

# **PW BOTHA'S RUBICON SPEECH OF 15 AUGUST 1985: A RIVER TOO WIDE AND A BRIDGE TOO FAR**

by

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When the king of Egypt was told that the people had fled, Pharaoh and his officials changed their minds and said: "What have we done? We have let the Israelites go and have lost their services!" So he had his chariots made ready and took his army with him.

Exodus 14:5,6

Then Moses stretched out his hand over the sea...The waters were divided, and the Israelites went through the sea on dry ground...

Exodus 14: 21,22

Ramases was trapped - politically trapped between the dangerous impracticality of the present situation and the dangerous uncertainty of the future. The Pharaoh was a man steeped so deep in a political culture that the thought of taking inherent risks unleashed a struggle within himself. Although he was the one who had met with the leader of the oppressed masses, thereby for the first time acknowledging their significance and allowing them an unprecedented distance of freedom, he at the last moment desperately tried to stop them from obtaining the total liberty they had demanded.

Even though his country was beset by growing disasters brought about by his stubborn refusal to fundamentally break with the past, in the end he still refused to budge. It may be that Ramases did not want to seem weak in the eyes of his people, his government or his political forefathers who had brought about the socio-economic status quo which he was now forced to conclude. Whatever the reason, although he assured them that he would grant them their liberty, at the last moment he simply could not follow through on his assurances and give the masses what they had demanded. This ancient political scenario has repeated itself countless times throughout milleniums, on every continent and in almost every country.

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In August 1985 the President of South Africa's minority government, PW Botha, a man whose country was besieged by growing calamities, faced much the same scenario. He struggled between the grip of the past, the present situation and the demands of the masses about the future. On 15 August 1985 Botha had the opportunity to cast himself into the role of either a Ramases, the stubborn Pharaoh, or a Moses, a political pioneer who could part the ideological waves and lead his people towards a new political dispensation. Amidst much speculation at home and abroad, nobody knew for certain which way PW Botha would decide to go. Therein lay the drama of the event which in South African history would become known as the Rubicon Speech. Although possibly sounding melodramatic, it would not be too far-fetched to reason that in apartheid's political/diplomatic and economic histories the Rubicon Speech is a clear and undeniable watershed. That does not imply that the Rubicon affair was the ultimate catalyst for all the political-cum-economic developments in the latter half of the 1980s. But an unmistakable distinction can be made between the period *before Rubicon* and *after Rubicon*.

### **SOUTH AFRICA IN 1985 AND THE INTERNATIONAL COMMUNITY**

During 1984 violent political conflict and socio-economic upheavals erupted in South Africa in response to the Botha government's reform initiatives. The turmoil increasingly drew the attention of the international community. In spite of the government's attempts at squashing it, the violent political conflict continued into 1985. In the middle of the year the government decided to clamp down more intensely in order to try and bring the disorder under control. Consequently they declared a State of Emergency on July 21<sup>st</sup> 1985.

During the first few days of the State of Emergency the world was shocked at the images that reached them from South Africa. It seemed to them as if Botha's special security measures were sowing the seeds of cataclysm. The internationally popular news magazine *Newsweek* covered the first week of the emergency under the heading "South Africa's state of siege - police impose a tense calm over black townships, but the iron fist will not prevent more violence", accompanied by graphic photos of black-on-black violence, white security men armed to the teeth patrolling dusty townships and huge emotional mass funerals. The *Newsweek* team dramatically informed their millions of readers worldwide: "Once again, the crackdown demonstrated that in the battle for power in South Africa, the whites have the force of arms and formidable system of repression on their side. But the recent unrest has also shown that blacks are growing increasingly impatient...many will not flinch at armed struggle to win their freedom." The world was both

outraged and speechless by what looked to them like violent chaos in the apartheid state.

Together with the graphic media coverage of the political violence as well as doomsday statements made by such prolific anti-apartheid leaders as Bishop Tutu and Reverend Allan Boesak, Europeans believed that South Africa was on its last breath - a full-scale racial civil war was surely just a violent jump away. In Germany the public interpreted Pretoria's introduction of emergency powers as "the last attempt by a political doomed and morally bankrupt regime to stave off the retribution that awaited it", reported Rudolf Gruber from Bonn.<sup>2</sup>

"It is difficult to imagine South Africa ever accorded more public prominence than is being accorded her this year in the US," John Montgomery reported from Washington. "The tragedy and violence of thousands of miles away permeates every living room, and in a real way the camouflage gear of riot squads...and the uniforms of truncheon-wielding members of the South African Police have become the entrees on the offended menu of international injustice, catering to voracious palate. Campus activists have not been so well fed since Vietnam..."<sup>3</sup> The Reagan White House delivered its strongest criticism of apartheid up till that time. A spokesperson for the president called the system "repugnant" and largely blamed Pretoria's political set-up for having stoked the turmoil. Initially, the White House abstained from condemning Botha's special measures, but the general feeling among the American public about what they saw, read and heard happening in South Africa as well as the heightened anti-apartheid furor that swept over the United States, compelled Reagan to speak out. And so, finally, the White House publicly stated that PW Botha should lift the Emergency forthwith.<sup>4</sup>

