

# REGIONS

## South Africa: The Sanctions Conundrum

In reaffirming Canada's commitment to maintaining sanctions against South Africa until there is evidence of "clear and irreversible change" in apartheid, Prime Minister Mulroney may indeed be trying to take the moral high road. However, there are growing indications that in doing so, he risks not only being out of step with Europe and possibly the United States, but also weakening South Africa's troubled economy even further and thus undermining its ability to undertake the reforms that will be necessary once apartheid is dismantled.

That this abhorrent policy of racial separation is doomed is inevitable. The momentum for change that has been set in motion by President Frederik W. de Klerk is irreversible despite continued criticism at home and abroad. On the domestic front, right-wing white conservatives and left-wing black militants continue to polarize issues with extremist views while elsewhere, the pace of change seems inadequate to Pretoria's persistent critics.

The most recent manifestation of de Klerk's intent is the white parliament's decision to scrap the 1953 Reservation of Separate Amenities Act that provided for segregated trains, libraries, theatres and other public facilities. The due date for its expiry is Oct. 15 but it already had fallen into widespread disuse. Although the parliamentary initiative probably will be interpreted by skeptics as little more than cosmetic, it is a dramatic step in that the hated Act, the first of the so-called "pillars of apartheid", was a particularly personal and highly visible irritant for the non-white majority. That the repeal was approved by a vote of 105 to 38, as the Nationalist Party rallied behind de Klerk to route the opposition Conservatives, is a strong signal of the government's commitment.

In lifting most of his country's four-year-old state of emergency early this month, de Klerk also promised to "address" two other pillars early in 1991. These are the Group Areas Act that stipulates place of residence for the different racial groups and the Land Act that restricts ownership. The toppling of the fourth pillar, the Population Registration Act that mandates racial segregation, the essence of apartheid, evidently must

be negotiated with the African National Congress (ANC) and other groups. But de Klerk reiterates that the process is irreversible, insisting that "when we say white domination must go, we mean it."

Then there is his recent meetings with the leaders of black tribal homelands and representatives of the substantial Indian and Coloured populations in a bid to form a moderate alliance that might

**"They are crumbling on all fronts..."**

F.W. de Klerk

serve to at least moderate, if not counter, the effect of the ANC. There are doubts, however, about the effectiveness of this initiative in that the homelands are structures of apartheid to the ANC. What's more, except for Chief Mangosuthu Buthelezi, head of the powerful Zulu organization, Inkatha, the black leaders seem inclined to throw in their lot with the ANC. Yet, in contrast to an earlier meeting that they rejected, the black leaders showed up this time and agreed that constitutional talks should begin quickly — probably as soon as ANC Leader Nelson Mandela returned home.

All of this unfolded against the backdrop of Mandela's six-week tour of Europe and North America — effectively a mirror image of a successful visit just concluded by de Klerk — during which the ANC leader repeated his message that sanctions must remain in place for now. De Klerk appealed again for their elimination, arguing that his reforms warrant re-evaluation. "They are crumbling on all fronts because of the new reality," he said. "The very rationale for sanctions has fallen away."

There have been suggestions that many European leaders, notwithstanding Mandela's insistence, privately agree with de Klerk. However, the European Parliament has passed a motion asking the European Community to maintain pressure on Pretoria. Community foreign ministers, at a June 18 meeting in Luxembourg, were divided. "There was not a majority in favour of the lifting of sanctions," Ireland's foreign minister, Gerard Collins, explained at a news conference in his capacity as Chairman of the Euro-

pean Community Foreign Affairs Council. "We all see our objective as that of encouraging both sides in the process of peaceful change while not undermining the position of one side or the other." The schism was expected to be repeated at a Community Summit in Dublin in late June as the proponents of continued sanctions confronted those who feel de Klerk and the white progressives should be encouraged.

The breakthrough could occur on this side of the Atlantic. There are expectations that if de Klerk releases South Africa's 300-odd political prisoners, the United States would move quickly to ease sanctions at the very least. It would be a powerful signal not only to de Klerk and South Africans of all races but also to Western Europe and, notably in light of its leading role in the Commonwealth, to Canada.

However, Mulroney, shortly before Mandela's June 18 speech to the House of Commons and Senate, reasserted Canada's determination to keep the sanctions in place. The Prime Minister said sanctions were essential to ensure full democracy in South Africa and Mandela, while acknowledging de Klerk's initiative, concurred. "The government, and the police in particular, continue to kill and maim the opponents of apartheid in my country," he told the Members of Parliament, warning that if sanctions were to be eased prematurely, it would encourage Pretoria to stall the reforms.

