
Interview: Sir Leslie Smith

A 'Marshall Plan' for South Africa

On July 31, EIR interviewed Britain's Sir Leslie Smith, chairman of the British Industry Committee on South Africa (BICSA), a group of 40-50 of Britain's major industrial companies, formed earlier this year. Sir Leslie is cited, in a just-issued House of Commons Foreign Affairs Committee report on South Africa, as one among several advocates of a "Marshall Plan" approach toward resolving the South Africa crisis, via economic-development aid for upgrading the skill and education levels of the black and colored populations of South Africa, and by upgrading South Africa's infrastructure. Sir Leslie is a director of Britain's Cadbury Schweppes and BOC International, Ltd. companies, both of which are economically involved in South Africa. The interview was conducted by EIR's correspondent Mark Burdman, from EIR offices in Wiesbaden, West Germany.

EIR: We understand from people in the House of Commons Foreign Affairs Committee that you are among certain advocates of a "Marshall Plan" development program for South Africa, as a "positive measure" to deal with the crisis there. Your proposal comes in the midst of a very loud and well-organized program for sanctions against South Africa. Can you give us some indication about what this "Marshall Plan" conception is?

Smith: I must agree, the push for sanctions has become quite extraordinary. Logic is being thrown out the window. This is what appealed to me most about the Marshall Plan idea for South Africa. It is a *positive* approach to the problem; the sanctions approach is negative. I do like the idea of something like a Marshall Plan for South Africa, if it is directed to the black and colored population. I don't know how the Pretoria government would react, but I have no reason to suppose the Pretoria government would oppose a Marshall Plan.

I foresee one great danger, though, and it is this. Unless the Marshall Plan approach is very, very carefully constructed, with the total participation of the important black leaders, it would be regarded as "blood money," and would fail.

EIR: When you refer to black leaders having to participate in this, what do you mean?

Smith: It would have to be some of the people from the African National Congress. It would certainly have to include Chief Buthelezi, who is a moderate, and who has advocated ideas along these lines. For this to work, I would also want to engage the attention of Jan Steyn, the head of the Urban Foundation of South Africa. If people of that caliber could be involved, from the start, that should take care of the risk I've identified.

EIR: What is some of the thinking about how this Marshall Plan could work?

Smith: Simply this. The three countries with the most to lose in the South Africa situation, are Britain, the United States, and West Germany. In the event that it were felt necessary to apply sanctions, as stupid as that may be, the loss to these countries would be substantial. For one, prices would go up. We should set a rough estimate of what these countries would lose. One estimate that has been made, is that it would amount to between £500 and £1,000 million. So, that amount should be put at risk, for a Marshall Plan.

EIR: To accompany sanctions, or as an alternative?

Smith: As an alternative.

EIR: Would you be thinking of development programs for South Africa internally, in this Marshall Plan, or regional development programs for the southern Africa region more broadly?

Smith: As a matter of fact, if we applied this program solely to South Africa, the effects of it would spread, automatically, to the front-line states. South Africa is the economic growth engine for the entire region. Were we to bring this program of a Marshall Plan to South Africa, it would spill over automatically to the front-line states.

EIR: How did the name "Marshall Plan" come into being?

Smith: It is a name being given as shorthand for a "positive measures" approach to the South Africa situation. It occurred first, in a leading article in the *Times* of London recently. It is shorthand, but we all remember the Marshall Plan that the United States brought to Europe after World War II. It is along those lines that we are thinking.

EIR: You mean, comprehensive economic reconstruction?

Smith: Yes. There's a much more serious purpose, given that there is such a low standard of living among the black population. The biggest pressure available to bring to bear on the Afrikaners, to end apartheid, is to encourage the growth of the black middle class. There does exist now a black middle class, which is small, but it is growing. The emergence of a black middle class, with the usual entrepreneurial element involved in that, has to be a factor of pressure

on the system of apartheid.

EIR: You would think of Chief Buthelezi as expressing this kind of outlook, in his policy approach?

Smith: Certainly.