The European Economic Community condemned the State of Emergency outright and demanded that Botha release all South Africa's political prisoners. France's government recalled their ambassador, suspending any new French investments in the apartheid-state, while their representatives in the United Nations' Security Council tabled a resolution denouncing apartheid. The Security Council debated for two days and called for voluntary sanctions against Pretoria.<sup>5</sup>

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<sup>1</sup> M Whitaker & P Youngusband et al, "South Africa: under siege", *Newsweek*, Vol. CVI, No 6, 5 August 1985 pp. 8-9.

<sup>2</sup> R Gruber, "Foreign reports - Bonn", *South Africa International Quarterly*, October 1985, Vol. 16, No. 2, pp. 110-2.

<sup>3</sup> J Montgomery, "Foreign reports - Washington", *South Africa International Quarterly*, October 1985, Vol. 16, No. 2, p. 117.

<sup>4</sup> Whitaker & Youngusband. *Newsweek*, 5 August 1985, pp. 8-9.

<sup>5</sup> *Ibid.*

The international banking community also responded to the South African situation. The most dramatic blow came from the Chase Manhattan Bank in New York. As far as the bank was concerned Pretoria was not worth the hassle. It did not matter how trustworthy their longterm clients were, the fact of the matter was that as far as the New York banking giant was concerned, Pretoria's disreputable international position had become an albatross around its neck. And that albatross was bigger than the bank's South African profits.

On July 31<sup>st</sup> 1985 Willard Butcher, chairperson of Chase Manhattan, and his chief executive, Thomas Lebreque, decided in New York that the bank was no longer going to roll over South African loans. It was going to recall credits as they came due - it was payback time on a financially genocidal scale. The South Africans would be forced to pay back a few hundred million dollars over the next year or so and the clincher was that most of South Africa's American loans were short-term. In practice this meant that South Africa would have to pay back 85% of all American loans at once. For a country to repay all its short-term debts at once, was almost impossible.

It seems that in the case of the American banks, politics outweighed profits. Anthony Sampson wrote: "It was not the simple calculations of profit or loss, risk and reward, which had finally warned off the banks. It was the careful intervention of churches, foundations and shareholders' pressure groups which insisted, not that apartheid was unprofitable, but that it was morally intolerable. It may well have been in the banks' long-term commercial interest to withdraw: but it was the hassle, more than the numbers, which forced their decisions." As soon as Chase had made its demands, the rand started to stumble downwards.<sup>6</sup>

"Chase Manhattan's decision was widely and correctly seen as an ultimate expression of no-confidence in the South African economy," wrote the economist, Henry Kenney. When Chase ditched Pretoria, other overseas banks fell over each other in a slapdash stampede of withdrawals. In one single month alone, August 1985, foreign banks extracted \$400 million out of the country.<sup>7</sup> The Security Pacific Bank copied Chase, and other banks such as Bankers Trust, Manufacturers Hanover and Bank of America started shifting in their chairs and announced a planned "phased reduction" of their South African ventures; another large bank in the US with South African accounts summarily cut Pretoria's credit-rating down from B to D, not stopping at C, and E being the bottom of the barrel. The Japanese took over some of South Africa's short-term loans, but the fact that the Americans jumped ship led to

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<sup>6</sup> A Smpson, *Black & gold - tycoons revolutionaries and apartheid* (London, 1987), pp. 38-42.

<sup>7</sup> H Kenney, *Power, pride & prejudice: The years of Nationalist rule in South Africa* (Goodwood, 1991), p. 355.

an insurmountable, devastating loss of confidence in the country.<sup>8</sup> Chase Manhattan formally announced its decision in August, after Botha had given his speech in Durban.

## RUBICON RUMBLES

During August 1985 rumours were spreading in South Africa about supposed far-reaching and sensational changes to be announced by the State President at the Natal Congress of the National Party. It seemed as if it would be the conclusion of a process initiated by the government some years before.

In 1983 PW Botha erected a Special Cabinet Committee after it had become increasingly clear that apartheid had driven the white minority into a corner and that in the not too distant future Pretoria would have to accommodate the political aspirations of the black population either within the homeland set-up or within the context of the white areas. This committee became the center of the government's assessing of possible future constitutional developments. During this period, the committee realised that South Africa, and, in particular the white minority, had reached a fork in the political road because separate development had proved itself to be impractical and an unattainable political dream. Dramatic changes would have to be brought about.<sup>9</sup>

During the opening of parliament in 1985, State President Botha announced that the Nationalists had finally come to accept the permanency of the black population in white cities. Pretoria would also not force the remaining homelands to accept independence. These pronouncements had implications which would extend deep into the very heart of Verwoerdian grand apartheid. It was fair and well to make acknowledgements, but the question was what the Nationalists were going to do about it.<sup>10</sup> That constitutional brainstorming Special Cabinet Committee was supposed to find a way out of this dilemma and in August 1985 the Cabinet organised a special planning meeting to discuss and assess the committee's newest proposals. The Cabinet decided that the President should announce some of these accepted new constitutional approaches. In essence this was a reconfirmation of what Botha had told parliament and would indicate how the Nationalists had decided to interpret its implication, in other words how to turn intentions into reality.

