

REPUBLIC OF SOUTH AFRICA

Capitals:

Pretoria - Administrative capital.

Cape Town - Legislative capital.

Parliament meets in Cape Town usually from January-June each year. The Cabinet and principal government officials move there from Pretoria during this period.

Populations:

1,20,000 (1960)

732,200 (est. 1960)

I. Characterization of the Area:

- a. Location: The Republic of South Africa lies at the southern tip of the African continent, between longitudes 16° E and 33° E and latitudes 22° S and 35° S.

Topography: South Africa has a narrow coastal zone and an extensive interior plateau with altitudes ranging from 3,000 to 6,000 feet. The country has no arterial rivers or lakes of importance, and extensive means of water conservation and control are necessary.

Climate: The climate is generally moderate, with sunny days and cool nights. The average mean temperature is remarkably uniform, the most southerly point having a mean yearly temperature of 61.8°F, while Johannesburg, roughly 1,000 miles to the northeast and 5,700 feet higher, has an annual mean of 60.8°F.

- b. Size: 472,494 square miles, or about twice the size of Texas. This does not include the mandated territory of South West Africa with its 317,725 square miles, which is under South Africa's administration.

Population: The total population (preliminary 1960 census) is 15.8 million, composed of 10.8 million Natives (Bantu), 3.1 million Whites, 1.5 million Coloreds (mixed) and 0.5 million Asiatics (mostly Indians living in Natal). Of the Bantu, the Xhosa number 3.4 million, the Zulu 3.0 million and the Northern and Southern Sothos 1.1 million each. Of the Whites, approximately 60% speak primarily Afrikaans, a derivative of Dutch/Flemish, and 40% speak primarily English. One-half of the White population lives in a dozen large cities or towns. A third of the Bantu lives in cities, with the remainder divided between White rural areas and Native Reserves.

The population of other principal urban areas, exclusive of Pretoria and Cape Town, are: Johannesburg 1,100,000, Durban 655,000, Port Elizabeth 271,000, Germiston 205,000.

II. Government Organization:

The executive functions of the Republic of South Africa are vested in the State President acting on the advice of the Ministers of State. The Prime Minister is always the leader of the majority party in the House of Assembly and the other Ministers are appointed by the President on the Prime Minister's recommendation.

The legislative power is vested in the Parliament consisting of the President, a Senate and a House of Assembly. Most legislation is initiated by the Cabinet and introduced in the House of Assembly after which, in order to become law, it must pass by certain prescribed stages through the House and Senate, and receive the assent of the President.

The Senate, consisting of 54 members, is a partly nominated, partly elected body. One of the 11 nominated senators is specifically appointed to watch over the interests of the Cape Coloreds. The other 10 (2 from each province and South West Africa) are nominated by virtue of their acquaintance with the wants and wishes of the non-whites in the Republic. Four of these (1 from each province) must be capable of representing the interests of the Coloreds in his province. The 43 elected members are chosen by electoral colleges consisting of members of Parliament and members of the Provincial Council of each province and South West Africa. Of the 54 Senate seats, the National Party holds 39 and the United Party 15.

The House of Assembly consists of 160 members of whom 150 are elected directly to represent the electoral divisions of the Republic, 6 to represent the electoral divisions of South West Africa, 4 to represent the Coloreds. All white male and female persons over the age of 18, and all Colored males over the age of 21 in the Cape Province complying with certain qualifications regarding education and income or property, are entitled to vote. Colored voters register on a separate voters roll and elect whites as their representatives. The Coloreds have never had the vote in the other three provinces. The National Party controls 103 of the 160 seats in the Assembly.

Each of the four provinces of the Republic - Cape Province, Natal, Orange Free State and Transvaal - has a unicameral Legislature, known as Provincial Council, elected on the same franchise as the House of Assembly. The powers of the provinces are limited and are subordinate to the powers of the Republic. Legislation requires the assent of the central government before it has the force of law. The functions of the Provincial Councils relate mainly to the administration of education (other than Bantu, university and technical education), hospitals, roads, municipal government and other local matters.

