SANCTIONS
1985
JANUARY — JULY
Senator moves for sanctions against SA

WASHINGTON. — The drive to hit South Africa's economy in retaliation to apartheid has intensified in the United States.

Senator William Proxmire of Wisconsin, senior Democrat on the Senate's banking committee, said here yesterday that one of the first pieces of legislation he would submit in the new US Congress after it goes into session today would be the South African Human Rights Act of 1985 — a wide-ranging package of anti-apartheid sanctions.

And in Hartford, Connecticut, the National Association of State Treasurers adopted a resolution calling on all states in the US to put pressure on South Africa by threatening divestment of billions of dollars in their pension funds.

Key elements

Senator Proxmire's proposed legislation is almost identical to the sanctions package narrowly defeated in the Congress last year.

Key elements are bans on new US investments in South Africa and on bank loans to the Republic. It will include a prohibition on Krugerrand sales in the US and mandatory adherence to the Sullivan Code by US companies operating in South Africa.

A new provision in the Proxmire plan is a requirement that the President of the US must seek international cooperation, through bilateral negotiations and in the United Nations, to put pressure on South Africa to end apartheid.

Sanctions adopted

Last year's anti-apartheid sanctions package was adopted by the Democratic-controlled US House of Representatives but never went to the Senate in the full Republican-controlled Senate. It was defeated during a conference of members of both chambers.

If it passes through the Senate this time, it could become law. Since similar measures seem certain to be adopted by the House again.

In Hartford the National Association of State Treasurers' executive committee unanimously passed a resolution calling on state treasurers to join the anti-apartheid protest currently sweeping the US.
SA need to confront  

disinvestment threat
Forewarning on disinvestment

JOHANNESBURG — The disinvestment debate has caught up with Senator Edward Kennedy as he prepared for his first major address to about 400 local businessmen today.

Six major employer organisations, all of which will be strongly represented at today's meeting, last night issued a memorandum rejecting disinvestment, economic boycotts and other restrictive measures as being counter-productive.

The Association of Chambers of Commerce, Afrikaanse Handels-instituut, Chamber of Mines, SA Federated Chamber of Industries, the National African Federation of Chambers of Commerce and the Steel and Engineering Industries Federation, who jointly represent 80% of the country's employment muscle, said negative economic action against South Africa would obstruct the country's growth, which was a "powerful catalyst in the process of peaceful, social and political reform".

In their memorandum, they said they had been successful in urging the Government to make meaningful political changes especially in the field of labour relations, private ownership in black housing, easing restrictions on small and informal black businessmen and restructuring education and training to match industrial needs.

"The private sector has effectively used its own resources to improve living conditions and social amenities for coloured, Indian and black employees outside the workplace."

"While much remains to be done, this record of corporate responsibility stands for itself," the memorandum says.

Yesterday Senator Kennedy raised the issue of disinvestment with the Minister of Foreign Affairs, Mr Pik Botha, who said after their hour-long meeting the Senator had not directly expressed support for it, but had explained why it was popular on Capitol Hill in Washington.

The Senator is the guest of the SA Council of Churches and particularly its outgoing secretary-general, the Anglican Bishop designate of Johannesburg, Bishop Desmond Tutu, who has himself been caught up in a debate on disinvestment.

On the first day of his eight-day Southern African tour, Senator Kennedy went on a hand-shaking tour of several Soweto streets and entered three private homes where he questioned the families closely on their employment situation.

It is almost certain that Senator Kennedy will speak about disinvestment in his keynote address today, but observers do not expect him to take any specific stand on the issue while in South Africa.

This afternoon's address will be Senator Kennedy's last major engagement in Johannesburg before he returns at the weekend for a farewell address at Soweto's Regina Mundi Cathedral on Sunday. — Sapa
The threat is serious

Steve Bisenius, a former Iowa state senator, is executive director of the American Chamber of Commerce in SA (Amcham), which represents more than 200 US companies operating in SA. He spoke to the FM on the seriousness of the US disinvestment campaign and the steps which should be taken by SA's private sector to counter it.

FM: How do you rate the disinvestment threat?

Bisenius: This is a very serious matter and the campaign is picking up steam in the US. Recent moves by the conservative Republican caucus, in support of the disinvestment stance of the (activist) Transafrika organisation and the black congressional caucus, reflects a lack of understanding on the part of young Republicans which could have serious repercussions for bilateral trade and political relationships. These Republicans should not be fooled into believing that Transafrika and the black caucus have the same ideas and ideals as they have on SA.

Transafrika is voicing its support for aiding wars of liberation, while members of its movement and other members of the anti-SA movement have embraced as friends people such as Fidel Castro and Yasser Arafat. This makes one wonder what their true objectives are. These seem to be internationally organised to isolate and injure SA rather than to elevate the people in this country. According to our information received from the US these anti-apartheid groups are funded to the tune of about $50m/year — primarily by the United Nations, the World Council of Churches, the National (US) Council of Churches and a few other groups.

Nevertheless, the efforts to force US corporations out of SA is only an intermediate goal. The wider economic goal clearly points to attempts to bring SA to its knees economically.

Do you see the efforts of Transafrika and liberal members of Congress as being genuinely intended to improve the lot of SA's blacks?

No, I think one can describe the actions of these groups as being part of a cleverly-orchestrated publicity stunt. If these people are so genuine in their concern with the lot of SA's blacks, they could rather spend their $50m annual budget on projects of social, economic and educational upliftment inside SA — building hospitals, schools and training programmes. Their budget is a means of destroying the economic base of SA, rather than elevating opportunities for SA's black population.

What are the next steps that can be expected in the US?

In January, a conference of the mayors of the 100 largest US cities will be held where disinvestment of their pension funds in US corporations doing business with SA will be discussed, inter alia. With the better part of $100 billion at stake, a united effort to disinvest could have further serious impact on the SA business scene. Not only would actual capital disinvestment be at stake, but also the cut-off of new technology which accompanies such US investment in SA.

I don't think SA's economy can afford to lose this important input.

What should SA's private sector do to counter these efforts?

What is needed is a far greater assertiveness and aggressiveness on the part of SA businessmen to state their side of the argument, as was quite effectively done recently on CBS's 60 Minutes programme in the US. But many Americans did not see this programme — and seeing is believing. I think organised business in SA should make the effort to distribute and show copies of the programme in the US, address US businessmen, invite them to SA to see for themselves and also promote tourism on a far larger scale in order to propagate the positive aspects of your much-misunderstood society.

SA businessmen should, in fact, create a counter-lobby to the efforts of the disinvestment lobby in the US. Your munificent diplomatic representation cannot, in one's wildest dreams, hope to counter the disinvestment movement effectively in 50 US states, hundreds of universities and countless publications and TV stations. Only the private sector could effectively step into this breach.

So we are not doing enough to "sell" our product?

No, Transafrika and their friends are completely overshadowing your efforts to state SA's case. Americans need to hear far more of the moderate SA approach. Not only that, but you need to be far more articulate in explaining the complexity of your society as well as the positive things that are being achieved to uplift the standing and opportunities of your various population groups.

Do South Africans realise the seriousness of the situation?

I'm afraid not. Not only could US investments in SA come in the firing line, but also your lucrative exports to the US, as well as very important SA imports of US high technology. And it won't help to sit back and hope the situation will just "blow away" — this means you are taking a chance on a very serious issue.
Sanctions would not work

NAIROBI — The British Foreign Secretary, Sir Geoffrey Howe, ending a tour of Southern and Eastern Africa, said yesterday that campaigns to pull foreign investments out of South Africa could end up hurting the blacks they were aimed at helping.

Sir Geoffrey said he told leaders of Zimbabwe, Zambia and Kenya that while Britain condemned apartheid and “scrupulously” upheld an arms embargo against South Africa, it felt economic sanctions would not work.

At a news conference after meeting Kenya’s President Daniel Arap Moi, he said:

“Our own view has been that this process of disinvestment, this process of turning South Africa into a ‘siege economy’, would actually retard the cause of blacks in South Africa.”

Sir Geoffrey was apparently referring to efforts by foreign companies operating in South Africa to promote equal employment opportunities for blacks.

On a government level, Sir Geoffrey said “Britain would continue to apply pressure behind the scenes to achieve change in South Africa.”

— Sapa-AP
KENYAN Government leaders have joined Zambia and Zimbabwe in flatly refusing to co-operate with the personal recommendation by Sir Geoffrey Howe, the British Foreign Secretary, to exercise patience over the American-led peace negotiations for Namibian independence.

"There has already been patience and if independence for Namibia is delayed much longer, there must be bloodshed," a senior Foreign Office official said in Nairobi.

Sir Geoffrey failed in this aspect of his eight-day diplomatic mission to the three countries as much as he succeeded in winning warm praise from the African leaders on bilateral issues, especially pledges of substantial aid.

With Zimbabwe's economy clearly under strain and Zambia near-bankrupt, there was no doubting the genuine gratitude expressed publicly and in private by Zimbabwean Prime Minister Robert Mugabe and Namibian President Kenneth Kaunda.

Sanctions

But when it came to the Namibian issue, the British Foreign Secretary left African soil empty-handed.

Even President Arap Moi of Kenya was coldly disapproving when Sir Geoffrey put forward his familiar doctrine of "patience and perseverance" for the American negotiations.

Mr Mugabe made predictable demands for Britain to go one stage further than its arms embargo and impose economic sanctions to force South Africa more speedily towards granting independence to Namibia.

Zambia and Kenya made the same request.

The leaders dismissed as bumbling Sir Geoffrey's statement that economic sanctions would serve only to turn South Africa into a "siege economy" and further retard the lot of the black majority.

There were more troubled waters for the British delegation when their hosts talked of ambivalence in Sir Geoffrey's assurances that Britain wanted unqualified and early independence for Namibia.

The African leaders told the Foreign Secretary that they were incensed when the American negotiators travelled to Angola with South African demands that the independence of Namibia be settled only after the withdrawal of Cuban troops from Angola.

Sir Geoffrey agreed that there should be no such linkage, but added: "Of course the scale and duration of the Cuban presence in Angola has to be a consideration."
Anti-SA activist accuses Denmark

The Star's Foreign
News Service

COPENHAGEN — Anti-South African activist Mr. Abdul Minty has accused the Danish Government of complacency in its response to revelations on Danish TV that a Danish shipper had smuggled cargoes of arms and ammunition from France to Durban.

Speaking on Danish TV, Mr. Minty hit out too at UN administrators, saying a complaint to the United Nations should be enough "but unfortunately the UN Security Council and its embargoes committee don't have much power."

He added: "The problem is that though we have had embargoes since 1977, South Africa is still obtaining a lot of arms. If we are unable to enforce embargoes strictly, embargoes will become a joke."

On the same programme, Danish Foreign Minister Mr. Uffe Ellemann-Jensen said: "I assure you Denmark regards the situation seriously. We will see to it that the circumstances of the Tine Maru case are investigated thoroughly.

"It should be obvious that everything we discover in this investigation will be forwarded immediately to the UN and to the weapons embargo committee appointed by the UN in 1977."

"The Danish Government will assist the UN in whatever way possible to discover where the weapons come from."

A Danish TV reporter countered: "But that was France..."

Mr. Ellemann-Jensen agreed it could have been France but added that at this stage too little was clear to accuse the French. In the Trigon case the weapons had come from an East bloc country which had no interest in contributing to an investigation of the facts, he said.

He denied Mr. Minty's allegation that the UN was weak, and said Denmark would soon consult the EEC on the issue..."
Selective sanctions for SA?

JOHN D'OLIVEIRA of The Argus Foreign Service in London reports that although comprehensive sanctions are unlikely, selective sanctions have been examined seriously.

The South African Government has long comforted itself with the view that comprehensive international economic sanctions are about as unlikely as Andries Treurnicht joining the PFP. And so they are.

Whatever the protagonists may claim, it is clear that any attempt to isolate completely the South African economy would be both prohibitively expensive and ineffective — even if the world's nations could be persuaded to take such a step.

Denis Healey, the Labour Party's shadow Foreign Secretary, has said repeatedly that he does not believe sanctions can force a government to change the very basis of its policies.

In South Africa's case, Mr. Healey says he does not believe international sanctions would force the Botha Government into abandoning apartheid and introducing majority rule.

But Mr. Healey does think that a set of specific sanctions could be used to prod the South African Government into taking action on the "fringes" of apartheid.

For instance, he believes the West could put together a sanctions package that would force South Africa to implement the UN plan for Namibia.

There is some evidence that, as Europe perceives a deterioration in the South African situation and the Namibian issue drags on inconclusively, an increasing number of people behind-the-scenes are thinking in terms of threatening the South African Government with a short, sharp shock if it does not change its approach to certain specific issues.

Following the embarrassing Seychelles affair, Western governments threatened the suspension of all flights to and from South Africa if she did not prosecute the people responsible for the hijacking of an Air India plane.

Few people can say for certain whether the threat was necessary — but there can be no question about the effect such action would have had.

So, while many of the South African Government's enemies beat their heads against the brick wall of complete economic isolation for South Africa and others persevere with the long-term divestment campaign, there are some who are developing the "short, sharp shock" strategy.

This does not mean that any such action is imminent.

But it does mean that people on the periphery of power (and perhaps some of those in power) are beginning to think in these terms — and it does mean the South African Government should take this into account.

The most likely issue for possible "short, sharp, shock" action is Namibia.

For all intents and purposes, the major Namibian issues have been settled and all parties have agreed in principle that Namibia should become independent on the basis of UN Resolution 435.

However, South Africa will not begin implementing 435 until she has a guarantee that the 20,000 to 30,000 Cuban troops still in Angola will move out.
Tutu calls for sanctions unless...

FRANKFURT — Bishop Desmond Tutu urged Western nations yesterday to press South Africa for improvements in human rights and said he would seek sanctions if Western firms did not aid black workers.

He was speaking during a visit to West German evangelical churches, which raise up to R2.1 million a year for the South African Council of Churches, of which Bishop Tutu is general secretary.

Bishop Tutu said Western nations should insist on the abolition of banning orders and the ending of forced removals and demand that all those detained without trial in South Africa be released or brought to court.

"How can the outside world not react when the Government orders the army on an unarmed, civilian population? What must our people do which will awaken in the West a real revolution which will lead to action to dismantle apartheid?" Bishop Tutu asked.

Firms should house black workers as family units and free trade unions should be introduced. "If this is not done within 15 to 24 months, then I will call for punitive economic sanctions against the South African Government," he said.

VIOLENCE

The Nobel Peace Prize laureate said South Africa could not be free without violence unless the Government talked to "the authentic leadership of all the peoples of South Africa".

The alternative was "too ghastly to contemplate", he said, noting that the situation was already volatile and violence could start exploding in rural areas as well as towns.

Bishop Tutu also warned Western governments against giving South Africa aid. "South Africa is capable of looking after its people but the Government is not carrying out its obligations. If the country were to disarm, a considerable amount of funds could be released," he said.

Rent-a-womb man sue's mother

TAIPEI — A Taiwanese man who paid a woman NT$66,000 to have a son for him sued her for giving birth to a baby girl, a court official said today.

The official said that the man, Mr Lu, signed a five-year contract with the 21-year-old woman to bear a son for him.

But the woman said she did not want to try again because Mr Lu began beating her after their daughter was born a month ago.

The court dismissed the suit and nullified the contract, the official said.

Drugs case goes to highest court

WASHINGTON — America's highest court will decide if customs service officials violated the rights of a suspected smuggler by detaining her "until nature took its course" after she had swallowed drug-filled containers.

The Supreme Court justices agreed to review the federal appeals court decision that her detention was unlawful. The federal court threw out the woman's conviction for possessing 88 balloons containing cocaine.

REFUSED

Miss Rosa Montoya de Hernandez fell under suspicion when she arrived in Los Angeles on March 5 on a flight from Bogota, Colombia.

Customs inspector Mr Jose Serrato, after searching her luggage and questioning her, asked her to consent to an X-ray of her stomach and digestive tract. She refused.

Officers decided to let her return to Colombia, but said she would be under surveillance until a flight was found.

Officers told her if she had to eliminate body wastes, she would be accompanied to a restroom and provided with an empty bin.

For the next 16 hours, Miss Montoya de Hernandez refused food and did not relieve herself.

Customs officers then obtained a court warrant authorising an X-ray and body search. About 24 hours after the woman was detained, a rectal examination revealed a balloon containing cocaine.

Miss Montoya de Hernandez was arrested and, in a hospital prison room over four days, excreted 88 balloons containing about 400 g of cocaine.

Her conviction of possessing cocaine with intent to distribute was overturned on appeal.

Sapa-Associated Press.
DISINVESTMENT
Counter-moves

The business sector is studying proposals for a counter-offensive against the US disinvestment drive. This comes none too soon to consider a Bill containing several gaining increasing support and Congress is soon to consider a Bill containing several measures that will restrict trade with SA.

Although the counter-campaign is still in its embryo stage, there is consensus that effective use should be made of special lobbies and agencies in the US, that business partners in that country should be drawn into the fight and that the six largest national employer bodies in SA should cooperate closely.

The apparent success of the manifesto handed to visiting Senator Ted Kennedy by the six bodies — in effect the first step of such a campaign — has strengthened the idea that the private sector should speak with one voice.

Some businessmen also feel that the private sector should at the same time keep up their lobbying and pressure on government for reform and be seen to do so by critics in the US.

Says the executive director of the American Chamber of Commerce in SA (Amcham), Steve Blaenius: "The anti-apartheid issue is snowballing. SA corporations are a significant force and it is time that they go on the offensive. At the moment there is a deafening silence. They could apply a lot of leverage to get their US connections to act against economic sanctions."

Says FCT’s Johan van Zyl: "Disinvestment and other forms of economic sanction pose a very real danger to the private sector, so we have an important task in countering it. Government is more or less powerless for its credibility is very low overseas. The private sector has credibility, but we are not geared for this kind of thing. It would normally have been the task of the Department of Foreign Affairs. So we will have to create our own structures."

Afrikaanse Handelsinstituut (AHI) president Leon Bartell and Asscom immediate past president Bill Yeovart confirm that their organisations are investigating schemes to counter the disinvestment drive. Both are looking forward to closer co-ordination between the service organisations in the private sector. Yeovart believes the fact that disinvestment will hit the BLS countries and other neighbouring states as hard, if not harder than SA, should be used prominently in building up arguments against disinvestment.

Van Zyl believes there must be basic understanding of US public opinion before a programme of action is devised. Public opinion plays an important role in the US and if it is strong on some topic, it is going to influence policy-making because the administration cannot afford to ignore it like some other governments do.

"US public opinion is tuned to the moral aspects of apartheid, not only the economic aspects of it. What weapons do we have to fight the moral argument? We must grant them that unconditional contact between the two business sectors is not possible any more. Then we must concentrate more on the conditions on which such contact can take place.

"Our argument must be that it will be counter-productive to have no contact, so let us start a debate on what conditions we can have contact. Bishop Tutu has already laid down some of these conditions; some of them can already be met. We must tell them that we will accept certain conditions, but others are just not possible in Africa. And if they lay down too stringent conditions, we must tell them we cannot meet them and the ball is now in their court. We have done everything to bring about non-violent change."

Bisieux says Amcham is prepared to help any SA company or group in their efforts, and will help set priorities, make contacts and give information on how the US system works, what strategies would work and what would not.

He does not believe the SA private sector should waste time in talking to the extreme Left. "There are a lot of people in the centre who can be swayed by intensive lobbying. At the moment only the anti-side is vocal, so people tend to believe there is only one side. South Africans must know and understand the system in the US to be successful. Things like writing letters to congressmen, for instance, are not effective here but certainly work in the US."
RANn. ROBINSON

Turning the screws

Randall Robinson is the director of TransAfrica, the US lobby group behind the wave of protests at SA diplomatic missions (see Leaders).

FM: What are the goals of the protests TransAfrica is organising — to pressure the Pretoria government into rapid acceleration of social reforms, or political reforms or complete reform? Or do you hope that the end result of your divestment drive will be to overthrow the government?

Robinson: First of all I don't accept the framing of your question that suggests we would support rapid acceleration of social or political reforms in SA. That would suggest there is some meaningful progress underway. There is no progress underway at all.

As a matter of fact, things have gone backward. And the SA government should understand the extent to which people outside SA can see through their cosmetic kinds of reforms. Simply moving the deckchairs on the Titanic doesn't really deceive anybody at all.

They (SA) haven't made any progress. Things have worsened and repression there has worsened during the four years of the Reagan administration.

They have been invading neighbouring states with greater frequency, the SA police have killed more people in the last four years than during the last 20. The new constitution is fundamentally and wholly unacceptable. And it appears that the government, left to its own devices, doesn't have the good sense or the far-sighted wisdom to alter course and to negotiate towards a constitution that would enfranchise the black majority and scrap apartheid and spare both black and white a good deal of bloodshed and spare the society its complete and eventual dissolution if they don't do something about it.

So we have set a course to fundamentally change the course of US foreign policy towards SA. We will achieve that because we know what the South Africans should know — that current policies, the current relationship, is possible only because Americans know so little about what previous (US) administrations have been doing in SA and what our private sector has done there since 1948.

To the extent that Americans know more, as they are coming to know now, the (Reagan) administration will find that its policy is totally inconsistent with the feeling of the American people and the ideals that Americans cherish. This explains why you find our campaign joined by Republicans and Democrats and liberals and conservatives and every other stripe of American.

American people, black and white, Americans who can rarely find the capacity to agree on anything are saying to the SA government "Your policies are detestable."

How do you answer black South African leaders who oppose American divestiture, who want the US corporate presence to grow and create jobs?

(Laughs) Oh! I know who those are! If you want to talk about men like (Chief) Buthelezi, blacks everywhere have had the experience of slavery from certain kinds of their own leaders. As plentiful as money is, any powerful government in every struggle has the capacity to co-opt a certain level of leadership.

Are you saying Chief Buthelezi has been co-opted by the SA government?

No. One has to concede that there is always an area of honest, reasoned disagreement by people who have not been co-opted. So I'll concede that.

Nor do I question that those who hold jobs in the US job sector in SA will be hurt (by divestment). We suggest that those jobs are relatively few compared with what those corporations do for the SA government. No country in the modern international economic system — no capitalist nation — can afford to be cut off from trade and investment and loans, not even the United States.

South Africa is a junior partner in this complex of affairs and it is absolute foolishness to suggest that their economy would not be severely damaged by comprehensive sanctions.

In talking about sanctions, you are also talking about not just the United States but other Western countries joining in, are you not?

Yes. We are not going to stop with a US policy that simply withdraws its own involvement in SA. We expect from the US leadership in the Western community of nations for a concerted comprehensive action against SA.

How long will your protest effort last?

You have not got many Americans to really think about SA yet, have you?

These things follow in stages. That's the advantage of planning a campaign over a period of months. We are patient. We said at the beginning we would go on for as long as necessary. And we expect fully that the early coverage in this first three months would be the media coverage of the arrests and demonstrations.

What's the next step in your plan?

We never talk about it until this current stage has run its course and we have not finished with this stage yet.

But I think you can safely assume that the demonstrations in front of the SA embassy will continue indefinitely. The drive in the municipalities and states will continue. There will be a good bit of future emphasis on Krugerrand dealers in the US.

Do you really believe you can bring down the SA government with your divestment campaign?

Nobody believes that divestment or even Chapter 7 United Nations Security Council sanctions, however comprehensive, will bring down the government any more than it brought down the government of Rhodesia.

But everybody also knows that those sanctions, coupled with pressure from within the country over a long period of time, will either bring down the government or make the white minority see at long last that, after cost-benefit analysis, it would be better for them to let (Nelson) Mandela out of prison and to sit down and negotiate towards an acceptable solution.

In short what you do is raise the price of their policies, the cost of their policies. If they don't respond, then turn the screws and continue turning the screws.

But can you translate your success at the local level and the media level into truly national policy? Can you get the US Congress to act against SA?

America is a trendy society. People in the Congress focus essentially on what's in the news because that's the nature of a democracy — because you have to be responsive to your constituency. And what the constituency, the people, don't know, they can't pressure you about. What they know, when they become aware of an issue, then congressmen have to elevate that issue on their list of priorities. That is what we are doing.
BOYCOTTS

Sour grapes

An Australian anti-apartheid group’s campaign to discredit SA’s dried fruit industry has been dismissed as “utter nonsense” by local officials.

A pamphlet distributed by the Southern Africa Support Campaign of Australia (Sasca) urges consumers to boycott Safari products, the trade name of the SA Dried Fruit Co-operative (SADFC).

The pamphlet claims that the Australian industry is likely to suffer because of imports from SA. Although Sasca singles out the dried fruit industry, it also urges consumers to boycott other well-known SA products, including Rooibos tea and KWV wines.

The pamphlet alleges that black fruit pickers live in “slave labour conditions” and are paid a maximum of R50/month. But the real position, according to Louis Kriel, GM of the Deciduous Fruit Board (DFB), is that “wages in the Western Cape average about R180/month basic plus housing and other perks.”

SA dried fruit exports to Australia in 1984 totalled R1m — 1.5% of global exports. Most of SA’s production goes to the EEC and Japan.

A recent study shows that labour costs in the SA industry are at least a third higher than in Chile and Argentina which are major competitors for a share of deciduous fruit markets.

Although SA probably exports more fruit in a week than Australia does in a season, the campaign is not simply sour grapes on the part of Australian business. The reason is more political because Safari is currently bearing the brunt of the anti-apartheid campaign as a result of its relatively high visibility on the Australian market.

Relations between the respective umbrella organisations for the dried fruit in-

Financial Mail February 1 1985
sometime in the future black aspirations, that will convince businessmen here and abroad that Botha is capable of giving the country the kind of leadership that it needs.

His reforms so far, especially in the legalization of trade unions and improvement of urban living standards for blacks, are both significant and are likely in themselves to create uncertainty. That is not a drawback. But failure to continue to provide the type of firm and far-sighted leadership that brought about these reforms is what will keep business confidence down where it is now.

Until the State President shows he is not reluctant to take bold and decisive action, businessmen will not know whether he is leading them to the brink of disaster — or beyond — or to renewed real and sustained economic growth, which is vital to our wellbeing.

**DISINVESTMENT**

**The two-year timebomb**

Within the anti-apartheid movement in the US there are two camps. One is wet and favours a halt in future flows of capital and investment to SA. This is the disinvestment lobby. The other is hardline radical and demands an immediate withdrawal of the US corporate presence in SA. This is the divestiture lobby.

For the time being, the wet is more vocal and more visible than the hawks, but even moderate opinion concedes that their time will come — in a few years as Reagan's second term draws to a close.

At the same time, writes our Washington correspondent, it would be wrong to assume that the anti-apartheid crusade is the main topic of debate across 100m family dinner tables in the US.

An opinion sampling conducted last week by the ABC television network and the Washington Post revealed that only 52% of 'Americans' were even aware that there were daily protests being conducted (usually for the benefit of that evening's television broadcast) in front of the SA embassy in Washington.

Celebrity arrests

Those protests, which have been running since November 21, have resulted in the arrest of more than 500 celebrity protesters (senators, children of the Kennedy family, film stars and so on) and perhaps 1000 more have been detained by police in a dozen other cities as they demonstrate against apartheid in front of SA consulates and US corporations identified with SA investments.

So the protests are pretty small beer. It was no longer a tool to be used. Its pronouncements were true, fateful and inescapable.

What is the alternative? There has to be an understanding among a few leading nations about what extremes of parties are mutually tolerable and those which are so badly out of line that they must be firmly resisted by concerted intervention. Intervention would not be directed to achieve optimum rates. It would only be directed to prevent extremes of fluctuation.

**BLACK POWER**

<table>
<thead>
<tr>
<th>Black Mayors</th>
<th>Mayors</th>
<th>Population in thousands</th>
<th>% black</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>Harold Washington</td>
<td>3,008</td>
<td>40%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Tom Bradley</td>
<td>2,989</td>
<td>17%</td>
</tr>
<tr>
<td>Detroit</td>
<td>Coleman Young</td>
<td>1,203</td>
<td>63%</td>
</tr>
<tr>
<td>Washington D C</td>
<td>Martin Barry</td>
<td>638</td>
<td>70%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>Ernest Monell</td>
<td>568</td>
<td>51%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>Andrew Young</td>
<td>425</td>
<td>67%</td>
</tr>
<tr>
<td>Oakland</td>
<td>Leland Wilson</td>
<td>339</td>
<td>47%</td>
</tr>
<tr>
<td>Newark</td>
<td>Kenneth Gibson</td>
<td>329</td>
<td>58%</td>
</tr>
<tr>
<td>Birmingham</td>
<td>Richard Arrington</td>
<td>284</td>
<td>56%</td>
</tr>
<tr>
<td>Richmond</td>
<td>Roy West</td>
<td>219</td>
<td>51%</td>
</tr>
</tbody>
</table>

The call for US divestment from SA is intensifying. It keeps US corporations on the defensive. In fact, it may have prevented unknowable millions of dollars from flowing to the Republic.