The State President was apparently taken to such an extent with these proposals that he wrote identical letters to German Chancellor Kohl and Prime Minister

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<sup>8</sup> Simpson, pp. 38-42.

<sup>9</sup> FW de Klerk, *Die laaste trek - 'n nuwe begin* (Kaapstad, 1998), p. 117-9.

<sup>10</sup> *Ibid.*

Thatcher and conveyed a message to Pres. Reagan, informing them that the Special Cabinet Committee had made breakthrough proposals to him. He also tipped them off that something phenomenal was about to happen. "I am at present giving serious consideration to these proposals and intend to make an announcement on my Government's decision in the very near future. I must stress that my Government's decision will be taken on the basis of what we consider to be in the best interests of South Africa and Southern Africa."<sup>11</sup>

Not only did Botha write those letters to the American and British leaders, but he also instructed his Minister of Foreign Affairs, Pik Botha, to make sure that the country's allies knew what was coming. The Minister of Foreign Affairs was over-enthusiastic. On the State President's orders Pik Botha summoned western diplomats to an urgent meeting in Vienna on 9 and 10 August 1985. During a five hour briefing session Pik Botha discussed the Special Cabinet Committee's proposals and the type of changes the President was going to announce. Reagan had, among others, sent his Security Adviser, Robert McFarlane, to meet with the South African Foreign Affairs Minister, while Thatcher sent one of her top senior diplomats, Ewen Fergusson; officials from West Germany were also present. Apparently Pik Botha's briefing session was a bit vague and reaction to it varied. One sceptical American official said: "From bitter experience we know that South African officials will talk about their plans, then return home and back away at the last moment because of second thoughts or fear."<sup>12</sup>

The South African and international media quickly got buzzing with the news of PW's bold leap forward, and as the Afrikaans saying goes, "tussen die hand en die mond val die pap op die grond", because somewhere between Pik Botha's briefing of foreign diplomats and leaks to the media, embellishments were created. A wave of speculation, followed by conjecture, followed by guesses and assumptions, spread like wildfire. What was Botha going to say? This was to be his moment of total leadership...

Ever since State President Botha announced the State of Emergency, some more inquiring minds looked at the tense situation and started to ponder whether - possibly - the government's heavy-handed security approach to the country's problems were not part of a grander political master plan. Actually, if indeed this was the case, Pretoria was smarter than most thought: remind everyone exactly how powerful the white minority still was through a massive display of force and then usher in a new dispensation. A decisively hard jab with the stick, before revealing a phenomenal

<sup>11</sup> D Prinsloo, *Stem uit die wildernis* (Mosselbaai, 1997), p. 309.

<sup>12</sup> *Ibid.*, p.346; MG Warner, R Watson, MM Kondracke and P Younghusband, "Can South Africa save itself?", *Newsweek*, Vol. CVI, Nr. 8., 19 August 1985, pp. 6-12.

carrot. "The longer it is delayed, the weaker government's hand," **Finance Week's** Alan Greenblo wrote in July 1985. "That is why the present emergency creates a watershed. Does SA have a government which, having lost control over parts of the country, is in panic? Or is the proclaimed emergency...a respite opportunity for government to spell out and direct the exit from the impasse?" The reporter argued that Pretoria's reformist babble and pledges had led to dangerously high expectations among the black population. "If the State President has a strategy and a time scale, he alone can offer hope or despair by spelling it out. If not, SA can settle in for a protracted state of emergency and be tainted by the most undesirable characteristics of banana republics which are ruled by military junta."<sup>13</sup>

If the Nationalists were just smart and courageous enough Pretoria could really turn things around. If PW had the courage, the world would give him the glory. There was the possibility that with one surprise swoop PW Botha was going to pull the carpet from under the ANC and call the world's bluff. While making the world's head spin, the Nationalists could also catch the ANC with their pants down. Shortly before the speech the ANC leader, Oliver Tambo, hastily flew to Zambia to watch the speech live. Tambo was much unnerved by what Botha was possibly going to announce, because he knew very well that if Pretoria would suddenly throw open the gates to negotiations his movement was in no way geared or ready for such a new political climate.<sup>14</sup> If the government moved fast, far and hard enough - backed by America and Britain - the Nationalists could perhaps rock the liberation movement's boat so hard the ANC just might capsize. Whatever the reason, the fact was that this seemed like a political blitzkrieg of quantum proportions.