III. Principal South African Government Officials

State President	C. R. Swart
Prime Minister	Dr. H. F. Verwoerd
Minister of Justice	B. J. Vorster
Minister of Lands, Forestry and of Public works	P. O. Sauer
Minister of Foreign Affairs	E. H. Louw
Minister of Finance	Dr. T. E. Donges
Minister of Defense	J. J. Fouche
Minister of Transport	B. J. Schoeman
Minister of Labor, of Interior and of Immigration	J. De Klerk
Minister of Education, Arts and Science	B. J. Vorster (acting)
Minister of Social Welfare and Pensions	J. J. Serfontein
Minister of Bantu Administration and Development	M. D. C. de Wet Nel
Minister of Agricultural Technical Services and of Water Affairs	P. M. K. Le Roux
Minister of Bantu Education and of Indian Affairs	W. A. Maree
Minister of Economic Affairs and of Mines	Dr. N. Diederichs
Minister of Posts and Telegraphs and of Health	Dr. A. Hertzog
Minister of Agriculture Economics and Marketing	D. C. H. Uys
Minister of Colored Affairs, and of Community Development and Housing	P. W. Botha
Deputy Minister of South West Africa Affairs	J. G. H. van der Wath
Speaker, House of Assembly	H. J. Kloppe

IV. Principal U.S. Officials

Ambassador	J. C. Satterthwaite
Counselor of Embassy	Edward G. Clark
Consul General, Johannesburg	Russel L. Riley
Principal Officer, Cape Town	Charles N. Manning
Consul, Durban	Francis O. Allen
Consul, Port Elizabeth	John E. Hargrove

The Embassy Chancery (telephone: 3-3031) is located on the 7th floor of the Van der Stel Building, 179 Pretorius Street, Pretoria. During the Parliamentary session (usually January to June) the Ambassador, with a small staff, maintains a separate chancery in Cape Town. This office (Telephone 41-0656) is housed with the Consulate General at the Broadway Industries Center, Heerengracht, Foreshore, Cape Town.

V. Background Information:

a. Historical Review: Although the Portuguese discovered the Cape of Good Hope in 1486, permanent white settlement did not take place until the 17th century when the Dutch East India Company established provisioning station for ships engaged in the Company's far-flung trading operations. In subsequent decades additional Dutch and large numbers of Huguenot refugees from France settled in the Cape area. British military occupation of the Cape in the following century and subsequent British settlement and extension of influence sparked a long and checkered history of conflict between the two dominant national strains in the country. In 1836 many Dutch farmers (Boers) undertook the northward migration (the "Great Trek") which resulted in the creation in 1852 and 1854, respectively, of the independent republics of the Transvaal (the South African Republic) and the Orange Free State.

Relations between these two independent republics and the British coastal colonies of the Cape of Good Hope and Natal continued strained, but might not have led to open rupture had it not been for the famous diamond strike at Kimberley in 1870 and, 16 years later, the discovery of the extensive gold deposits in the Witwatersrand region of the Transvaal. These discoveries accelerated European emigration to South Africa, and overseas capital was invested heavily in the area. Not only were mines and towns developed, but railroads were pushed from the coast to the interior.

This economic "invasion" of the rich interior by foreigners served to alienate the Boer farmers and cattle owners and led directly to open conflict between the British and the Boers in 1899. The ensuing period of warfare, while it retarded the economic development of the country and left bitter memories among the defeated Boers, resulted in the eventual union of the two Boer republics and the two British colonies. This background of friction between settlers of different national strains, now called the Afrikaner and English-speaking elements, has had important political and economic ramifications which carry over to the contemporary South African scene.

A constitution providing for union was drawn up in South Africa by a National Convention and received the approval of the British Parliament in 1909. On May 31, 1910, the Union of South Africa officially came into being. Under the Statute of Westminster passed by the British Parliament in 1931 and accepted by South Africa in 1934, the Union became a sovereign state, with unhampered freedom of legislation and full control over its relations with other countries.

On October 5, 1960, a nation-wide referendum to determine whether South Africa's constitutional status should be changed to that of a republic resulted in a favorable majority of 52 percent of the 1.6 million white voters. The results of the referendum was the culmination of a long felt desire by the Afrikaners to disassociate themselves from the British Crown and further develop their own national identity. Following enactment of enabling legislation, the Republic of South Africa was established on May 31, 1961. The only significant change in the government of the Republic from that of the Union is the status of the Head of State from a Governor General, as representative of the British Crown, to a State President. In the meantime South Africa, in view of its intention to institute a republican form of government, applied for continued membership in the British Commonwealth of Nations. The Prime Minister, however, withdrew the application at the Commonwealth Prime Ministers' Conference at London on March 13, 1961, on the grounds that it had become clear from the discussions on South Africa's racial policy that South Africa would not be welcomed in the Commonwealth after it became a republic.

b. Political Conditions: The general election in 1948 resulted in the victory of a National-Afrikaner Party coalition over the United Party led by Field Marshall J. C. Smuts. The National Party (commonly known as the Nationalist Party) and the Afrikaner Party merged in 1951 to form the present National Party. Succeeding general elections in 1953 and 1958 returned the National Party to power. A new general election will be held on October 18, 1961. It is generally accepted that the National Party will be returned to power. The weighting of the rural vote allowed by the Electoral Law has favored the Nationalists. Of the 160 members of the present House of Assembly, 102 are of the National Party, 42 of the United Party, 11 of the Progressive Party, 1 of the National Union Party and 4 representatives of the Cape Province Coloreds.