When it comes to raising the US consciousness about apartheid, even more telling, more than half of those US adults who do know about the anti-SA protests say they either have no opinion about the issues involved (35%) or disapprove of the protests (21%).

Even black Americans are strangely ambivalent. Roughly 37% of those blacks aware of the protests had no opinion and 7% disapproved. This contrasts with 34% of white adults who had no opinion and 23% who disapproved. In all, 43% of all white Americans who are aware that the protests are going on approve of them, while 56% of the blacks support them. Hardly a ringing mandate.

But mandates can be generated in other ways than by televised media events. And if the US public is not yet turned on by an anti-apartheid fervour, US politicians in
creasing numbers are becoming converts to the cause.

As Randall Robinson, the energetic chairman of the TransAfrica protest movement told the FM recently, "awareness follows in stages. That is the advantage of planning a campaign over a period of months. We are patient. We said at the beginning we would go on for as long as necessary and we fully expected that the early coverage by the media would be the coverage of the arrests and demonstrations. Now the other stories — the features and analysis — are beginning to follow."

SA date line
They certainly are. In the fortnight to come, the Washington Post and New York Times can be expected to carry at least one story a week with a SA date line. The Wall Street Journal is planning a front-page analysis of the Botha administration's policies, Newsweek is planning a cover story and even People Magazine, a glossy, flossy celebrity celebration, is doing a feature on Bishop Tutu

SA's countervailing agencies have never worked harder. The SA Foundation's John Chettle has built an impressive network of opinion leaders across the US who will at least listen to SA's position even when they don't sympathize with it.

Says Chettle "In one respect at least, the divestment forces have already won. They have prevented — discouraged, dissuaded, whatever you call it — billions of dollars of new US investment in SA. They have discouraged new companies, new investors who were looking for foreign opportunities from coming to SA.

"In that respect they have already been successful. But will they succeed in driving US firms out of SA? Will they get a Bill through Congress that takes some economic sanction against SA — a ban on Krugerrand sales, a forced reduction of fixed assets. I still doubt that," he adds.

But even Chettle is less sure than he would have been six months ago.

The difference between then and now is that the fight is no longer for newspaper headlines. Nor will the struggle be waged on a kind of legislative gamble within the political maze of the US Congress — where Ronald Reagan is waiting at the end of the contest to veto any meaningful sanctions.

Rather, the "divestment" (as opposed to divestiture) struggle has shifted in part away from Washington and is being waged in scores of state governments and city halls. Here divestment and divestiture take on yet another new, familiar meaning.

Local politicians, alert to the local media benefits of such ploys, have been quick to grab the anti-apartheid issue even if their constituents are only dimly aware of it. Instead of demanding that US corporations and banks pull their assets out of SA, the grassroots campaigners attack from a different flank.

State governments and municipalities all control employee pension funds and huge budgets which are spent to buy equipment and services. Those funds are invested and in recent months the "divestment" forces have won approval from state and local legislative bodies to withdraw those funds from institutions with ties to SA operations.

Thus the new meaning — to divest oneself of shares in companies that will not divest themselves of SA.

Here are some of the places where the drive has won already:

- Connecticut 1982: State funds may not be invested in firms that are not listed in the top two performance ratings of the Sullivan Code. Firms with SA operations are excluded if they supply "strategic goods" to the SA government.
- New York City 1979: Bank deposit ban.
- New York City 1979: Bank deposit ban.
- New York City 1979: Bank deposit ban.

A quick examination of the list reveals two obvious facts. The divestment movement got its start in smaller towns which were dominated by university communities or where major labour unions were in political control. Lately however, the trend has shifted to larger cities, especially where those local governments are under the control of black-dominated city councils or where there also are black mayors such as Newark, Philadelphia, Washington DC. (See table.)

Yet another conclusion is that the actual economic impact is pretty small, less than $5 billion in potential shifting of funds.

But as SA Foundation's Chettle notes it isn't the amount of money that has left SA
that counts; it is the unknowable billions of dollars that never got there. The main impact of the campaign so far is that it has succeeded in putting the Administration and many large companies on the defensive.

It is the fact that US-SA trade has stagnated at $4.5 billion a year and that, while 284 US companies do business inside SA the fact remains that since 1980 fully 80 US companies have abandoned the SA market while only 11 new firms have set up operations there.

It also is the fact that while the divestment movement was once confined to liberal bastions and black political enclaves, it is spreading across the country.

GENBEL

The big leap

After several years of rapid expansion in its industrial division, General Mining Union Corporation (Genbel) is setting its sights on investments in foreign markets. Investment holding company Genbel is planning to invest some R1.6bn in overseas venture capital mining projects - and the investments are to be financed by a route so far taken by few other SA groups, a Eurobond issue for DM100m.

In other ways too Genbel's management is breaking away from the conservative investment policies most often adopted by the South African investment holding companies. By using gearing, to broaden the capital base, chairman Hugh Smith plans to avoid sitting on a portfolio that rarely changes.

The decision to raise DM100m is undeniably a bold move. Some might call it foolhardy, considering the rand's present weakness, and the possibility that it will remain soft for years. But if Genbel's foray overseas is successful, the pitfalls of currency fluctuations should be avoided.

Already several large SA groups which have for some time been saying they would like to invest overseas have remained sidelined while the rand kept sinking. For some, the opportunity to go abroad may well have slipped away. As Smith contends, "It makes no sense to invest in rands abroad while our currency is so weak."

Others may, however, be encouraged to follow Genbel's funding route if it is open to them. With the path largely untrdden by SA groups, Genbel had to feel its way. Lead bank Dresdner Bank required a guarantee from Genbel that if necessary it would repay the loan on maturity. After approval was given by local exchange control authorities, a wholly-owned Dutch financing subsidiary of Genbel is to raise DM100m on the Eurobond market. The bond will have an 8% coupon rate, with a life of six years at an issue price of 90%. It will be listed on the Frankfurt exchange.

In the year ahead, the state of Alabama (once a segregationist stronghold) will consider an anti-SA bill similar to the Massachusetts ban. Similar state divestment bills are pending in midwestern conservative states such as Kansas, Iowa and Illinois. In California an anti-apartheid group is trying to get a statewide referendum on divestment before the voters in November. The number of divestment or pension sell-off motions before various city councils and county commissions is beyond counting even by the divestment groups themselves.

But to what purpose? It is apparent in the accompanying interview with TransAfrica's Robinson, what is next on the agenda (see Current affairs page 49).

The US anti-SA Left has given Bishop Tutu the two years' grace he has asked for his country. Almost certainly in that time there will be no significant economic harm done to US-SA trade or investment flows. But almost certainly in that time the barrage of demonstrations, of resolutions and media rhetoric will have its effect. It will be at that point that SA will be judged to have failed. No matter what progress Pretoria achieves, it will be judged to fall short of the mark.

How real is this threat? What was unthinkable two years ago is certainly thinkable today. And what is thinkable today can be within reach sooner than we think.

Gencor's investment holding company is making an adventurous foray into the Eurobond market in order to finance overseas venture/mining projects. Given the weak rand, it's a brave move, but typical of Genbel's strategy of breaking ranks with the traditionally conservative investment policies of SA's major corporations.

Smith notes that the interest rate is in line with that paid by the SA government, as well as the level paid recently by European companies. "There is no significant premium because of political considerations," he says. The bond is a bearer issue, and interest will be tax-free. The terms are attractively pitched considering that the German rate of inflation is only 2.9%, and the taxed real rate of return for holders is an enviable 5.2%.

Gencor's first targets for the funds raised by the issue are equity stakes of 20%-40% in developing North American gold mines. It could, of course, be argued that the strong dollar does not make this a propitious time to invest in the US. On the other hand, the low gold price has reduced the entry price, and narrowed the opportunity field.

Developing gold mines in California — which are low grade, low cost, open-cut ventures — are an example of the kind of investment Genbel has in mind. Australian gold mines are among the priorities. But Genbel is not interested in gaining management control of any mine. "We have not finalised any propositions," says Smith. "We are now going out to look." The finalisation of any deal is probably only a few months away.

No Minocor parallel

It seems that Gencor, holding 43% of Genbel, does not aim to reshape the investment company into a new overseas investment arm, along the lines of Anglo's Minocor. As Smith puts it, "Where necessary we will use Gencor's technical input to assess any viable proposition. But Genbel's board made an entirely independent decision to invest abroad, although the move has the blessing of Gencor's board."

Genbel currently has a portfolio worth...
Southampton in desperate bid to regain SA trade

Argus Foreign Service

LONDON — Southampton, Britain's most famous port, is launching a desperate bid to entice South African and Far-Eastern shipping back — or face ruin.

The South African trade is worth an estimated R15-million to R18-million a year, with 80 000 containers passing through the port every year.

But trade stopped abruptly in October when South African European Container Services (SAEC) took their business to Liverpool because industrial trouble closed Southampton's container pier.

Trio, the shipping giant which operates on the Far Eastern route, and which moved 180 000 containers a year through Southampton, also left.

Harsh formula

Now dockworkers, faced with losing their jobs forever, have accepted a harsh rescue formula.

They have agreed to reduce the workforce by 500, from 2 000 to 1 500 men, cut the wages of those who remain by R5 000 a year, limit wage increases to 5 percent a year, to accept a "no-strike" clause applicable for the next two years, and a four-team system to ensure the harbour is manned 24 hours a day, seven days a week.

Their bosses, Associated British Ports, are going all-out to regain the lost business. Port Director Dennis Noddings said his first aim was to win back South African and Trio business.

To do so he has cut the container charge from about R260 to R200.

Port press spokesman Julian Gollogly said, "We hope that the new, competitive rates will bring SAEC back to Southampton. The port has good facilities and an excellent geographic location. If South Africa and Trio do not return we are in a great deal of trouble."

But a SAEC spokesman said it was "too early" to say whether they would go back.

In competition

"For the moment we continue shipping from Liverpool. Whether we return depends on commercial considerations. It must be remembered the two ports are in competition."

"If it is as simple as saying Southampton is closer, therefore cheaper. Many factors, such as tides, berthing facilities, etc., come into it."

"We will now see whether Southampton makes an approach to us and then consider the matter."

Mr Noddings is wasting no time. He is due to meet SAEC representatives even before he has signed the agreement with his workforce.

had to employ two straddle-carrier drivers for every shift. One man was paid to be on standby while the other worked.

Even so Southampton prospered. But the industrial dispute abruptly ended that prosperity in October.

Even the cross-Channel ferries left from Portsmouth because Southampton's dockers would not unload the freight from the late-night ferry.

Bossses have won

And all the while dockers and their bosses argued over how the port was to be run. Now the bosses have won.

It's a settlement accepted enthusiastically by most of the city, and especially the 30 000 who rely directly or indirectly on the port for their living.

Dockers are not popular in Southampton.

"The best sportmen in this city, the cricketers, the golfers and the rugby players, are all dockers. They don't work, you see. They just clock in, get their money and do b... all."

That's the opinion of the taxi-driver who took me down to the docks. He's pleased the strike is over "because now there'll be fewer taxi-drivers on the road. Half the dockers work as part-time drivers, you see."

Chase you out

And a docker says, "Once you could go to a whole range of shops here and get discount. Now if you say you're a docker they'll chase you out the door."

A man who once operated a lucrative road haulage business said he had been forced out of business by the dockers.

"I had four trucks I'd send them down to be first in the queue and they'd spend the whole day unproductively because the dockers were on strike. It just didn't pay."

Business has even fallen off in Southampton's notorious Derby Street, the red light district where many South Africans first savoured forbidden fruits.

Feel betrayed

"In the docks the men are sulking. Their union leader Richie Pearre was one who took the maximum redundancy payment of R60 000 and quit. Many feel betrayed."

New leader Ray Jennings said, "It's the best deal we could have got under the present circumstances. The men are not happy but economic facts have forced us to go along with the management formula."

Union stewards Derek Burke and Michael McNulty explained the dockers
men, cut the wages of those who remain by R5 000 a year, limit wage increases to 5 percent a year, to accept a "no-strike" clause applicable for the next two years, and a four-team system to ensure the harbour is manned 24 hours a day, seven days a week.

Their bosses, Associated British Ports, are going all-out to regain the lost business. Port Director Dennis Noddings said his first aim was to win back South African and Trio business.

"To do so he has cut the container charge from about R260 to R200."

Port press spokesman Julian Gollogly said: "We hope that the new, competitive rates will bring SAEOCS back to Southampton. The port has good facilities and an excellent geographic location. If South Africa and Trio do not return we are in a great deal of trouble."

But a SAEOCS spokesman said it was "too early" to say whether they would go back.

**In competition**

"For the moment we continue shipping from Liverpool. Whether we return depends on commercial considerations. It must be remembered the two ports are in competition."

"It is not as simple as saying Southampton is closer, therefore cheaper. Many factors, such as tides, berthing facilities, etc., come into it.

"We will now see whether Southampton makes an approach to us and then consider the matter."

Mr Noddings is wasting no time. He is due to meet SAEOCS representatives even before he has signed the agreement with his work-force.

**Summed up**

The shipping column in Southampton's local newspaper summed up the dire straits the port is in. Under the heading Principal Southampton Arrivals it listed "nil."

Down at the Prince Charles container berth it was easy to see the level to which Britain's most famous port had sunk. The huge quay, which only last year handled 250 000 containers, was deserted.

Cranes and straddle carriers stood idle. Some had even been given protective coverings — an indication that their owners thought it would be a long time before they were used again.

Once the gateway to Britain for millions of tourists who travelled the passenger ships, especially the famous Union Castle line, it survived the jet-age by turning from passengers to freight.

Passenger ships still call — Samarinue's Astor among them — but they do not provide enough wealth to keep the port viable.

**Containerisation**

Southampton began to rely on freight — principally on the money it could earn through containerisation which was sweeping the world.

But its dockers got a reputation as being the laziest in the world, and they would down tools at the slightest provocation.

A single example of the absurdity of their unionisation is that bosses don't work, you see. They just clock in, get their money and do b... all.

That's the opinion of the taxi-driver who took me down to the docks. He's pleased the strike is over "because now there'll be fewer taxi drivers on the road. Half the dockers work as part-time drivers, you see."

**Chase you out**

And a docker says: "Once you could go to a whole range of shops here and get discount. Now if you say you're a docker they'll chase you out the door."

A man who once operated a lucrative road haulage business said he had been forced out of business by the dockers.

"I had four trucks. I'd send them down to be first in the queue and they'd spend the whole day unproductively because the dockers were on strike. It just didn't pay."

Business has even fallen off in Southampton's notorious Derby Street, the red light district where many South Africans first savoured forbidden fruits.

**Feel betrayed**

In the docks the men are sullen. Their union leader Richie Pearce was one who took the maximum redundancy payment of R60 000 and quit. Many feel betrayed.

New leader Ray Jennings said: "It's the best deal we could have got under the present circumstances. The men are not happy but economic facts have forced us to go along with the management formula."

Union stewards Derek Burke and Michael McNulty explained the dockers' position. "We aren't militants like everybody says. We don't think that Mr Noddings's plan is going to work."

"We put forward our own proposals in November which would have saved R12-million. They were rejected."

"What happened was that Noddings colluded with the shipping companies. They left and he had us where he wanted."

**Can be reliable**

"We realise that economic conditions are bad and that we have to make this plan work. We can show that this port can be reliable."

"Dockers have suffered a lot of hardship over this. We have been living on greatly reduced wages and many have got into financial difficulties.

"We have been put in a position where we have no choice, but the men are not happy."

Associated British Ports' spokesman, Julian Gollogly, diplomatically says nobody has "won."

"We've lost 900 jobs. We have a settlement which was needed. Hopefully we can win back our customers with our new, competitive rates."

"Southampton is fighting for its existence as a port. The men knew if they didn't settle they could all lose their jobs forever."

"I think our customers will come back and we can provide a reliable service. But a lot of it depends on what the South Africans do."
Encourage innovation in SA industry

South Africa's present economic plight is surely the result of past lopsided economic planning which concentrated heavily on the need for self-sufficiency and the implementation of scores of local content programmes protected by import restrictions. Today, while clearly able to reproduce almost any product made elsewhere in the world, it has become almost impossible to do so on an internationally competitive basis.

There can be no doubt that South African businesses have been exceptionally successful at the implementation of local content programmes as a counter to sanctions. Indeed, their hard work has probably made this country more sanctions-proof than any other.

Unfortunately, by making itself sanctions-proof in the manner which was chosen, which was to buy technology overseas and manufacture locally under an umbrella of import restrictions, South African produce appears to have gradually accumulated the built-in local content inflation factor over a period of decades which has resulted in a deterioration in the competitiveness of all South African produce on world markets.

It is indeed unfortunate that the South African local content programmes, like so many others elsewhere in the world — Australia, Brazil, India and so on — were incomplete at their conception.

For many years, Japan has practised self-sufficiency and this was preceded by teams of Japanese travelling the world, cameras and notebooks at the ready, searching out world sources of technology which, in fact, they bought from Western companies. The Japanese went further than copying: they adapted the acquired technology, then improved it to achieve technological parity.

In the third phase, research budgets became equal to the most lavish in the world. Meanwhile, South Africa, Brazil and India are still struggling half way between phase 1 and phase 2, with Australia into phase 2, but nevertheless all still without clearcut goals, without well-focused ideas for the future.

Having achieved its political goal of self-sufficiency, the South African Government began resting on its laurels at the most inopportune moment. Thinking it had local manufacturing running at its optimum point, it inexplicably proceeded to spend the anticipated tax revenues commensurate with boom conditions without an economic boom in sight.

Instead of initiating the next phase of innovative adaptation of technology, that is, helping to make products attractive enough to be sold abroad, the Government behaved as if its task was now completed. It freed the rand, began to withdraw import protection and began to accept tenders for overseas produced capital goods, leaving the local manufacturers gasping for air.

The consequences are now well established — gross inflation, crippling overdraft rates and rapidly rising unemployment. The rand has, of course, been mercilessly decimated. Despite the warning signs which began appearing a number of years ago, Government spending continued to rise.

There is a great urgency to continue the local content programmes and to go all out to encourage the local production of high quality goods for export. (The fall in the rand becoming an advantage.) The ultimate goal has to be one of pioneering and creative innovation.

We must all realise that adaptation and commercialisation of existing technology was only the first step. Our industry desperately needs encouragement to experiment with new ideas, new ways of making things and new things to make.

The political criterion of self-sufficiency must be followed by more creative and innovative forms of commercial development as a natural sequence of economic and industrial development in this country.

*John Fetter, a self-employed Roodepoort electronics engineer and inventor, exports his products to several countries, including the United States and Germany.*
US fund shuns SA as disinvestment pressure rises

By Lauren Chambless: Washington

"Even without a major increase in the price of gold, we believe American mining shares will appreciate as output grows. The growth potential in America's fledgling gold industry is superior to that of South Africa's mining companies."

His company will launch its share offer in Wall Street in the next six months. But even at a proposed capitalisation of $300-million, Precious Metals Advisory is unlikely to take away business from SA's gold industry.

Underscored

But Mr. Nichols' decision not to invest in South African gold underscores how serious the issue has become.

A move is afoot in Congress which could have a long-term impact on SA's mineral sales to the US.

America Imports $1-billion of cobalt, chromium, manganese and platinum — more than half of it from South Africa.

President Reagan recently cited South Africa's vital mineral resources as one reason to support and maintain comfortable relations with the Pretoria Government.

For years, congressmen opposed to economic sanctions have argued that any action could result in the South Africans blocking mineral imports to the US.

Soviet bloc

A study by the Congressional Office of Technology Assessment concluded, however, that the US could curb its heavy dependence on South Africa and Soviet-bloc nations for strategic minerals through scrap recycling, increased research and development, conservation and greater domestic production.

Although the report confirmed it would be years before America could wean itself from South Africa's minerals, Congressman Dan Glickman, a Kansas Democrat, believes there is growing support for an effort to be made for mineral independence.

Mr. Glickman believes it is essential for America to prepare for a potential cut-off in South African minerals.

Flexibility

He says: "The pressure is there. I've talked to people in the American Mining Congress, in the steel industry, the mining industry. They all use or are involved in strategic materials and minerals."

"I can't say whether the loss of materials would be because of an overt act on our part or because of trouble in South Africa. But the US needs independence and flexibility in dealing with South Africa. It has much less now than it could have because it's so dependent on some of these strategic minerals."

Under the Critical Materials Act passed by Congress last year, the Commerce Department has tried to address the question, albeit hesitantly.

Decade

The department has sponsored conferences at which the steel and aerospace companies, together with the Bureau of Mines and the Defense Department, have analysed America's strategic mineral needs in the next 20 years.

Most experts agree that it would require at least a decade of research for the US to become independent of SA's strategic minerals.

Tom Wolfe, a former precious metals expert with the US Treasury, says: "Given the tight US government budget constraints, there is no practical possibility over the next few years of any significant increase in Federal funding for either strategic mineral stockpiling or stimulative domestic production. US dependence on the traditional sources of strategic minerals will be unchanged in the foreseeable future."
Norway to cut SA imports

By Roy Carson

OSLO — A plan for a voluntary 50 percent cut in imports from South Africa will soon be put to Norway's parliament by Minister of Commerce and Shipping Mr. Asbjorn Haugstved.

A Foreign Office official in Oslo said the department had completed "an assessment of this politically embarrassing trade". A plan was being studied with Foreign Office officials.

"Mr. Haugstved feels much of the reduction should be voluntary, but it will mean severe cutbacks in imports of SA manganese and fruit. The ministry is also to compile an accurate list of Norwegian shipping traffic to SA with a view to legislative control."

The Norwegian Shipowner's Association has asked the Minister of Fisheries to clarify who is responsible for Norway's foreign trade policies. The shipowners said some local councils had "taken it on themselves" to ban loading and unloading of goods from SA, but this should be decided by the foreign and trade ministries."
Sanctions: the real threat

A B Lumi

Senior lecturer in economic history
at the University of Natal, Durban.

Senator Kennedy's controversial visit has highlighted calls for a campaign of economic sanctions (including disinvestment) in order to bring about "real change" in SA the extension of the vote to blacks and their provision with full citizenship rights. Implicit in the current debate is the belief that such a campaign can exert sufficient economic clout. However, the lessons of history do not lend support to this assumption.

Three recent examples will bear this out. The Arab boycott of Israel, initiated even before the Jewish state's legal creation in 1948; the US boycott of Cuba which began in 1960, and the sanctions campaign against Rhodesia, implemented by Britain in late 1965 and later joined by the UN. In all three cases, varying degrees of economic damage were inflicted upon the economies concerned but failed dismally to bring about the desired foreign policy objectives.

The practicality of withholding US investments as a weapon requires that such investments must be of pivotal importance to SA. And this is not supported by the facts:

- US investment in SA constitutes 22% of total foreign investment and other foreign investors have indicated a reluctance to become involved in the disinvestment campaign.

Historically, SA has been able to generate 85%-90% of its total capital requirements from within the economy.

This view is supported by research undertaken by A Spandau and Y Ulei into the likely effects of an investment boycott against SA. Extrapolating from their calculations (based on 1976 statistics) even if a disinvestment campaign is 50% successful, SA's GDP will decline by less than 2% and total unemployment will increase by not more than 100 000. The SA economy could absorb these rather mild shocks with little difficulty.

Spandau and Ulei warned, however, that there still remains an Achilles heel: a successful boycott of SA's exports. Once again, extrapolating from their conclusions, if an export boycott is only 20% successful, it will cost the balance of payments more than R2 billion, white unemployment will rise by more than 150 000 and black unemployment by some 500 000.

Assuming such a boycott is 50% successful, the balance of payments would suffer to the tune of R5 billion, white unemployment would rise by 300 000 and black unemployment by 1.5 million. If this dire prognosis were to prove true, then even a partially successful exports boycott would deliver a staggeringly blow to the SA economy.

These conclusions, however, are based on the assumption that the sharpest export declines would occur in gold, platinum, uranium and agricultural products - exports upon which many of SA's trading partners are dependent and which they would probably not be prepared to boycott. At present, SA's exports are 80% of total world's platinum, 75% of its gold, chrome and vanadium, 70% of its manganese, 60% of its diamonds, and 50% of its uranium. It is doubtful whether the world could afford to boycott one of the most important sources of strategically important minerals, particularly at a time when exchange rates make SA exports such an attractive proposition.

Furthermore, several Western nations are likely to be reluctant to impose economic sanctions when faced with the bleak prospects of aggravating their own unemployment situation in the currently depressed economic climate. (For example, it has been estimated that a West German trade boycott of SA would throw some 100 000 West Germans out of employment.) In addition, it has been argued that a sanctions campaign would have its worst effect on the black population groups as well as on the landlocked countries of Botswana, Lesotho and Swaziland.

Quite apart from the inability or unwillingness of foreign countries to enforce economic sanctions, there is also the strategy of defensive action. Through a combination of extended import control, rationing and intensified import substitution, SA would be able to offset many of the effects of economic sanctions. For example:

- SA depends upon oil for only 20% of her energy needs. Her major 'energy' source is coal and it is estimated that her coal reserves will last at least another 100 years.

- SA leads the world in oil-from-coal technology. At present, Sasol I, II and III provide almost 50% of SA's oil needs; and

- SA could extend import substitution in manufactured goods. A recent survey found that on economic grounds SA could justify purchasing more than R1 billion worth of locally produced goods rather than imports.

Overall, then, it would appear that the ability of the SA economy to withstand external economic pressure is considerable. While an export boycott might strike a damaging blow it would not cripple the economy.

SA's adult, able-bodied labour force is about 12m strong. Of this figure, estimates indicate that at least 2.4m or 20% are unemployed: 1% whites and 19% blacks. There is, therefore, an acute unemployment situation among blacks, a negligible fraction of whom receive unemployment insurance.

Aggravating the situation is the rapid growth of population - by about 3% a year - so that some 300,000 to 400,000 new jobseekers enter the labour market each year. The harsh reality of these statistics is that the SA economy must achieve a real rate of economic growth of at least 7%-8% a year merely to absorb the ranks of the unemployed. With sluggish growth in 1983 and 1984, and the deepening of the present recession, it is manifestly obvious that the economy has failed dismally to provide new jobs.

It is evident, therefore, that SA is not vulnerable to external economic pressure. Even a partially successful exports boycott (perhaps complicated by disinvestment) is likely to cause a slowdown in the overall rate of economic growth, and in turn a slackening off in the creation of new employment opportunities.

Inadequate job creation at a time of substantial population growth already confronts SA with its most serious economic dilemma, and the situation could well assume crisis proportions.

Seen in this context, the government's first priority should be the encouragement of all job-creating activities, and this necessarily demands the reflation of the economy. Much stricter control over the money supply together with deep cuts in State spending should constitute the major drive to reduce the unacceptably high rate of inflation. This would then allow private enterprise the freedom to resume its rightful function: profitable growth and new job creation.
WASHINGTON — Congressman Steve Gunderson, a moderate conservative from President Ronald Reagan's Republican party, has proposed a new approach in the argument over anti-South Africa sanctions. He calls it conditional investment. Congressman Gunderson told Congress they should adopt, and President Reagan should sign, a Bill to allow American investments to continue in South Africa on condition certain human rights were reached within five years.

TO MEET
Congressman Gunderson, of Wisconsin, made a low-key trip to South Africa at the time of Senator Edward Kennedy's visit. Back in Washington, he prepared a detailed analysis for the House of Representatives in which he said the following conditions should be met for American investments to continue:

- An end to forced removals and the homelands process.
- An end to influx control and pass laws.
- An end to detention without trial.
- Legalisation of all political parties.

TO REPORT
"At the end of the five-year period," he said, "we would require the President through the Secretary of State to report to Congress on progress made.
"If substantial progress has been achieved, American investment could continue.
"If not, then the Administration would be directed to implement the methods by which disinvestment of American interests would occur.

- An end to forced removals and the homelands process.
- An end to influx control and pass laws.
- An end to detention without trial.
- Legalisation of all political parties.
Council guilty of 'neglect'
— Wiley

Political Staff

THE Minister of Environment Affairs and Tourism, Mr John Wiley, last night repeated his criticism of the Cape Town City Council for neglecting to provide sufficient beach and pool amenities for all Capetonians.

Asked to comment on his speech in the House of Assembly last week and consequent press comment, he replied: "With reference to your leader 'Keep race out of it', the thrust of my speech in Parliament on Thursday was that the City Council had neglected to provide enough tidal pools, changing rooms, toilets and parking areas along the Peninsula's coastline over the years.

"Secondly, existing facilities were already overcrowded.

"In spite of both of these facts, councillors decided to open existing beaches 'to all', resulting in chaos and 'harm to intergroup relations'.

"My charge is disgraceful neglect by the civic authority of its responsibilities to Capetonians, followed by the decision to advocate the floating of the law and then taking no precautions for what has since ensued."
Disinvestment: Tough battle lies ahead, says US Ambassador

Even conservatives could not afford the label 'soft on racism', says Mr Herman Nickel. The Argus Johannesburg Correspondent reports.

A VERY tough battle lies ahead in the United States over Congressional moves to enforce disinvestment from South Africa, says US Ambassador to South Africa, Mr Herman W Nickel.