A week before the speech was to be delivered, **Newsweek** reported: "White South Africa remains awesomely powerful, and some segments of Afrikaner society are as stubborn as ever. But now some cracks are beginning to show... The reforms that Botha is expected to announce this week may represent the best, if not the last, chance for eventual harmony among the races of South Africa."<sup>15</sup>

Just a few days before the speech the popular newsmagazine **Time** stated: "As the week ended, the country was alive with speculation that the white minority government of State President PW Botha was on the verge of making concessions that might, for the first time, affect the essential framework of apartheid. The entire country, and many other governments as well, was caught up in the rumours that Botha may announce a package of unprecedented reforms when he addresses the Natal Provincial Congress of his ruling National Party. Rumours were circulating

<sup>13</sup> A Greenblo, "Reform emergency", **Finance Week**, July 25-31, 1985, Vol. 26, No. 4, pp. 221-3.

<sup>14</sup> H Ebrahim, *Soul of a nation*, p. 269.

<sup>15</sup> Warner et al, p. 12.

throughout South Africa that the Botha government was ready at last to consider constitutional changes concerning the political status of blacks. Now the Botha government is saying that all this may be negotiable and that the country should be prepared for the 'most important' announcement since Dutch settlers arrived at the Cape 300 years ago." In London, *The Times* quoted minister Gerrit Viljoen as having said that the country should brace itself for "radical changes". Even the generally conservative Afrikaans press got carried away in the frenzied speculation. "'Gesamentlike besluitneming' en 'medeverantwoordelikheid' sal die sleutelwoorde wees in die toespraak wat die Staatspresident...Donderdagaand in Durban gaan hou", reported *Die Vaderland*. "Alle aanduidings is dat mnr. Botha se toespraak 'n bevestiging sal wees van vroeëre regeringsuitsprake asook 'n klimaatskepping vir verdere onderhandeling met Swart leiers..."<sup>16</sup>

The crux of the immense commotion surrounding the anticipated speech centered around the Special Cabinet Committee's supposed groundbreaking proposals. Their proposals were:

- The six remaining homelands would not be forced to accept independence.
- The black population in the homelands and so-called white areas would be officially regarded as South African citizens.
- Constitutional accommodation for black South Africans would have to be worked out. This included giving them a say on all government levels where matters relevant to them were discussed, possibly including the President's Council.
- In order to succeed in the latter, the Nationalists were prepared to embark on negotiations with black leaders – albeit not necessarily the ANC – to work out how and when to constitutionally accommodate them.<sup>17</sup>

To put these into the form of a speech, Botha instructed the committee members to formulate drafts for him. The different members worked with zeal. The imposing Minister of Constitutional Development, Chris Heunis, and his team worked around the clock for two whole days polishing various draft options; Heunis and FW de Klerk, with other committee members, also worked on a different option entitled **Program of Principles of the NP**. The minister in charge of the economy, Barend du Plessis, assembled his own draft. Pik Botha offered the Foreign Ministry's version, which was called **The State President's Durban Manifesto**, and had been written by one of his senior officials, Carl von Hirschberg.<sup>18</sup>

<sup>16</sup> Prinsloo, p. 347; JH Coetzee, "Die Durbanse toespraak", *Oënskou*, Vol. 3, No. 8, September 1985, p. 294.

<sup>17</sup> De Klerk, p. 120.

<sup>18</sup> Prinsloo, p. 342.



The original draft by Chris Heunis and Justice Minister Kobie Coetsee cautiously implied between the lines that the government accepted that without negotiating with the ANC there could be no lasting political compromise in South Africa. But when PW Botha learnt that Pik Botha had contracted the famed advertising company Saatchi & Saatchi to market the Heunis-Coetsee speech internationally, his temper erupted. The furious President denied that he had accepted that particular draft, and he reportedly rejected Heunis' speech by literally tearing it into pieces.<sup>19</sup> And then some three days before the planned speech PW Botha got a visitor - from no other place than America.

Congressman Stephen Solarz was an ardent anti-apartheid campaigner in Washington. His meeting with the State President quickly turned sour. Solarz was told by Pik Botha that the President was more or less going to announce the end of apartheid within the next three days. Solarz repeated to PW Botha what his Foreign Affairs Minister had told him and asked Botha about the grand changes he - according to Pik Botha - was supposedly going to announce only some three days after their meeting, about South Africa becoming a unitary state. The State President was affronted. "No, no he could not have said it because that is not so. He could not have said it... He could not have said it, and I will not accept that he did." Solarz said that he was told differently by Pik Botha. "No, he is a friend of mine," said a somewhat astonished Pres. Botha, "He would not have said it." A baffled Solarz said that he must have misunderstood the Foreign Minister.<sup>20</sup>

In the meantime, the speculation about what the President was actually going to announce on August 15<sup>th</sup> increased. Finally Botha had enough. The annoyed President summoned his Cabinet and handed his men copies of a speech he had written himself and demanded that that "was what I'm prepared to say, who's agreeing with me, who not." "I read my speech, which I wrote myself," Botha recalled later, "to the cabinet - and all of them agreed with what I was going to say."<sup>21</sup> The carefully penned diplomatic drafts were something of the past - but there was no way of stopping the media furor and the grand expectations of the public at large.