EIR: Before, you mentioned the necessity of bringing the ANC leadership, or some of it, into discussions on the Marshall Plan. Is this an idea of attempting to separate elements considered to be more moderate, from elements that are identified as terrorists, or pro-communist, or what?

Smith: You get a different opinion from everybody who talks to the ANC. In fact, they're a mixture, of what is called "moderate" and "communist." For me, however, communism has never taken hold, and can't, in South Africa, because of the strong tribal loyalties.

The point I was trying to emphasize, is the importance of including black leaders, so that the Marshall Plan won't be labeled "blood money" to make up for past exploitation, and so on.

EIR: Getting back, for a moment, to the question of sanctions, what seems clear, now, is that the effort has shifted, among those in Britain and elsewhere, who want sanctions, to force President Reagan to collapse on this issue, to create, in a sense, an American flank against Thatcher, thereby isolate her, and force her to cave in. What is your estimation of this?

Smith: She is a tough lady, and she'll weather the isolation. This tidal wave demanding sanctions is largely emotional, coupled with a fair degree of hypocrisy. I think Mrs. Thatcher is right, to try to preserve a sensible view in this crisis. President Reagan was doing the same, from what I can see, with his recent speech, even though it appears that the pressure on him in the United States is even greater than on Mrs. Thatcher here.

What surprises me, though, at least in Great Britain, is how little the real public interest has been involved in this crisis. Members of Parliament report that they are getting few letters sent to them on this issue. In Britain, this is becoming a political football, with the Labour Party attacking Thatcher, although when they were in power, they never had any intention of applying sanctions.

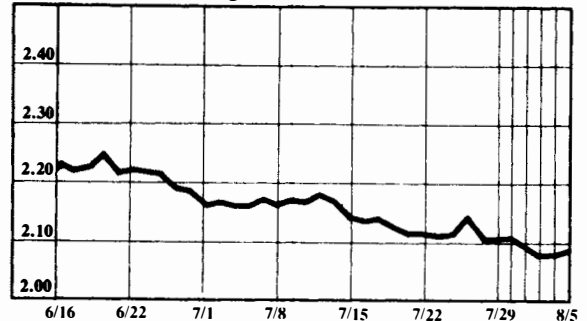
EIR: Of course, this South Africa issue is central to the brawl between 10 Downing Street and Buckingham Palace, that has erupted recently. . . .

Smith: I think this monarchy thing is being totally blown up out of all proportion. I've spoken to some very informed people, and they believe that this is purely a media invention. I saw Mr. Kinnock [Neil Kinnock, the head of the Labour Party] on television last night, and he was very forthright in demanding that any view that the Queen might or might not have, would not influence his policy. He was giving great support to the Queen.

Currency Rates

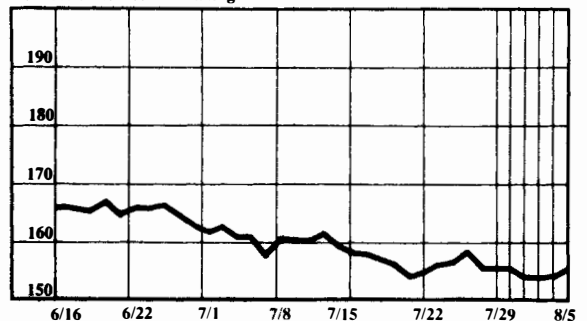
The dollar in deutschemarks

New York late afternoon fixing



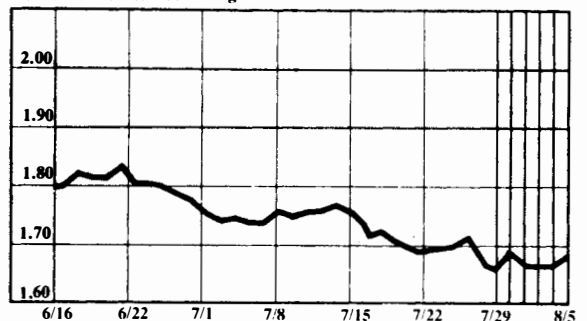
The dollar in yen

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The dollar in Swiss francs

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The British pound in dollars

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