Interviewed by Pat Rogers on SABC-TV's Eyeline programme last night, Mr Nickel said the South African issue was a deeply emotional one in the US and there was a strong feeling in Congress that "something must be done".

Mr Nickel raised the possibility that disinvestment measures may be able to be stopped by court action. The question raised very serious constitutional issues such as the Prudent Investive Rule, the Commerce Clause and the Supremacy Clause which left foreign policy to the federal government, he said.

"This may be a basis for legal challenge," he said.

President Ronald Reagan would work hard to avoid having to veto any disinvestment legislation.

"No monopoly"

"You must understand that even conservatives cannot have the label 'soft on racism, soft on apartheid' attached to them. The job is to prove that the disinvestment lobby does not have the monopoly on anti-apartheid sentiment."

He said there would be major enforcement problems in the event of economic sanctions.

Loss of American investments would mean South Africa would lose one to 1.5 percent of its required annual economic growth of about five percent.

"That would be a serious blow because it makes the difference between a barely adequate and an inadequate growth rate."

"The biggest help in fighting disinvestment moves is evidence of forward momentum in reform. Developments of the last few weeks have made it easier for us."

"Own interests"

"We would like to think that the overwhelming majority of South Africans see change as being in their own interests as well," said Mr Nickel.

Among the hopeful signs of recent weeks were the speech by the State President, Mr P W Botha, at the opening of Parliament — especially references to the future of urban blacks, forced removals and common citizenship.

"The speech represented a courageous turning away of some long-held tenets," said Mr Nickel.

Asked by Mr Rogers to be more specific on what kind of system the United States would like to see in South Africa, Mr Nickel said the US would not be forced to prescribe as to how a system which would have the consent of those it governed should be achieved.

Consent

He said the consent of the governed meant also the consent of minorities. This had to be achieved by dialogue and negotiation. "This is the aim of constructive engagement in the broadest sense."

Questioned on the bargaining cards both sides would have in the event of confrontation, Mr Nickel said that sometimes the various interests were not playable like cards in poker.

Asked why there was this sudden "heat" on South Africa in the US, Mr Nickel said there was a liberal coalition in the United States which had recently been taken apart in elections. "This issue allows black militants and certain Jewish organisations to close ranks again," he said.

On the role of the United States in the United Nations, Mr Nickel said that in the General Assembly the US had taken the view that words had to mean something and that a great power could not vote for a resolution with excessive language.

Sanctions

In the Security Council a decision to enforce mandatory sanctions could only be reversed by the council and this would make the Soviets the arbiters of a South African solution.

"That is why we are not about to vote for sanctions there," he said.

Mr Nickel said the US attitude toward South Africa at the United Nations had been held at considerable political and diplomatic cost.

Mr Rogers asked Mr Nickel how far South Africa could trust the US in the light of the 1979 "Spy plane scandal" and the Angola debacle in 1976 when South African forces entered the territory "with United States connivance".

Mr Nickel did not deny Mr Rogers's claim of connivance but said: "In that case we have a more complicated system of government in that Congress has more powers of foreign policy than your Parliament. That particular chapter was dictated by Congress and not the administration."
New York moves to force US firms, banks to disinvest

Argus Correspondent
NEW YORK. – New York City has introduced disinvestment legislation aimed at forcing US banks and firms to stop doing business with South Africa.

And in a letter to the Secretary of the Treasury, Mr. Donald Regan, the Mayor of New York, Mr. Ed Koch, proposed that the US must use its own gold coins, because “one source of income for South Africa is the sale of the Krugerrand”.

At a Press conference to announce the disinvestment drive, civic leaders and trade union officials headed by Mr. Koch described it as the strongest measure yet taken by a US city to cut financial ties with South Africa.

The legislation will end all New York City dealings with banks or trust companies that
- Underwrite securities for the South African Government.
- Make loans to the South African Government, except loans for educational, housing or health facilities available without discrimination.
- Advertise or promote the sale of Krugerrands or other coins minted in South Africa or SWA/Namibia.

Firms wanting to carry out contracts for the city will not be permitted to supply the city with goods from South Africa or SWA/Namibia. In addition, they will not be permitted to make any direct sales of goods or services to the SADF, police, prisons, or the Department of Co-operation and Development, except for food and medical supplies. Firms must state that they have not done any such business in the past 12 months.

Last year
The new legislation, supported by all major figures in the New York City Council and the city’s labour movement, follows a decision last year by administrators of the city’s pension fund not to invest in corporations that operate in South Africa without adhering to the Sullivan Code of employment practices.

Five states and 11 cities have adopted laws requiring pension funds or State employees to disinvest.

At the conference Mr. Koch said “In spirit, in practice and in law apartheid is evil.

Woman burnt to death in car boot: 2 married men in court

Argus Correspondent
JOHANNESBURG. — The horrid Klerksdorp case in which a young woman was allegedly locked in the boot of a car which was then set alight took a new turn today.

Two young married men, both fathers of small children, appeared in the Klerksdorp Magistrate’s Court charged with murder and rape.

Mr. Joseph George Scheepers, 21, of Byde River Street, Klerksdorp and Mr. Schalk Johannes Burger, 20, of Magrieta Prinsloo Street, Klerksdorp were not asked to plead.

The court adjourned until February 21.

Mr. Scheepers, a father of two, was on the run after escaping from the military detention barracks in Pretoria when the crime was committed. He is stationed at 16 Supply and Transport Depot, Potchefstroom.

Tall, dark-haired and tanned, Mr. Scheepers wore a windbreaker in court and glanced nonchalantly around the court.

Mr. Burger, who is also married and has a two-year-old child is unemployed. He is small, sporting a bushy stubble and an open-necked shirt in court and appeared not to care.

The men appeared in connection with the killing of Miss Ginny Gorgzzone, 21, at the weekend and a vicious assault on her boyfriend, Mr. Jacob Wessie, 28.

Two other men appeared in court earlier this week in connection with the case. They were Mr. Jacobus Valentine Adriaan Mattheys, 20, of Klerksdorp, who was doing his national service at the Air Force base in Potchefstroom and Mr. Daniel du Rand, 19, a telecommunications apprentice working for the post office in Alberton.

There are thus only two men involved in the case and not three as previously reported.
Most Americans oppose ending trade with SA, blocking new investment or forcing US companies here to close down. However, they favour US pressure on Pretoria to give blacks more freedom and participation in government.

These are the main findings of an opinion poll conducted by Lou Harris and Associates for Business Week and published in the magazine’s current issue (February 11).

The survey of 1 254 adults was conducted between January 24 and 27 — after the much publicised tour of SA by Senator Edward Kennedy.

Business Week says nearly 66% were sympathetic to the recent protests at the SA embassy in Washington and 53% (against 39%) felt it would be “immoral” for the US to support the SA government. Nevertheless, 64% believe the US should stay on “good terms” with Pretoria “because of SA’s rich resources.”

The magazine reports that “opposition to economic sanctions appears to have mounted steadily.” Eight years ago a poll showed a small minority was against forced disinvestment in SA. Today, the figure is 76% while 61% believe a pull out would harm the interests of black employees.

In an editorial, Business Week agrees that apartheid “is an ugly spectacle.” But it criticises the lobby seeking to force the 300 US companies operating in SA to withdraw, “They should remain ... seek actively to strengthen the economic muscle of blacks and where they can, promote political changes that enlarge black participation. This is in fact the direction in which most US companies in SA, slowly and often under pressure, are moving.”

The Sullivan Principles and the agreement by “134 Sullivan Principles companies” to bring more political pressure on the SA government was a “record of progress.”

There was no room for complacency, however, and the US government “should speak out loudly and often against apartheid. But forcing US companies out of the country would hurt not only help, SA’s blacks.”
US bank loans to SA Govt under threat

From RICHARD WALKER

NEW YORK. — The South African Government is threatened with a cut-off in lending from most of America's biggest banks as a result of an agreement forged with New York's political bosses. Included is Citibank, a key lender in the past, which announced that it was closing its books on all lending to the government.

Though only just introduced, a proposed bill to prohibit the deposit of municipal funds in banks that do business with South Africa is being obeyed by all banks handling the city's money, City Hall officials said. The city's local deposits come to about $4,000 million ($6,000 million). Led by Citibank and Manufacturers' Hanover Trust, New York is headquarters to five of America's six largest banks and six of the top ten. Together, their assets total more than 200 billion dollars ($400,000 million).

Citibank is understood to have hired a special consultant to oversee its compliance with the tight regulations contained in the bill. According to bank vice-chairman Mr. Hans Angermueller, it will clear its last outstanding loan by March 31. Regarded as certain to become law, the bill opens up a new front for the disinvestment campaign and is reckoned as menacing as any the South African Government has had to contend with.

As well as shunning government loans, the banks would not be able to promote Kruger rand sales.
NEW YORK. — Citibank reiterated at the weekend that it had no plans to withdraw from private sector lending in South Africa, even though it planned to eliminate all outstanding loans to the South African government from its books by the end of next month.

Last week New York City officials announced a proposed bill that would use the city's financial clout to penalize banks and firms doing business with the government of South Africa. The proposed measure would prohibit the city from depositing funds with banks that underwrite South African securities, make loans to the South African government, or promote the sale of Kruger ruands.

The City Comptroller, Mr. Harrison Goldin, had said Citibank was the only commercial bank not in compliance with the proposed legislation.

— UPI
Anti-apartheid sanctions of some form or other seem certain to be approved by the United States Congress this year, sources in both the Republican and Democratic parties predict.

"The momentum building up is so strong that I cannot believe it will simply fizzle out as it did last year," an official on the Democratic side said. A colleague on the Republican side agreed.

It is felt in Washington, however, that the severity of the sanctions can be markedly reduced by two factors - implementation of reforms promised by the South African Government and effective lobbying among congressmen by Dr. Chester Crocker's team in the Reagan Administration.

If Congress believes that reform is genuinely under way in South Africa and that the administration can convince the congressmen that US sanctions will blunt the reform movement and damage US interests, the legislation may end up being more symbolic than punitive, sources say.

In the meantime, anti-SA Bills are being introduced in Congress virtually every third day. Most are destined to die at birth, for several reasons.

One reason is that of the 1,000 Bills introduced each year, only about 100 Bills are enacted, another is that most of the anti-apartheid measures are repetitive. Typically, they call for a ban on Krugerrand sales in the US and a prohibition on American bank loans to the Republic.

Measures introduced in the last few days include a ban on landing rights for South African aircraft here, prohibition of exports to and imports from SA, a ban on tax credits for US companies in the Republic, and a proposal that the US produce its own gold coins to remove the attractiveness of Krugerrands - which, according to the Bill's sponsor, nets $400 million a year for South Africa.

These measures join a host of others that have already been submitted even though the Congress is just over a month old.

The proposals range from a scheme under which sanctions will come into effect if the SA Government fails to make effective reforms within five years, an end to SA loans from the International Monetary Fund, and a ban on the sale of computers that could be used by the SA Police and military, to mandatory adherence to the Sullivan code and an end to new US investments in the Republic.

The proposed ban on new investments is the measure that seems to be winning most favor. To some congressmen it seems to provide a compromise since it does not require divestment and the loss of jobs for blacks but sends a strong signal of disapproval to the SA Government.

Calls for sanctions seem sure of approval, but their severity could be markedly reduced by two factors, writes Neil Lurrsen of The Star's Washington Bureau.

The Reagan Administration is opposing all sanctions and urging all US companies in South Africa to sign the Sullivan code voluntarily.

Some sources say the debate on South Africa is likely to start in Congress in March, but could be delayed a month or two.
Bank reviews ties with US city

From JOHN BATTERSBY

LONDON. — Barclays Bank (UK) has begun an urgent review of its operations in New York City following the introduction of legislation to cut city funds to banks that lend to the South African Government.

The top-level review by Barclays comes in the wake of fears that Barclays Bank of New York — a subsidiary of Barclays UK — could be directly threatened by the legislation.

The move by the New York City authorities — the first city to introduce such legislation — has already caused Citibank, the largest US lender to the South African Government, to say that it will liquidate all its loans to the government by the end of next month.

‘Alarm’

The move to cut off hundreds of millions of rand in city business from banks and corporations that maintain ties with Pretoria has triggered an alarm at the Barclays headquarters in London — a frontline target of the anti-apartheid lobby.

Barclays Bank of New York has already lost millions of rand in business through forfeiture of the Rockland County account (New York State) following the adoption of anti-apartheid legislation in the mounting divestment campaign.

A spokesman for Barclays said yesterday that the situation in New York was "under review" but he would not disclose the extent of Barclays business with the New York City government under the client confidentiality rule.

Implications

He said Barclays had not had time to study the pending legislation or to take a comprehensive assessment of the implications of the move.

In another move yesterday, Mrs Adelaide Tambo, wife of the president of the African National Congress, Mr. Oliver Tambo, was appointed by the Barclays Shadow Board — an anti-apartheid lobby which monitors the activities of the Barclays Board in the UK.
No extradition treaty to get Rademeyer

Own Correspondent

MELBOURNE. — South Africa has not concluded any special extradition treaty to try to bring Mr Gert Rademeyer back to the Republic to face criminal charges of stealing R64,4-million from Escom.

Late yesterday the South African Department of Foreign Affairs confirmed that negotiations to try to establish a treaty were still going on.

"If recent press reports are right and he knows something more about South Africa's uranium deals, and that proves to be the real reason they want him back, then it becomes a political game," said an Australian federal police officer last night. "In that case it's anyone's guess if we'd bother to send him."

The Australian authorities said that there would have to be very powerful justifications for extraditing Mr Rademeyer, and that if there was any suggestion that he was being hounded for political reasons, an extradition would be out of the question. And he would be afforded every avenue of appeal against an extradition order.

South African Government sources said that the matter of Mr Rademeyer's extradition was at a sensitive stage but there was reasonable confidence that an application for his extradition would succeed.

Mr Rademeyer denies stealing money from Escom and says he was owed the money as commission on secret enriched-uranium deals.

Speaking to Australian newspapers, Mr Rademeyer has threatened that unless Escom drops all charges against him, he will disclose irregularities in the Commission's secret payments to overseas agents who have assisted South Africa in buying enriched uranium.
American plan to link Namibia to sanctions

WASHINGTON — American Congressmen are thinking of joining Namibian independence to laws calling for economic sanctions against South Africa, says liberal Democrat Congressman Howard Wolpe.

He was speaking at a congressional committee hearing on policy towards Namibia.

Congressman Wolpe, a veteran foe of South African policies, is committee chairman.

He did not spell out details of a Namibia-sanctions link, but it is understood that the laws would impose sanctions on South Africa in the absence of progress toward settling the Namibian issue under Security Council Resolution 435.

It is a new element in the movement in America to punish South Africa economically for its policies.

But there are signs that the proposals could run into trouble in Congress.

These signs came during yesterday's hearing when Demo-

cratic and Republican Congressmen adopted widely differing positions on Namibia.

Congressman Wolpe strongly criticised both the South African and the American Governments, dismissing American policy as illogical and disagreeing with American claims that progress had been made in Namibia negotiations.

He said constructive engagement had led to destructive consequences for Namibia as well as for American and South African national interests.

Congressman Wolpe referred to mounting agitation against South African policies.

He said there was now a chance for the first time for Congress to take a bipartisan approach towards a range of Southern Africa issues, including apartheid, Namibia, and South African aggression against neighbours.

He added that he realised it would not be easy, but he invited President Ronald Reagan's Administration to join Democrats and Republicans in the new approach.

There were few signs of bipartisan unity when Congressman Mark Siljander, a new senior Republican on the committee, addressed the hearing.

Congressman Siljander, a prominent conservative, said that if Swaz to take part in Namibia pro-democratic elements within Swapo would suffer the same fate as moderates within the Marxist Sandinista regime in Nicaragua.

He added that acceptance by the MPLA regime of the concept of linkage between Namibian independence and a Cuban withdrawal was an important breakthrough.

And he expressed concern about American pressure on South Africa to stop supporting Unita rebels.

The American Congress said Congressman Siljander, had failed to repeal an amendment which stopped America from performing its responsibility of helping democratic movements in the Third World.

"My greatest concern is the future government of Namibia," he said.

"It is one thing to have free elections, but they are valid only if followed by periodic elections."

A situation that failed to guarantee security from Marxist-Leninist forces, he said, would undermine South Africa's confidence by putting another communist state on its borders and strengthen South Africa's hard-right, thus harming the push for reforms in South Africa itself.

It is highly unlikely that the Reagan Administration will reverse itself and support any attempt to impose sanctions to pressure South Africa into granting Namibia independence.

It's just like moving backwards...

NEW YORK — After weeks of talk of racial reform from white South African officials, recent events seem like retraction, said a New York Times front page report yesterday.

The report, from Johannesburg, said events of the past few days recalled some of the worst images of South Africa that have made their way into the American consciousness in the past few years.

These included police firing on black demonstrators and 3 am raps on the door by security police to come to search or to detain people opposed to white rule.

News of deaths at Crossroads squatter camp and detention of leaders of the United Democratic Front has been prominent on the front pages of the Washington Post and the New York Times in the past two days.

The reports have also been prominent on major American national TV networks.

The New York Times report said: "South Africa seems to be showing that the sinews of raw white power remain as taut as they were before constructive engagement."

It added that the Government's harsh tactics, reminiscent of Sharpeville and Soweto in 1976, reflected the uncertainties and anxieties that had surrounded efforts to ease the state's racial policies.

The report, from the newspaper's correspondent Alan Cowell, noted that after this week's bloodshed and detention's response of the American Government was one of mild reprimand: "Stated bluntly, we regret the use of this type of legislation called upon to detain some leaders of the United Democratic Front."

The president who'll come to the defence

The Administration of US President Ronald Reagan would do everything in its power to defeat punitive measures designed to damage the South African economy, said American Ambassador Mr Herman Nickel last night.

He told Afrikaans businessmen at a meeting of the Johannesburgse Afrikaanse Sakekamer, held at Johannesburg's Rosebank hotel:

"To deliberately slow the growth of your economy and thus the employment for your rapidly growing black population would lessen rather than improve the odds for peaceful change."

He called on the South African business community to help the Reagan Administration by supporting demonstrable reform and change.

"It will be the Afrikaner's support for change that will most impress those critics of South Africa both within and outside the country," said Mr Nickel.

The shortage of skilled manpower was the factor most inhibiting sustained and strong economic growth, he added.
Disinvestment: Tough US battle

JOHANNESBURG — While the United States Government would do everything possible to avoid sanctions against South Africa, it expected a "tough battle" because of recent news events, the US Ambassador to South Africa, Mr Herman Nickel, said on Saturday.

Mr Nickel was interviewed by SATV shortly before his return on Saturday to Washington, where he will inform his government on the disinvestment issue, expected to come up in Congress.

The ambassador said that while there had been a "good deal of progress in reform in the past few weeks", events such as the Crossroads unrest and the arrests of United Democratic Front leaders "totally block out the story of reform" in the American news media.

"Events like that happen, and negate the impact of the good news which happened in the past few weeks," Mr Nickel said. "This was a plain fact, much as one may lament it!"

"We need evidence of forward progress to rally the moderates to fight sanctions, because my administration is firmly convinced that punitive measures would do great harm to the South African economy and especially those most exposed, which means the black majority — without there being any chance of the political objectives of sanctions being achieved," the ambassador said. — Sapa
LONDON — The government of Prime Minister Mrs Margaret Thatcher yesterday stated its opposition to a call by Commonwealth Secretary-General Mr Shridath Ramphal for economic sanctions against South Africa.

This followed a meeting between South African Ambassador Dr Denis Worrall and Foreign Office Minister of State Mr Malcolm Rifkind, British spokesman on African affairs.

The meeting's focal point was the British Government’s deep concern that the arrest of United Democratic Front leaders in South Africa might reverse the trend towards dialogue between white and black political leaders.

After the meeting Mr Rifkind was questioned on the BBC about Mr Ramphal's call on Friday for sanctions against South Africa.

He replied, "We are opposed to sanctions. We do not think they would work and we do not believe they would bring the sort of changes we would all like to see. We think many of the major improvements in South Africa have actually come about because of the dramatic economic development of recent years."

Of the meeting with Dr Worrall, Mr Rifkind said it had been very helpful and very useful.

He added that the British Government had very much welcomed statements by South Africa’s State President, Mr P W Botha, on dialogue with blacks and the possible release of Nelson Mandela.

But, he went on, the arrest of a substantial number of people in the United Democratic Front, a non-violent organisation, were a matter for concern.

Clearly, said Mr Rifkind, his government was more concerned about people who had been detained without charges being brought.

"Where charges have been brought," he added, "South Africa does have a judiciary which has shown that it can be independent and that it will look very closely at the evidence which is placed before it." — The Star Bureau.
Post offices refuse to handle SA mail

GENEVA — Post offices in some parts of the world now no longer automatically handle mail to and from South Africa.

South Africa was expelled from the Universal Postal Union (UPU) last year. Delegates at the UPU congress in Hamburg then made sure that it would not be re-admitted through membership of the United Nations, as it had in 1979, when it was expelled for the first time.

A spokesman for the UPU in Berne, Switzerland, confirmed yesterday that the door had been closed and the key to re-admission removed.

"We are a secretariat representing 165 members, many of them from the Third World. The congress in 1979 voted to expel South Africa, but it had to be readmitted because of a clause which allowed membership to all members of the United Nations," the spokesman said. "When South Africa was expelled last year, delegates made sure it would not get back in again."

What lack of membership of the UPU means to South Africa is that it is excluded from participating in affairs of the organisation, from other receiving or distributing information or from other benefits of belonging to the worldwide body.

The spokesman said the UPU would not take further action against South Africa. However, it was up to the individual nations, should they wish to do so.

Sources here last night suggested that postal services between countries such as Libya and Saudi Arabia and South Africa might not be "very proficient."

It was suggested that South Africa was trying to negotiate a deal with Britain to forward mail to such hostile countries. However, if this is the case, it is being conducted on a very hush-hush level and no confirmation could be obtained.

South African diplomats accredited to international organisations in Geneva would not comment on any negotiations.

The UPU spokesman said the matter was now out of their hands. The expulsion had been on a point of principle by countries opposed to South Africa’s "system of apartheid."

"The UPU's aim is to improve postal services throughout the world, but the feelings of some of our member countries run very strongly against South Africa. What they are choosing to do is their own concern." — DDC.
New group will fight disinvestment lobby

American businesses in South Africa, under mounting pressure to withdraw from the country in protest at its race policies, yesterday launched a drive against the disinvestment lobby.

Mr Stephen Bisenius, who has just resigned as executive director of the American Chamber of Commerce in South Africa, said the new American Association for Trade and Investment aimed to co-ordinate an "aggressive response" to the disinvestment campaign.

Launching the new group, Mr Bisenius said: "The campaign, correctly defined, aims to affect almost all trade, licensing agreements and technology transfer between the US and South Africa."

Economic sanctions which US opponents of South Africa's apartheid policies want to see introduced "more correctly reflect the goals of destroying business relations between the two countries," he added.

Nearly 350 US-based companies have ties with South Africa and the US State Department estimates that they have direct investments of about $4.6 billion.

President Reagan has said he will continue "constructive engagement" — his policy of using persuasion rather than confrontation to bring reform in South Africa.

But Congress members of his conservative Republican Party have threatened to support economic sanctions unless South Africa makes swift and substantial changes.

Pressure for disinvestment has intensified after a year in which more than 200 people died in continued unrest in South Africa's black townships.

Mr Bisenius said the new organisation would combine the vested interests of firms located in South Africa with those of about 6,000 US corporations which trade with SA.

It would aim to protect and expand trade and investment and would be "totally independent, highly flexible and funded only by the private sector."

He added: "To emulate our opponents, this organisation must also work around the clock and maintain constant vigilance against anything which would affect trade and investment." — Reuter
THOMAS MOLETE

Time for disinvestment action

Thomas Molete is business development manager of Barclays' Small Business Unit, and he is an active member of business, cultural and educational bodies in the black community. Here he suggests what SA business should do to counter the growing disinvestment movement in the US.

FM: How do you rate the private sector's reaction to the disinvestment threat?

Molete: Unfortunately, it is again a question of "wait and see" or "too little, too late." There has been far too little follow-up since the commendable action of business organisations in raising six reform issues with Senator Edward Kennedy during his visit. I believe businessmen should have pursued the subject more vigorously.

They should have kept the initiative and pressed for economic and other reforms. Without change and movement on the local scene, we won't win the battle against disinvestment overseas. There must be an effective follow-through on these issues, and business cannot wait for the politicians all the time.

What form should this private sector follow-through take?

Action committees should be formed to discuss the areas covered in the reform proposals put to Kennedy, and to make representations to the government. All six issues mentioned are very important and should be pursued steadily.

What about overseas action by the private sector against disinvestment?

The private sector should follow the example of the US/SA Leadership Exchange by forming a similar business exchange organisation. It is essential for SA businessmen to meet and address their foreign counterparts, and it is equally important that US and European businessmen are encouraged to visit SA.

We need a "business think tank" of leaders of the sector to investigate, discuss and pursue all the issues which contribute to the disinvestment call. People like Harry Oppenheimer, Albert Wessels, Chris Ball, Anton Rupert, Mike Rosholt, Tony Bloom, Meyer Kahn and Andreas Wassenaar should get together to discuss the issues — something along the lines of the Carlton Conference.

The SA reaction to disinvestment has been wrong, seeing it as a threat to blacks, per se, rather than a threat to the whole SA economy. About three million people are unemployed in the current recession, but it is not seen as a "black" recession.

The threat is to the SA economy and its job-creating function. It is wrong to see disinvestment as a political threat. There must be an economic reaction to it. It is the responsibility of the people of SA to protect their own economy.

So you want action, not just words?

The disinvestment issue is a serious threat to the SA economy. The answer lies here, in SA, and our businessmen should set the ball rolling — without waiting for the politicians. Foreign promotion should follow, as is done very effectively by Raymond Ackerman, who regularly addresses audiences across the world — speaking business, not politics.
The pressure mounts

Government's propensity for using its international image with ill-timed security swoops and strongarm police action against blacks is providing much impetus behind the slew of disinvestment Bills being introduced in the US Congress.

American Ambassador Herman Nickel said as much when he was summoned home to advise his government on ways of countering the measures. Nickel said that recent detentions, and the deaths of 18 blacks at the Crossroads squatter camp, have increased support for disinvestment and made his administration's task of fighting it very difficult.

Many SA businessmen are equally mystified by the timing of Pretoria’s “disciplinary.” Says Free Market Foundation director Leon Louw: “It is incredible. It is almost as if government sat down and decided to maximise their bad image, and then got a professional PR company to work out how they should do it most effectively.”

The overload of legislation affecting SA virtually ensures that some Bill will be passed this year, writes our Washington correspondent. There are now few Republicans willing to stick their necks out for Pretoria.

The Crossroads violence and the UDF arrests set the backdrop for what will likely be major press coverage of the introduction of the various sanction Bills. House-Senate battles over legislation aimed at SA will not this year be fought behind the closed doors of conference committees — a format which in the past has enabled Republican senators to oppose anti-SA legislation without much fear of public outcry.

The bill awaited with the most interest is a joint effort by Republican senators Nancy Kassebaum (Kansas) and William Roth (Delaware). It will be the Republican answer to numerous Democratic Bills, most of which are remakes of last year’s defeated Solarz amendment.

The Kassebaum-Roth Bill is expected to combine positive measures — for example, scholarship aid for black SA students — with punitive measures, if Pretoria does not make drastic changes in the apartheid system within a given timeframe.

On the House side, Democrats William Gray (Pennsylvania), now chairman of the House budget committee, Stephen Solarz (New York) and Howard Wolpe (Michigan) will introduce a Bill containing more stringent economic sanctions than the one Solarz and Gray sponsored last year. That Bill included a ban on new loans to the SA government, a ban on Krugerrand sales, and the prohibition of new investment in SA.

Two other Bills, one introduced by Democratic Senator William Proxmire (Wisconsin) and one by Walter Fauntroy (Washington DC) round out the divestment measures. Following his visit to SA, Senator Edward Kennedy has decided to lie low, awaiting the arrival of the Kassebaum/Roth and Solarz/Gray/Wolpe Bills.

There were reports that he might co-sponsor the Republican Bill if its measures proved stringent enough, but the more likely scenario is that he will eventually introduce a Bill in the Senate which will closely mirror the Solarz/Gray/Wolpe legislation introduced in the House.

SA is fighting on two fronts. One front involves the highly publicised political pressure being mounted at national, state and local government levels for America’s lawmakers to do something to protest against apartheid. The other, potentially equally important, is the growing reluctance by America’s business and international investors to commit themselves to any projects overseas — a trend that is being exacerbated in SA by the political problems of investment here.

According to statistics compiled by the US Commerce Department and the Federal Reserve, the growth in American loans to foreigners and investments abroad eased to $43.3 billion in 1983, less than half of the growth in overseas commitments of $109 billion in 1982. Even worse, economists believe that when the final tally for 1984 is in, it will show that total growth in overseas lending for all of last year may have plunged to just $2 billion.
LOU WILKING

Disinvestment issue critical

"The overall state of the economy and the extreme measures taken by the government cast doubt on the ability of the country to manage its own affairs."