Finally, on August 15<sup>th</sup> 1985, the large Durban city hall was jammed to the brim, packed to absolute capacity; more than a thousand Nationalists, interested commentators and curious people were stacked like sardines. Across the Republic millions sat and waited in front of their radios and TVs in tense anticipation. Back in the city hall a special media area was set up by the government for the large press and

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<sup>19</sup> P Waldmeir, *Anatomy of a miracle: the end of apartheid and the birth of the new South Africa* (London, 1997), p. 55.

<sup>20</sup> Prinsloo, p. 344, PW Botha private collection at INCH: PV203: PS12/50/1/ 1985, August.

<sup>21</sup> Waldmeir, p. 55.

media contingent. Apart from the many local journalists, news teams from some 33 countries were also present to cover this momentous occasion. South Africa's greatest political one-man show was going to be broadcast, live, to some 300 000 000 people across the world. So great was the build-up that apparently Pres. Ronald Reagan watched the broadcast live in the White House and in England Prime Minister Thatcher was also glued to her television screen. PW literally had the eye and the ear of the world.<sup>22</sup>

It was a long speech and the President, in an aggressive tone with a jabbing forefinger and scolding glares, covered many topics. He said that his government would not force independence onto the homelands and if they so choose they could stay part of the Republic. This was profound, but he then quickly added that he totally rejected the principle of one-man-one-vote. "I am not prepared to lead White South Africans and other minority groups on a road to abdication and suicide." He said that his government's "readiness to negotiate should not be mistaken for weakness". The President then said that during the past few months he had "applied much self-discipline" and that he had tried to be "lenient and patient" but, taking a dramatic pause to leer at his audience, said - "Don't push us too far..."

He rejected the principle of one-man-one-vote and said that working out a solution for the country's problems would take a long time and no one should pressure his government in this regard. State President Botha - literally - looked the west in the eye: "We have never given in to outside demands and we are not going to do so now. South Africa's problems will be solved by South Africans and not by foreigners." Botha said that there should be no mistake, Pretoria would do what it thought best and "we will not be forced into doing what we don't want to do".

In conclusion the State President said that the "principles" he announced there could have "far-reaching effects on us all". **"I believe we are today crossing the Rubicon. There can be no turning back. We now have a manifesto for the future of our country..."**, said Botha at the end of his 18-page typed speech.<sup>23</sup>

## **REACTION TO RUBICON AND BEYOND**

"Die miljoene internasionale kykers was heeltemal verbysterd... Pleks van hulle toe te spreek in terme en op 'n manier wat hulle kon verstaan, het president Botha sy toespraak gemik op die onmiddellike gehoor bestaande uit Nasionale Party-

<sup>22</sup> P Joyce, *The rise and fall of apartheid: The chronicle of a divided society as told through South Africa's newspapers* (Kaapstad, 1990), p.124; .Younghusband et al, "Botha goes slow", *Newsweek*, Vol. CVI, No.9, 26 August 1985, p. 7.

<sup>23</sup> PW Botha: private collection at INCH: rubicon speech.

ondersteuners in die Durbanse stadsaal. Hy het in terme gepraat waarmee hulle vertrouwd was, in die idioom van tradisionele Suid-Afrikaanse politieke vergaderings," recounted FW de Klerk most candidly. "Die gevolg was 'n wesentlike ineenstorting van internasionale vertroue in die Suid-Afrikaanse regering se vermoë om die toenemende krisis van oral af te hanteer...Enige vertroue wat hulle dalk voorheen gehad het in president Botha se vermoë om die krisis te hanteer, het oornag verdwyn."<sup>24</sup>

"They've jerked him around," snarled one White House official about the way Botha's speech had humiliated Pres. Reagan. "Those Afrikaners are a conniving bunch of bastards, and they've taken advantage of his general good feelings for that country."<sup>25</sup> PW received a letter from No. 10. "It seems to me," the Iron Lady wrote, "that you will need an eye to the international repercussions of the timing and presentation of your decisions. What was eventually said in your speech in August did not match the expectations which had been created nor indeed the reality of the decisions which you were then considering. I should like to see you present the sort of proposals you mentioned to me as a major initiative by the South African Government, at the...appropriate moment." "I am firmly convinced," Chancellor Helmut Kohl wrote from Germany, "that the complete elimination of apartheid has to be the nucleus of any political and social system in South Africa if that system is to ensure peaceful inter-community relations".<sup>26</sup>

Ten days after the Rubicon Speech the President of the United Nations' Security Council released a statement: "The members of the [Security] Council condemn the Pretoria regime for its continued failure to heed the repeated appeals made by the international community...in particular the demand...for the immediate lifting of the state of emergency" and the Security Council expressed their "grave concern at the latest pronouncement of the President of the Pretoria regime".<sup>27</sup>

Botha's Rubicon speech had markedly changed the political climate. Indeed the moment when the State President's multimillion audience in South Africa and across the world got their breath back they made their mortification clear.