The National Party, headed by Dr. H. F. Verwoerd, subscribes to a strict separation of races ("apartheid"). It is supported by the great majority of Afrikaners, but only by a small number of English-speaking South Africans. Its main strength lies in the rural areas, although Afrikaner migration to the cities is increasing its support in urban areas. Most Afrikaners belong to the Dutch Reformed Church. The policy of the National Party is to ensure preservation of the white man and of the white Government in South Africa. Other groups would maintain their own national identities, but not in a single multi-racial state.

The United Party, which until late 1959 was the sole Opposition party in Parliament, has a less restrictive racial policy. It draws its support from the English-speaking sector of the white population and from a number of Afrikaners. Large business interests have generally been pro-United party. The leader of the United Party, Sir de Villiers Graaff, has described his Party's program as having three pillars: (1) readiness to share the fruits of Western civilization with those non-Europeans who have shown that they have the capacity to take joint responsibility with Europeans (Whites); (2) retention and strengthening of White leadership in South Africa; and (3) Government consultation with all races at all levels when policies are to be applied.

The National Union Party was founded by a former member of the National Party, following his ouster in 1950 for criticizing the Government's domestic and foreign policies, in the expectancy that it would appeal to moderate Afrikaner Nationalists and act as a catalyst for the regrouping of political forces in South Africa. Under the leadership of former Chief Justice H. A. Fagan the National Union Party concluded an election agreement with the United Party stressing the need for representation of non-whites in Parliament, the need for continuous interracial consultation, and the desirability of a federally organized multi-racial state. As the National Union

Party

Party adheres to the belief that restoration of Coloreds to the common role in Cape Province is not practical politics, the parties did not announce agreement on all points regarding representation. The Party has only a small following.

The Progressive Party was founded in November 1959 by former members of the United Party who considered the United Party's racial policy too close to that of the Nationalists. The split resulted in the resignation of twelve of the United Party's Members of Parliament and a small number of United Party Provincial Councillors and Party functionaries. The Progressive Party has taken a more liberal stand on the central racial question. The principal proposals of the Party's platform are: (a) the enfranchisement of "qualified" persons regardless of race or color, and (b) the drafting of a constitution which would permit the political emancipation of all races while preventing domination of the country by representatives of any particular group. The Progressive Party is led by Dr. J. van A. Steytler.

The Liberal Party, headed by the noted South African author Alan Paton, is the only other party of importance. It is the only existing political party with multi-racial membership and advocates full and equal rights for all adult men and women irrespective of race or color. It has never won an election in a White constituency.

The Labor Party, possessing no representation in Parliament and little appeal to labor unions, is socialistic and pro-African. A new political party, called the Conservative Workers Party, was formed by trade union officials in September 1961 as an expression of growing dissatisfaction among Afrikaner workers with Government policy. The Communist Party was declared illegal in 1950, and since that time the Government has pursued a rigorous program of banning from public activity all known Communists.

The major native political movements, the African Nationalist Congress and Pan African Congress, have been banned since the Sharpeville riot of March 1960.

c. Economic Conditions: Until World War I the South African economy was based principally on agricultural production and the mining of diamonds and gold. Since then, and particularly since World War II, there has been rapid development in manufacturing which now accounts for a larger proportion of the national income than either agriculture or mining. A valuable export trade in manufactured goods has been built up in recent years, although several African states have placed official boycotts on South African goods.

Limited

Limited rainfall and infertile soil restrict the area suitable for crop production. South Africa is an important livestock-raising country, characterized by large individual farming units. Chief pastoral products are wool, mohair, hides and skins. In areas suitable for cultivation, temperate-zone and sub-tropical crops are grown. In addition to wool, citrus and deciduous fruit, corn sugar and peanuts are important exports. Apart from wheat, the country is practically self-sufficient in essential food supplies. The nutritional standard of the majority of the non-European population, however, is low.