Tough words, particularly when they come from a foreigner, General Motors SA MD, Lou Wilking.

FM: One of the extraordinary things about your recent speech was that you spoke as a foreigner.

Wilkbing: It's true. I am a foreigner. But I've lived here since 1977. I've buried my wife and my mother from here, I've raised my family here and married my second wife from here. I'm currently president of the Midland Chamber of Industries and a past president of the National Association of Automobile Manufacturers of SA (Naamsa). I think I am as much a South African as a lot of other people.

Are your views representative of other foreign companies operating in SA?

I can't speak on behalf of others, but I've certainly had support for my views from a lot of people, including managing directors of other multinationals.

What prompted the strong views you expressed in your speech to the Institute of Cost and Management Accountants?

The disinvestment issue is getting so critical that we need a clear statement by the SA government saying what they're going to do, when they're going to do it and, by God, they must do it.

The politicians have to quit making announcements, such as on the opening of CBSs to all races, and then letting it drag out.

Even so, you must feel the pressures are getting enormous.

Absolutely. General Motors has had shareholder resolutions on SA since 1971, none of which have been passed, and will face one again in May from the state of New York. A number of states as well as cities and universities, all big investors, are now prepared to risk potential returns on investments by doing away with their stocks in any company which does business here.

You must understand the total United States citizenry has very deep-seated feelings about racial prejudices. One can say there have been substantial changes here. For me the most meaningful change is that blacks are now allowed to own their homes in the cities because that says they belong where they are. Americans say that's all fine and dandy, but is it true you can't sleep with a black woman?

Now, you throw that in with economic mismanagement and you've got no plus. In the past SA was considered a pretty solid sort of place. However, when you look at the final litany of results of recent economic management -- interest rates up from 7% to 25% in four years, the value of the rand down by 60% in two years, a government that employs 62% of all whites and increases their salaries by 30% in a year, in a major recession, get up from 6% to 10% in less than half a year -- what do you say?

These are more recent events. One gets the impression your lack of faith goes deeper.

That's right. Let's go back to the first fundamental: gold is a gift of someone's imagination. Number two because of apartheid we duplicate facilities, people have to live out in the boonies and ride trains and buses to work and we've got to subsidise Mr Schoeman's Transpoort Bredt. And then to the grander plans, the Atlantics. If you invest $300m, every year and in the year 2000 we're going to be years behind everybody in technology.

The Saldanha facility cost some R850m and they're incurring losses of about R150m which gets lost in Iscor's budget and pushes up the steel price when that railway line could have been built to Port Elizabeth, where we have a harbour for R400m.

What should we do about it?

We should be looking at the type of industries suited to the current capabilities of the mass of the people. I'm looking at the Taiwan and Korean type of approach, making T-shirts and hakies. And you've got to cut the public sector and put a choke-chain on every minister.

If he overspends his budget, he's out.

And maybe we should look at the losses on some of these big projects and maybe we should shut them down. Take the savings and build the houses and the schools that are needed. That in itself will generate jobs and the demand for door frames and bricks and the things we can make.

Are you saying the disinvestment pressure combined with unfulfilled political promises and economic mismanagement means things are getting so bad it's no longer worth staying here?

Let's get this straight. We're staying here all right. For me SA has the most interesting set of opportunities in the world. There are some of the rarest minerals, a First World infrastructure and, its biggest asset, employable people. But there has to be change. We have to get this political thing sorted out. The sooner we do it, the sooner we'll show what this country's promise is.

You're on record saying you would be interested in a South African partner. Is that not a way of disinvesting?

Who would want to buy into the automobile business in SA when we've got the enormous excess capacity? There ain't any money to take home. However, by getting a partner you may get a better capital structure and, from a networking point of view, it would make sense to give South Africans a stake in the company.

It appears as if the Reserve Bank has taken the only solution -- to postpone matters and write into the draft Bill that the finer details will be laid down by regulation. Once the Bill is passed the Reserve Bank will negotiate with banks on an ongoing basis.

The phasing-in period and method is seen as the crucial issue.

The Reserve Bank has done various exercises with different ratios and last year circulated models based on the Dutch...
LONDON — The ANC and Swapo have joined forces in calling for worldwide oil sanctions against South Africa to speed the downfall of apartheid.

The call was made in a joint statement issued by ANC president Oliver Tambo and Swapo president Sam Nujoma.

Their appeal, issued from Lusaka in Zambia, was released in London and in other European, African, Asian and Middle Eastern capitals.

March 13 has been designated "International Oil Embargo Day" with demonstrations, rallies and lobbying planned for in or near most West European parliaments.
Call to stifle SA's new gas fields

Post Correspondent

LONDON — Swapo yesterday asked for international action to prevent South African exploitation of the Mossel Bay natural gas fields as part of renewed joint calls with the ANC for a total oil embargo.

Swapo's London spokesman, Mr Peter Manning, said South Africa's "total determination" to sabotage all efforts towards independence for Namibia/SWA could be answered with effective action against plans to exploit the Mossel Bay gas fields.

He said South Africa was seeking partners abroad to invest about $1.5 billion (about R2.5 billion) for plants to convert the gas reserves, estimated at two billion cubic litres, into oil.

He said the world community should act to starve South Africa of the technology it needed and make the exercise "as expensive as possible".

He claimed there had been a sudden recent spate of South African military and political activity in Namibia which pointed to a possible new invasion of Angola and further setbacks to peace prospects.

Mr Manning said Swapo was acting jointly with the ANC in calling for the worldwide enforcement of an oil embargo against South Africa because of evidence that Pretoria was set on a path of "absolute intransigence" on the subject of quitting SWA/Namibia.

Swapo president, Mr Sam Nujoma, was due to appear with ANC president, Mr Oliver Tambo, in Lusaka to call on all nations to enforce the oil embargo against South Africa on the grounds that Pretoria was now more vulnerable than ever.
Disinvestment: ‘We will beat it,’ says Pik

Political Staff

PARLIAMENT — South Africans should accept that the disinvestment campaign in the United States could lead to “significant economic damage” — including loss of jobs, the Minister of Foreign Affairs, Mr Pik Botha, warned yesterday.

Speaking in the House of Delegates in a debate on a Private Member’s motion on disinvestment, Mr Botha said the government viewed the threats seriously and would do all it could to contain and defeat them.

“We have faced sanctions before. We have faced this threat for more than two decades. We beat the arms embargo. We beat the oil embargo. With the country’s help, we will once again beat this threat,” he said.

In spite of opposition to sanctions by the US administration and by the governments of South Africa’s other major economic partners, the threat was considerable.

The US legislative process, combined with the “anti-South African” majorities in the House of Representatives, the majority of states, and most major cities, made a variety of “hostile” actions possible.

But the “boycotters” could not succeed.

“Indeed, we can and will not allow it. We must, nevertheless, be forewarned of and prepared for the dangers,” he said.

The “misplaced and perverse” sense of justice and humanity being displayed by the “wealthy men and women” in the US who advocated disinvestment would lead to famine and degradation for millions of blacks.

“We Africans face a harsh reality which is too little understood in the US. This is the reality of the first of all human freedoms, perhaps the most fundamental of them all: freedom from want and famine. Destroy a job and you take away a family’s food,” he said.

Yesterday’s debate was noteworthy for the unanimous rejection of disinvestment by the Indian MPs.

The chairman of the Indian Ministers’ Council, Mr Amchand Ratanbansi, said the presence of US firms in South Africa, had played a significant role in bringing about change in the country.

The Leader of the Opposition, Dr J. N. Reddy, called for even greater involvement by US firms in promoting social and economic upliftment among less privileged South Africans.

The proposer of the motion, Mr Ahmed Arbee, the Solidarity MP for Eastern Transvaal, called on US legislators not to rush into legal curbs on investment in South Africa.

He urged them to heed the views of all South African leaders, and to be aware of the opportunities that could be created for greater communist influence in South Africa if the disinvestment campaign succeeded.

Mr Pat Poovalingam, the Solidarity MP for Reservoir Hills, said he did not want to see the country damaged just because the government did “stupid things.” He said disinvestment had been a communist threat for 20 years. “Liberals” in the US who believed they had suddenly discovered the strategy were unwittingly following the Moscow line.
Boycott SA goods, say UK union men.

Argus Foreign Service

LONDON — Trade union leaders representing millions of British workers have appealed to their members to show their condemnation of apartheid by boycotting all South African products.

The general secretaries of 16 national trade unions yesterday signed a declaration urging British workers to avoid buying South African goods.

Their declaration is part of the Anti-Apartheid Movement’s “month of boycott action” — a major campaign to increase the pressure on South Africa by stepping up the boycott action in Britain.

Signatories included Mr. Gavin Laird of the Amalgamated Union of Engineering Workers, which has more than a million members, and Mr. David Basnett, one of the trade union movement’s “elder statesmen” and general secretary of the General, Municipal, Boilermakers and Allied Trades Union, which has about 800,000 members.

Other signatories include Mr. Bill Wragg and Mr. Sid邓ney, general secretary and president respectively, of the shopworkers’ union whose members handle much of the South African produce on sale in British shops.

---

NOW YOU'LL GET GARDENING AT YOUR FINGERTIP.

MAD, MAD PRICING TILL THURSDAY NIGHT ONLY.

POT PLANTS ALL

LESS 25% WOLF TO

ALL
UK retailer to talk to AAM

A number of firms — including Sainsbury's, the biggest chain of supermarkets in Britain — has refused to discuss the issue.

But a Marks and Spencer's director, Mr John Salisse, wrote back agreeing to a meeting with Mr Hughes.

Mr Salisse said: "It is not up to us to take these boycott decisions; rather it is up to our customers individually to decide from which countries they wish to purchase."

The only South African products the firm sold were fruit and vegetables. All goods were clearly marked with the name of the country of origin.

Mr Salisse said that if South Africa was unable to sell its products further unemployment and probably poorer working conditions would result for those the AAM wished to help.
Wiehahn's warning on disinvestment

**Methodist leader warns:**

*Many blacks in favour of disinvestment*

By Colleen Ryan, Pretoria Bureau

The president of the Methodist Church of South Africa, the Rev. Peter Storey, last night declared his opposition to disinvestment — but warned that many blacks favoured it as a method to bring about change.

Addressing a seminar in Pretoria on disinvestment and human suffering, Mr. Storey said the real issue that should be debated was apartheid.

The Methodist Church is one of South Africa's largest churches, with an 80 percent black membership.

"There is not a watertight moral case against disinvestment," said Mr. Storey. "If people believe in something enough and are desperate enough, they will use such a weapon and will at least have a right to say that it is better than violent revolution."

Mr. Storey called for a national convention, the release of political prisoners, and dialogue with recognized black leaders.

Professor Johan Heyns, Moderator of the Northern Transvaal Nederduitse Gereformeerde Kerk Synod, said disinvestment would lead to greater antagonism between whites and blacks.
Scandinavia moves to put
financial pressure on SA

Argus Foreign Service

OSLO. — The Norwegian Government has disclosed new proposals to curb trading with South Africa, as part of Scandinavian measures against Pretoria.

In a White Paper put to the Storting (Parliament) yesterday, anti-South African MPs have passed a motion to restrictively license all future imports from South Africa.

And, as an encouragement to Norwegian trade and commercial interests, the Government will give subsidies to compensate for losses incurred when trading with other sources.

Lobbied strongly by socialists in the Storting, the Government also proposes to look into putting a ban on North Sea oil exports to South Africa.

In Stockholm, Energy Minister Birgitta Dahl met Swedish coal importers and emerged saying that a voluntary agreement had been arrived at to purchase coal from markets other than South Africa.

In Helsinki tomorrow, Scandinavian Foreign Ministers will discuss escalated moves against South Africa. Items for discussion include a Scandinavian bid to prevent Scandinavian Airlines System from flying regular routes to Jan Smuts Airport.

And Scandinavian banks are to be told to withdraw from South Africa as a means of putting financial pressure on Pretoria to abolish apartheid.
Disinvestment: How it could hurt

By a SPECIAL CORRESPONDENT in Johannesburg

The most frequently-used argument against disinvestment is that it would cause unemployment and harm black workers, the very people whom such action would be designed to benefit.

However, this fear could well be exaggerated. According to the co-ordinators of the Sullivan Code, United States companies in South Africa employ only about 70,000 workers...less than 1% of the country's total workforce.

Assuming a total pull-out by United States companies - an event which is still far from becoming reality - South African companies could buy up these factories, probably at discount prices, leaving most of the jobs.

Mr. Stephen Bussenius, head of the newly-formed American Association for Trade and Investment, has pointed out that the word "disinvestment" is a misnomer.

"The campaign, correctly defined, aims to affect almost all trade, licensing agreements and technology-transfer between the United States and South Africa," he said.

Thus the effects of unemployment could only be calculated in terms of the effects of a wide range of economic sanctions on the growth of the South African economy, a calculation which is almost impossible to make.

Here we can only go on the words of Dr. Johan Cloete, chief economist for Barclays Bank, who pointed out that the "disinvestment lobby bodes ill for our economy."

The targets of the pending United States legislation include a ban on the importation of Krugerrands, a ban on all sales of computers and a ban on all new private and corporate investment.

"The most dramatic...a freeze on new investment from the United States...might not be as drastic as has been imagined."

"Since 1976, there has been a net outflow of United States and other direct foreign investment from South Africa, and foreign investment has declined as a slice of the country's economy."

Economic experts believe this partially accounts for the already high unemployment levels in this country due to the unstable political climate in South Africa.

"This is a situation in which, if accurate accounting were possible, might prove to have been far more damaging to the South African economy than any formal economic sanctions."

The effects of bans on the transfer of technology, such as computers, is impossible to estimate because of the likelihood that the country would be able to acquire this technology under the counter.

Bans on the sale of Krugerrands in the United States and on new loans from United States banks (forcing South Africa to look for loans in Europe) would be irremediable, but would be unlikely to lead to economic catastrophe.

South Africa has had to live with an oil embargo for more than 15 years, and while this has forced the country to buy oil at a premium, it has hardly brought the economy to its knees.

Trade sanctions would hit South Africa more severely than an investment boycott..."even here the example of Rhodesia somewhat lessens the psychological threat."

Professor Arnt Spandau, then head of the Department of Business Economics at Wits University, pointed out in 1976 that Rhodesia was the "most astonishing example of survival potential under economic sanctions."

Manipulation of exchange control, the suspension of interest payments on United Kingdom loans and the wide-open "back-doors" of South Africa were some of the adjustments which kept the Rhodesian economy going.

Prof. Spandau made the last comprehensive assessment of the costs of economic boycotts against South Africa in 1976.

He calculated that a "pure" boycott of 50% of all long-term foreign investments in South Africa would lead to the loss of a total of 90,911 jobs...51,769 of them black.

Prof. Spandau also estimated that a hypothetical 50% export trade boycott would cost a total of 1,083,462 jobs, a figure which would since have increased marginally. But this is a scenario which is a long way from becoming a reality.

Much of what would happen under extended international economic sanctions beyond the realm of pure theory.

The fact that one does not yet know what forms new sanctions will take in the future, and how the South African economy will adjust to the new situation, makes it impossible to make a finite estimate.

Just as it is impossible to estimate the irreparable harm that has already been done to the South African economy by the on-going political climate and international moral indignation with apartheid, which over the years has deterred foreign investors from moving into South Africa..."
Sanctions: a choice of two evils for SA blacks

By a Special Correspondent in Johannesburg

BLACK South Africans have become a political football in the heated debate over disinvestment engendered by pending anti-South African legislation in the United States Congress.

The key arguments on either side hinge on the effects economic sanctions will have on blacks. One side says it will hasten the end of apartheid; the other says that it will create greater unemployment and starvation among blacks.

The dilemma of those who have not yet made up their minds was summarised by Bishop John Walker, the Episcopal Bishop of Washington, DC, who viewed the workings of apartheid first hand during a recent visit to South Africa.

Although he is a black man and although he shook with anger after seeing the squatter camps and urban ghettos within a few hours' driving distance of Johannesburg's Carlton Hotel, Bishop Walker is not an advocate of total disinvestment.

"It would be premature for me to call for total disinvestment until the black people of SA have made up their minds and agreed on a unified stance on the issue," he said.

Bishop Walker put his finger on the crux of the issue: what do blacks think, how much will they suffer and is it a matter of making sacrifices for the higher goal of 'liberation'?

For this reason, Chief Gatsha Buthelezi's recent tour of the United States was probably the most important card that the anti-disinvestment lobby could play in the propaganda battle in Washington.

And the demand by Bishop Desmond Tutu, bishop of Johannesburg, that the country dismantle apartheid in 18 to 24 months or he would advocate punitive economic sanctions was made to an attentive world audience.

In the black community, among political and trade union groupings, there are divergent approaches to disinvestment... but the debate has been stifled by security legislation.

The widely-framed Section 54 of the internal Security Act is thought to make it a criminal offence to advocate disinvestment.

The unequivocal pro-disinvestment stand is that of the African National Congress (ANC), which holds that foreign investment can only contribute to the strengthening of the "apartheid regime".

The ANC sees the call for disinvestment as both a tactical lever as well as a moral issue. They believe the removal of foreign investment will leave the Government undoubtedly weakened. "Coupled with mass political struggle and armed action, the downfall of the regime will be hastened that much,"

The ANC holds that its call for disinvestment is a moral question, in that foreign investors in SA are making huge profits from an "immoral system that has been internationally condemned."

A number of internal political leaders, such as Dr. Nithatho Mollana, of the Soweto Civic Association, have said that foreign investment creates instability, and that there is likely to be less change since the system is stabilised.

On the opposite end of the spectrum, Chief Buthelezi argues that the withdrawal of investments in SA by United States companies would be a strategy against black interests and not a "punitive stick" with which to beat apartheid.

He said in the US that for large American companies to opt out of the South African situation was to opt out of being catalysts in the process of change.

"Apartheid is a crime against humanity, and the majority of people are actually oppressed. Under these circumstances we would consider calling for total disinvestment, but we don't think this would work," said Mr. Jotshwam Cayman, general secretary of Cosatu.

According to Mr. Camay, the freeze on new investment would be a control mechanism, to be maintained as long as apartheid remains in force, but with the incentive that it be removed once apartheid is eliminated.

He did not deny that foreign companies had played a role in uplifting the welfare of their employees and setting an example to local companies, but said workers were demanding fundamental change, not just the desegregation of canteens and toilets at their factories.

"What we are demanding of companies that stay in South Africa is that they get involved in pressuring the Government into fundamental change," he said.

Mr. Joe Foster, general secretary of the Federation of South African Trade Unions (Fosatu), said if he stood up in public and called for disinvestment "our members at Leyland would kill me."

While Fosatu felt it was correct for there to be pressure on the Government, they were not convinced that disinvestment would bring about the desired change, he said.

Fosatu believes that the credit for improvements to wages and working conditions should go to pressure from the black unions and not to foreign companies.

On the bottom line, the primary pressure for change should be generated inside the country.
West reluctant to use sanctions

Although Western foreign ministers have talked of "practical" measures, their willingness to impose such measures is strongly conditioned by the fear that doing so will open the way to "Sanctions talk". This reluctance is based on the expectation that economic sanctions will be effective only if they are applied in conjunction with a more globalised world order, which is yet to be achieved. In the meantime, the West is prepared to accept a limited degree of success in its effort to bring sanctions to bear only if they are accompanied by economic aid and diplomatic initiatives. The West is also concerned that sanctions, if applied too strictly, could lead to a backlash against its policies and undermine the credibility of its diplomatic efforts. Therefore, while sanctions may be considered as a tool for exerting pressure, they are not expected to be a cure-all for the problems facing the Western world.
NEW YORK. — Morgan Guaranty Trust Company, America's fifth-largest bank, said at the weekend that it would make no new loans to the government of South Africa.

It said the ban would last “until real progress has been made towards improvement of political, economic and social conditions for blacks and other non-whites in South Africa”.

The announcement put Morgan Guaranty, owned by J P Morgan and Co Inc in line with several other major US banks which have a policy of not lending to South Africa or its agencies.

The bank said its representatives in South Africa had always expressed the bank's disapproval of apartheid.

Earlier this week the Bank of Boston, the largest bank in the northeastern states, said it would end all lending to South Africa, including private lending. It had followed a policy of no loans to the South African Government since 1978.

A spokesman for the California-based BankAmerica Corp said yesterday it had not been lending to the South African Government since 1983, “although we do have lines of credit which are mainly trade-related”.

Chase Manhattan, which has had no loan policy towards South Africa since 1977, “pays strict attention to the legal, moral and social implications of all its lending”, a spokesman said.

The spokesman said that while Chase made no loans to the government, it was “willing to consider financing for private sector needs of a productive nature”.

Manufacturers Hanover Trust Co had not been making loans to South Africa's public sector since the mid-1970s, a spokesman said, but it also has a private sector loan policy.

America's largest Midwestern banking operation, First Chicago Corp, said it had stopped lending to the South African Government since March 1.

New York banking giant Citicorp announced in February that it was eliminating public sector loans and did not anticipate making any more loans to the government in the foreseeable future.

Pension fund

Marine Midland, Bankers Trust Co and Chemical New York Corp also said they do not lend to the South African Government or its agencies.

In Rockville, Maryland, the chief executive of Montgomery County, a suburb of Washington DC, said the county's pension fund would not invest in US companies operating in South Africa that supported apartheid policies.

Executive Mr Charles Gilchrist said the divestiture was to be completed by the end of this fiscal year.

The county would continue to invest in firms that fought apartheid by integrating their workplaces and speaking out against discriminatory practices, he said. — Sapa-Reuter-AP
West still reluctant to apply sanctions

LONDON — The latest South African Government crackdown on black opposition has shown that Western governments, at least, are still reluctant to use economic weapons to influence Pretoria.

Few are willing to change the long-held official view that binding economic sanctions would hurt the black majority more than the white rulers — as well, coincidentally, as harming Western business interests.

Although there are signs of unease over official inactivity, authorities in North America and Western Europe feel continued contact andfriendly pressure on Pretoria is the best way of chipping away at apartheid.

Since 19 blacks were killed in Uitenhage on the 25th anniversary of the "Sharpeville massacre", anti-apartheid campaigners in the West have called for sanctions such as a halt to investment in South Africa and tight trade curbs.

But the only discernible action has come from Nordic governments and US banks. Morgan Guaranty Trust Co said it would make no new loans to the Pretoria Government. And the Bank of Boston and the North Carolina National Bank have said they would halt all lending to South African concerns.

Norway, a member of the Nato alliance, announced legislation requiring registration of ships taking oil to South Africa. Anti-apartheid groups say Norwegian tankers carry one-third to one-half of South Africa's oil.

However, although Western governments in general remain reluctant to take action, there are signs of growing unease over the way South Africa's police are tackling black dissent.

Some officials say each highly-publicised racial incident in the Republic will reinforce calls from African and other Third World leaders as well as domestic political opponents for governments to do more than express outrage.

At a Brussels summit last week, European Community leaders expressed concern over tension in South Africa and condemned "the latest violence by the South African police".

But West European diplomats say that taking any form of action is becoming a tougher policy to follow.

Developments in the United States are likely to set the pace, they believe.

The US anti-apartheid movement has gained momentum with daily demonstrations in Washington since last November and Bills to ban fresh investment in South Africa have been introduced in Congress.

The Senate Foreign Relations Committee has voted to consider sanctions if South Africa does not reform its system of racial segregation within two years.

But the top US African affairs official, Dr Chester Crocker, said Washington had no plans to change its policy of "constructive engagement" — trying to influence Pretoria by maintaining a dialogue, investment and trade.

Nordic countries shelved concerted action. Foreign Ministers from Sweden, Norway, Finland and Iceland agreed last week not to break trade ties with South Africa, but said they would study ways of increasing economic pressure in time for their next meeting in October.

Under Norway's planned new laws, imports from South Africa must get government approval and Norwegian firms will receive official incentives to stop exporting to South Africa.

Sweden, which has banned new investment in South Africa since 1979, last week secured the agreement of coal companies to halt purchases of South African coal. It banned loans to Pretoria last month.

But Western governments with a bigger stake in South Africa feel sanctions will damage the economy and rebound on blacks.

"We don't believe they would work and we don't believe they would bring the sorts of changes that we would all like to see," says British junior Foreign Office minister, Mr Malcolm Rifkind.

Weaker the question the impact of sanctions. The United Nations' 1977 arms embargo, while largely effective, has forced Pretoria to be more self-sufficient.

"There are always going to be sanctions-busters," one Western diplomat here said.

Voluntary codes of conduct on employment practices for companies operating in South Africa are among measures favoured by Western governments. Many European Community and US firms follow guidelines and Australia is considering a code.

Canada has its own voluntary code, but officials continue to reject sanctions. "Such measures would not promote the peaceful and positive change in South Africa which we support. They might, rather, foster violence," a senior Ottawa official said.

South Africa is already largely isolated in sports. New Zealand's Parliament last week voted against a rugby tour of South Africa and the Prime Minister, Mr David Lange told administrators not to proceed. They will take a decision on April 17.
Incredible SA ‘truth squads’

SIMON BARBER in Washington

Washington would have been suicide, so hard did it beg for misinterpretation. South Africa’s massive inflation rate, he said, was directly attributable to an increase in black incomes without a compensating increase in productivity.

The latter, he hastened to add, was entirely the whites’ fault because they failed to adequately educate and train blacks, which in turn was why United States corporate involvement remained so important.

Assuming that the disinvestment debate is (a) a debate and (b) is therefore winnable by force of reason (both extremely dubious assumptions), the reason is going to have to be applied where it can do some good.

It is no use whatsoever presenting the case to people whom the South African Embassy, and all too often the South Africa Foundation, regard as “good contacts” or pleasant drinking companions.

That is the first point. The second is that the truth squads are going to have to be credible.

You and I know that Messrs Muller, Davidson and the rest are honourable and well intentioned. The people they are trying to reach see a white South African with a series of seemingly obedient blacks in tow saying things that the Reagan Administration, Pretoria and other “vested interests” presumably want them to say.

All of which is increasingly moot. Things are getting so out of hand that even Bishop Tutu would be discredited if he came over to plead against disinvestment. Save the airfare.
TAXING INSTITUTIONS

Profits and prejudice

An unfortunate beggar-thy-neighbour attitude seems to have taken root in Pretoria over the taxation of financial institutions. The more desperate the government has become to finance its extravagance, the more it appears to resent the financial success of these institutions.

To make matters worse, in taking steps that reflect this resentment, the Treasury is cutting across the spirit of the reforms in recent years by the Reserve Bank. Clearly, consultation between Union Buildings and Church Square must be at a low ebb.

This is quite plain from the manner in which a tax was imposed last month on bank deposits. It was done simply because the money was needed urgently, and the banks appear to have made reasonable profits, especially after so ordering their affairs that they have paid little tax.

Finance Minister Barend du Plessis's timing could not have been worse. A Bill had just been drafted and circulated by the Reserve Bank telling the banks — and every investor here and abroad who cares to listen — that the banks are under-capitalised. It does not, unfortunately, tell them by how much, which is also disconcerting.

Du Plessis's new tax on deposits is a clear signal that he is going to make it difficult for the banks to accumulate, or raise, the wherewithal that Church Square says the banks lack.

No wonder Reserve Bank Governor Gerhard de Kock moved quickly to ease the banks' liquidity ratios shortly afterwards.

As the FM has argued before, a once-off tax on the banks to meet a temporary financing crisis can probably be justified. It is the time and manner of its doing, and the absence of any indication that it is once-off, that are worrying.

No wonder banks — and insurance companies — are beginning to fear that they are in for a sustained tax battering. For these latest taxes are just too reminiscent of the botch-up and ill timing of the perks tax and the proposed manner of its application.

The initial increases in tax on life assurees some years ago were also supposed to be to meet a temporary financing need: one which appears to have grown since.

The fact that the banks have paid little tax for some years is hardly the point. They were encouraged to do so by being offered fiscal incentives aimed at encouraging fixed capital investment. By taking advantage of the tax write-offs that these incentives offered, they have done nothing wrong. They acted in good faith at the behest of government.

Elsewhere in this issue, the consequences of these new taxes are spelled out. In particular, they will reduce the propensity to save, which will retard capital formation. That is a heavy price to pay for Exchequer overruns.

They will, so far as the banks are concerned, reduce the control of the central bank over their credit-creating ability as an increasing amount of financing is pushed off balance sheet. De Kock's efforts over the past five years to achieve the opposite will be retarded.

It would be well to remember that a strong banking system is essential to the international perception of SA as a stable investment area.

BUILDING REGULATIONS

Out with the ox-wagon

When SA's national building regulations come into force on September 1, it will certainly not be before time. The concept, after all, has been kicked around for nearly 20 years, and the legislation to give effect to the new rules was passed eight years ago.

