

Testimony by the American Friends Service Committee  
For Hearings on U.S. Controls on Exports to South Africa

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TESTIMONY FROM THE AMERICAN FRIENDS SERVICE COMMITTEE

CONCERNING U.S. CONTROLS ON EXPORTS TO SOUTH AFRICA

My name is Thomas Conrad. I am a staff researcher with NARMIC, a project of the American Friends Service Committee (AFSC), on whose behalf I am here today. The AFSC is a Quaker organization which strives to promote development, dialogue, justice and disarmament in the United States and other countries. I speak here today for the AFSC on a matter of deep concern to our organization and to many Friends, although I do not purport to speak for all Quakers.

The AFSC is gravely concerned about the future of the U.S. arms embargo against South Africa and the regulations that implement it. We are now in the final stage of a critical evaluation of the embargo, focusing on high-technology sales which will be published soon. I would like to share some of our perspectives with the Members here. But before doing so, I would like to note that our research in this area, and our experiences in providing relief and development assistance to suffering people in a number of countries for over sixty years, have given us a certain insight into U.S. export controls. The strange way that politics influence principles produces some situations that are difficult to understand. For example, we find it frustrating and ironic that the government allows U.S. corporations to ship millions of dollars of sophisticated computers and advanced technology to South Africa for use by the repressive government in Pretoria, while at the same time, our efforts to get critically needed basic assistance to the people of Kampuchea (Cambodia) have been restricted by the departments of

Commerce and State under the International Emergency Economic Powers Act.

Many of our requests for licenses to purchase supplies for Kampuchea were granted in the early phase of the relief effort. Recently, we have not been so fortunate. In one instance, it was made clear we would not be able to obtain a license to purchase simple power tools, such as many Americans have in their homes, for use in building furniture for Kampuchean schools. Similarly, we did not submit a request for permission to purchase a small sawmill to provide the wood to rebuild schools after we learned that it would be denied. We did not contest these decisions because Australian Quakers were able to obtain Australian government funds to buy the needed equipment. Our interest was in helping people in need, not in confrontation with U.S. officials. But the government's increasingly restrictive decisions are making it virtually impossible to obey the law and still act with integrity.

Our friends at Church World Service and the Mennonites have encountered similar problems. The Commerce Department recently refused to issue the Mennonite Central Committee a license to export 86,000 pen and pencil sets for Kampuchean children. To our astonishment we learned that just a few weeks earlier, Commerce officials had just issued Sperry Corporation an export permit for an advanced computer destined for Atlas Aircraft, one of South Africa's largest government-owned manufacturers.

Reflect with me for a moment, if you will, on the irony of this situation: Why is it so difficult for non-profit religious organizations to get school supplies and tools to people who desperately need them, and so easy for U.S. companies to ship computers to the South African government?

Controls on Exports to South Africa

As you know, the United States has pledged to observe the international arms embargo against South Africa, first enacted in 1963 by the United Nations and made mandatory in 1977. In 1978, the U.S. government extended its restrictions on sales to South Africa. Broadly and generally speaking, the regulations prohibited the export to South Africa of any weapons - even those for private use - and all items on the Munitions List; banned sales of any commodities to the police and military; subjected certain dual-use items to special reviews; and applied the same restrictions to re-exports of U.S. origin commodities from third countries to proscribed end users in South Africa.

While these regulations represented a step in the right direction, they were fraught with loopholes and blindspots that undermined the embargo; furthermore, they have apparently not been adequately enforced. In 1981, the Reagan Administration further weakened the embargo by lifting the ban on sales of airport safety equipment and medical supplies to military and police agencies. If this relaxation of the regulations and the Administration's recent permission for the Sperry-Atlas deal are any indication, an already fragile embargo is likely to be eroded even further. This could be accomplished at the administrative level with little fanfare by means of a few slight changes in the Commerce Department regulations. The results would be disastrous for the embargo.