The **Financial Mail's** assessment of the speech was nothing less than an angry, scathing condemnation of the Nationalist State President and his government. Entitled "Leave now" the prominent South African economic magazine's editorial covering the speech started by stating: "We are all under the admonitory finger of

<sup>24</sup> De Klerk, p. 122.

<sup>25</sup> Watson et al, "What can be done", *Newsweek*, 16 September 1985, p. 12.

<sup>26</sup> Prinsloo, p. 310.

<sup>27</sup> Anon, *The United Nations and apartheid 1948-1994*, Vol.1, New York, 1994, p. 393.

President PW Botha, people and markets alike. It's like watching a bad magician at work - the kind who embarrasses even the children at birthday parties." The magazine said that the Rubicon debacle had made it abundantly clear that PW Botha had gone as far as he could in leading South Africa into transformation and as such "pay the appropriate penalty... The man is hopelessly out of his depth and should, forthwith, go into well-earned retirement."<sup>28</sup>

Another popular South African financial magazine, **Finance Week**, also gave a blunt assessment of PW's Durban address. "There is a frightening sense of unreality permeating the present SA political debate," Allan Greenblo wrote and sharply added that when Botha referred to unrealistic expectations in the reform process he was absolutely right, only "it is his expectations which are unrealistic". He argued that Botha should realise that "(s)tability won't come through platitudes and reform won't come cheap".<sup>29</sup>

The speech insulted and humiliated diplomats across the West who trusted Pretoria when it promised a giant political leap forward. South Africans were literally going to pay for their State President's tantrum-like performance. Years later Dr De Kock, Governor of the Reserve Bank, estimated that the Rubicon speech had cost the country about R1 million - per word.<sup>30</sup>

The South African business community realised this all too well and as such was understandably livid over the Rubicon affair. The Chambers of Commerce, together with the Federated Chambers of Industries, in conjunction with the National African Federated Chamber of Commerce, in combination with the Urban Foundation, released a joint statement: "Our survival depends on making the necessary structural changes to uphold the political, social and economic values pursued by our major trading partners which represent, in essence, the great democracies of the world." Accordingly, the statement explained, this was of cardinal importance because "(s)hould we fail to do so, the investors and traders will increasingly shy away from South Africa without any formal laws forcing them to do so".

Henri de Villiers, head of the banking giant Stanbic, said that it was "imperative that there should be a rapid shift in the alignment of political interests, and I support the call for serious negotiations between partners of equal status..." Pierre Steyn, the managing director of the Afrikaner-dominated insurance giant SANLAM, said that "political stability" was now the most crucial political endeavour and "to

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<sup>28</sup> Anon, "PW Botha - Leave now", *Financial Mail*, 6 September 1985, Vol. 97, No.10, pp. 36,38.

<sup>29</sup> A Greenblo, "Now or never", *Finance Week*, Vol. 26, No.8, 22-28 August 1985, p.507.

<sup>30</sup> De Klerk, p. 123.

achieve this, provision will have to be made for blacks to be part of the decision-making process", as well as intricate changes to the influx control system.<sup>31</sup>

Gavin Relly, Harry Oppenheimer's top man at the powerful Anglo American Corporation, said that the most important thing for Botha to do was to immediately enter into "genuine negotiations" in order to bring about "genuine power sharing".<sup>32</sup> Even the reserved, somewhat elusive, Anton Rupert commented. The Afrikaner billionaire said that South Africa cannot "live with the position as it is now... The regulations of apartheid must go."<sup>33</sup>

Through the bungled Rubicon speech, Pretoria had stuck its finger in the west's eye - in response the west kicked the country's currency in the stomach. By the time Botha's bellicose performance was over the rand had dropped from 44,5 cents (to the US dollar) to 38,5 cents.<sup>34</sup> Less than two weeks after the Durban speech, on August 27<sup>th</sup> 1985 - or *Black Tuesday* as economists referred to it - it had fell further to \$0,34. Context is important: in January 1983 R1 was worth US 0,95 cents. On the day of the speech, but before PW had let loose, the currency had already shrunk to US 0,45 cents - all in all a fall of about 53% in value in only two and a half years. The rand was losing value like a runaway train on a downhill slope.

Reserve Bank Governor, Dr Gerhard de Kock, and Finance Minister, Barend du Plessis, realised that the currency's bottom was beginning to wane. The writing was on the wall - soon R1 would only be worth US 0,10 cents. Truly frightening, the once proud South African rand would only be able to buy a measly American dime. Or, the other way round, ten American cents would buy one rand. If things were left as they were, South Africa would soon have a *nickle-and-dime* currency.<sup>35</sup> With that prospect the authorities decided to throw the switch.