But, to be fair, the regulations which the SABS has finally come up with form a massive document which has had to be written, re-written and re-written again in an attempt to overcome a multitude of objections from many quarters.

Not least of these has been the local authorities. Indeed, there are still many councils who see no valid reason for a national blueprint, preferring the present system whereby each municipality — big or small and with or without qualified staff — holds virtual life-or-death powers over property developers.

But often the regulations applied by various towns and cities are more appropriate to the ox-wagon than the space age. It is said, for instance, that much of modern-day Johannesburg could not have been built if there had been no stretching of the rules.

And, to make matters worse, some local authorities, anticipating the new national regulations, have not bothered to update their own for 10 years or more.

As far as the new code is concerned, interpretation at local authority level is seen as a major hurdle. To surmount it, a concerted educational programme is necessary to ensure that the basic regulations are applied uniformly across the country. Unless this happens, all the work will have been for nothing.

That is not to say, of course, that local options should be abandoned entirely. It must be accepted that conditions in Durban or Cape Town are not necessarily the same as on the Highveld.

But while some flexibility is still needed, the advantages for the building industry are many. Whereas cheaper timber-framed housing has been barred by some local authori-
ties, for example, timber will now be permitted countrywide. The use of more modular components will also be sanctioned, and generally all new buildings, particularly in the commercial sector, could become lighter and more space-efficient.

The upshot is that building costs generally are expected to fall. Trade and Industry Minister Dawie de Villiers talks of a possible 5% cut in the overall construction bill — a saving of R280m/year on the current building spend of R5,6 billion.

But perhaps the biggest advantage for builders is that they will be able to plan nationally from the outset. Their current problem — and a major additional cost — is that they can plan a township for, say, Johannesburg, and then have to re-plan if they want to build a similar development elsewhere. Come September, and this duplication of effort will no longer be necessary. Clearly, there are benefits all round.

DISINVESTMENT

When image is all

In the US, disinvestment is becoming more than just a cause. It is also a bandwagon which institutions and organisations with image problems can scramble aboard — and so be seen to be supporting a “respectable” cause.

The latest of the bandwagoners is the Boston National Bank, an outfit which is reported to have been illegally “laundering” mob cash. Similarly the City of Miami, Cocaine Capital of America and owner of one of the most racist and trigger-happy police forces in the world, has also latched onto disinvestment. It seems, therefore, that SA will no longer be able to obtain loans of sanitised gangster money — while American corporations will have to decide between doing business with drug-financed Miami or “apartheid SA.”

Not everyone taking disinvestment decisions is cynically motivated. A more serious matter is the disinvestment decision of the North Carolina National Bank Corporation — an institution which has been an active lender to SA borrowers.

The saving grace of North Carolina’s decision is that it seems to apply only to loans for the public sector. Nonetheless we hope it is a case of au revoir rather than farewell.

That the anti-apartheid movement in the US should have become a bandwagon is hardly surprising — given that in American public affairs issues, image is usually everything while substance is not highly regarded. American politicians, ranging from Edward Kennedy to the ineffable Stephen Solarsh, have postured and politicked on SA issues for years.

In part it is a matter of keeping voters happy. Anyone with a large number of black constituents really needs to adopt an anti-SA stance. And of course the posturing affects other issues than apartheid — Kennedy, for political reasons, is also strongly in favour of a British withdrawal from Northern Ireland, a step which would almost certainly lead to civil war.

While noting the cynicism of many disinvestment decisions, however, we should not be optimistic that the pressure will soon abate. Disinvestment is a fashionable cause celebre at the moment and all sorts of odd people are being attracted by it.

It would probably require an issue of the magnitude of Watergate to remove the spotlight from SA. All we can really do is avoid supplying the disinvestment lobby with fresh ammunition. This is a lesson government has yet to learn despite what amounts to frantic pleas from the Ronald Reagan administration — SA’s best friend just at the time when Pretoria is showing itself as its own worst enemy.

SABC POLICY

Stevie Who?

The SABC has once again made itself look ridiculous — this time by deciding to ban the work of American singer Stevie Wonder from the airwaves it guards so jealously. Mr. Wonder said he was accepting his Oscar on behalf of Nelson Mandela — so what? President P W Botha conditionally offered Mandela his freedom recently, which really goes a lot further.

Anyway, the Wonder statement was made in front of perhaps the most apolitical audience it is possible to assemble. His gesture was hardly noticed by the world’s movie and media glitterati, who had more interesting people to think about; and our own papers only remarked on it in passing.

It was a standard expression of earnest concern, the sort trotted out by individuals who enjoy making virtuous gestures along with lots of money. Marlon Brando did it when he sent along a Red Indian in feathers to collect his Godfather Oscar. They both ended up looking very silly. Mandela himself could be forgiven for asking, Stevie Who? The languishing martyr of black liberation can manage without an Oscar by proxy for a song in The Woman in Red, even if Stevie were to call Nelson to say he loved him.

So — an insignificant moment in a frivolous ceremony. Yet the SABC reaction dignified both Stevie Wonder and Nelson Mandela, giving them publicity which they have not earned, and the SABC made itself and SA look insecure, neurotic and childish.

The same thing happened when John Lennon said the Beatles were more popular than Jesus — their records were banned from the playlists for years.

What this means, of course, is that the SABC is taking such fringe opinions seriously — it is admitting that they might have some appeal. Those who know they are strong can afford to ignore all but the strongest of challenges; it’s significant that the SABC sees fit to thunder against such a pathetic thrust.

The Stevie Wonder ban reminds us of the behaviour of a weak school prefect — oversensitive, immature, inexperienced, lacking perspective and, in the end, rather dim.
EVEN before the Uitenhage shooting early in May, a week passed without a report appearing in the international press about the sanctions campaign against South Africa. Since March 21, scarcely a day passes.

The world-wide sanctions campaign is gathering a new momentum now, stimulated not only by the recent events in South Africa but also by the phenomenal upsurge of anti-apartheid feeling in the United States.

For anyone who is interested in the pros and cons of sanctions against apartheid, I can recommend two reports. One is a 60-page paper by Chris Child, a member of the British Anti-Apartheid Movement, issued by the UN Centre Against Apartheid (July 1984). The other is a lengthy article in the Economist of March 30 by Simon Jenkins, plus an editorial.

Between them, Childs and Jenkins give the reader all the facts and opinions he needs to make up his mind about sanctions. The contrast in views could not be more sharply drawn.

Flood gates

Jenkins's article is particularly valuable, because while the case for sanctions has been stated and restated over the years (although not usually as cogently as Childs has done), the case against sanctions is often poorly, even perfunctorily, argued.

The pro-sanctions strategy is for the world to withdraw from all contact with South Africa until the apartheid system collapses, while the anti-sanctions strategy is to overpower South Africa with contact — to pour in money, trade and people until the apartheid system can no longer contain it.

Child urges the former and the Economist urges the latter. Each believes the other's strategy will not work. In between are the selective-sanctioners. So we can all take our choice: I know where my choice would lie — with opening the flood gates, although I admit that I would make this choice mainly because I dread the mutually assured destruction that would result from total sanctions.

There has been talk of sanctions now for three decades but there is an imponderable factor in the new sanctions campaign. Its course can no longer be calculated logically, because allowance has to be made for impulsive action by people who are so appalled by what has been happening in South Africa that they feel impelled to satisfy emotions that have overwhelmed them.

One fact which emerges clearly from both Childs's and Jenkins's reports is that businessmen, and particularly transnationals, with interests in South Africa, are going to be in the forefront of this controversy over sanctions and will need to ponder more deeply than they have done until now on how they are going to defend their positions.

The days when they could ignore the sanctions movement, or treat the EEC and Sullivan codes with attitudes ranging from mild interest to open contempt, are coming to an end.

American businessmen seem to have sensed this sooner than their British counterparts and are moving into the new field of "conditional" investment — they will be prepared to continue their investment in South Africa, or risk new investment, only if President Botha is able to deliver more apartheid reforms.

British businessmen, no doubt because they feel they have a longer and deeper involvement in the South African economy, are shrinking back from this kind of confrontation, preferring to shelter behind South African business organizations.

In doing so, they may find that they have miscalculated the determination with which the new sanctions campaign is being conducted and the new international mood that is being created, and that they may find it necessary to give more visible proof of their anti-apartheid bona fides.

Encouraged by the new climate of public opinion in the United States and by the outraged reaction generally to the way the South African police handled the unrest in the black townships over the past seven months, the sanctions campaigners are finding ever more ingenious ways of putting the financial screws on South Africa.

Implacable

The new sanctions campaign is becoming less generalized and more specific. Everything is being reviewed again — from the cut-off of aid to the "hit list" of 41 selective sanctions to a ban on new investment, actual disinvestment, and full trade sanctions.

Child's paper is particularly interesting because he is so fundamentally implacable. He dismisses both the codes and selective sanctions as inadequate and declares there is no substitute for full-scale sanctions.

Action against only one form of collaboration with apartheid, he says, leaves others untouched Selective sanctions can never be effective. It is not pressure for change that is needed, but the dismantling of the whole sanctions regime.

"Sanctions," he declares, "must not be seen as applying pressure, negative measure, but as isolating the regime in the freedom struggle for, where it would have to be applied, forced, imposes immeasurable harm.

"And to be fully effective, they will need to be locally targeted, and seen as a signal to the success of the struggle against the apartheid regime, part of a broader approach of confronting the regime, with the destruction of apartheid and of power to the major powers.

Well, you can't go beyond that. This is the revolution in a nutshell."

There are a number of reasons why the people who are benefiting from the sanctions, business through them, will not emigrate. For one thing, the relations over the ages is that it would need a huge and enforceable sanctions regime.
two sides in debate over sanctions against South Africa

London Dateline
By STANLEY UYS

action by people called by what has been in South Africa impelled to satisfy have overwhelmed
the emergence clearly of another's re frame, and part
ations, with those in Africa, are going on about the content of this contra
tions and will need to be deepened than they know on how they and their positions, so they could ignore movement, or treat illiberal codes with from mild shortcomings, are coming

sinners seem to do sooner than their parts and are now a field of "condi-
tion" they will be unchanged their investments or risk new only if President to deliver more good

men, no doubt will they have a long involvement in the economy, are from this kind of preferring to shelve African business as they may find theymented the determin-
ation with which the new sanctions campaign is being conducted and the new international mood this vigorous campaigning is creating. They may find it necessary to give more visible proof of their anti-apartheid bona fides.

Encouraged by the new climate of public opinion in the United States and by the outraged reaction generally to the way the South African police have handled the unrest in the black townships over the past seven months, the sanctions campaigners are finding ever more ingenious ways of putting the financial screws on South Africa.

Implacable

The new sanctions campaign is becoming less generalized and more specific. Everything is being reviewed again—from the old Cot
ter-Ferguson "hit list" of 41 selective sanctions to a ban on new investment, actual disinvestment, and full trade sanctions.

Child's paper is particularly interesting because he is so fundamentally implacable. He dismisses both the codes and selective sanctions as inadequate and declares there is no substitute for full-scale sanctions.

Action against only one form of collaboration with apartheid, he says, leaves others untouched. Selective sanctions can never be effective. It is not pressure for change that is needed, but the dismantling of the whole system.

"Sanctions," declares Child, "must not be seen as a means of applying pressure, nor as a punitive measure, but as a means of isolating the regime and so aiding the freedom struggle within South Africa itself.

"Sanctions would need to be properly supervised, policed and implemented. They would need to be made mandatory by the UN Security Council and, above all, they would need to be comprehensive and imposed immediately. What is required, is the most effective action against South Africa covering all collaboration at all.

"And to be fully effective, they will need to be located in the context of, and seen as a contribution to, the success of the liberation struggle in South Africa and Namibia, as part of a broader approach to the problem of apartheid—an approach of confrontation with the regime, with the total elimination of apartheid and the transfer of power to the majority as its objective."

Well, you can go much further than that. This is the South African revolution in a nutshell.

There are numerous reasons why the people who matter—governments, businessmen and so forth—will not embark on sanctions of this kind.

For one thing the record of sanctions over the ages is not encouraging—it would need a naval blockade to enforce sanctions against South Africa and who is prepared to do that? For another thing Pretoria would make sure that not only would blacks in and around South Africa suffer first, but they would be seen to suffer first.

Also, sanctions would go totally against the grain of Western governments and Western businessmen; it would jar on the whole philosophy of their approach to apartheid. The chances of them being persuaded or even coerced into sanctions are just about nil.

Child, as I see it, undermines his whole case by the sheer immensity of his vision. If sanctions as he envisages them were to be successful, South Africa would be reduced to a wasteland, and who would go this whole way with him? Certainly not the people—governments and traders—who maintain the actual links with South Africa. They are not going to be coerced into taking part in what in effect would be a total onslaught against South Africa.

Too horrific

Child has come up against a strategic problem here, much like the ANC's problem. It is also committed to a total onslaught, because it cannot admit that apartheid is reformable. If it does, much of the militancy would drain out of its organization. On the other hand, if it pursues a total onslaught, and wins, it too will inherit a wasteland.

No doubt businessmen have reconciled themselves with this thought—that sanctions can never be implemented because the consequences are too horrific. But this is to overlook the potential that the sanctions campaign has to cause both embarrassment and damage to businesses which have links with South Africa.

My guess is that the sanctions campaign now being unleashed on the international community will produce one definite consequence at least. Businessmen with interests in South Africa will learn that they can no longer eat their cake and have it—they will either have to distance themselves more effectively from apartheid or become more identifiable.

This would mean the end of a cozy relationship with President Botha's government, but that relationship is coming to an end any-


The internal campaign for US companies to disinvest in SA was highlighted in Johannesburg this week when more than 20 United Democratic Front (UDF) activists picketed the offices of Citibank.

The activists held placards and sang freedom songs. They included Leah Tutu, wife of the Anglican Bishop of Johannesburg, Nobel laureate Desmond Tutu; Commercial, Catering and Allied Workers' Union general secretary Emma Masiphilini; and Sampson Ndou and Amos 'Masando of the General and Allied Workers' Union.

A statement "deploring" US President Ronald Reagan's attitude towards the SA political struggle and the presence of foreign companies in this country — aiding the "oppression and exploitation of our people" — was presented to Neil Munro, Citibank's personnel director.
Sanctions wrong policy — Economist

Financial Editor

TRADE sanctions and investment boycotts by the United States were unlikely to shock the South African economy, Mr Simon Jenkins, political editor of the influential publication, The Economist, says in a special survey.

Instead of leading to conditions requiring political adjustment they could produce counter-measures that in the short-term would probably boost the economy.

Nationalist policy-makers believe sanctions could be used to promote self-reliance, develop home-grown skills and diversify South Africa’s markets.

"Sanctions and disinvestment would not, as their wilder advocates suppose, deliver a body-blow to the South African economy; they might even help its restructuring — as happened in Rhodesia."

Inulnerable

He says that trade sanctions must be serious to a nation which exports 30 percent of its gross national product. Yet most of South Africa’s exports are of minerals (half is gold) and these are regarded as relatively invulnerable to sanctions.

“It is unlikely that Japan or Israel would refuse to import minerals, including some of the world’s cheapest coal.”

“The most serious economic sanction America can exert on South Africa is similar to that exerted over most of the world economy. With the rise in the dollar has gone a fall in the gold price from $650 an ounce three years ago to about $350 an ounce today.”

Imports, particularly of capital goods, theoretically could be hit by effective sanctions. Yet sanctions were notoriously inefficient in stopping goods reaching those prepared to pay for them.

Eager to pounce

“West German and Japanese suppliers are eagerly waiting to pounce in these markets, either as importers or licensees should America abandon them.”

It was not feasible that American trade sanctions would undermine South Africa’s balance of payments, let alone shock its economy.

Nor would disinvestment have any greater impact. The recession has already led to a fall in foreign investment’s share of South Africa’s new fixed capital formation, from 10 percent in 1982 to 3,8 percent in 1984.

An American disinvestment law could lead to South Africa imposing retaliatory controls on the export of American dividends, he says.

Ironic effect

"This would have the ironic effect of pushing up retained corporate earnings, leaving companies with more resources to reinvest and thus giving the South African balance of payments a boost."

West Germany did not consider “negative economic measures” a useful contribution to peaceful change in South Africa, he said. Business could create the economic growth that was crucial to the solution of social problems.

He reported that West German exports to South Africa increased by a third in 1984 to R2,9 billion.

"Disinvestment would be like once-for-all Marshall Aid."

Mr Jenkins questions the rationale behind the calls for sanctions against South Africa.

"Deliberate action by one (rich) state to depress living standards in another (largely poor) one is scarcely defensible."

“It could be justified only in extreme circumstances for a specific goal not achievable by any other means short of war.”

“The onus must surely be on the aggressor not only to prove the case for aggression but also to set out the steps by which aggression will achieve swift victory.”

Vague terms

“The American disinvestment lobby has fulfilled these requirements in only the vaguest terms.”

Mr Jenkins suggests Americans should undertake “reconstructive engagement” on the unofficial and personal level, reflected in contact, in commerce, in intellectual and cultural exchange.

“It is the engagement of constant argument, boycott and ostracism work no better in international affairs than they do in personal relations.”

The West German Ambassador, Mr Carl Lahusen, disassociated his country from calls for trade sanctions against South Africa when he opened the German exhibition at the 1985 Rand Show on Thursday.
Sanctions blitz ‘won’t work’

Own Correspondent

LONDON. - The policy of disinvestment in South Africa by America or the West would not abolish apartheid, Mr. Simon Jenkins, political editor of The Economist, said here yesterday.

He was speaking on BBC radio in a major debate on sanctions and disinvestment, which was broadcast during the main news bulletin, The World This Weekend.

Speaking in support of disinvestment were critics of apartheid such as former Capetonian Mr. Ronald Segal, who urged Britain to join America and the West in its hardening attitude towards investment in South Africa.

UK stake

The programme said Britain was by far South Africa's biggest foreign investor. It was reckoned to have over 50 percent of the foreign stake in the country.

The United States had only 20 percent or less and the aim of the growing campaign in America was to reduce that and to disinvest.

Mr. Jenkins said, "The argument of the disinvestment lobby is that South Africa needs some sort of trauma, that it needs to be shocked into change. But disinvestment is not going to shock South Africa.

"It has acquired a similar connotation to the Americans, to that of 'the bomb' in Vietnam.

"It is the attitude that somehow or other we have the power to blitz another country into changing its politics.

"America, Britain, Japan, Germany - they do not have this power over South Africa."

Mr. Jenkins told British listeners that, if they did, he would be the first to cheer because they could then do something about apartheid through it. But this policy was not going to change apartheid.

"If all the countries of the world that had investments in South Africa denounced them, renounced both their profits and their ownership of those investments, it would simply mean that South Africans would take them over. Very little would change on the ground, in South Africa," Mr. Jenkins said.

Mr. Jenkins believed that what the 330 American subsidiaries and their European counterparts should do was set their minds on constructive engagement.

He said: "I think that every foreign company in South Africa should become a spearhead in the struggle against apartheid.

"I think they should be prepared to give money to political parties. They should have a far greater programme of exchange, training and education with the Black community.

"We should be prepared to bring trade union leaders to Britain to teach them how to be trade union leaders."

By stepping up of the current policy of constructive engagement, international businesses were supposed to abolish apartheid within their South African subsidiaries, so setting an example to indigenous firms, he said.
**Two views on sanctions**

**STANLEY UYS in London**

EVEN before the Uitenhage shootings on March 21, scarcely a week passed without a report appearing in the international Press about the sanctions campaign against South Africa. Since March 21, scarcely a day passes.

Such a worldwide sanctions campaign is gathering a new momentum now, stimulated not only by the recent events in South Africa, but also by the phenomenal upsurge of anti-apartheid feeling in the United States.

For anyone who is interested in the pros and cons of sanctions against apartheid, I can recommend two reports.

One is a 60-page report by Chris Child, a member of the British Anti-Apartheid Movement, issued by the United Nations Centre Against Apartheid (July 1984).

The other is a lengthy article in the Economist of March 30 by Simon Jenkins, plus an editorial.

Between them, Child and Jenkins give the reader all the facts and opinions he needs to make up his mind about sanctions. The contrast in views could not be more sharply drawn.

Jenkins’s article is particularly valuable, because while the case for sanctions has been stated and restated over the years (although not usually as cogently as Child has done), the case against sanctions is too often poorly, even perfunctorily, argued.

The pro-sanctions strategy is for the world to withdraw from all contact with South Africa until the apartheid system collapses, while the anti-sanctions strategy is to overwhelm South Africa with contact... to pour in money, trade and people until the apartheid system can no longer contain it.

Child urges the former and the Economist urges the latter. Each believes the other's strategy will not work. In between are the selective sanctioners. So we can all take our choice.

I know where my choice would lie... with opening the floodgates, although I admit that I would make this choice mainly because I dread the mutually assured destruction that would result from the sanctions.

There has been talk of sanctions now for three decades, but there is an imponderable factor in the new sanctions campaign.

Its course can no longer be calculated logically, because allowance has to be made for impulsive action by people who are so ruled by what has been happening in South Africa that they feel impelled to satisfy emotions that have overwhelmed them.

Days when they could ignore the sanctions movement, or treat the EEC and Sowetan Cows with attitudes ranging from mild interest to open contempt, are coming to an end.

American businessmen seem to have sensed this sooner than their British counterparts and are moving into the new field of “conditioned” investment... they will be prepared to continue their investment in South Africa, or risk new investment, only if President Botha is able to deliver more apartheid reforms.

British businessmen, no doubt because they feel they have a longer and deeper involvement in the South African economy, are shirking back from this kind of confrontation, preferring to shelter behind South African business organisations.

In doing so, they may find they have misjudged the determination with which the new sanctions campaign is being conducted and the new international mood this vigorous campaigning is creating.

They may find it necessary to give more visible proof of their anti-apartheid bona fides.

Encouraged by the new climate of public opinion in the United States and by the outraged reaction generally to the way the South African police have handled unrest in the black townships over the past seven months, the sanctions campaigners are finding ever more ingenious ways of putting the financial screws on South Africa.

The new sanctions campaign is becoming less generalised and more specific.

Everything is being reviewed again... from the old Cotter-Ferguson “hit list” of 41 selective sanctions to a ban on new investment, actual disinvestment and full trade sanctions.

Child’s paper is particularly interesting because he is so fundamentally implacable. He dismisses both the codes and selective sanctions as inadequate and declares there is no substitute for full-scale sanctions.

Action against only one form of collaboration with apartheid, he says, leaves others untouched. Selective sanctions can never be effective.

It is not pressure for change that is needed, but the dismantling of the whole system.

“Sanctions,” declares Child, “must not be seen as a means of applying pressure, nor as a punitive measure, but as a means of isolating the regime and so aiding the freedom struggle within South Africa itself.

“Sanctions would need to be properly supervised, policed and implemented. They would need to be made mandatory by the United Nations Security Council and, above all, they would need to be comprehensive and imposed immediately.

“What is required is the most effective action against South Africa covering all collaboration, all industries.

“And to be fully effective, they will need to be located in the context of, and seen as a contribution to, the success of the liberation struggle in South Africa and Namibia, as part of a broader approach to the problem of apartheid... an approach of confrontation with the regime, with the total elimination of apartheid and the transfer of power to the majority as its objective.”

Well, you can’t go much further than that. This is the South African revolution in a nutshell.

There are numerous reasons why the people who matter - governments, businessmen, and so forth - will not embark on sanctions of this kind.

For one thing, the record of sanctions over the ages is not encouraging. It would need a naval blockade to enforce sanctions against South Africa, and who is prepared to do that?

For another thing, Pretoria would make sure that not only would blacks in and around South Africa suffer first, but they would be seen to suffer first.

Also, sanctions would go totally against the grain of Western government... it would jar on the whole philosophy of their approach to apartheid.

The chances of them being persuaded or even coerced into sanctions are just about nil.

Child, as I see it, undermines his whole case by the sheer immensity of his vision.

If sanctions as he envisages them were to be imposed, South Africa would be reduced to a wasteland, and who would go this whole way with him?

Certainly not the people - governments and traders who maintain the actual links with South Africa.

And if not going to be coerced into taking part in what, in effect, would be a total onslaught against South Africa?

Child has come up against a strategic problem here, much like the ANC’s problem.

The ANC is also committed to a total onslaught because it cannot admit that apartheid is reformable. If it does, much of the militancy would drain out of its organisation.

On the other hand, if it pursues a total onslaught, and wins, it too will inherit a wasteland.

No doubt businessmen have reconciled themselves with the thought... that sanctions can never be implemented because the consequences are too horrific.

But this is to overlook the potential that the sanctions campaign has to cause both embarrassment and damage to business firms which have links with South Africa.

My guess is that the sanctions campaign now being unleashed on South Africa and which will lead them to eat their cake and have it... they will either have to distance themselves more effectively from apartheid or become more identified with it.

This would mean the end of a cozy relationship with President Botha’s Government, but that relationship is coming to an end anyway.
Truth Speaks

Washington

Right off discrimination
Wont help SA

These' good contracts

AS DISINVESTMENT
PIRAEUS, Greece. — A Greek court yesterday jailed a shipping agent and four seamen for complicity in scuttling the oil tanker Salem in 1960 as part of an insurance fraud.

It upheld charges that the 92,228-ton Salem, which sank off Senegal, was sunk for the insurance and that by unloading most of its cargo in Durban, the seamen had embezzled oil from its rightful owners, Shell.

The prosecution said the tanker was bought for the purpose of making an illegal delivery from Kuwait to Durban in defiance of an Arab ban on oil sales to South Africa, after which it would be scuttled.

The defence argued that Shell was a party to the South African delivery, and then alleged the tanker had been scuttled because the vessel had sunk accidentally and Shell feared exposure of its role in sanctions-busting.

The court jailed shipping agent Nikos Mitakis for 11 years for causing a shipwreck, embezzlement and insurance fraud. Four crewmen, charged with complicity, were given sentences ranging from four years to two years two months. Seven “foreigners” charged in their absence received three years’ jail each. Among them were Lebanese-American Frederick Soudan, the Salem’s owner who has been convicted of fraud in Houston, Texas, and Dutchman Anton Reidel, who is due to stand trial in Rotterdam.

The ship’s master and another seaman, both tried in their absence, were each given 10-year sentences, and seven crew were acquitted.

**Explosives**

The prosecution said the crew used explosives to sink the ship. It argued that the seamen were suspiciously well-prepared for the sinking when it happened and they made no attempt to send out SOS signals.

The defence rejected the idea that Shell had been victims of theft. They said a third of the 180,000-ton cargo was given to a Shell division as soon as it arrived in South Africa.

The court was told Reidel and Soudan made a deal late in 1979 to supply South Africa with oil.

— Sapa-Reuter
Socialists call on EEC to shun SA

The Star's Foreign News Service

MADRID—A group of British Socialist members of the European Parliament have tabled a motion for debate at the Strasbourg Assembly next week calling on the European Community to sever economic, political, cultural, and sporting links with South Africa.

The call came in Madrid yesterday at the 14th annual meeting of European Socialists.

TRADING BLOC

It was made after a speech by Britain's Euro Commissioner, Mr Stanley Clinton Davis, who said the world's biggest trading bloc should take action in the wake of recent violence in South Africa.

"The European Community is the champion of human rights. The South African regime is a monstrous denial of human rights ... the community must now take up the fight on the part of the oppressed black majority."

"It is my hope that the EEC will review existing links with South Africa and decide what contribution the community can make towards ending this offence against humanity."

Recently Mr Davis, a member of the 14-strong commission which controls the EEC, refused to meet the new South African Ambassador to Brussels, saying it could serve no useful purpose.

As the British delegation at the congress promoted the campaign among the 200 delegates for all-out sanctions against South Africa, Mr Alf Lomas, the party's deputy leader in Europe, said: "Until the South African Government behaves in a civilised way, it should be denied all contact with the civilised world."

"The latest massacre proves that a softly-softly approach can bring no change. The time has come for a complete political and economic boycott of South Africa."

FLEX MUSCLES

Mrs Barbara Castle, the British Labour leader in the European Parliament, said: "When the Common Market exercises its power, it can have a dramatic effect. It would be a scandal if it failed to flex its muscles now on behalf of the exploited black majority in South Africa."

"The EEC must cut all ties with South Africa and use its clout as the world's biggest trading bloc to force speedy reform."

Recently Mr Davis, a
UDF man's call to isolate South Africa

LONDON — A representative of the United Democratic Front, Mr Murphy Morobe, has called on the people of Britain to "rise up" and challenge the policies on South Africa of the British Government.

Mr Morobe, rural secretary of the UDF in the Transvaal, was addressing a press conference here organized by the Anti-Apartheid Movement.

He is on a tour which so far has included the United States, Sweden and Britain.

Explaining the purpose of his trip, Mr Morobe said he wanted international support for the isolation of the South African Government.

"The UDF regards the Thatcher and Reagan administrations as the main accomplices in the crimes of apartheid," he said.

"It is clear to the UDF that Mrs Thatcher does not believe in democracy and freedom for black South Africans," Mr Morobe added.

He called on the people of Britain to act "to isolate the apartheid regime."