Unfortunately, the Sperry sale to Atlas Aircraft is not the only recent sign of slippage. For the first time in several years, just recently South African magazines have again begun to carry advertisements for U.S. weapons.

One arms dealer's ad in a recent issue of the military magazine Paratus features Colt police revolvers and Remington riot shotguns. Another ad lists Winchester semi-automatic shotguns, Winchester pump-action riot guns, Smith and Wesson revolvers and Colt Army revolvers. Ammunition from Winchester, Federal and Remington are also available on the market in South Africa, according to the ads.

The continued availability of U.S. weapons in South Africa raises serious questions about the effectiveness of the embargo: How are these weapons reaching South Africa? Who is responsible for exporting them? Is the U.S. government aware of this apparent violation? Will the government move to stop transfers of this kind?

While the export of actual weapons may be the most dramatic violation of the embargo, an equally serious and alarming problem is the ~~failure of the embargo to adequately restrict the export of a vast range of critical technology and know-how including computers, electronics and communications gear, and information about these types of products.~~ Although exports in this category are generally considered "non-lethal", many of them have ~~direct military application~~. In all likelihood, the flow of high-tech equipment to South Africa is much larger than the flow of weapons. In the long run, exports of this type are probably more significant and pernicious than trafficking in actual arms because they contribute to South Africa's entire infrastructure of repression. We have all heard the old adage, "Give a man a loaf of bread and he'll feed himself for life." The same principle is equally true when turned around and applied to the arms embargo: Give the Pretoria government weapons and it will turn them against its own people. But give Pretoria computers and electronics and it will use them to design its own weapons and equip its state apparatus with awesome repressive powers.

As we see it, questionable high-tech exports to South Africa fall into three general categories: 1) those which clearly violate the embargo; 2) those which manipulate loopholes in the law that should be closed; and 3) those which -- however morally repugnant they may be -- are legal but should be halted because they support apartheid and are inconsistent with the spirit of the embargo.

#### Support for Government Agencies

As the Members may know, it is difficult to get any but the most general type of information about the sale of high-tech equipment to South Africa and how it is used there. A great deal more investigation is needed. However, even based on our limited inquiry in this area, we can show that numerous exports to South Africa from U.S. corporations contradict the arms embargo and directly involve the United States in administration of white rule. Several examples bear this out.

For several years IBM has knowingly rented a Model 370 computer system to the South African Department of the Interior which is used for the regime's national identity system. The IBM machine stores files on seven million people the regime has designated as "coloureds", Asians and whites. Information on blacks is stored on another computer. Since IBM owns the equipment and leases it to the government, it could withdraw from the arrangement, but has declined to do so. Despite the fact that the IBM-based system helps facilitate the scheme of racial classification that apartheid is based on, the embargo has had no effect on this transaction.

U.S. hardware is also used by some branches of the Plural Affairs Department, the Department of the Prime Minister, the Department of Statistics and other central government agencies. This technology is used to run the segregated

educational system; manage the country's biased tax system; operate the segregated transportation network, compile white-only voters' rolls and pay government employees.

Local government bodies, as well, rely on computers from U.S. manufacturers. In many cases, U.S. corporations are supplying computer hardware to the very same agencies that are responsible for the legally enforced indignities inflicted on blacks, Indians and Asians who live in official white areas. The white-run government in Boksburg has an entire computerized municipal administration system based on a Univac machine from Sperry. NCR, which has played a strong visible role in computerizing white-run local governments in South Africa, has provided hardware to Pietersburg, Stellenbosch, Rustenburg and other cities. Mohawk has helped outfit Johannesburg and Germiston with hardware. IBM machines are used in Pinetown, Randfontein, Richards Bay and at the Pretoria "Peri-Urban Areas Board".

Sales to the overwhelming majority of South African government agencies do not fall under the U.S. ban. This loophole, we believe, is a major flaw in the embargo.