South Africa possesses a large variety of minerals. It is the world's largest producer of gold, and ranks as a leading world producer of diamonds, uranium, platinum, chrome, manganese, iron ore, asbestos, antimony and monazite. The Witwatersrand, centered on Johannesburg, is regarded as the largest concentrated mining area in the world. Gold production, which reached a value of \$760 million in 1960, constituting two-thirds of the Free World's gold output for the year, has traditionally enabled South Africa to import goods and services at an exceedingly high rate. South Africa's gold production is increasing at the rate of about seven per cent per annum as the new and richer mines of the far west Rand and the Orange Free State reach full production.

Excessive imports of consumer goods immediately after the end of World War II, an increasing demand for capital goods and raw materials for the rapidly developing manufacturing and mining industries, as well as the fact that the price of South Africa's most important commodity - gold - remained unchanged in terms of the dollar, were responsible for periodic balance of payments difficulties during the post World War II period. However, an increase in exports, in particular gold, uranium, manufactured goods and agricultural products steadily improved South Africa's balance of payments position through 1959. However, South Africa's external payments position deteriorated markedly in 1960, particularly during the months following the disturbances at Sharpeville and other urban centers in March 1960. The payments deterioration stemmed from the overriding socio-political problem, which was reflected on capital account where there was a net outflow of private capital in 1960 of \$270 million. There was a further outflow of private capital during the first half of 1961, reflecting a fundamental lack of confidence in view of the political problem and the decision to withdraw from the Commonwealth. In 1961 the South African Government took counter-measures to stem the decline in foreign exchange reserves, including restrictions on imports and measures to curb the outward movement of resident and non-resident capital. The latter restriction was regarded as particularly serious as this was the first time that South Africa has impeded the repatriation of foreign-held capital.*

*The South African rand is valued at approximately \$1.40, and is roughly equivalent to ten British shillings.

In 1960 United States exports to South Africa reached a value of \$277.2 million, an increase of 25.6 per cent over the previous year. Imports from South Africa totaled \$107.9 million in 1960, as compared with \$117.1 million in 1959. The United States ranks after the United Kingdom as South Africa's leading market and source of supply. Our exports to South Africa in 1960 accounted for 45.4 per cent of our total exports to the continent of Africa. South Africa ranks sixteenth among the nations of the world as a purchaser of United States products.

United States private investment in the continent of Africa is estimated at between \$600 and \$900 million, of which one-half is in South Africa. There are over 150 American firms with direct investments in South Africa, ranging in activity from processing and distribution to manufacturing and mining. Reflecting the large volume of trade between South Africa and the United States, and this heavy concentration of American investment, two American banks have established branches in South Africa at Johannesburg, Cape Town and Durban.

d. Other Important Considerations and Current Problems

Racial Problem: The racial problem pervades every aspect of South African life and has serious repercussions on the Republic's foreign relations. With the racial ratio nearly four to one against them, most white South Africans subscribe to some degree of white supremacy. The governing National Party leadership has made clear its determination to pursue the present policy of separate development of the various races (apartheid). Under this policy the affairs of the country would be carried on in four parallel streams in which White, Colored, Indian and Bantu would enjoy full opportunity and eventual independence in their own areas. The Government's political opposition, representing nearly one-half the white electorate, believes that concessions should be made to the non-whites but is sharply divided on the extent of such concessions.

The African occupies an important position in the country's labor force. While barred from skilled work through custom and White trade union pressure, and in some instances by law, the African has nevertheless become skilled in varying degree, and constitutes an essential factor in the nation's growing economy. Although wage levels have improved somewhat in recent years, there has been a corresponding increase in the cost of living. Native trade unions are not recognized by law and strikes by such organizations are considered illegal.

Approximately 50% of eligible Native children attend (segregated) schools run by the Government. (This figure is high compared with other African countries; the present South African Bantu literacy rate of 35 per cent is higher than in any other African country). Attendance for

Natives

Natives is not compulsory. School attendance beyond Grade 5 is determined by special examination. Under the Separate University Education Bill, which was passed in 1959, non-White students with certain exceptions, are no longer allowed to attend White universities. Under this legislation, a number of separate colleges have been established for non-White students, including: separate colleges for the Zulu and the Sotho, the existing College of Fort Hare to be used by the Xhosa, a separate college for the Coloreds at Athlone, Cape, and a separate college for the Indians at Durban. At present, approximately 4,500 non-Whites are studying at universities in South Africa.