On the dreaded day, Tuesday August 27<sup>th</sup> 1985, there was a gold trading frenzy on the Johannesburg Stock Exchange as the locals were buying up gold shares to cover themselves against the deteriorating rand. Gold shares were soaring and the rand was flooring. One stockbroker summed it up thus: "The share values reflect what South Africans are thinking: that everything is OK. The rand reflects what the world thinks, and it's saying God Help You."<sup>36</sup>

<sup>31</sup> "Business and reform - action now!", *Financial Mail*, Vol. 97, No. 10, 6 September 1985, pp. 64-5.

<sup>32</sup> *Ibid.*, pp. 64-5.

<sup>33</sup> "Rupert on reform - The will is the way", *Financial Mail*, Vol. 97, No. 10, 6 September 1985, pp. 64-5.

<sup>34</sup> Kenney, p.357.

<sup>35</sup> N Bruce, "The rand and the cash crisis", *Leadership SA*, Vol. 4, No.3, 4<sup>th</sup> quarter, 1985, pp. 42-4.

<sup>36</sup> Sampson, p. 44.

On the evening of Tuesday August 27<sup>th</sup> 1985, after trading had ceased for the day, Minister Barend du Plessis announced the temporary closure of South Africa's financial markets. Many economists understood this as a prologue to a suspension of South Africa's payments of its foreign debts.<sup>37</sup> For Pretoria's economic gatekeepers the light at the end of the tunnel was no longer in sight, but the bottom of the barrel was.

"We had to protect our banks... They did not know how many loans they would have to repay," Dr De Kock explained. "The Germans and the Swiss banks were loyally standing by us, but did not want to be the last in queue for repayment."<sup>38</sup> After closing the markets for five days, the Finance Minister, Barend du Plessis, announced what many a concerned economist expected and feared - Pretoria was suspending repayment of all foreign debt until the end of 1985. Having done that, Gerhard de Kock was put on a plane and during a whirlwind 13 days - with hat-in-hand - jetted to the capitals of foreign capital to try and patch together a rescheduling of Pretoria's foreign debt payments. Explaining Pretoria's position, the Reserve Bank Governor begged for fiscal clemency for his disturbed country in the courts of the most powerful banking clans in the world. But it was all to no avail, sentence had been passed on Pretoria. The apartheid state was on its own.<sup>39</sup> The moral of the story was that Pretoria would no longer succeed in separating its economic and political status. Apartheid was, literally, not a wise investment anymore.

In the meantime Pretoria finally decided on a range of emergency economic measures to try and quell the monetary crisis. This included: a four month freeze of foreign debt repayment; and retaining the services of a "reputable and independent international financial expert" to act as go-between in Pretoria's negotiations with its foreign creditors.<sup>40</sup> With these embarrassing emergency regulations Pretoria's proud and distinguished banking track record was shattered. In banking circles the country was now, and almost overnight, in the company of the banana republics.<sup>41</sup> In the wake of the Rubicon Speech, between May 1985 and March 1986, foreign monies were withdrawn from South Africa to the tune of US\$1, 000, 000, 000.<sup>42</sup>

According to Dr Gerhard de Kock, in pure and solely technical economic terms, Pretoria ought not to have had any worries but of course politics muddled everything. "(B)ecause of political considerations it was a very difficult meeting... The

<sup>37</sup> RW Bethlehem, *Economics in a revolutionary society - sanctions and the transformation of South Africa* (Craighall, 1988), pp. 74-5.

<sup>38</sup> Sampson, p.44.

<sup>39</sup> *Ibid.*, pp. 45-6; Bethlehem, p. 75.

<sup>40</sup> Bethlehem, p. 76.

<sup>41</sup> R Watson & R Wilkinson et al, "Time has run out", *Newsweek*, Vol. CVI, No. 11, 9 September 1985, p. 20.

<sup>42</sup> D Geldenhuys, *Isolated states - a comparative analysis* (Johannesburg, 1990), pp. 404-5.

banks can't be seen as helping South Africa because it would be seen as popping up apartheid." Even for the most superficial commentator, the power of foreign banks to make the white minority government sweat was now abundantly clear. The famous former American politician and president of the World Bank, Robert McNamara, argued in favour of using the banks' power to put pressure on Pretoria for political change by way of a financial ultimatum: The banks would help Pretoria - if and when the Nationalists negotiated.<sup>43</sup>

Stripped from technical economic jargon and complicated banking lingo, the crisis and its implications were dire in its simplicity - the stigma of Pretoria's apartheid had now finally overtaken the price of Pretoria's gold, and for that matter anything else it had to offer. Whereas Pretoria had always succeeded in paying a good economic dividend, Botha's country now became shaky. The world saw South Africa as an unstable country with an uncertain future. Apartheid did not pay anymore.