#### Support for South Africa's Police

Other evidence we have gathered indicates that the South African Police have continued access to U.S. technology and know-how in spite of the arms embargo. We were shocked, for example, to find that 15 South Africans are members of the International Association of Chiefs of Police (IACP), an organization of senior law enforcement officials with headquarters in Gaithersburg, Maryland. In 1981, the Reagan Administration gave two South African police officials visas, enabling them to travel to the United States to attend the IACP convention.



police have earned worldwide condemnation for their brutality; it is unconscionable that they are privy to exchanges with law enforcement officials in the United States, courtesy of the IACP.

We have also found evidence of other apparent transfers of police technology to South Africa:

- o In 1978, after U.S. export controls were tightened, disk drives made by Control Data Corporation found their way into the hands of the South African Police as part of nine high-speed computers. Control Data's subsidiary in the United Kingdom sold the subunits to its business partner, ICL, which then built them into the larger processors destined for the South African police. Control Data insists that its sales to ICL are in compliance with U.S. law. ICL acknowledges using many components from U.S. producers in its computers. Since ICL is a major supplier of the South African military and police, there is reason to believe that thousands of dollars of U.S. technology are reaching embargoed agencies in South Africa via manufacturers in third countries. This matter has been the subject of a Commerce Department investigation for three years.

- o In 1979, RCA began exporting a radio system known as TAC to South Africa. The same system is used in the United States by police and businesses. A month after TAC was introduced to the South African market, a Johannesburg newspaper reported that the police were setting up an advanced new communications network covering the entire region around Johannesburg. Its name: TAC. RCA claims that somebody else outfitted the police with the equipment using the same name. The company insists that its hardware is not being used by the police and maintains



that its exports to South Africa have all been legal. A representative of RCA acknowledged, however, that the company was not able to monitor how its equipment was being used within South Africa. The Commerce Department has started an investigation into the matter.

o As part of our research on high-tech sales to South Africa, we have reviewed several relevant publications and periodicals from South Africa, including a major trade reference, the Computer Users Handbook.

According to the 1980 Handbook, IBM markets a police software system in South Africa through its General Systems Division. The package, which IBM calls its "Law Enforcement System", turned up in the Handbook in a list of software programs available from the company's subsidiary. After the existence of the program was publicized, IBM began to deny that it had ever made the system available in South Africa. The company said it didn't know how the ad for the law enforcement package got into the Handbook but this denial has done little to dispel the skepticism surrounding this issue. The Commerce Department has started an investigation into this matter as well.

o Our survey indicates that many other kinds of security equipment from the United States are available in South Africa, despite the embargo. The list is too lengthy to detail here but it includes surveillance systems, sensors, devices to detect clandestine radio transmitters, security training packages and lie detector training. It takes little imagination to envision how commodities like these can be used as instruments of repression in the context of South Africa.

o Even the U.S. government has helped to facilitate the flow of technology to the South African Police. We learned recently that Major Hennie Reyneke of the South African Police visited the United States for a course in electronic communications. Reyneke's visit was reported in the summer of 1980 in a South African Police magazine, which noted that communications play a critical role in police operations. In order to participate in the program, Reyneke, who is head of technical training at the Police College, received a visa from the U.S. government. U.S. controls on arms exports are supposed to cover not only commodities but also the transfer of technical information and training to foreign nationals, even if it occurs in the United States.

#### Support for South Africa's Military

The Commerce Department's 1978 controls banned the export of any commodity "for delivery directly or indirectly to or for use by or for military or police entities..." Prior to this restriction, IBM had supplied the South African Defence Force with at least four large computers. IBM says that it has not sold any new machines to the military since the 1978 restrictions but a loophole in the embargo allows IBM and other U.S. corporations to provide maintenance and spare parts for military installations as long as these commodities don't originate in the United States.

