

X1328RE  
REFER TO CIA

POSITIVE ACTIONS WITH OR WITHOUT ALLIES

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(S)

~~SECRET~~

Proposed Action: Expand US AID programs

Impact on South Africa: Would beef up existing programs and increase US ties to affected individuals but, in our view, would be unlikely to win many points for the United States among blacks in general. Growing anti-American sentiment among South African blacks reflects the perception that the United States supports Pretoria's "neo-apartheid" policies that change the image but not the reality of racial oppression. Increased US assistance to blacks under the current system reinforces the radical view that the US government is tacitly aiding SAG efforts to coopt blacks. Moreover, a rapid infusion of US aid targeted at blacks could overwhelm the already extended managerial capacity of any black business and community groups. Pretoria's recent crackdown on antigovernment activity also raises problems for possible US ventures since many community groups are affiliated with the United Democratic Front, whose local level leaders have been a specific target for detentions. Finally, the SAG's toleration of specific programs targetted at blacks already has been strained; increasing them will be viewed as more "foreign meddling" in internal affairs and could well be rejected by Pretoria, especially if these measures are announced in conjunction with an economic sanctions package. [REDACTED]

Impact on Region: None, unless aid programs of neighboring countries are reduced to accommodate increased funding for South Africa. [REDACTED]

Impact on the United States and Its Allies: In addition to normal budget problems, increased US or Allied assistance targetted at blacks under the current system always risks the perception, both domestically and internationally, that efforts to help blacks, without ending apartheid, amounts to little more than helping blacks adjust to continued white rule. [REDACTED]

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Proposed Action: Increase aid to rebuild townships damaged in antiapartheid unrest, particularly in the areas of housing, education, health, and business development

Impact on South Africa. Unrest-related destruction in the townships stems largely from attacks by radicals which probably would continue despite US efforts to rebuild schools and other government buildings. Rapid urban growth is straining the already inadequate health, housing, and educational facilities and probably can be alleviated only by longterm development programs, themselves possible only if unrest subsides, which is unlikely. US assistance in such areas as housing undoubtedly would be seen by many blacks as American collaboration with Pretoria to make apartheid more acceptable. Pretoria, increasingly about "outside meddling," is unlikely to permit any crash program that is not carefully meshed into its own program for blacks--which obviously undercuts the potential impact on South African blacks. [REDACTED]

Impact on Region: Probably some resentment from neighboring states where living conditions often fall short of those for urban blacks in South Africa. [REDACTED]

Impact on the US and Allies: Would require dramatic increases in funding to achieve even marginal results in the short-term. A coordinated effort by the US and its Allies, however, would likely allow greater funding and possibly defuse opposition from past critics of US projects. [REDACTED]

Proposed Action: Marshall-type Plan for Southern Africa

Impact on South Africa: Strong demonstrations of Western support for neighboring black-ruled states would have significant psychological impacts on Pretoria, which also counts on its neighbors' dependency on South Africa to stave off sanctions. In the short term, however, significant progress toward reducing dependence on South Africa is unlikely. Moreover, any improvement in neighboring economies probably would raise their demand for South African imports. We estimate that South Africa earns about \$1.2 billion from all of its regional economic ties. [REDACTED]

Impact on Region: Depends on nature and extent of assistance. Major infrastructural projects, such as upgrades of rail lines or port facilities, could take years to have any significant impact and could be derailed by regional turmoil. The Southern African Development Coordination Conference--formed in 1980 by nine southern and eastern African nations with the goal of reducing economic dependence on South Africa--has received donor contributions or commitments exceeding \$1 billion, but is further than ever from achieving its goals, in our view. Poor economic policy choices, drought, and low world prices for the region's major commodity exports have combined to boost economic dependence on South Africa, Western donors, and policy advice from organizations such as the IMF. [REDACTED]

Impact on US and Allies: An effective Marshall-type plan would involve a massive multi-year effort. For example, in the extreme case of a South African blockade against its neighbors, balance of payments assistance to compensate for the loss of all exports currently funneled through South African ports would total nearly \$2 billion per year.