It was an offence under South Africa's Internal Security Act to call for sanctions, he said, but the UDF believed foreign investments did not benefit the "oppressed and exploited people of South Africa." They bolstered the "apartheid government," he claimed.

Mr Morobe said he had met a number of anti-apartheid groups. In Sweden, he said, such groups were campaigning against the arrest and trial of UDF leaders. — DDC.
Sweden bans SA grapes

STOCKHOLM — Sweden's largest consumer co-operative said yesterday that it would stop buying South African grapes in protest against apartheid. A spokesman for the Kooperativa Foerbundet, which controls 20 percent of Sweden's food retail market, said the ban would apply to all South African products but would mainly affect grapes. — Sapa-Reuters.
SWEDEN'S largest consumer cooperative said yesterday it would stop buying South African grapes and other products in protest against apartheid. Kooperativa Förbundet controls 20% of Sweden's food retail market.
Finland will not cut ties with SA alone

HELSINKI — The Finnish Foreign Minister, Mr Paavo Väyrynen, has again said his country will not unilaterally cut economic ties with South Africa.

Finland and its Nordic partners — Sweden, Denmark, Norway and Iceland — declared in Helsinki two weeks ago they would study ways of reducing trade and other economic links with Pretoria to underline their abhorrence of apartheid.

Mr Väyrynen told Parliament's Foreign Affairs Committee yesterday, according to a report published today, that Finland would adhere to its traditional policy of not cutting the ties unless this is advocated by the United Nations Security Council.

"The severing of relations would be contrary to the General Agreement on Trade and Tariffs (GATT)," he told the committee.

"But Finland is ready to join an embargo should the UN Security Council impose one."

Some members of Japan's ruling Liberal Democratic Party have taken steps to form a friendship league with white politicians in South Africa, the Straits Times reported in Singapore yesterday.

In a report from Tokyo, the daily says the Japan-Republic of South Africa Parliamentarians Friendship League hopes that the advocates of apartheid would understand more about non-white nations.

But the group's prospectus reveals that the main consideration is a desire to consolidate Japan's supply of chrome, coal and other vital raw materials from the area, the daily says.

The LDP vice-president, Mr Susumu Nakahiro, has been named chairman of the league, it says.

The prospectus of the league includes working to establish embassies in both countries.

Japan's anti-apartheid committee immediately condemned the establishment of the league.

More than 500 protesters at the University of California rallied against apartheid yesterday, the third day of demonstrations demanding that the school get rid of investments in firms that do business with South Africa.

The rally organizers claim the university has more than $1.7 billion (R3.3 billion) invested in companies that do business with South Africa.

From Stockholm it is reported that Sweden's largest consumer cooperative today said it would stop buying South African grapes in protest against apartheid. — Sapa-Reuters
Shultz: US 'a force for peace in SA'

From SIMON BARBER

WASHINGTON. — Letting South Africa become a "divisive domestic issue" will only render the United States "impotent" and contribute to the "ugliest and most violent outcome", Secretary of State Mr George Shultz warned yesterday.

Government policy, he transformation is being brought about by reality — by the growing realization that a modern industrial society cannot be governed by a pre-industrial philosophy of racial segregation."

The US role, Mr Shultz said, was to encourage what was already happening — he noted specifically the proposed repeal of the Mixed Marriages Act and Section 16 of the Immorality Act — and to help blacks gain such economic and political clout that white South Africa would have no choice but to include them in a "just" society.

To that end, US companies had provided "educational, housing and other benefits worth more than $100-million to their black employees" and the administration had "developed nearly $30-million in assistance programmes to train leaders in the black community."

"South Africa is not now a just society," Mr Shultz emphasized, repeating his earlier tough condemnation of the Uitenhage and other police shootings. Pretoria must "move quickly and concretely to restore confidence in its reform component" and start talking to black leaders.

In this context, the secretary had high praise for Bishop Desmond Tutu, quoting his call for black South Africans not to use the violent methods "that are used against us by our enemies."

"We applaud the courage of those black leaders who press for non-violent change, confronted on one side by a surging mass of black bitterness and on the other by a long-unresponsive political system."

Regionally, Mr Shultz was more upbeat, calling South Africa's final withdrawal from Angola "im- portant progress."

The speech was aimed directly at the US audience, and ended with a poignant plea for support: "We will not be the main actors in this drama, that role must be played by the region's people — black and white Africans. But we must stand by and throw American matches on the emotional tinder of the region ... we should be indignant at the bloodshed, but indignation alone is not a strategy."

His remarks came as part of a major administration offensive to save Southern Africa policy from the US Congress, which appears determined to impose economic sanctions on the Republic while undermining the administration's policy regionally.

Mr Shultz pleaded for a "national consensus" on Southern Africa and its neighbours which recognized that the US must remain "engaged" for the sake of all South Africans and the region as a whole:

"We are engaged as a force for peace and for constructive change throughout Southern Africa. This is the only responsible course, and we will not be deflected from it," Mr Shultz told the National Press Club.

"It is not our business to cheer on, from the sidelines, the forces of polarization that could result in a race war. It is not our job to exacerbate hardship, which could lead to the same result."

At the same time, Deputy Secretary of State Mr Kenneth Dam went before the Senate Banking Committee with a similar message designed to shoot down the 20 South Africa bills now pending, and in particular the ban on loans and new investment proposed by Senator Edward Kennedy.

Significantly, neither official used Dr Chester Crocker's phrase "constructive engagement", which has become the virtual rallying cry of the administration's opponents.

Calling domestic reform in South Africa the "central issue" in US Southern Africa policy, Mr Shultz argued that the Republic was "not immune to the moral influence of the West", but Americans should "fOCUS on getting results."

"We cannot have influence with people if we treat them as moral lepers, especially when they are beginning to address the agenda of change. South Africa's neighbours recognize this. We must too."

In a departure from previous administration pronouncements, Mr Shultz avoided taking credit for specific changes in South African
SA trade: Australian move on conduct code

Argus Foreign Service

CANBERRA. — The Australian Government today moved to introduce a code of conduct for companies trading with South Africa.

It also said it would support an effective international divestment policy. At the same time the Prime Minister, Mr Bob Hawke, announced that the Government was prepared to provide assistance for Australian cricketers to break any contracts agreed to play cricket in South Africa.

And the Minister of Foreign Affairs, Mr Bill Hayden, said payments to Australian cricketers were nothing less than "blood money".

These moves, announced in Parliament, form part of a concerted response to violence in South Africa and to the prospect of the ban on sporting links being broken by a rebel cricket team.

Significantly, opposition leader Mr Andrew Peacock said the conservative Liberal-National Party opposition supported the code of conduct because it now had grave doubts that South Africa was serious about reform.

His statement confirmed that the opposition has abandoned moves that it made last year towards embracing the US policy of constructive engagement. But Mr Peacock said the opposition would not support an economic boycott, which the Government indicated it would do if it involved South Africa's major trading partners.

He said such action would hurt people it was designed to help. The announcement of a code of conduct was made by Mr Hayden in a statement about the South African issue.

The code will be voluntary but Mr Hayden said he expected all companies involved — about 100 — to comply with it. The code is modelled on the European Community, Canadian and Sullivan codes.

It will require Australian companies to reject segregation and to apply the principles of equality of treatment to recruitment, employment, industrial relations and pay.

Mr Hayden said the code would ensure that Australian companies did not exploit the "peculiar employment conditions generated by apartheid".

He said it would take into account the social and economic hardships imposed on non-whites in South Africa and proposed fringe benefits and other measures consistent with those in Australia.

He said the compliance of companies with the code would be monitored by the Government but there would be no penalties for non-compliance. On a possible trade boycott, Mr Hayden said Australia was not prepared to act unilaterally.

However it was possible that as a member of the UN Security Council, Australia would soon be asked to vote on mandatory sanctions.

"Australia would support such a proposal," he said.

Dennis Turner, a 51-year-old machine operator from Stoke-on-Trent, has a good reason to quit his tyre-factory job. He has scooped Britain's biggest football pools win — nearly a £1-million (more than R2-million). He staked 36 pence (85 cents). Presenting the huge cheque on behalf of Littlewoods is TV star Howard Keel.
More than 20 bills have been introduced in the Senate and in the House of Representatives calling for economic sanctions of varying degrees. Some of these come from relatively conservative members of Congress.

But in his speech yesterday, Mr. Shultz again indicated that the administration is opposed to any form of economic sanctions.

He also made it clear that the US government rejected the use of violence for the achievement of political goals, as well as those who wanted to take the law into their own hands.

"SA is not a closed totalitarian society in which the government controls all aspects of life, all means of communication, all avenues of thought. While the white minority dominates the system, there is in that system a significant degree of openness of political activity and expression: a generally free press, an independent judiciary, vigorous debate within the governing party and in parliament and vocal critics of all viewpoints."

There was nothing comparable in the Soviet Union, he said.
Six men plead on arms charges

BIRMINGHAM. — Two Britons yesterday pleaded guilty in Birmingham Magistrate’s Court to charges of conspiring to illegally export military aircraft parts to South Africa.

Mr Michael Swann, 34, and Mr Henry Coles, 72, will be sentenced at the end of a trial at which four other Britons will appear on charges of smuggling arms to the Republic.

The judge, Mr Justice Skinner, ordered journalists covering yesterday’s hearing not to publish the pleas.

He set the trial to start on June 5. It is expected to last about four weeks.

The four other men who will go on trial are Mr Derek Salt, 60, Mr Michael Gardiner, 56, Mr Arthur Rowley, 53, and Mr Malcolm Bird, 48.

They pleaded not guilty yesterday to charges of conspiring to evade a prohibition order banning the export of strategic goods from Britain to South Africa. They were all freed on bail.

Mr Salt and Mr Gardiner have been on bail since last year. Mr Rowley and Mr Bird were making their first court appearance in connection with the case.

The charge against the four also names four South Africans as part of the conspiracy — Mr Hendrik Botha, Mr Stephanus de Jager, Mr William Metelikamp and Mr Jacobus le Grange.

They were to have appeared before the court, but in a diplomatic reprisal late last year the South African Government refused to return its citizens for the case.

It took the action in retaliation for Britain’s refusal, to hand over six men who staged a sit-in at the British Consulate in Durban. — Sapa
Kennedy in clash over SA sanctions

WASHINGTON. - Liberal and conservative US Senators have clashed over legislation that would impose economic sanctions on South Africa.

Urging passage of the sanctions legislation, liberals Edward Kennedy, an opposition Democrat, and Mr. Lowell Weicker, a Republican, compared race policies of the white-minority regime with laws of Nazi Germany.

"But Senator Chic Hecht, a conservative Republican who described himself as an orthodox Jew, heatedly rejected the comparisons and advocated working with the white government for change.

"When you were born a Jew in Germany, you went to the gas chamber," Mr. Kennedy said during a hearing of the Senate Banking, Housing and Urban Affairs Committee. "When you are born a black (in South Africa), you go to the homeland."

"Added Democratic Senator William Proxmire: "It's not a gas chamber, but it is living death."

"The Jewish issue has been raised," Mr. Hecht. "I don't buy that concept at all. No-one is more mindful of the atrocities of Nazi Germany."

"Mr. Hecht, who travelled in South Africa last year, said: "I think the Government of South Africa will make the changes we want."

"The parallels between the illegal framework of South African apartheid and Nazi anti-Semitism in the 1930s are insuperable," Mr. Weicker said.

"What began in both cases as a political appeal to racist elements eventually became the law of the land."

Will he vote?
EEC call for sanctions against SA

STRASBOURG. — The European Parliament called on Common Market member states yesterday to undertake to cut all economic, financial, cultural and military ties with South Africa.

The resolution, sponsored by the Communist group, was described by parliamentary officials as the most sweeping call for sanctions against South Africa ever made by the Assembly.

The Community Commission president, Mr. Jacques Delors, has told the bloc's Italian presidency the Community must agree as soon as possible on a united approach aimed at forcing the South African Government to abandon apartheid, said External Affairs Commissioner Mr. Willy de Clercq.

He told Parliament the Commission did not exclude in advance any measure which could "lead South Africa to reason," but the test of such a measure would be its efficiency, and this would require a coherent Community approach.

The Communist group's resolution expressed outrage at what it called an escalation of violence and repression against black South Africans which it said had caused nearly 100 deaths in three months. It was one of three motions on South Africa carried by the Parliament with only about one-quarter of its 494 members present.

A Socialist group motion seeking the end of all investment in South Africa, suspension of sport and cultural links, and a gradual reduction of trade links was passed by 68 votes to 40 with two abstentions. There was no detailed vote count on the Communist motion.

The third resolution, sponsored jointly by the Christian Democrat, Conservative and Liberal groups, did not mention sanctions, but warned the South African Government that its present policies of denying political rights to blacks could only help extremists seeking to replace one form of repression with another.

Mr. De Clercq said South Africa was carrying out reforms but they did not go far enough.

"The South African Government does not seem to understand or want to understand that human dignity is indivisible. You cannot half-respect human rights," he said.

The Commissioner said the more South Africa resisted fundamental change, the more it would generate violent opposition, reducing the chances of a peaceful solution.

Mr. De Clercq said that before any concrete measures were proposed by the Commission to put further pressure on the South African authorities, Community member governments should examine their options in the framework of political co-operation among the 10. — Sapa-Reuters.
know King promises to get back to him.

The time has come for a bold approach,” he continues. “The economy will never stabilise until the socio-political order stabilises. It’s difficult to formulate a monetary policy of high interest rates like in the US and UK when SA hasn’t got a social security system — a net to catch the unemployed who become hungry and restless.” And as chairman of Operation Hunger, King knows what he’s talking about. “If you have structures which lead to hardship and on top of this apply economic hardship, it’s just looking for trouble,” he adds.

In recent years, King’s social conscience, and his hand, have become increasingly apparent in Kg corporate reports. This isn’t surprising as he spent time working as a reporter on the Sunday Express in his youth. The then editor Johnny Johnson, so the story goes, made him the highest offer ever made to a SA journalist at the time in the hope of retaining his services.

A quick thinker, the only time King pauses before answering is on the subject of the Kg’s victory over the JSE in the Sanki deal. “I think they arrived at the right decision,” is all he’ll say.

Enter Kirsh. “I need an answer now, Mervyn,” he says. And the scuttle off to whisper behind close doors.

**LIONEL GREWAN**

**Labour monitor**

Lionel Grewan, national co-ordinator of the Sullivan Code (SC) of labour principles, was working in Iran when the Shah was deposed, so he’s accustomed to upheaval. Back in SA six years later, with the US disinvestment lobby gaining increasing vigour, he’s simply keeping his head down and getting on with the job of ensuring that SC signatories comply with its principles.

Grewan (45) helps US investors in SA structure programmes to achieve their objectives and also helps them overcome obstacles. However, his most difficult task is ensuring that the signatories make sufficient progress in dismantling discriminatory structures. “This is the only thing that will appease people in the disinvestment lobby,” he explains.

However, in Grewan’s opinion, the disinvestment lobby is unlikely to provide any answers. “It’s been a good coercive stick for prodding US companies into taking a long hard look at themselves,” he concedes. “But rather than dismantle, I think US investors should focus on progressive reconstruction — the upliftment of black communities.”

The SC lays down standards for US companies operating in SA and is probably the most highly publicised tenet of foreign investment in this country. “When it was first formulated in 1977, tackling desegregation in the workplace was its major task,” Grewan explains. “But this was just the first phase, and we’ve moved beyond that now.”

The second phase involved getting out into the community through upliftment programmes, and the third phase, which we’re now in, provides a completely new direction. “Our main emphasis is on talking to government about removing restrictions and making known to them the kind of inhibiting practices that affect business.” Countering criticism that the SC’s usefulness has been superseded by increased bargaining power in the workplace, Grewan explains that dialogue with government is now a prime focus.

Grewan was born and schooled in Durban, but he speaks with a foreign twang. He left SA in 1964 and worked as an English teacher in Zambia for 10 years before receiving a grant to study maths at the North London Polytechnic. In 1977, he found himself in Isfahan working for Bell Helicopter, teaching pilots.

“One Friday afternoon I was on the street with my family and we heard shots from the market square,” he recalls. “We headed for the nearest hotel and lay low. This was the start of the revolution.” Soon afterwards, his wife and two children went to the US for safety.

“I saw the Shah go and the Ayatollah arrive,” Grewan says, “and three months later the State Department finally decided to evacuate all employees of US companies.” Grewan joined his family in America and completed a few courses at Indiana University before deciding to return to SA where he joined Citibank as a training officer. Increasingly he found himself dealing with social responsibility issues and last year was appointed SC national co-ordinator.

Though only 140 of the approximately 300 US companies in SA are now Sullivan signatories, the number is rising rapidly. “As pressure in the US intensifies, everyone wants to get on board, so we’ve had 18 new signatories since February,” he says.

But this isn’t the whole picture. Last year eight companies received failing grades for their progress, and rather than pull up their socks, they pulled out. Twenty-nine other companies also backed off, unwilling to pay Boston management consultants Arthur D
Little to monitor their progress. "Many companies are naive and believe it or not, still don't think the disinvestment lobby will affect them. They don't realise how serious the situation is. The guys are very gun-ho about establishing and implementing social programmes, but I have a hard time getting them to realise that they have to do more.

"For example, the adopt-a-school programme, is well and good, but it's not enough. It's basically band-aid and doesn't tackle the fundamentals of unequal education, lobbying government is equally important. About $100m has been spent on social programmes since the SC's establishment, but expenditure isn't enough to qualify for high-score ratings. Getting the signatories to focus on long-term issues is very difficult."

Today, the major criticism levelled at the code is that it has no teeth and isn't enforceable — though this could be changing. "We can't take action against non-complying companies now, but legislation could well be introduced in Congress this session which will enforce compliance with the code. I think coerced people into doing things could be counter-productive," Green says. "I think we'd lose the creative element if it becomes compulsory."

**MATHEW NELL**

**Conquering blocks**

SA's black housing problem is seldom discussed without mention being made of the impossible number of houses needed to meet the backlog and the increasing demand resulting from the rising tide of urbanisation. But Matthew Nell, GM of the Urban Foundation's (UF) first housing utility company in the Transvaal, the Family Housing Association (FHA), is attempting to find some answers.

"Opening up opportunity and options for more people from both the formal and informal sectors to participate in housing supply is far better than attempts at a single uniform co-ordinated response," he says.

A housing utility company is entitled in terms of the Housing Act to avoid taxes and to apply to the National Housing Commission for funds. "The FHA is run on a non-profit basis. Its purpose is to enable housing to be provided on a non-speculative, affordable basis while operating on competitive business principles," Nell explains.

For seven years, Nell (33) has run the UF's housing programmes in the Transvaal. His function has been twofold — to apply pressure for legislative and policy changes in black housing, and to run the foundation's site-and-service and self-help housing projects.

These projects, in Soweto, Katlehong and Soshanguve, with a turnover of R20m, have become part of the FHA. A smaller, close-knit unit in the UF will continue to concentrate on policy — while the FHA tests and confronts it in the field.

Nell explains. "Our objective is to increase the supply of housing in the PWV, in a way that's responsive to social and economic realities. We figure out what market demand is, and how to change supply to meet it. Essentially we're not just another construction company because we operate to generate and increase private initiative."

He stresses that the FHA pays and will continue to pay its own way, otherwise its efficacy is limited: "We must be able to compete for resources without relying on subsidies."

The FHA is considering moving into the Pretoria area though its present priority is black housing "But we plan to move into the supply of coloured and Indian housing as well," Nell says.

The foundation's biggest project is in Soweto's Protea North, providing servicing to 2,500 sites. "We acquired the rights to develop the land, organised design, township proclamation and so on. We pre-sold 75% of the sites to formal and informal developers and employers. The other 25% is set aside for owner-builders, the man in the street."

The FHA also provides a housing service, with a range of options aimed at enabling a family to manage its own building, by providing access to house designs, bulk purchased materials, bond finance and an after-sale technical advice service. A mild and relaxed enthusiast, Nell provides information on his field precisely and easily. "Running a utility company is ideal for an engineer, planner or builder in early-to mid-career. It provides the experience of running a company, and the opportunity to make a social contribution as well," he says.

Nell studied building science at Wits, and then "for two years I built high-rises, until I knew I wanted to work in low-income housing." He took a master's degree in town and regional planning, and did research into company housing policies for the CSSR's Institute of Personnel Research.

In 1978, he joined the UF and started work on its self-help housing project near Carletonville, one of the first in the country. Nell spends about half his time on site in Nell ... structural reform more than changing legislation

Financial Mail April 19 1985
Poison SA fruit scare in Denmark

POLICE patrols toured supermarkets and other retail stores in Copenhagen, Denmark, yesterday to warn that South African fruit may have been poisoned by activists demanding an immediate and total trade boycott of SA. In a letter received by its news agency, a group calling itself ANC supporters said that South African fruit had been poisoned at three Copenhagen stores.

The writers said a fruit-poisoning campaign would continue until Denmark cut off all trade with South Africa.

By closing time yesterday no poisoned fruit had been discovered. - Neapolitan
By THAMI MAZWAI

A MASSIVE consumer boycott against South Africa involving most countries in the West and in Third World is being planned.

Plans for the boycott are to be finalised at an international conference on apartheid planned for later this year. At this stage the venue and dates have not been announced.

The conference will not only look at the planned consumer boycott, but will also investigate all actions to be taken against South Africa. While previous campaigns against the country have been at infrequent intervals, the conference is to discuss the launching of a variety of campaigns against South Africa all at the same time.

The existence of plans for a boycott of this nature came to light in a SOWETAN interview with Major General Joseph Garba, chairman of the United Nations Special Committee against Apartheid. The interview with General Garba was at the United Nations Part one of the interview appeared in our sister paper, The MIRROR, yesterday.

According to General Garba, the committee and other allied anti-apartheid organisations throughout the West were preparing for the next thrust against apartheid, after the highly successful demonstrations in the United States.

Groups

According to him, the boycott has been started on a small scale in some towns in Great Britain where activists are involved in campaigns that aim at isolating shops and establishments that deal with South Africa.

But the main onslaught, involving all anti-apartheid organisations in the world, will be decided at this conference.

Organisations active against South Africa include the UN special committee, the UN Centre against Apartheid, SA Non-racial Olympic Union and other organisations involved in the campaign to isolate South Africa in all spheres.
HARARE - "Impeccable" Prime Minister Robert Mugabe urged the non-aligned movement of the United Nations to impose sanctions against South Africa until UN resolutions on Namibia's independence are implemented.

The Zimbabwean leader in his address at the United Nations General Assembly said, "We cannot allow the plunder of the Rainbow Nation of South Africa to continue. We must impose sanctions against the regime of Mr. de Klerk until Namibia is free."
Kaunda: Explosion in SA within two years

JOHANNESBURG. - President Kenneth Kaunda of Zambia predicts there will be a "violent explosion" in South Africa within two years.

In an interview with Johannesburg's Financial Mail, Dr Kaunda was asked how he viewed the present black unrest in South Africa.

He answered: "I cannot see what is taking place... in any other way than that this is the beginning of sad things to come in South Africa.

"I pray hard"

"As far back as 1972 I predicted a violent explosion for South Africa in 15 years. There are only two of those 15 years left."

He emphasized that it was not something he wanted to see happen and "I pray hard that it does not happen". However, he said: "I can't see God allowing that situation (in South Africa) to go on."

"I can't see it happening any other way, unless of course the four million white Africans and coloureds - and Afrikaners, Africans - change their stance and accept that, as Africans, they are part and parcel of the human family that found homes in their common country."

Asked if he thought there was still time to change or if he saw the present troubles as the final revolution before majority rule, Dr Kaunda said: "I have been urging the South African leaders: Please talk to the African National Congress. Please accept that the ANC is the mouthpiece of by far the greatest majority of African people."

"That is the first hurdle white South Africans must get over. The second is to release Nelson Mandela without conditions and begin talking to him. That might just give us the opportunity, the one and only chance, to save this explosion - an explosion which will envelop the whole region."

"Can we save ourselves from that tragedy? Much depends on what the white Africans of South Africa decide to do in the next six, 12 months - no more than 24 months. No more. In short, what I am saying is: This is the beginning. Whether you can arrest the tide, I don't know."

Dr Kaunda said: "It is sharing of power that I am talking about. Not capitulation. Capitulation may lead the four million whites to begin acting as guerillas. We don't want that to happen. No one is asking President Botha or Foreign Minister Botha to surrender power. We are saying: Share it, and share it genuinely."

"But you don't have much time left. You must be a nation in a hurry."

"I mean well for all 30 million people of South Africa. To me, they are all simply human beings who have failed to find a way to live together in peace - and not in pieces."

Sufficient courage

Dr Kaunda said of Mr P W Botha: "I asked whether he has sufficient courage to see these things through. The things he has done so far show that he has courage. But he needs more than that."

On his call for economic sanctions to be imposed on South Africa, Dr Kaunda said that even as he was calling for it he was aware that Zambia would suffer a lot.

The question we have to ask ourselves is: Which is better, economic sanctions or a violent change of things in South Africa? In our opinion, sanctions would bring to the fore the problems of apartheid within the country itself: more than anything else. The only other way is violence, which will leave hundreds of thousands of people dead, black and white." - Sapa
Australian dockers stop work over SA cargoes

Shipping Correspondent

STRIKE-prone Australian dock workers have regarded the events in the Eastern Cape in recent weeks as sufficient justification for laying down tools on vessels carrying cargo from South Africa, and the Dutch-flag Saf-ocean Mildura has been idle at Sydney.

The Firemen and Deckhands Union of New South Wales called their workers off the ship soon after she arrived at Sydney, and the Seamen's Union of Australia were reported also to have plans for boycotting the ship if the Firemen and Deckhands lifted their ban.

There are only two ships in regular trade between South Africa and Australia now, the Saf-ocean Mildura belonging to Nedlloyd, and Saf-ocean Nederburg of Safmarine, running a joint service.

All shipping in Australian ports is vulnerable to stoppages, and strikes are fast becoming the rule rather than the exception.

While the Saf-ocean Mildura has been idle because of labour objections on political grounds, tug crews in other ports have been striking in protest at state government intentions to curb strikes.

And at Sydney container terminal there was a strike in protest at the new roster system for workers.

Foreign ships bound to Japan with coal have been subjected to delays by workers who refuse to handle them on grounds of flag.
Dr Chester Crocker said no-one in South or Southern Africa’s economy would benefit if South Africa’s economy is destroyed. NEIL LURSEN at the Argus Forum reports from Washington.

Sanctions’ 12 reasons why

Dr Chester Crocker says sanctions against South Africa were unlikely to have major effect; in fact, sanctions had encouraged SA’s arms industry and coal gasification programme.

US sanctions were not likely to be followed by SA’s other trading partners and US trade and business would be the sufferers.

SA’s neighbours were worried — as well they should be — about the effects on their own economies.

Sanctions would be precisely the wrong signal to send at a time when SA was changing more than ever before.

“...And finally, I urge this body to recognise that sanctions are likely to lead us down the road to ineffective action which will have no positive effect in SA and cause others around the world...to doubt the wisdom and strength of American foreign and economic policy.”

Dr Crocker warned that instability in Southern Africa offered opportunities to the Soviet Union to “fish in troubled waters.”

He said it was fashionable in some quarters to dismiss the presence of 30,000 Cuban troops in Angola as “inconsequential blip on the radar screen of history.”

But this was not the view of the Reagan Administration which saw the extension of Soviet power into an area of the world not within its traditional sphere of influence as a matter of concern.

And he said it was a severe distortion of reality to describe current US ties with SA as a “cozy rapprochement or as business as usual.”
Big Finnish union urges a boycott of SA goods

HELSEINKI — Finland's biggest trade-union federation, SAK, is to urge its members to boycott South African goods.

Finland's official policy is to maintain trade with South Africa.

On Friday, the Finnish Foreign Minister, Mr Paavo Väyrynen, told a foreign affairs committee meeting in Helsinki that the country would back a UN Security Council embargo, but was prevented by its trade commitments from unilaterally severing trade ties.

Finnish political parties including the two biggest groups, the Social Democrats and the opposition National Coalitionists (Conservatives), have recently adopted an increasingly militant line against South Africa.

But this has not apparently so far affected the government, which consists of Social Democrats, centrists, ruralists and members of the Swedish Party.

Finland's exports to South Africa last year were worth R158m and its imports R36m, both figures well under 1% of its two-way trade.

Sapa-Reuters
The break with President Reagan's no-sanctions policy came as the Senate Foreign Relations Committee chairman, Sen. Richard Lugar, and other Republican leaders introduced a sanctions bill as a protest against apartheid.

The key Republican shift from Mr. Reagan's 'constructive engagement' comes against a backdrop of mounting demonstrations and arrests at American universities nationwide against South Africa.

Sen. Lugar proposed his bill even as a chief architect of Mr. Reagan's policy towards Pretoria again denounced as 'misguided' any economic restrictions.

Much weaker

The Administration believes that increased economic sanctions against South Africa will be counter-productive, the Assistant Secretary of State, Mr. Chester Crock-er, told Sen. Lugar's committee.

