report (Johannesburg, 1975), pp. 9-11.
- (74) Own calculations. In real terms the rise was from R72m (1969) to R335m (1976).
- (75) The question of domestic recession creating spare capacity, particularly in the construction industry, has also been raised as a factor in the expansion of relations. For aspects of the state of the construction industry, see South African Reserve Bank, Annual Report (Pretoria, 1975), p. 10; 1976, p. 7; 1977, p. 8.
- (76) J. E. Spence, The Political and Military Framework (London, Africa Bureau, 1975), p. 29, 105n; Abdul Minty, South Africa's Defence Strategy (London, 1969), p. 19.
- (77) J. E. Spence, "The strategic significance of Southern Africa", Yearbook of World Affairs, 27, 1973, pp. 134-52.
- (78) Minty, op. cit., p. 21; Spence, 1975, p. 29.
- (79) M. H. H. Louw, "Die uitwaartse beweging na Latyns-Amerika", SA Institute of International Affairs Newsletter, 2, May 1969, p. 5.
- (80) See The Star, 1 December 1969.
- (81) African Development, 10, 12 December 1976, p. 1358.
- (82) Latin America Political Report, 10, 38, 1 October 1976, p. 1.
- (83) IPS release, Rio de Janeiro, 23 September 1976; Africa Confidential, 18, 12, 10 June 1977, p. 3.
- (84) The Star, 13 November 1976, published extracts of Johnson's interview with the Jornal do Brasil, which has often criticized Itamaraty's anti-colonial stance.

- (26) The Argus, 20 August 1973. General Stroessner first became President after a coup in 1954, and holds inaugurations as often as he holds general elections. In the most recent of these, in February 1978, he polled nearly 90% of the vote. See The Times, 14 February 1978.
- (27) The Star, 8 January 1974.
- (28) Sunday Times, 31 March 1974.
- (29) Cape Times, 8 April 1974.
- (30) See leader, "You will be hospitable", Cape Times, 2 April 1974. A whites-only general election campaign was on at the time.
- (31) Rand Daily Mail, 3 April 1974.
- (32) The Argus, 5 April 1974.
- (33) Led by the Secretary for Foreign Affairs, Mr Brand Fourie, the mission included the Secretaries for Finance, Industry and Commerce, and the chairman of the Board of Trade and Industries.
- (34) The Argus, 4, 8 and 18 January 1975. In addition, a total of R13.1m had been made available in loans, according to the Minister of Finance, questioned in House of Assembly Debates, 19 February 1976.
- (35) The Argus, 14 and 15 August 1975; Cape Times, 15 August 1975.
- (36) The Star, 29 July 1975.
- (37) The Argus, 23 February 1975. Ovenstone Investments had also acted as honorary consul for Chile in Cape Town.
- (38) South African Financial Gazette, 2 April 1976.
- (39) Chile Democratico, The Dark Southafrican - Pinochet's junta connections (sic) (Rome, October 1977). The Sunday Express (Johannesburg), on 25 September 1977, reported that, whilst in Santiago, Blom was wanted on a charge of tax evasion in South Africa.
- (40) Chile Democratico, op. cit.
- (41) Chile Monitor (London), No. 22, December 1976.
- (42) The Star, 17 November 1976.
- (43) Republic of South Africa, Department of Customs and Excise, Monthly Abstract of Trade Statistics, January-December 1976.
- (44) Die Burger (Cape Town), 12 August 1975; Africa Confidential 18, 12, 10 June 1977, p. 2.
- (45) Mexico was the first state to call on the UN to withdraw membership privileges from South Africa during the 1974 credentials debate in the General Assembly. See The Argus, 9 October 1974.
- (46) New York Times, 27 January 1974.
- (47) See Business Weekly 2456, 1 November 1976, pp. 39-40; 2512, 5 December 1977, pp. 72 ff, p. 138.
- (48) New York Times, 19 July 1974. Brazil has also recognized SWAPO. See Prensa Latina release, Caracas, 14 August 1976.