The difficulty in all of this is that in assuming leadership on this issue — a role reaffirmed when External Affairs Minister Joe Clark chaired a May 16-17 meeting of his Commonwealth counterparts in Abuja, Nigeria — Canada has yet to define what constitutes "clear and irreversible change" in South Africa. Clark used the phrase again in Abuja and although it has a nice ring to it, the way it has been handled so far is akin to moving the goalposts just as the opposing team is about to try a field goal. It's time to fix the uprights firmly in place and give de Klerk a chance. If, as Mandela suggested in Ottawa, the reforms stutter, maintenance of sanctions and probably a tougher stance would be warranted. But not until then.

# STATISTICS

## International Trade

The merchandise trade surplus recovered in March as the value of exports rose 1.9% from the previous month and the value of imports declined 1.7%. The March surplus was \$471.2 million, seasonally adjusted on a balance of payments basis, after February's \$52.9 million surplus that was revised from \$264.2 million. The latest preliminary surplus resulted from exports of \$11,862.5 million and imports of \$11,391.3 million. Cumulative exports for the first quarter of 1990 amounted to \$35,092.6 million or 1.3% below a year earlier while imports rose 1.3% to \$33,993.9 million, yielding a two-month surplus of \$933.6 million that was down \$1,098.7 million or down 52.9% from the first quarter of 1989. Here is a rounded breakdown in millions of dollars:

	MARCH			CUMULATIVE			Change from '89
	Exports	Imports	Balance	Exports	Imports	Balance	
U.S.	8,900.5	7,905.8	+994.7	26,193.6	23,196.5	+2,997.1	-232.8
Japan	685.2	717.7	-32.4	2,048.2	2,198.0	-149.8	-502.6
U.K.	259.2	426.2	-167.1	815.0	1,214.8	-399.7	+68.8
other EEC	623.3	824.4	-201.1	1,753.7	2,638.9	-885.2	-392.7
other OECD	298.5	355.2	-56.7	927.1	1,109.1	-182.0	+110.3
all others	1,095.7	1,162.0	+66.3	927.1	1,109.1	-182.0	+110.3
TOTALS	11,862.5	11,391.3	+471.2	3,355.1	3,636.7	-281.6	-149.8

## External Affairs Budget

The External Affairs share of the federal budget in March was sharply higher than a year earlier, but the numbers are skewed by forgiveness of \$671.60 million in foreign debt. Total federal spending in March was \$13.02 billion, of which \$1.11 billion or 8.5% was for the Department of External Affairs and related programmes. This compared with \$344.48 million or 2.88% of \$11.02 billion in March, 1989. Without the debt forgiveness, the latest month's share drops to 3.36%. A comparison of the preliminary cumulative figures for the latest fiscal year shows total spending was \$136.91 million, of which \$3.63 million or 2.65% was for the External envelope. Again, without the debt forgiveness, the 1989-90 share shrinks to 2.37%. The 1988-89 share was \$3.02 billion or 2.39% of \$126.33 billion. Here is a rounded breakdown in thousands of dollars:

	MARCH		F. Y. CUMULATIVE	
	1990	1989	1989/90	1988/89
<b>Interests abroad</b>				
Operating costs	84,729	71,531	665,201	598,700
Capital costs	10,533	11,386	85,136	67,682
Grants	18,262	18,323	204,933	186,960
Passport fund	1,630	-704	-300	-3,972
APF*	—	—	—	500
World exhibitions	50	128	414	2,041
Sub-total	115,204	100,664	955,384	851,911
<b>CCC*</b>	2,416	1,423	15,275	13,535
<b>CIIPS*</b>	1,000	750	5,000	5,000
<b>CIDA*</b>				
Operating costs	11,865	12,064	97,749	94,202
Grants	230,952	208,128	1,551,397	1,743,762
Pymts to financial inst.	25,554	6,041	104,306	112,098
ICHRDD*	2,000	1,000	2,000	1,000
APF*	—	—	—	500
Debt forgiveness	671,599	—	671,599	—
Sub-total	941,970	227,233	2,427,051	1,951,472
<b>Canadian Secretariat</b>	164	—	989	—
<b>EDC*</b>	35,576	2,462	105,386	72,185
<b>ICOD*</b>	2,900	1,850	10,100	8,000
<b>IDRC*</b>	8,975	9,517	108,500	114,200
<b>IJC*</b>	969	580	4,740	4,353
<b>OVERALL TOTALS</b>	1,109,174	344,479	3,632,425	3,020,656

\*Abbreviations used refer to the following:

APF — Asia Pacific Foundation  
 CCC — Canadian Commercial Corp.  
 CIIPS — Canadian Institute for International Peace & Security  
 CIDA — Canadian International Development Agency  
 EDC — Export Development Corp.  
 ICHRDD — International Centre for Human Rights and Democratic Development  
 ICOD — International Centre for Ocean Development  
 IDRC — International Development Research Centre  
 IJC — International Joint Commission