Shortly after U.S. export restrictions were expanded in 1978, one South African specialist suggested that agencies such as the military that were unable to trade directly with U.S. companies could get U.S. supplier through front organizations. The use of third parties in this way has apparently caught on. Two South African firms, Infoplan and Log-On, which do business for the military, reportedly act in this capacity. IBM, and possibly other U.S. firms, have done

business with Infoplan and Log-On, supplying parts and services, as well as training and technical data. IBM claims these transactions are legal and insists that the firms do not use its products for military-related work. However, it is virtually impossible to determine how U.S. technology is actually put to use once it is out of the control of the companies who sell it. As long as the law allows U.S. subsidiaries to service military installations under "pre-embargo commitments" and to sell equipment and know-how to local companies that have links to the military, the embargo will be ineffective.

U.S. firms not only are involved in servicing and furnishing spares for existing military installations, they have also been supplying new technology to South Africa's military establishment:

o In August 1979, it was revealed in the United Kingdom that computers made by the Massachusetts-based Digital Equipment Corporation were sold to the South Africans as part of a sophisticated radar system manufactured by Plessey, a British arms-maker. Furthermore, the Foreign Office confirmed that South African Air Force personnel had been trained on the hardware in Britain. In April of 1981, Plessey sent a follow-on shipment of air defense equipment to South Africa, which may have contained U.S. technology. Despite repeated requests, the U.S. government has refused to supply details of these transactions or to announce that any action has been taken to stop them. Such re-exports of U.S. products from third countries are supposed to be covered by the embargo. However, this case and others similar to it indicate that the United States has far to go in enforcing the embargo.

o Both IBM and Control Data have equipped South Africa's largest research organization with advanced computers. This agency, the Council for Scientific and Industrial Research (CSIR), located in Pretoria, helps oversee major R&D projects in military and strategic areas. The CSIR's contributions to Pretoria's war effort have included the development of poison gases, advanced missile research, investigation of methods to store fingerprints, telecommunications research and the development of counter-insurgency vehicles. Through several of its satellite institutes, the CSIR also provides consulting and testing services for the state military corporation, ARMSCOR, and for the military.

The CSIR's links to the military have not discouraged U.S. corporations from outfitting it with advanced hardware. CSIR's nerve center is its computer network which is based on large machines supplied by Control Data Corporation and IBM. These companies also provide training for computer personnel. CSIR researchers also have access to other U.S. hardware including computers from Perkin-Elmer, Hewlett-Packard, Digital Equipment Corporation and Calcomp. It is our understanding that the Commerce Department is currently considering a request from Control Data for permission to export an even more powerful computer in its Cyber range to update the CSIR facility.

These examples highlight another major flaw in the U.S. controls on exports to South Africa. The regulations implementing the embargo have had little apparent effect on the flow of high-tech equipment to agencies and corporations engaged in military R&D and production. It is ironic that the law prohibits arms exports but allows exports to arms makers. The loophole which allows U.S. corporations to do business with the CSIR is apparently only the tip of the iceberg.

For example, although the regulations expressly prohibit exports of any type to ARMSCOR, the state-owned weapons manufacturer, they apparently do not prohibit sales to subsidiaries of ARMSCOR, one of which, Atlas Aircraft, was the recent recipient of the Sperry computer mentioned above, said to be planned for use only in inventory control.

Other examples of U.S. computer use by South African military manufacturers include:

- o Leyland-South Africa, a firm that produces land rovers for the security police, which rents seven computers from IBM;
- o Barlows-South Africa and its subsidiary Marconi, producers of electronics for military use, which use hardware from NCR, Burroughs, Hewlett-Packard and Data General;
- o Sandock-Austral, producer of strike craft and armored vehicles, which uses Burroughs computers;
- o The African Explosives and Chemicals Industry, specialized in the production of explosives, ordnance, napalm and tear gas, which rents four IBM computers.

Like corporations that do military work in other countries, these companies are diversified, producing civilian and military products. It is difficult to determine exactly how these computer installations are being used at any one time. Once the computers are in place, however, it is virtually impossible to control their application.