Nigel Bruce, editor of the influential newspaper **Business Day**, poignantly summed up the situation: "The cash crisis, the capital boycott, the irreparable harm done to our credit ratings, the international opprobrium heaped on apartheid, these have all heightened the insecurity associated with prolonged township violence. They signal that radical change, in some form or other, probably lies ahead. All that is missing is the identification of a catalyst...If so, this needs not necessarily mean that we face cataclysm. Without being absurdly optimistic, it could also mean a period of enhanced but uncertain opportunity even if at a slower pace than in the past. But for that to happen the appropriate political changes need to take place. What they should be, like the value of the rand tomorrow, is perhaps better forecast by a political scientist than an economist."<sup>44</sup>

## CONCLUSION

Most commentators agreed that the whole incident was one big disaster, yet some, like Prof. JH Coetzee, believed that the criticism on Botha's approach was unfair. In the October 1985 edition of the academic periodical of the Institute for Political and African Studies, **Oënskou**, Coetzee tried to shift the blame away from the Nationalists. He argued that Botha's performance in Durban was aimed at his immediate Natal audience and that he wasn't necessarily aiming to address the international audience.<sup>45</sup> This is a rather flimsy argument. In fact that was the crux of the whole debacle. The moment the Special Cabinet Committee had decided that the President should announce the then still thought to be quantum leap at the Natal

<sup>43</sup> Sampson, pp. 49-51.

<sup>44</sup> Bruce, p. 47.

<sup>45</sup> Coetzee, p. 296.

Congress, the government effectively turned the party meeting into a springboard for informing the international community. Coetzee's comment thus actually formed the axis of the fiasco, the fact that the State President decided to defiantly ignore the international implications of the whole episode. The Natal Congress of the National Party was an internationalised event of the government's very own making.

The Rubicon Speech's global audience was not formed by impromptu interest -- Pretoria had deliberately, albeit rashly, gone and turned it into a world event. Had PW himself not written to the western leaders and explicitly wetted their appetites? Had Pik not personally do a diplomatic sales pitch to foreign officials? Had Pik's people not lobby overseas TV networks to broadcast the speech live? And had the authorities not taken great care in setting up technical electronic accommodation inside the city hall for the foreign media teams?

Whether delivered in parliament, his office, a SABC studio or indeed at a National Party provincial congress did not matter, the fact remained that it was an internationalised event; and turned into an international event by the Botha government themselves.

Coetzee also noted that "(d)ie indruk wat die kritiek op die toespraak wek, is dat die kritici eintlik skaam kwaad en emosioneel gereageer het omdat hulle voorspellings nie bewaarheid is nie".<sup>46</sup> And rightly so, because the media and world community might have fed the snowball of expectations, but they did not create or dislodge it - Pretoria did that.

The problem was not so much about *what* PW said, but rather *how* he chose to say it. Knowing full well that hundreds of millions of people across the world was going to watch him, the irate Nationalist stalwart did nothing to adapt his style or content when he actually delivered the address. Here lie the seeds of fiasco. Although the planned speech was turned into an international event, the President did not also internationalise his speech or posture. He just defiantly ignored the global factor and charged forth. Botha approached this monumental opportunity as he did any National Party congress. He spoke in the fire-and-brimstone idiom of Afrikaner power politics, with the usual finger wagging and frowning leers to boot. This was of course totally alien, even offensive to his worldwide audience. And so the important *verligte* bits of his speech was lost amongst mannerist dramatics and bombastic hyperbole.<sup>47</sup>

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<sup>46</sup> *Ibid.*, p.298.

<sup>47</sup> De Klerk, p. 122.



The fact is that State President Botha was well aware of the intense international furor as well as of the accompanying expectations, some of which were unrealistic. Yet, instead of - diplomatically - trying to subdue the wave of expectations or even cancelling his speech (it could arguably not have had a more dire effect ) Botha got angry and possibly nervous. Which again underlines the central role of the person of PW Botha.

In the period of the Rubicon Speech - and not necessarily because of it - PW Botha was metamorphosed. Although his political outlook more or less stayed the same, PW's persona underwent something like an evolutionary regression. Something, somewhere on some level within the President's character - had changed. PW Botha systematically regressed into what many referred to as the *Imperial Presidency*. *Piet the Weapon* had made way for *PW the People's Reformer* and now it was yet again time for the ultimate and final transformation: The time of the *Groot Krokodil* had arrived. This was PW Botha's final - and eventually, politically fatal - change.

Irrespective of how one looked at the Rubicon Speech, the central figure was very much PW Botha. Ultimately it was his decision and the event revolved around him and his abilities as statesman. The success depended on him. It was PW Botha's decision of how to handle the affair. And after all had been said and done, the fact remains that Botha had backed down from his daring original plan. Somewhere before the speech, PW Botha looked at the Rubicon river and realised that he was not a Moses after all.

Irrespective of his assurances he could not do it and the country had to pay the price. The political river he wanted to take his people across suddenly seemed just too wide, with a bridge too far.

The water flowed back and covered the chariots and horsemen - the entire army of Pharaoh...Not one of them survived.

Exodus14: 27