After further hearings, Sen. Lugar said the committee would vote on his sanctions plan, which was co-sponsored by the Senate Republican majority leader, Sen. Robert Dole, and Republican senators Charles Mathias of Maryland and Nancy Kassenbaum of Kansas, both Foreign Relations Committee members.

However, the Lugar plan is much weaker than one for immediate economic sanctions being pushed by Democratic Sen. Edward Kennedy of Massachusetts and Republican Sen. Lowell Weicker of Connecticut.

Exports

Sen. Lugar would require President Reagan to impose sanctions in two years if South Africa does not act to eliminate apartheid.

By contrast, the Kennedy-Weicker Bill would prohibit immediately new US business investment in South Africa. loans to the South African Government, exports of American computers, and imports of South African gold coins.

The House of Representa-tives is expected to propose economic sanctions against South Africa this year.

It approved a Bill last year but it did not win final Congressional passage before Congress adjourned. — (Sapa- Reuter)
International unions call for SA sanctions

BRUSSELS — The International Confederation of Free Trade Unions today called for United Nations sanctions against South Africa for its refusal to grant independence to Namibia.

In a cable to the UN Secretary General, Mr Javier Perez de Cuellar, the ICFTU general secretary, said his organisation urgently called on the UN Security Council to adopt mandatory economic sanctions against South Africa.

The labour organisation condemned “Pretoria’s illegal hold over Namibia which it intends to maintain”.

It said, “This totally contravene Security Council Resolution 455 which provides for genuine majority rule in Namibia and once again demonstrates South Africa’s systematic violations of its international obligations” — Sapa-Associated Press.
Thatcher opposed to sanctions

Own Correspondent

LONDON. — The British Prime Minister, Mrs Margaret Thatcher, is vigorously opposed to economic sanctions against South Africa.

Spelling out the reasons for her stand in a BBC radio programme yesterday, she said:

"Trade sanctions against South Africa would be highly damaging for all the people of South Africa."

This included 22.8 million blacks, nearly 1 million Indians and 1.2 million coloureds.

Struggle

"It would lead to a terrible struggle, much worse than at present, with little hope of South Africa coming out with any improvement in trade and standard of living which is so vital for all of the people living there."

Trade sanctions had not worked and she was very much against them.

Mrs Thatcher was speaking during a BBC Radio 4 phone-in programme, where calls to her were taken from many parts of the world.

Mr David Nichols, phoning from Worthing, Sussex, started his question by suggesting that Mrs Thatcher had recently condemned New Zealand's proposed rugby tour of South Africa. But Mrs Thatcher was quick to deny this and claim that she had said nothing at all about the tour.

Gleneagles

Invited by the programme's producer, South African-born Sue MacGregor, to give her comment, Mrs Thatcher said that the tour was a matter for the New Zealand Government and for the rugby team in New Zealand.

She added: "We are bound by the Gleneagles Agreement (which prohibits sporting links with South Africa)."

"So is New Zealand. That Gleneagles agreement recognizes that governments can only persuade voluntarily. In the end they must do everything to persuade voluntarily — and we do."

"In the end it is up to the citizens of New Zealand to make their own decisions. We shy away from force in that respect."

Cricket

Reminded that she had commented when the English cricket team went to South Africa, Mrs Thatcher agreed. She said: "We do everything possible to persuade our teams not to go, because those are the terms of the Gleneagles Agreement."

Other questions dealt with Mrs Thatcher's attitude to nuclear weapons, and to the possibility of her meeting the Soviet leader, Mr Mikhail Gorbachev, at the United Nations.

Phone calls came from as far away as Nairobi and East and West Germany. This international link-up is highly rated and is a prestige production which is broadcast, at the same time, on the BBC's world service.
Tambo in sanctions meetings

Own Correspondent

NEW YORK — African National Congress president Mr Oliver Tambo yesterday briefed congressional aides at the start of a week-long visit keyed to the bid to impose economic sanctions against South Africa.

Senator Edward Kennedy and Congressman William Grey — sponsors of sanctions bills — helped arrange the breakfast meeting.

The ANC chief lunched with the editorial board of the Washington Post and later addressed the congressional black caucus.

Mr Tambo’s arrival was delayed because of visa difficulties, described by one close aide as “tremendous”. In particular, the delay delayed the ANC’s plan for him to address last weekend’s Washington demonstrations.
Disinvestment: Many will suffer, Ackerman warns

Financial Editor

SOUTH Africa and Africa had many urgent problems to tackle and a disinvestment campaign would greatly intensify these problems, Mr Raymond Ackerman, chairman of Pick 'n Pay, told a Rotary International Conference in Somerset West yesterday.

He warned that a trade boycott against South Africa could cause serious unemployment problems in Europe and the United States.

In South Africa a total of 300,000 jobs would have to be created each year to absorb the growth in the labour market until the year 1990.

Large numbers of people were losing the land to work in the cities, particularly since the recent drought — a process which was increasing the unemployment problem.

FORMIDABLE LIST

In spite of escalating unemployment, there was a chronic shortage of skilled manpower and of trained managers among the black population. There was also a need for more housing, training and educational schemes to be introduced immediately for blacks.

"This may sound a formidable list of problems, but South Africa I would remind you, is infinitely better off than most other countries in Africa. Let us consider the problems facing countries in the southern half of Africa as a whole."

A report by the Nairobi-based United Nations Environment Programme said that between 1970 and 1980 the region's population rose from 88 million to more than 100 million, about 3 percent a year and at the same time food production levels fell.

HUGE RESOURCES

United Nations figures showed that in Africa as a whole, about 150 million people — one in every three — was affected by malnutrition or starvation. Recent focus on the starving millions in Ethiopia had given a dreadful indication of what many other countries were suffering.

Amid all this gloom on the African continent, South Africa stood as an exception with its huge mineral resources, well-established infrastructure and transport systems and good financial and agricultural management.

Western bankers said that South Africa, in spite of all its present problems, was the best risk in Africa.

ripples effect

But disinvestment on a large scale could have adverse ripple effects throughout much of the continent.

South Africa's imports from other African states rose by 25 percent in 1984 to R268 million, while its exports to Africa rose 20 percent in 1984 to R554.1 million, even though South Africa cut back shipments of essential foodstuffs because of the drought.

JOBBELESS HORDES

Large-scale disinvestment would have wide-ranging effects. Neighbouring countries would be particularly vulnerable to the disruption in the South African economy, as South Africa was a major provider of employment opportunities in the sub-continent.

Estimates varied, but there could be about 300,000 workers from surrounding countries working on the mines or in industry in South Africa. To help South Africa's own blacks, these would have to be sent back to add to the swelling ranks of the unemployed in their own countries.

Disinvestment on a large scale would be catastrophic for blacks in South Africa. It would create jobless blacks throughout the country.

BANKRUPTCIES

Bankruptcies — already at a record level — would increase, further reducing employment opportunities for blacks.

The result of all this unemployment would be to undermine the two most important black power bases in South Africa — the independent trade unions and the fast-growing black consumer power. These two were being used as levers for better conditions by responsible black leaders.

TRADE FLOW

In addition, South Africa's landlocked neighbours would suffer disruption in their trade flow because many of their imports and exports came through South Africa's well-developed transport links with the coast.

A boycott of South Africa would cost Western countries about 500,000 jobs, including 250,000 jobs in Britain. Almost 10 percent of all British overseas direct investment was in South Africa. Add indirect investment to this and R11 billion was at stake.

Also at stake was the large American investment. A total of 350 US companies had subsidiaries in South Africa representing an investment of nearly R8 billion. Another 6000 US companies did business with South Africa.

For all European Economic Community countries, the embargo on trade with South Africa would cost about 330,000 jobs and an additional 122,000 jobs if the United States were also involved in the boycott. If Japan were included, the Western world would lose more than 500,000 jobs.
Majige opposes sanctions

They won't lead to improvement in S. Africa's living conditions.

The Natal Mercury, Monday, April 21, 1941.
Maggie airs her opposition to sanctions

BY MARGARET SMITH
London Bureau

LONDON. — British Prime Minister Mrs. Margaret Thatcher is vigorously opposed to economic sanctions against South Africa.

Announcing this yesterday, she spelled out the reasons for her stand:

"Trade sanctions against South Africa would be highly damaging for all the people of South Africa," she said, speaking during a programme on BBC radio.

"It would lead to a terrible struggle, much worse than at present, with little hope of South Africa turning out with any improvement in trade and standard of living which is so vital for all of the people living there."

Trade sanctions had not worked and she was very much against them, she said.

Mrs. Thatcher was speaking on a BBC Radio Four phone-in programme, during which she took calls from many parts of the world.

Mr. David Nicholls, phoning from Worthing, Sussex, maintained that Mrs. Thatcher had recently condemned New Zealand's proposed rugby tour to South Africa.

Mrs. Thatcher was quick to deny this, however, and claimed she had said nothing at all about it.

Invited by the programme's producer, South African-born Sue MacGregor, to expand her comment, Mrs. Thatcher said it was a matter for the government of New Zealand and for the rugby team in New Zealand.

She added "We are bound by the Gleeneagles Agreement (which prohibits sporting links with South Africa)"

"So is New Zealand. That Gleeneagles agreement recognises that governments can only persuade voluntarily. In the end they must do everything to persuade voluntarily — and we do."

"In the end, it is up to the citizens of New Zealand to make their own decisions. We try to stay away from force in that respect."

Reminded that she had commented when the English cricket team went to South Africa, Mrs. Thatcher agreed. She added "We do everything possible to persuade our teams not to go, because that is in terms of the Gleeneagles Agreement."

She reiterated that British governments tried to persuade teams not to go to South Africa, or indeed, to have South African teams play in their country.

What Mrs. Thatcher was referring to was the agreement signed by the previous government which she had reaffirmed and which the present government adhered to.

When asked similarly people should not go to the Olympic Games in Moscow, asked for a specific reason because I thought it might be used politically — I asked them voluntarily not to go and left it to them to make up their own minds. Some of them didn't go, and some of them did."
Texan gets 35 years for Salem oil fraud

Argus Foreign Service

AUSTIN (Texas). — Texas businessman Frederick Soudan was today given a 35-year jail sentence in Houston for his role in what has been called the oil fraud of the century.

The case involved the theft of a cargo of oil from the 119 000-ton supertanker Salem, its sale to South Africa and the subsequent scuttling of the tanker at sea to cover the fraud.

He was also ordered to make restitution payments of $9 million out of bank accounts he holds in Switzerland and the Bahamas.

Cousin

Abdul Al Ghazou, his cousin and brother-in-law, was given a five-year sentence for attempting to conceal Soudan's illegal profits from the US tax authorities.

The order of US District Judge Carl Bue requiring Soudan to make restitution applies only to payments that the prosecution was able to trace directly to him.

His R80 000 Houston home and his business — a Mercedes dealership — have been repossessed.

Before passing sentence the judge threw out a defence motion asking for a new trial. It is understood that an appeal is being prepared by another Houston lawyer — not one of those who defended Soudan in the trial just ended.

10 Days

Notice of appeal must be lodged with the court within 10 days of sentencing.

Lebanese-born Soudan, 41, and Syrian-born Al Ghazou, 47, were found guilty on March 26 on 17 counts of a 22-count indictment involving fraud, conspiracy, perjury and tax evasion.

The jury deliberated for about 12 hours before reaching a decision.

Soudan was acquitted on five remaining counts.
Washington. — Two foreign affairs sub-committees of the House of Representatives yesterday approved economic sanctions against South Africa in an attempt to pressure it to abandon apartheid.

The bill, approved on a voice vote, would prohibit new US investments in the country and bar the sale of computers or bank loans to the government. It also would halt importation of South African gold coins into the US.

The sanctions are contained in one of more than 80 bills condemning apartheid that have been introduced into the House this year. Similar measures are pending in the Senate.

Last year, the House approved similar proposals but failed to win Senate approval.

However, this year there is wider support in both houses with growing criticism of apartheid in the US since the virtually daily demonstrations began at the South African Embassy last year. — Sapa-AP
Growth ‘best defence against sanctions’

Finance Reporter

The best defence against sanctions is economic growth, according to Professor Brian Kantor, who called last night for a more serious approach from South Africans to the ‘economic game.’

Professor Kantor, the main speaker at an Alesse discussion on disinvestment at the University of Natal, said that the major force to encourage foreigners to maintain links with South Africa was through economic progress.

‘And it is that same economic progress that will offer South African Blacks the best possible reason for living peacefully with white South Africans as economic growth can provide the means to compensate for the loss of privileges.’

Object

Prof Kantor said the object of the disinvestment campaign had been to discourage economic growth in order to make it more difficult for white South Africans to continue to maintain their hold on South Africa.

‘While it can be argued that such action will take a very long period of stagnation before the white South Africans became unwilling to maintain their authority, one can also argue with similar force, that a prolonged period of slow growth would cause great suffering, especially for the poor in South Africa,’ he said.

‘Such stagnation could also incline Government to repression and become less responsive to Western opinion.

Prof Kantor said the enemies of South Africa would be likely to agree that stagnation would change South Africa for the worse before it would get better in their eyes anyway.

‘But the suffering they, our true enemies, whom I loosely describe as the international left, would regard it worthwhile if it were to secure an anti-capitalist, anti-Western South Africa.

‘For these enemies of South Africa the logic of disinvestment is inexorable.

‘A successful South African economy increases the probability that South Africa will emerge as a Western-type industrial democracy.

Resolution

Prof Kantor said even if the final resolution of the South African problem were a long time in coming, an economically weak and isolated South Africa would be a source of weakness for the Western economies at large, just as a vibrant South African economy is an important source of strength for the Western basically capitalist alliance.’

He said the West had a great deal to gain from South African economic development.
US committee in anti-SA vote

By NEIL LURSSEN
Argus Foreign Service
WASHINGTON — A plan to impose economic sanctions on South Africa passed an important milestone in the US House of Representatives when the House Foreign Affairs Committee approved it by 29 votes to six.

The measure adopted was the Anti-Apartheid Act of 1985 — the key effort this year by Democrats, with some Republican support, to punish South Africa for its race policies.

The Act, introduced in the House by Congressman Bill Gray of Pennsylvania and in the Senate by Senator Edward Kennedy of Massachusetts, has four main provisions:

- A ban on bank loans to the South African Government and its corporations,
- An end to new US investment in the private sector,
- A prohibition on Kruger Rand sales in the US,
- A ban on the export of US computers

Easy hurdle
Four Republicans were among the 29 members who voted for the sanctions. All six opponents were Republicans.

The sanctions face only one more easy hurdle in the lower chamber of Congress. They must go to the vote on the floor of the House where approval is a certainty. Congressional sources say this could happen in as little as two weeks.

House approval does not mean that the sanctions will become law. They must still get through the US Senate, where their fate is less certain.

While the House committee was approving the sanctions, members of the Senate Foreign Relations Committee were examining them in another committee room.

At this meeting, Dr Chester Crocker, President Reagan’s chief Africa policy-maker, had an acrimonious exchange with Democratic Senator Paul Sarbanes of Maryland.

When Senator Sarbanes, a persistent critic of constructive engagement, asked how Dr Crocker could defend his policy when thousands were demonstrating against it, Dr Crocker retorted: “There are a lot of people that are on the moral equivalent of a free lunch” — the implication being that they had no personal stake in the situation in South Africa.

Pik denies SA is downgrading links with US
Parliamentary Staff
THE Minister of Foreign Affairs, Mr Pik Botha, has strongly rejected reports that South Africa is downgrading its links with the United States by appointing a comparatively younger man as Ambassador to Washington.

The appointment of Mr Her- bert Beukes, 43, who was the number two at the Embassy, was announced yesterday. He is to replace Dr Brand Fourie, who took over the post after retiring as Director General of the Department of Foreign Affairs.

Responding to reports that the US considered the appointment as a downgrading of links, Mr Botha said: “Any suggestion of this nature amounts to an insult to the South African diplomatic service.”

Mr Beukes joined the Department of Foreign Affairs in 1966 after working as a lecturer at the University of Stellenbosch and as a journalist on the Burger.
Anti-SA move gets OK

WASHINGTON — Two foreign affairs sub-committees of the House of Representatives yesterday approved economic sanctions against South Africa in an attempt to pressure it to abandon apartheid.

The bill, approved on a voice vote, would prohibit new American investments in the country and bar the selling of computers or the extending of bank loans to the Government. It also would halt importation of South African gold coins into the United States.

The sanctions are contained in one of more than 20 bills condemning apartheid that have been introduced this year into the House, which is controlled by opposition Democrats. Similar measures are pending in the Republican-controlled Senate.

Last year, the House approved similar sanctions to those contained in the bill approved yesterday, but the provisions failed to win Senate approval. This year, however, they have wider support in both houses.

Criticism of apartheid has been growing in the United States since virtually daily demonstrations began at the South African Embassy last November.

Democratic representative, Mr Howard Wolfe, chairman of the Africa Sub-Committee that voted on the bill with the International Trade Sub-Committee, said he expected the full Foreign Affairs Committee would take up the measure soon, possibly this week. — Sapa-AP.
Republicans walk out of SA hearing

IN AMERICA...

WASHINGTON—Republican congressmen walked out of a US House of Representatives committee hearing when an attempt by one of them to soften sanctions legislation against South Africa was rejected by Democrats.

A Republican aide said: "After the Republicans had left, the Democrats unanimously approved the Kennedy-Gray Anti-Apartheid Act of 1985, sending it on its way to certain adoption by the full House."

Before it reaches the floor of the House, it must go through the formality of approval by the House Foreign Affairs Committee — probably tomorrow.

The Kennedy-Gray legislation would ban US bank loans to the South African Government and its corporations, prohibit new private American investment in SA, stop the sale of kruger Rands in the US, and bar the export of American computers to SA unless they are for schools.

A similar Bill has been introduced in the US Senate.

The hearing was a joint sitting of two House subcommittees that deal with African affairs and international trade. Both have Democratic majorities and chairmen.

Recently visited SA

After a number of technical amendments to the Kennedy-Gray Bill had been approved, Congressman Mark Slijander, a conservative Republican who recently visited South Africa, outlined anti-apartheid legislation of his own.

It, too, envisages tough sanctions against SA — but only if a specially-appointed commission finds after three years that no substantial progress has been made in eliminating apartheid.

If that is its funding, it can recommend all the sanctions in the Kennedy-Gray Bill as well as "changes in diplomatic relations". The Bill includes forced adherence by US companies to the Sullivan Code and the funding of millions of dollars to help black education, trade unions, business and political advancement.

The Democrats rejected the measure immediately, saying that after 37 years of Nationalist rule it was a waste of time to spend three years studying apartheid which had just got worse. The time for sanctions was now.

Congressman Stephen Solarz of New York said the Slijander measure was a classic example of the thinking that had produced the Reagan policy of constructive engagement — "too little and too late".

Congressman Howard Wolpe of Michigan said it was merely a way of trying to avoid sanctions. But sanctions were needed this year as the US answer to increased oppression in SA which included police brutality, the charging of 16 UDF members with high treason and the firing of 21,000 black workers after a strike.

As soon as the measure was rejected, Congressman Slijander walked out, joined by his Republican colleagues, Congressmen Dan Burton of Indiana and Michael DeWine of Ohio.
Republicans walk out of SA hearing

IN BRITAIN...

UK opposition leader supports programme of action against SA

Argus Foreign Service
LONDON.—Mr Neil Kinnock, the leader of the Labour Party, has given his full support to the Anti-Apartheid movement’s radical, 10-point programme of action against South Africa.

At a meeting with Archbishop Trevor Huddleston, president of the movement, Mr Kinnock also agreed to speak at the rally the movement is planning for Trafalgar Square on June 16 as a protest against the South African Government’s “repression”.

Today, Archbishop Huddleston is to see Sir Geoffrey Howe, the Foreign Secretary.

He will urge Sir Geoffrey to take action on the basis of the 10-point programme in an effort to end apartheid in South Africa and to bring SWA/Namibia to independence under United Nations Resolution 435.

The 10-point programme includes:

- The immediate breaking of diplomatic relations with South Africa.
- A ban on all new investment in South Africa and on the sale of Kruger Rands in Britain.
- The end of Government promotion of trade with South Africa.
- A ban on the sale of North Sea oil to South Africa.

AGREEMENT

The strengthening of the arms embargo.

The end of the no-visa agreement between Britain and South Africa.

A ban on imports of coal and uranium from South Africa, together with a programme to end British dependence on South African minerals.

A ban on the purchase of South African goods by Government departments.

Recently visited SA

After a number of technical amendments to the Kennedy-Gray Bill had been approved, Congressman Mark Sijlander, a conservative Republican who recently visited South Africa, outlined anti-apartheid legislation of his own.

It, too, envisages tough sanctions against SA — but only if a specially-appointed commission finds after three years that no substantial progress has been made in eliminating apartheid.

It that is its finding, it can recommend all the sanctions in the Kennedy-Gray Bill as well as “changes in diplomatic relations”. The Bill includes forced adherence by US companies to the Sullivan Code and the funding of millions of dollars to help black education, trade unions, business and political advancement.

The Democrats rejected the measure immediately, saying that after 37 years of Nationalist rule it was a waste of time to spend three years studying apartheid which had just got worse. The time for sanctions was now.

Congressman Stephen Solarz of New York said the Sijlander measure was a classic example of the thinking that had produced the Reagan policy of constructive engagement — “too little and too late”.

Congressman Howard Wolpe of Michigan said it was merely a way of trying to avoid sanctions. But sanctions were needed this year as the US answer to increased oppression in SA which included police brutality, the charging of 16 UDF members with high treason and the firing of 21,000 black workers after a strike.

As soon as the measure was rejected, Congressmen Sijlander walked out, joined by his Republican colleagues, Congressmen Dan Burton of Indiana and Michael DeWine of Ohio.
Black opinion counts most in debate on disinvestment

MR Malcolm Rifkind, Minister of State at the Foreign Office, responsible for African affairs, made an admission last week which South Africans should note and digest.

Speaking in the House of Commons on Labour demands for economic sanctions against South Africa, the minister began by saying that a policy of economic sanctions which was effective and sealed South Africa off from the economic activity of the rest of the world would not only damage the Republic but profoundly damage, if not destroy, the economies of a number of its neighbours.

"It is impossible to conceive how Lesotho, Botswana, Swaziland, Zimbabwe or Mozambique could do other than suffer enormously if sanctions were effective," declared the minister.

But then Mr Rifkind added that he freely accepted that "there are many blacks, including responsible blacks, who, whether through a sense of frustration or genuine conviction, believe that this policy would be attractive and that it should be supported".

Outlived its usefulness

This is an ominous statement, because until now Mr Rifkind has steadfastly quoted Professor Schlemmer's report on "Black Worker Attitudes" (September 1984) to support the argument that the majority of blacks in South Africa are opposed to sanctions.

This means that the Schlemmer report has outlived its usefulness now as a document which can be quoted to show that blacks themselves in South Africa are against disinvestment.

Therefore, if the anti-disinvestment camp want to stem the tide of the disinvestment campaign now, particularly in the United States, they will have to come up with a new report which establishes, once and for all, how blacks in South Africa feel on this crucial issue.

The Schlemmer report, recapturately, found that 25 percent of blacks supported disinvestment and trade boycotts while 75 percent supported constructive ways of protest. The qualifications, of course, were not put in this academic phraseology, but in very simple language.

The report, like all Professor Schlemmer's work, was thoroughly professional. It tapped the opinions of blacks who, if felt, were most affected by the disinvestment debate, namely, production workers. And some interesting facts emerged — that disinvestment black men are more radical than black women and that the black radical vote is highest in Pretoria, the "nerve centre of apartheid," and among black consciousness supporters.

But the report has been criticized on two grounds mainly. That the US State Department financed it, and that it is impossible to conduct an accurate survey for as long as the Internal Security Act makes "economic sabotage" a serious criminal offence — "economic sabotage" meaning any "Yes" answer to the question whether the person being polled favours disinvestment.

As the disinvestment debate proceeds, clearly the opinions of blacks in South Africa will become of critical importance. The debate outside South Africa is not being conducted in a calm, intellectual way, but in a highly charged emotional climate, and it will become necessary to match these emotions with more than just coldly rational arguments.

I have just been reading Professor David Welsh's superbly argued article on disinvestment in the latest issue of Leadership magazine (now restyled and looking very classy — the magazine, I mean, not Professor Welsh).

Professor Welsh sums up the situation with these perceptive words: "In debates with proponents of disinvestment I have repeatedly tried to extract from them just how they expected it to contribute to the process of change in South Africa.

"One might hope for some reasonably coherent account of anticipated consequences that would strengthen the forces of change.

"The responses to my probing, however, are invariably evasive, leading me to conclude that no such account exists."

Professor Welsh clearly wins the intellectual debate, but the proponents of disinvestment are emotionally not intellectually motivated, and the only possible counter-argument they would accept is if blacks themselves in South Africa were to be shown, beyond doubt, to be opposed to disinvestment.

In the latest issue of Die Suid-Afrikaan: Professor Hermann Gilliomes, the editor, got a grip with this problem. In a discussion, with Dr Beyers Naude, general secretary of the SA Council of Churches, he referred to the findings of the Schlemmer report.

Dr Naude recalled that, in 1976, the Christian Institute, of which he was the director, had come out in support of sanctions under certain circumstances.

The white members of the CT's executive had agreed at the time that their views were uninformed and that their black members clearly favoured sanctions. The choice then was seen to be between "meaningful non-violent pressure" (like sanctions), undeniable suffering, or violence resulting from polarization between whites and non-whites.

Dr Naude said he found fault with the Schlemmer report's questions — phrased, he said, as if he could have elicited the opposite answers.

Also, there was the problem of the Internal Security Act which provided for very heavy prison sentences for "economie sabotage", a statute which had not existed in 1976 and which now, according to Dr Naude, makes free discussion of the disinvestment issue impossible.

Survey a reliable guide

For any new survey of black opinion on disinvestment to be acceptable, there must be at least three conditions which will have to be fulfilled. The survey will have to be independently financed, the questions will have to be phrased in consultation with black leaders and the government will have to withdraw the "economic sabotage" law to make it possible for blacks to express their opinions without fear of being prosecuted.

A new survey, too, would have to be more extensive. Professor Schlemmer's survey covered 551 interviewees.

If Professor Schlemmer's survey is a reliable guide to black opinion, then the government has nothing to fear by withdrawing the sabotage law and by preparing the way for the testing of black opinion. Or possibly the government may even have an assurance that nobody who indicates support for disinvestment in an opinion poll will be prosecuted. Such an assurance is acceptable to black leaders.

But if the government moves at the pace of the ox again, and allows events to overtake the proposed poll, the disinvestment campaign will simply continue to gather momentum.
WASHINGTON.—A congressional committee yesterday approved a bill that would impose tough economic sanctions on South Africa, including a ban on sales of United States computers and South African Krugerrand gold coins.
The 28-6 vote of the House of Representatives Foreign Affairs Committee sends the bill to the full House for action.
The Democrat-controlled committee defeated 18-4 a Republican substitute—essentially calling for a three-year study of South Africa's apartheid system before sanctions could be considered.
It also rejected by 21-4 a Republican move to exempt Krugerrands from sanctions.

"Can't afford it"

"I don't think the American national interest can afford any further accommodation of apartheid," said Representative Mr. Howard Wolpe, chairman of the Africa Sub-committee that was a driving force behind the sanctions bill.
Democrats said Republicans who supported President Ronald Reagan's total trade embargo on Nicaragua but opposed sanctions on South Africa were inconsistent.

But Republicans insisted the two cases were different because the leftist Sandinistas in Nicaragua were "exporting revolution throughout Central America."
The Senate Foreign Relations Committee recently endorsed a two-year delay on sanctions on South Africa.

Housing, health

The House committee bill would ban bank loans to the South African Government except for housing, education or health programmes accessible to all on a non-discriminatory basis.
It would also ban importation of Krugerrands and new investment to finance US companies in South Africa.
The bill carries penalties for violations but allows waivers of sanctions on Krugerrands and new investment if substantial progress is made on eliminating apartheid.
DISINVESTMENT

More counter-moves

With the high-profile, high-emotion disinvestment lobby raging on in the US, several counter-moves are in the pipeline.

Of these the most effective could be the visit of Mozambique president Samora Machel to Washington, and a trip by two Progressive Federal Party (FFP) MPs to the US.

Machel is expected to pour cold water on the disinvestment hot-heads when he tells the US what trade sanctions and disinvestment in SA would do to his country. It is almost certain that he will speak out against trade sanctions, not only because many thousands of his countrymen will lose their jobs in SA, but also because SA has been uncommonly helpful in the last few weeks in making the Nkomati Accord work. But arguing against disinvestment could cost him a lot of credibility in Africa.

PPF foreign affairs spokesman Colin Eglinton confirmed to the FM that he and the party’s spokesman on labour, Alex Boraine, are shortly to leave for the US. They will be followed later by other MPs. Eglinton says they are going on their own initiative to be on hand to give the PPF perspective on SA while the country remains in such sharp focus in the US. Their efforts will not be confined to the disinvestment debate.