In addition to the sale and rental of these computers to South African arms-makers, we have just recently become aware that the Pretoria government has selected Control Data Corporation's South African subsidiary to work on a military communications project. In the spring of 1981, Control Data received a contract worth 200,000 Rand (approximately U.S. \$204,000) to work on a program Pretoria calls "Project Bowie". The exact nature of the work has not been made public. But it has been established that Project Bowie involves the Uitkijk Radio Center, located at Voortrekkerhoogte, South Africa's military headquarters situated near Pretoria. The Project is evidently the responsibility of the Second Signal Regiment. Control Data's involvement with Project Bowie raises serious questions about how seriously U.S. corporations take the embargo and how well the U.S. government is monitoring the corporations' compliance. We hope these revelations will lead to a full inquiry into Control Data's participation in this military venture.

Most of the high-tech transfers cited here thus far involve transactions that have occurred or are occurring. However, the scope of the problem is probably much larger. We have found additional evidence which shows that U.S. military-specification equipment is widely accessible on the open market in South Africa. For example, since the 1978 restrictions, we have found ads in specialized journals for military electronics components from U.S. companies. One ad listed "filters for use in aerospace, military and similar applications", made by Telonic/Berkeley, a California company. Another listed detectors for use in electronic warfare systems made by the U.S. company, TRW. Another electronics publication recently ran an ad for a precision measuring device from



Kistler Instrument, a division of Sunstrand Corporation. The device available in South Africa is used for measuring ballistic gas pressure on small arms, guns and detonation chambers. Products of this kind have clear and immediate applications in weapons systems, military communications and arms manufacture, but as long as they are exported to civilian South African purchasers, the U.S. government apparently refuses to interfere.

By rights, the embargo should cover products produced in the United States by local subsidiaries of foreign companies. However, in this area as well, measures to implement the government's export controls appear to be lax or non-existent. For example, the Dutch-owned Philips Corporation has at least five plants in the United States that manufacture military products, some of which are shipped to South Africa, according to the Dutch Anti-Apartheid Movement. In 1979, a South African electronics journal carried an ad for Philips Pyro-electric Vidicon, a thermal imaging device which is used in military night vision equipment. The Philips system was displayed at a military electronics exhibit in Europe the same year it came onto the South African market. It is manufactured at a Philips facility in Slatersville, Alabama. The Dutch organization also discovered that military-specification semiconductors made by the Philips U.S. subsidiary, Signetics, are also available to weapons-makers in South Africa. These exports will undoubtedly make a significant contribution to Pretoria's military potential. We believe they should be halted immediately.

#### U.S. Army Collaboration

In addition to corporate transfers of U.S. military-related products and technology, the U.S. Army has been involved in an ongoing joint research program with a state-owned laboratory in South Africa. The program, which began a few



years ago, has been continued under the Reagan Administration. We first became aware of the program when South Africa's National Physical Research Laboratory (NPRL) publicly acknowledged the cooperation of the U.S. Army Armament Research and Development Command (AARADCOM) in the Laboratory's most recent annual report. The NPRL is an arm of the CSIR, which, as we explained above, is a major military R&D facility. AARADCOM is located at Dover, New Jersey.

A research scientist at AARADCOM's Applied Physics Branch who works on the project confirmed that many of his experiments have been conducted in conjunction with researchers at the NPRL's High Pressure Physics Division, with whom he shares information regularly. He characterized the work as basic research on the behavior of certain metals when they are subjected to extreme pressure, and indicated that the goal of AARADCOM's work in this field was to develop a material that can be added to propellants to reduce the residue left in a firing chamber after a projectile is fired, a substance, as he explained in lay terms, that will cause a "self-cleaning out of gun tubes". The Army researcher maintained that his collaboration with the South Africans did not involve the actual application of his experiments, but it appears that results from the U.S. Army's work could easily be transferred to the development of ordnance in South Africa.

