much black, business out of the country as rapidly as it could run. Highly progressive income taxation would have more gradual but similar effects: it would distribute the present pie more equally, but by discouraging entrepreneurship and exceptional effort would shrink the size of future pies.

Education key

The only way that the black/white income gap will be narrowed is through education. That it has neglected this is probably white South Africa's greatest delinquency. Nevertheless, we on the outside must restrain ourselves from uninformed accusation. Out of a total population of thirty million, fewer than five million are white. These five million generate more than half the GNP and pay most of the taxes. An astonishing percentage of these taxes goes toward redistributive transfer payments, health care, education and infrastructure. Over the past six years, the percentage of the government budget spent on education has risen from 14 percent to 20 percent, whereas that spent on security has declined from 28 percent to 21 percent.

Black public schools are both segregated and inferior, but probably no worse than many in inner-city America. Private and church schools are mostly integrated, though to widely varying degrees. The black school population is growing dramatically: an average of one new primary school opens every day.

The public purse supports five black universities, one "coloured" and one Indian, as well as the University of South Africa (Unisa), which is one of the world's largest correspondence universities and serves more non-whites than whites. I have lectured at one of the black universities, the University of Fort Hare. Academic standards were higher and physical plant in better condition than at many universities in America.

The public purse also supports ten universities that between 1959 and the early 1980s were closed to non-whites except for courses of study unavailable in non-white universities, although the universities lobbied, protested, and to a minor extent violated the ban. Today, all "white" universities are open without restriction. Witswatersrand University in Johannesburg at 30 percent has the highest percentage of blacks, and in keeping with a long liberal tradition practises affirmative action. The level of leftist political activity is reminiscent of North American campuses in the sixties.

The second major challenge facing South Africa is constitutional change toward universal franchise. It is fine simply to prescribe "one person, one vote" from afar, but a closer look reveals an ethnic mosaic comprising eight major black tribes, two main white groups, plus Indians and "coloureds." Unlike the US, African tradition, black, white, Indian or Coloured, has never been to melt in a common pot. It is true that urbanization, unionization, and political umbrella groups such as the United Democratic Front (UDF) have cut across tribal lines. Nevertheless, it remains true that a Zulu might be almost as unhappy with a Xhosa, Coloured or Indian President as with a white.

Myth #2: sanctions have seriously disrupted the economy and will speed up the end of apartheid

Sanctions against South Africa began to bite in 1977, and 1985-86 saw the most serious round yet imposed. Their most obvious effects have been to impose costs on blacks and confer benefits on whites.

Sanctions can be either on exports and imports of goods and services, or on imports of capital. Disinvestment is the third usual economic weapon.

Sanctions against South African exports have been overwhelmingly outweighed by price discounts, by a depreciating rand and by a booming world economy, with plenty of replacement demand forthcoming from nonsanctioning countries. About 60 percent of South Africa's exports, mainly her precious minerals and metals, are virtually unsanctionable. Gold, diamonds and platinum are easily disguised as originating in other countries. Chrome and vanadium are critical to world supplies. And to the extent that sanctions were effective, they would lead to price rises likely to compensate for losses in export volume. Other unsanctionable exports, such as wool and pulp and paper, simply go to too wide a range of customers to permit a coordinated embargo. The remaining 40 percent of exports, mostly agricultural but some manufactured, have proven highly responsive to price discounting, with Asian and even Eastern European countries as ready customers.

South Africa is somewhat more vulnerable to sanctions against its imports, which are mainly capital goods, arms and oil. But more than a decade of sanctions has fostered the largest arms industry in Africa and the world's leading technology in extracting oil from coal. A study by Edward Osburn (1986) estimates that 45-65 percent of current imports are either inessential or could be replaced "without serious impairment to the economy."

Nevertheless, sanctions on South African imports have gradually biased their industry toward wider varieties of goods. This drive for self-sufficiency has increased the capital intensity of production processes, and reduced the demand for unskilled relative to skilled labor. The premium on skilled labor has been increased further by spurts of emigration.

It is mostly whites who have benefited from this, and blacks who have suffered. Although it is true that the last decade has seen the wage gap between whites and employed blacks narrow substantially due to the erosion of employment and wage discrimination against blacks in skilled occupations, it is also true the black unemployment rate has risen continuously.

Capital sanctions

South Africa is most vulnerable to capital sanctions, a point not lost on participants at last February's Commonwealth Conference in Harare. Gross domestic product must grow at a minimum of 5 percent to avoid further increases in unemployment. It is currently growing at 3 percent, largely due to the shortage of loans and investment from abroad. And there is good reason to believe that with slow growth, the government protects its own constituents first, notably those employed by the bloated civil service.

The year 1985 saw a severe capital crisis, when major international banks refused to roll over South Africa's substantial short-term foreign debt. Between July and August, the rand dropped from fifty cents to thirty-five cents. These actions were voluntary rather than government-mandated, and reflected as much lack of confidence in the South African economy as moral judgments. The 1985 capital "sanctions," though since partially lifted, accelerated net capital outflows from South Africa, ensuring the need to finance these outflows with exports well in excess of imports for the foreseeable future.

Proponents of capital sanctions often argue that loans to South Africa strengthened the apartheid state. However, less than half of foreign loans have gone to the public sector. The public sector spends substantially more on social programs such as education and housing than on the army and police. Moreover the last