Some two-thirds of the Native population is rural, living either on farms owned by Whites or in the Reserves - areas set aside by law for their exclusive use - comprising approximately 13 per cent of the country's total land area. Although the Government's apartheid program envisages in theory extensive development of the backward Reserves, little progress has been made to date. Several of the major recommendations of a commission of experts appointed to draw up concrete plans for developing the Reserves (Tomlinson Commission) were rejected by the Government; and the Government has yet to respond to the Commission's basic finding that implementation of the Bantustan Program will require the investment of at least £100 million over a ten year period.

Some 2½ million Natives are estimated to be living in urban areas, principally in "locations," that is, special areas set aside on the outskirts of all major cities and towns. These urban dwellers are becoming thoroughly integrated with the country's cash or exchange economy and, through contact with Western ideas, politically conscious. The urban Native constitutes the most serious part of the over-all racial problem. Restrictions on this group in implementation of the Government's apartheid policy are aggravating race relations to a degree which is causing grave concern in many quarters. On the other hand, the Government and several city administrations - notably Johannesburg - are making enormous strides in overcoming the critical shortages of Native housing and in providing public health and other facilities.

Indians and Coloreds receive higher wages than Natives and are generally better off economically. Members of these groups (chiefly Coloreds) living in the Cape Province exercise a limited franchise on a separate voters roll; Indians and Coloreds living in the other three provinces have no vote. Socially, these racial groups fall between the Natives on the one hand and the Whites on the other.

e. Basic

e. Basic South African Foreign Policy Objectives: The major objectives of South Africa's foreign policy are to prevent foreign interference in its internal affairs, which it conceives as including its administration of the mandated territory of South West Africa; to collaborate with the United States, the United Kingdom and other Western powers in defense measures against any Communist threat to Africa and its approaches; and to maintain good economic and political relations with countries important to the Republic as overseas markets and as sources of essential goods and capital.

Although the Nationalist Government has frequently denounced the United Nations as futile and meddlesome, it is maintaining membership in that organization. Repeated discussions of the Republic's policies in the United Nations have severely strained the South Africa's desire to stay in that organization. South African problems before the United Nations are: (1) the treatment of people of Indian and Indo-Pakistan origin in South Africa; (2) the status of South West Africa; and (3) racial discrimination (apartheid) in South Africa.

South Africa participated in the Berlin airlift in 1948. In the Korean conflict, one South African air squadron served under the United Nations Command from September, 1950, until after the Armistice in 1953. The squadron operated with a wing of the United States Air Force, but the entire expense was borne by the South African Government.

f. United States Political Objectives Regarding South Africa: South Africa and the United States have traditionally maintained friendly relations, and South Africa has looked to the United States for leadership in world affairs. Our inability to condone South Africa's official racial policy, however, imposes strains in relations between the two countries.

The South Africans are sensitive to any semblance of outside interference or pressure in their internal affairs. It is generally felt that United Nations discussion of South African problems has not contributed to their solution. Mindful of our own problems in the United States, we recognize that there is no easy solution for the race relations problems of the Republic, and, in view of the presence of racial discrimination in various forms in many other countries of the world, we do not agree that South Africa should be singled out for criticism. We believe, however, that South Africa's best interests will be served by policies which will give all racial groups grounds for hope that their legitimate aspirations can be attained gradually and peacefully.

South Africa

South Africa is not a recipient of grant or loan assistance from the United States under the Mutual Security program, nor has the Union in the past received such assistance under our aid programs. We have a Mutual Defense Assistance Agreement with the Union under which certain military equipment can be purchased on a cash basis, and an agreement for cooperation for the civil uses of atomic energy. The Export-Import Bank has made loans to certain gold mining companies for the establishment of uranium production plants and to the quasi-governmental Electricity Supply Commission for the expansion of the supply of electricity for use in uranium extraction. These loans were pursuant to an Agreement between the United States, the United Kingdom and South Africa in 1951 calling for the development in South Africa of an assured source of uranium. The loans are being repaid through deliveries of uranium oxide, all of which to date has been shipped to the United States and Great Britain under ten year contracts with the individual mines. The Export-Import Bank, by agreement with South Africa on September 19, 1960, also made a loan to assist South African Airways in the purchase of American commercial jet airliners. Several American commercial banks participated in this arrangement.

VI. Publications:

Official Year Book of the Union of South Africa, No. 30 - 1960,
The Government Printer, Pretoria.

October 1961