This collusion is not only objectionable on moral grounds because of its potential for South Africa's war machine: it also appears to be a serious breach of U.S. law.

#### Conclusion

Many of the cases cited here are being made public for the first time. We suspect that they represent only a small part of a much larger, more pervasive

problem. We ask the Members of the Subcommittees to urge the Department of State and the Department of Commerce to conduct a full investigation of the transfers cited here, many of which we believe involve serious violations of the embargo or its intent. We also believe there is a critical need to examine the exports by Philips' U.S. subsidiaries to South Africa, and the sales of products by Control Data, Digital Equipment Corporation and other U.S. corporations to ICL and Plessey and other foreign companies known to do business with the South African Police or military. We urge the Subcommittees to request that the Department of Defense put an immediate end to the collaboration between AARADCOM and South Africa, as well as any other joint projects with South Africa.

Is the U.S. arms embargo against South Africa working? From all appearances, it is at best an occasional and very mild irritant to the apartheid system. We hope the Members of the Subcommittees will agree with us that now is not the time to consider softening the arms embargo against South Africa. We believe the United States should move to end all forms of collaboration with South Africa which bolster the apartheid state, or contribute to its internal security apparatus or military potential.

The AFSC believes that economic pressure on South Africa to end apartheid must go far beyond the embargo. Based on the principle of rejecting profits from apartheid, the AFSC refuses to invest in firms with subsidiaries in South Africa and we encourage others to do likewise.

The AFSC supports the embargo, while recognizing that it does not go far enough. If the embargo is to have any integrity at all, Congress and the Administration must see to it that the existing regulations are adequately enforced.

and that the embargo is expanded in ways consistent with its purposes. Several steps would help accomplish these goals:

- o Items on the Commodity Control List (known as the "CoCom List") should not be exported to any end-users in South Africa. The CoCom List details many commodities with actual or potential military uses. Unfortunately, the United States has neglected to apply the criteria on the list to most exports destined for South Africa. We also believe the military utility of products proposed for export to South Africa could be evaluated by using the Defense Department's Qualified Products List and the "Mil-Spec" classification system.

- o Exports to any South African military or police agency, local, regional and central government agencies, government research organizations and government-owned corporations should be prohibited.

- o Exports to South African companies that supply the military, police or government should be prohibited.

- o Exports to other end-users in South Africa should be permitted only when the U.S. exporter and the South African end-user can guarantee that the commodity has no military or repressive applications, and that it will not be made available to any embargoed users.

- o The embargo should cover products produced in the United States by foreign-owned companies, as well as commodities sold by U.S. companies to foreign purchasers who re-sell them to South Africa.

- o At present, well over half of the computers sold in South Africa by U.S. corporations come from their manufacturing facilities outside the United States. The provisions of the existing embargo make it relatively easy to evade.

U.S. scrutiny by using foreign plants to ship from. We believe the embargo should cover the operations of foreign-based subsidiaries of U.S. corporations.

o The embargo must be adequately enforced. More resources must be devoted to scrutinizing proposed exports before they are licensed and to monitoring the compliance of U.S. exporters, their overseas subsidiaries and South African end-users.

To address the problem of high-tech exports to South Africa is to confront a confusing array of hardware, electronics systems and technical specifications, a world devoid of human spirit. However, we cannot allow the question of the arms embargo to stay at the level of mere technology. We must never lose sight of how our technology effects the lives and aspirations of the people of southern Africa: A simple off-the-shelf electronic component can help guide a deadly missile toward its human prey...An automated requisition and rail transport system based on U.S. computers can help insure the bondage of Namibia by keeping South African forces there equipped with weapons and ammunition...U.S.-made night vision equipment and computers can be used to track down Pretoria's political opponents and keep South Africa's blacks subjugated...

We believe the United States is morally obliged to oppose the wholesale victimization of South Africans by apartheid, and to press for democratic rule. Therefore, we urge that U.S. export policy be realigned so it will be consistent with these goals.

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