- (49) Antonio Azeredo da Silveira, Brazil's Foreign Policy (London, Brazilian Embassy, October 1975), Address to the Royal Institute of International Affairs, 21 October 1975.
- (50) See coverage on Brazil's trade mission to Angola, The Argus, 8 and 15 April 1976, also 17 June 1976.
- (51) Patrick Knight, "Brazil looks to Africa for expansion of its trade", The Times, 25 January 1978.
- (52) The Star, 11 July 1977.
- (53) Rand Daily Mail, 14 July 1976; Business Weekly, 2512, supra.
- (54) Anglo American Corporation of South Africa Limited, 60th Annual Report 1976 (Johannesburg, 25 April 1977), p. 67.

- (85) The Argus, 4, 5 and 7 March 1977.
- (86) The Times, 18 January 1978; The Star (international airmail edn), 4 February 1978; IPS release, Maputo, 20 May 1977.
- (87) Reports in n 107 refer to previous ones in New Nigerian (Lagos), March 1976; Notícias (Maputo), December 1976; Algérie Actualité, April 1977, and Soviet newsagency reports, which claimed that Chilean troops, trained in the Panama Canal Zone by US forces, were sent to northern Namibia and southern Angola at the start of 1976. They were characterized by their black berets. Also see New African Development, 127, March 1978, p. 18.
- (88) See Sunday Times (Johannesburg), 9 March 1975, which, with the clearance of the Minister of Defence, published extracts from Time magazine to this effect.
- (89) Sunday Times, 31 March 1974. Interview by Diana Powell in Asunción.
- (90) The Argus, 10 March and 26 April 1977.
- (91) Presencia (La Paz), 21 March 1977; Informatiecentrum Bolivia, Newsletter (Wijlrijk, Belgium), 11 March 1977; Le Monde, 31 May 1977; Norman Lewis, "The White Promised Land", Observer Magazine, 5 March 1978, pp. 24 ff.
- (92) Paese Sera (Rome), 26 March 1977, on the role of the FRG; The Argus, 26 April 1977 on ICEM; New African Development, 127, March 1978, p. 74.
- (93) For earlier evidence of attempts at stimulating colonization in this area, see Margaret A. Marsh, The Bankers of Bolivia: a study in American foreign investment (New York, Vanguard Press, 1928), pp. 14-15 and nn.
- (94) Die Transvaler, 23 July 1977. See, amongst others, reactions in: Belgium (Newsletter, supra); Sweden (Comité Boliviano de la Paz, La humanidad debe impedir la colonización racista de Bolivia [Stockholm, March 1977]); Peru (Gramma, English edn [Havana, 8 May 1977]); Mexico (IPS Release, Mexico City, 11 May 1977); and Bolivia (Presencia, 14 June 1977). Also see World Council of Churches, Central Committee, Resolution on Southern Africa: Final Text (document 34a) (Geneva, 28 July to 6 August 1977).
- (95) Presencia, 18 February, 21 March, 14 and 16 June 1977; Daily News, 7 July 1977.
- (96) Joint Communiqué of the OATUU and the Central Obrera Boliviana (Geneva, 4 June 1977).
- (97) Financial Times, 13 December 1977. However, it was later reported that this was "delayed indefinitely", owing to the intensity of public protest. See Sunday Times (Johannesburg), 12 March 1978.
- (98) Weekend Argus, 17 December 1977. Also see Die Beeld, 28 July 1977, for an earlier interview with the honorary consul in Johannesburg.
- (99) Personal communication from Vice-Consul K. G. Druker, 30 January 1978, p. 2.
- (100) Here I must take issue with the leader writer in Die Burger, 28 March 1974, who considered Paraguay to be "the South Africa of South America", a concept which focuses overly on the political and ideological levels.
- (101) The question of the extent to which Brazil encroaches on South Africa's own sub-imperial potential and aspirations is an interesting one, which I hope to take up elsewhere at a later stage.