Our Washington correspondent reports that President Ronald Reagan must not be expected to use last week’s rebellion in the US Senate over SA policy, as a test to reassert his political leadership. There are plenty of other challenges to the powers of the lame-duck American president to occupy him when he returns next week from the Bonn summit.

SA, by its unilateral actions in Namibia and by the American public outrage over the Uitenhage shootings and the arrest of UDF leaders, is no longer a cause which evokes much Reagan passion these days.

Instead of rushing to Capitol Hill to try to defuse the Senate rebellion before it reaches the barricades of the Democrat-controlled House, Reagan is likely to let his Republican Senate leadership try to deal with the problem on its own, that is, if they are of a mind to. The sad fact is that any real sympathy for keeping the heat off the South African government within the White House has been dissipated by Pretoria’s defiant pronouncements.

The rebellion comes against a South Africa Policy Bill sponsored by Senate leader Robert Dole and Senator Richard Lugar, both men who increasingly are mentioned as aspirants to succeed Reagan when his term expires four years from now. The Dole-Lugar proposal would require US firms operating in SA to observe mandatory commission with the Sullivan Code. US firms would have to set up a R30m scholarship fund for black education and government export financing would have to be focused on the creation and expansion of black-owned businesses in SA.

There are no sanctions provisions in the Dole-Lugar proposal, and that is the objection of Senate Republicans (and their House colleagues) who face a 1986 mid-term election and an increasingly militant Democratic party which is rallying behind a sanctions Bill being drafted by Senator Edward Kennedy. The senator, yesterday’s man of US politics, appears to have made the jump back into a political future on the strength of his recent visit to SA.

The rebel Republican Bill drafted last week by Roth and McConnell has plenty of teeth for even the most militant anti-South Africans. Among the sanctions proposed, the Bill would:

- Ban US bank loans to the South African government or any of its parastatals.
- Demand that the President enlist the seven-nation summit group to increase pressure on Pretoria.
- Immediately cancel landing rights for South African Airways in the US, thus severing air traffic links since Pan American Airways ended its service.
- Force the closure of at least one South African consulate in the US.
- End all US government aid to American firms in SA which do not adhere to the Sullivan Code.
- Ban all nuclear equipment and technology sales to SA until it signs the nuclear non-proliferation treaty.
- Top the aid for black education to R40m.
- Kennedy, whose own Bill has not yet been unveiled, has hinted that he may sign on with Roth and McConnell and give the Bill a bipartisan appeal that would be hard to resist in either chamber of Congress.

And with Reagan still sulking down at his end of Pennsylvania Avenue, the South African government may have achieved a legislative feat in the US Congress which even congressman Stephen Solarz of New York did not dream was achievable in this session — a real sanctions Bill could be adopted.

The events at Anglo American’s Vaal Reefs and Anglovaal’s Harrabbeeston mines in the past week is that there is still some way to go before SA’s giant mining houses and the fast-growing National Union of Mineworkers (NUM) reach real accord. Statements issued by the NUM and the companies reveal a gulf in perceptions of the causes of the recent upheavals.

The dismissal of 14,000 strikers at Vaal Reefs last Saturday represents the largest mass dismissal in SA labour history while another 3,000 were dismissed from Harrabbeeston on Friday.

Anglo American has agreed to give “preferential consideration” to applications for re-employment from the 14,000 Vaal Reefs miners, and has asked the NUM to “co-operate in the elimination of intimidation, violence and recklessness.”

The strike was in protest against the earlier dismissal of hundreds of other miners who had refused to perform tasks — such as the handling of explosives without proper supervision — which they claim are not entitled to do in terms of the Mines and Works Act. Anglo denies that black miners have been required to perform work contrary to the Act.

The NUM is not satisfied with Anglo’s undertaking because the workers have not received any guarantee of re-employment and will be monitoring the re-employment process “to see that no deviations occur.” An Anglo spokesman says no one will have his application refused as a result of his participation in the strike.

The strike was the culmination of weeks of unrest at the mine, including a boycott of the mine’s liquor outlet and a strike by 40,000 employees over wages in March. According
Disinvestment: a need for black opinion

M. R. MALCOLM RIFKIND, Minister of State at the Foreign Office responsible for African affairs, made an admission last week which South Africans should note and digest.

Speaking in the House of Commons on Labour demands for economic sanctions against South Africa, the Minister began by saying that a policy of economic sanctions which was effective and sealed South Africa off from the economic activity of the rest of the world would not only damage the Republic but profoundly damage, if not destroy, the economies of a number of its neighbours.

**Suffering**

'It is impossible to conceive how Lesotho, Botswana, Swaziland, Zimbabwe or Mozambique could do other than suffer enormously if sanctions were effective,' declared the Minister.

But then Mr Rifkind added that he freely accepted that 'there are many blacks, including responsible blacks, who, whether through a sense of frustration or genuine conviction, believe that this policy would be attractive and that it should be supported.'

This is an ominous statement, because until now Mr Rifkind has steadfastly quoted Professor Lawrence Schleifer's report on 'Black worker attitudes' (September, 1984) to support the claim that the majority of blacks in South Africa are opposed to sanctions.

**Crucial**

If the anti-disinvestment camp wants to stem the momentum of the disinvestment campaign now, particularly in the United States, it will have to come up with a new report which establishes, once and for all, how blacks in South Africa feel on this crucial issue.

The Schleifer report to recantulate...
for black opinion

MR. MALCOLM RIFKIND, Minister of State at the Foreign Office responsible for African affairs, made an admission last week which South Africans should note and digest.

Speaking in the House of Commons on Labour demands for economic sanctions against South Africa, the Minister began by saying that a policy of economic sanctions which was effective and sealed South Africa off from the economic activity of the rest of the world would not only damage the Republic but profoundly damage, if not destroy, the economies of a number of its neighbours.

Suffering
'
It is impossible to conceive how Lesotho, Botswana, Swaziland, Zimbabwe or Mozambique could do other than suffer enormously if sanctions were effective,' declared the Minister.

But then Mr. Rifkind added that he freely accepted that 'there are many blacks, including responsible blacks, who, whether through a sense of frustration or genuine conviction, believe that this policy would be attractive and that it should be supported. This is an ominous statement, because until now Mr. Rifkind has steadfastly quoted Professor Lawrence Schlemmer's report on 'Black worker attitudes' (September, 1984) to support the claim that the majority of blacks in South Africa are opposed to sanctions.

Crucial

If the anti-disinvestment campaign wants to stem the tide of the disinvestment campaign, now, particularly in the United States, it will have to come up with a new report which establishes once and for all how blacks in South Africa feel about this crucial issue.

The Schlemmer report, to recapitulate, found that 25 percent of blacks opposed disinvestment and trade boycotts while 75 percent supported constructive engagement. The questions, of course, were not put in this academic phraseology, but in very simple language.

The report, like all Professor Schlemmer's work, was thoroughly professional. It tapped the opinions of blacks who, it felt, were most affected by the disinvestment debate, namely, production workers.

And some interesting facts emerged - that disinvestment black men are more radical than black women, and that the black radical vote is highest in Pretoria, the 'nerve centre of apartheid', and among black consciousness supporters.

But the report has been criticised on two grounds mainly: that the degrees of disinvestment I have repeatedly tried to extract from them just how they expect it to contribute to the process of change in South Africa.

'One might hope for some reasonably coherent account of the expected consequences that would strengthen the forces of change.'

The responses to my probing, however, are invariably evasive, leading me to conclude that no such account exists.

Professor Welsh clearly wins the intellectual debate, but the proponents of disinvestment are emotionally, not intellectually, motivated, and the only possible counter-argument is impossible.

Options

For any new survey of black opinion on disinvestment to be acceptable, therefore, at least three conditions will have to be fulfilled: the survey will have to be independently financed, the questions will have to be phrased in consultation with black leaders, and the Government will have to be persuaded to suspend the 'economic sabotage' law to make it possible for blacks to express their opinions without fear of being prosecuted.

A new survey, too, would have to be more extensive than Professor Schlemmer's, which covered 551 interviews.

Support

If Professor Schlemmer's survey was a reliable guide to black opinion, the South African Government has nothing to fear from withdrawal of the 'economic sabotage' law and to prepare the way for the testing of black opinion. Or possibly the Government could have given an assurance that nobody who indicates support for disinvestment in an opinion poll will be prosecuted - if such an assurance is acceptable to black leaders.

But if the Government moves at the pace of the ox again, and allows events to overtake the proposed poll, the disinvestment campaign will simply continue to gather momentum.

Dr. Naudé said he found fault with the Schlemmer report's questions. Phrased differently, he said, they could have elicited the opposite answers.

Also, there was the problem of the Internal Security Act which provided for heavy prison sentences for 'economic sabotage' a situation which had existed since 1976 and which now, according to Dr. Naudé, makes free discussion of the disinvestment issue impossible.

DIE SüDAFRIKAAN, Professor H. H. Goliome, the editor, got to grips with this problem. In a discussion with Dr. Beyers Naudé, general secretary of the SA Council of Churches, he referred to the findings of the Schlemmer report.

Dr. Naudé recalled that, in 1976, the Christian Institute, of which he was the director, had come out in support of sanctions under certain circumstances.

The white members of the G1's executive had agreed at the time that their views were unimportant and that their black members were clearly favourable to sanctions. The choice then was seen to be between 'meaningsful non-violent pressure' like sanctions, undoubtly accompanied by suffering, or violence resulting from polarisation between whites and non-whites.

U.S. State Department financed it, and that it is impossible to conduct an accurate survey for as long as the Internal Security Act makes 'economic sabotage' a serious criminal offence - 'economic sabotage' meaning any 'yes' answer to the question whether the person being polled favours disinvestment.

As the disinvestment debate proceeds, clearly the opinions of blacks in South Africa will become of critical importance. The debate outside South Africa is not being conducted in a calm, intellectual way, but in a highly charged, emotional climate, and it will become necessary to match these emotions with more than just coldly rational arguments.

I have just been reading Professor David Welsh's superbly argued article on disinvestment in the latest issue of Leadership magazine (now restyled and looking very classy). Professor Welsh sums up the situation with these perceptive words: 'In debates with proponents they would accept is if blacks themselves in South Africa were to be shown, beyond doubt, to be opposed to disinvestment.'
Britain opposed to disinvestment in S A

Johannesburg — Britain is very concerned about what is happening in South Africa, but does not believe disinvestment or trade sanctions would improve matters, British ambassador to South Africa, Mr Patrick Moberly said yesterday.

He told the Institute of Directors' annual meeting: 'British ministers have made it abundantly clear that they are not in favour of measures to reduce trade or investment with South Africa, although by no means everyone in Britain agrees.'

Sanctions would hurt underprivileged people and South Africa's neighbours, while pressures for reform had more chance of success in conditions of economic confidence, he said.

But Mr Moberly added: 'Make no mistake, there is very real concern about the situation here. We look for a process of evolutionary change in the direction of dismantling apartheid and extending civil and political rights to all.'

Code

'The present system is seen as discriminating against a majority of the people in South Africa, whose support and participation are necessary to the future stability and development of the country.'

The British Government took its task of monitoring whether British companies were following the European code of conduct very seriously, Mr Moberly said.

He said 130 companies employing 100,000 workers were reporting under the code.

Britain exported more than £1.2 billion of goods to South Africa in 1984, while about seven percent of all British capital invested overseas was in South Africa.

(Reuters)
Labour toughens up on SA

Kinnoch wants to cut economic ties, downgrade diplomacy.
strategic mineral resources in South Africa.

African leaders must accept the need for reparations and compensation for the damage caused by apartheid.

The conclusion of the no-agreement strategy enhances the role of the ANC in the process.

The European Union's political declaration on South Africa indicates a move towards positive cooperation.

The inclusion of the ANC in the process will enable a more comprehensive approach to the liberation of South Africa.

The ANC's advocacy for the liberation of South Africa is a critical component of the liberation struggle.

The ANC's struggle is not only for liberation but also for the advancement of the people of South Africa.

The ANC's struggle is fought in a global arena, where the liberation of South Africa is linked to the liberation of all African peoples.

The ANC's struggle is a continuing process, and the people of South Africa must continue to fight for their freedom and liberation.

The ANC's struggle is a struggle for justice, equality, and freedom for all people of South Africa.

The ANC's struggle is a struggle for the realization of the rights of the people of South Africa.

The ANC's struggle is a struggle for the establishme
Labour MPs in demo against loans to SA

Own Correspondent

LONDON — Two Labour Party MPs yesterday joined a demonstration outside four British merchant banks to protest at their participation in loans totalling R4 600-million to the South African Government and its agencies in the past two years.

The rotating picket outside four merchant banks in the City of London, London's financial centre, represents an escalation in the campaign of Eltsa (End Loans to South Africa) — an anti-apartheid pressure group which has up to now focused its attention on the involvement of Barclays and Standard Charter in South Africa.

Yesterday's targets were Hill Samuel, Rothschild, Schroder Wagg and Hambros.

Eltsa claims that Hill Samuel participated in 14 loans totalling R1 400-million, Rothschild in 11 loans (R1 100-million), Schroder Wagg in 10 loans (R1 000-million) and Hambros in 12 loans (R1 100-million) respectively.

An Eltsa spokesman said the campaign was aimed at creating an awareness among the British public of which banks were "supporting the apartheid regime".

He said Rothschild had made a loan of R150-million directly to the SA Government last month.

In February, Schroder had established a formal presence in South Africa by appointing a Johannesburg company to act as its agent.

Although several large American banks, including the massive Citibank, have recently refused to participate in further loans to South Africa, British banks have resisted pressure to do so.

Simon Barber reports from Washington that lawyers representing nine Chicagoans arrested for trespass at the city's SA Consulate have called Senator Edward Kennedy as a defence witness.

The defendants, whose jury trial in Cook County Municipal Court is expected to last all week, scored a major victory on Monday when they persuaded the judge to hear a plea that they acted out of "necessity to prevent a more serious crime — the continuation of apartheid".

Meanwhile, in Washington, prosecutors dropped "unlawful entry" charges against five Free South Africa Movement leaders who broke into a "high-security area" at a local precious-metals dealer to protest at the sale of Krugerrands.
‘Morality is cheap when someone else is paying’

RICHARD COHEN of The Washington Post discussed disinvestment with the PFP’s financial spokesman, Mr Harry Schwarz, in Washington recently. This was the upshot of their meeting.

LAST week H H Schwarz, as his business card reads, was working Capitol Hill, telling Senators and Congressmen that it was a bad idea for American firms to pull out of South Africa — not a very surprising position for a member of the South African Parliament, you might think.

Harry Schwarz would shoot you a look for suggesting that he abhors his Government. But he loves his people.

Schwarz, a member of the opposition Progressive Federal Party, is someone you hate to meet. He’s a challenger of convictions, a person who hangs question marks on the end of sentences that should end with ringing certainty.

He does this by asking questions himself. This is one of them: Have you ever looked into the face of a man who has no job?

Schwarz has. It was his father, a German refugee who arrived in South Africa during the depression of the 1930s. He went out one day to seek a job as a clerk at Woolworths and returned still unemployed. Schwarz looked into his father’s face and has never forgotten what he saw.

That face many times over would be seen all over South Africa if American corporations pulled out, Schwarz says. Men and women — most of them black — would be thrown out of work.

The 120 000 people working for some 300 US corporations would have to seek work elsewhere. They could work no more for firms that, prodded by American civil rights groups, have integrated their workplace and pay equal wages.

These are firms that are teaching skills, that are developing a black middle class and, in the case of IBM, that have established a trade school for blacks.

Why, Schwarz asks, should the blacks of South Africa have to lose jobs so that Americans can make an unambiguous statement about racism — a statement that costs them nothing? What, he asks, is accomplished by simply washing your hands of South Africa so that you can announce you are morally untainted by apartheid, when doing that means the loss of jobs and the dislocation of families?

Maybe, as some people say, this hardship will forge revolutionaries. The theory is nice. The reality of revolution often is not. The two extremes take up arms and those in the middle tend to get mowed down.

Harry Schwarz holds people take me of the satisfaction of unambiguous indignation — of pretending that the entire South African issue is as easy as being arrested at their embassy.

Maybe the reality and the symbolism of economic sanctions would so jolt the South African Government that it would have to change its policies. And maybe in that case the jobs of a small percentage of the work force is a price worth paying.

But the point that Schwarz makes is that these are hard choices, not easy ones like choosing between good and evil. Morality is always cheap when someone else pays the cost.

This business of either washing your hands of South Africa or punishing it economically is a complicated one. Even black South Africans cannot agree on the proper course.

Of course there is always something to be said for asserting your own morality, for proclaiming something so rotten that it cuts through all complications; something so evil that, as Tevye discovered in Fiddler on the Roof, sometimes “there is no other hand”. Apartheid ought to be that something. But Schwarz won’t permit it.

Schwarz is the other hand personified. He respects university students for their moral indignation, but he wants to tell them it would be best if American corporations remained in South Africa and pressed for reform. It would be best, he says, if the American government consistently denounced apartheid, prodding South Africa to do away with it but exerting pressure in a way that the victims of apartheid do not also become the victims of the anti-apartheid movement.

Schwarz asked: Do you withhold aid from Ethiopia because their government is abhorrent? Do you let people starve because their rulers are communists?

The questions Schwarz asks, however you answer them, complicate what for many people is the moral equivalent of a free lunch. They look upon the face of racism and find it repugnant.

Schwarz asks that they also look upon the face of an unemployed father. It makes this free lunch no different from any other. It has its price.
"Carrot and stick" pressure for reform

By John D'Oliveira

LONDON - A key British trade union has adopted a report which concludes that international pressure on South Africa must involve both "carrot and stick".

At its annual delegate conference in Blackpool on Tuesday, the Banking, Insurance and Finance Union (BIFU) considered a lengthy report on the situation in South Africa and the contribution the world's trade unions could make to the peaceful destruction of apartheid.

BIFU has more than 150,000 members and is the biggest and most coherent of the unions operating in Britain's banking, insurance and financial field.

The generally moderate union has been examining the situation in South Africa closely for four years now and a number of resolutions on South Africa are due to be discussed at the conference on Wednesday.

In 1982 the conference declared its total opposition to the "dictatorial and inhuman" apartheid system and called on the Union's Executive Committee to report to the 1983 conference on the activities of British banks and financial institutions in South Africa.

Fundamental change

The report was considered at the conference and adopted by the delegates. It was decided members should study the situation and that the matter should be debated fully at the 1985 conference.

A fresh report was commissioned and this came to the cautious conclusion that international pressure alone would not determine the resolution of South Africa's problems. Fundamental change could only be brought about from within.

However, pressure from abroad could assist the growing internal opposition to apartheid - although purely negative pressures could well prove counter-productive.

"The limited reforms of recent years cannot simply be dismissed out of hand but the essential question is how far they are likely to spill over into concerted, meaningful change.

"It is in the best interests of foreign governments and even multinational business corporations to ensure that this happens in order to peacefully destroy the apartheid system.

"However, international pressure must involve both carrot and stick. Given that apartheid is firmly entrenched, sweet reasonableness alone will undoubtedly remain ineffective."
Clothing exports hit by American anti-SA campaigns

By TOM HOOD

EXPORT profits of Cape clothing manufacturers are being hit as a result of anti-apartheid and disinvestment campaigns in the United States.

There is still business to be done in the US in spite of all the disadvantages, says Mr Simon Jocum, chairman of the Cape Clothing Manufacturers Association, who has returned from a business trip.

"But importers are demanding better quality than they are getting and even better prices than they were originally prepared to accept from South Africa, he said this week.

"In other words, we have to pay for the additional risk the importer may be involved with as a result of anti-South African demonstrations."

LABOUR UNREST

He also found:

• The arrest of trade union leaders here made would-be importers fear labour unrest and that they would not be able to get deliveries of goods ordered.
• Some importers were also worried about dock strikes such as dockers refusing to offload South African goods.
• Some importers were also refusing to buy because of the "Made in South Africa" label which has to appear on every garment.

Exporters also faced a clothing recession in the United States.

Clothing from the Far East was being dumped at uneconomic prices, making 1985 extremely difficult to get into the market.

The South African clothing industry provided 90 percent of the country's needs and employed 120,000 people, plus even more employed in supplying inputs in allied activities.

"The future growth and employment of this industry is in the export markets where so many job opportunities could be provided for our workers."

HEALTHY BASE

"Unfortunately the present recession adds to our difficulties in exporting as it is far easier to export from a healthy export base than during a recession.

"Costs which could be passed on to the domestic market, which is usual for exporters, cannot be offset at present which makes exporting even more difficult."

Mr Jocum said he was "absolutely amazed" at the progress made by the anti-South African lobby since his last visit seven months ago.

The result was businessmen were becoming jittery in dealing with South Africans, some of whom said they came from Britain or Australia to avoid unpleasant situations.

DETAINES

The average American who had no concern with South African problems was now exposed to them through daily television and news media coverage whenever an incident took place in South Africa.

"Long before I could get down to the business of exporting clothing to the United States with potential buyers, I was questioned on the politics of South Africa and the future direction, and solutions."

Mr Jocum said overseas contacts — importers, religious leaders, businessmen and politicians — who had visited South Africa in the past six years complained of difficulty in getting the true picture of South Africa to their friends "because of the way we maintain law and order."

"The actions of the police are bringing the country into dispute and it appears to them that our police are over-reacting when peaceful demonstrations take place... we cannot continue giving so much ammunition to our enemies."

Five priorities were needed to help exporters:

• An urgent convention between the Department of Foreign Affairs and a broad spectrum of businessmen who travel overseas.

• Urgent export incentives should be given to would-be exporters.

• "In the name of law and order, we must be careful how we react to normal and peaceful protests."

• More non-white businessmen should go overseas to promote investment in South Africa.

• Businesses should be briefed confidentially on Government plans and intent for future economic and political development.
Sanctions not the remedy, says Bush

WASHINGTON—The US Vice President, Mr George Bush, said on Thursday that South Africa was making progress in moving away from racial segregation and asserted that US economic sanctions against South Africa or the breaking of diplomatic relations 'would be counter-productive'.

Reviewing a series of steps by the South African Government, Mr Bush said: 'It all adds up to progress, not enough, not as fast as we'd like to see it, but enough to make us feel that constructive engagement and pressing for continued change is better than some of the remedies that are being proposed in other quarters.'

'Constructive engagement' is the Administration's policy of maintaining ties with South Africa while applying pressures to relax apartheid.

Some progress

Mr Bush said he and Mr Reagan strongly opposed apartheid.

However, he added: 'There has been some progress in South Africa and we feel that cutting them off - diplomatic relations or sanctions - when there has been progress would be counterproductive.'

'Nobody is suggesting South Africa is perfect at all, I want to be clear on that,' he said.

However, he insisted there was a difference between the way the United States should treat South Africa and the way it treats Nicaragua, the target of a recent US trade embargo.

'In one area there's movement,' he said, referring to South Africa. 'In the other (Nicaragua), the movement is in the wrong direction as far as we're concerned.'—(Sapa-AP)
FOREIGN RELATIONS

A critical day looms in US for sanctions on SA

NEIL LURSSEN of The Argus Foreign Service in Washington gives a preview of an important vote on sanctions due to be taken in the US tomorrow

The political struggle here over economic sanctions against South Africa has become intense with the United States House of Representatives scheduled to vote on the issue tomorrow.

On the floor of the House will be the Anti-Apartheid Bill of 1985 introduced by Congressman Bill Gray of Pennsylvania with 145 co-sponsors. An identical Bill has been introduced in the Senate by Senator Edward Kennedy and others.

It seeks to ban bank loans to the South African Government, stop all new private investment, prohibit the sale of Krugerrands and end the sale of US computers to the South African authorities.

It is certain that the measure will be passed by the Democratic Party-controlled House. At issue on Tuesday will be the extent of the victory and how the vote is taken.

Proponents of the Bill are lobbying hard for a landslide victory — and are sure they will get it. They argue that a massive Yes-vote in the House will be persuasive if the Republican-controlled Senate passes a softer sanctions Bill later this year and representatives of the two chambers have to hammer out a compromise measure to send to President Reagan.

One of the Democrats' strategies is to demand a recorded vote. This means that the vote of each congressman will be on the public record. A vote against sanctions can be used against congressmen who have significant numbers of black and liberal constituents.

Opponents of the Bill want a voice vote in which the individual votes go unrecorded. This, they say, will make it easier for Republicans, embarrassed at the prospect of being seen as supporters of South Africa, to vote against the sanctions.

Complaining the issue tomorrow will be three amendments — two to soften the sanctions slightly, and one calling for total disinvestment and an end to US exports, the latter from Congressman Ron Dellums of California.

But even the softer sanctions would, if accepted, be a major setback for the South African Government. One proposal, based on a Bill introduced in the Senate by Republican Senators Bill Roth of Delaware and Mitch McConnell of Kentucky, would add to the ban on bank loans to Pretoria a ban on SAA flights here and a restriction on the number of South African consulates in the US.

The Reagan Administration is pinning its hopes on a Bill introduced in the Senate by the Foreign Relations chairman, Republican Senator Richard Lugar of Indiana with powerful support from the party leadership.

The approach of this measure is to give the South African Government two years to implement reforms before sanctions are imposed, and, in the meantime, to provide financial support to improve the lot of South African blacks. It would also make the Sullivan employment code mandatory for all US firms in South Africa.

Sources on both sides of the debate said today that they expected at least some of the sanctions to be approved by the joint Congress this year but were reluctant to speculate on details.
Court told of R8m Escom 'fee'

SYDNEY — South African-born Ger. Johannes Rademeyer, an Australian citizen wanted in South Africa for fraud, was paid about R8 million to get around an international boycott against selling enriched uranium to South Africa, a defence lawyer said in court here yesterday.

Mr Rademeyer is facing extradition proceedings to South Africa to answer charges that he defrauded the Electricity Supply Commission (Escom) of R8-million late last year. He was arrested by Australian police last February under a hastily-prepared extradition arrangement with South Africa.

Mr John Agus, for Mr Rademeyer, told the court the prosecution was political and that extradition would leave him at the mercy of South Africa's rigorous nuclear energy secrecy laws which carry jail terms of up to 20 years.

He said Mr Rademeyer obtained the money as commission for securing enriched-uranium contracts contrary to an international ban because of South Africa's refusal to sign the Nuclear Non-Proliferation Treaty.

Mr Agus said the Koeberg nuclear power station used enriched uranium procured by his client.

Mr Agus sought an adjournment yesterday to allow him to obtain further details of the settlement, including statements from Mr Van der Walt and Mr Te Groen.

He said his client wished to have contacts from the United States, Portugal, Spain and France called as witnesses. The further information would detail the prices paid for uranium imported into South Africa and the parties involved.

The magistrate refused the adjournment and remanded Mr Rademeyer in custody.

SAPA-Reuter

AA warns on driving licences

Example: 3-piece Travira & Wool Suits, Top Makes

R114,95

(PLUS YOUR OLD SUIT)

Offer only applies to sizes 87 cm — 119 cm in regulars, shorts, longs and portlies. Our expert staff will assist you and our master tailor will be in attendance. Credit card holders take advantage of your credit facilities and purchase your suit requirements for the next 12 months.

Bus stop 73 from town — 74 from suburbs

Hours of business: Mon.—Thurs. 8.15am—5.30pm; Fri. 8.15am—5.45pm; Sat. 8
SYDNEY — South Africa put selective evidence before a court hearing an extradition case against South African-born Gert Rademeyer, an Australian citizen, his lawyer said in court here yesterday.

Mr John Agus, for Mr Rademeyer who is wanted in South Africa on $3.6-million fraud charges, said the prosecution had excluded differing sworn testimony by people whose statements the prosecution tendered yesterday.

"There's a very selective choice of what's been put before the tribunal," Mr Agus told magistrate Ms Rosemary Smith.

The court heard statements from the senior general manager of South Africa's Electricity Supply Commission (Escom), Mr Isak van der Walt, its general manager (finance), Mr Lenbert te Groen, and an accountant, Miss Margaret Hefer.

Mr Agus said the same three people had given affidavits for sequestration proceedings against Mr Rademeyer which differed from those tendered by the prosecution.

The statements tendered yesterday were made at the behest of the Transvaal's Attorney-General, Mr Klaus von Lieres, who was present in court.

Mr Agus submitted that Mr Rademeyer did not defraud Escom but was paid the $3.6-million as commission for securing enriched uranium to fuel South Africa's Koeberg power station.

He said an international ban on selling nuclear fuel to South Africa necessitated Mr Rademeyer's recruitment by Mr Van der Walt and Mr Te Groen, now no longer with Escom.

Mr Rademeyer was remanded in custody and the case is due to continue today. — Sapa-Reuters
Anti-SA lobby wins key vote in sanctions move

WASHINGTON — Supporters of a congressional bill to impose economic sanctions against South Africa as a protest against its policies won a key test vote but put off final action until next month.

The bill would prohibit new loans to businesses in South Africa, loans to the South African government and loans to any business controlled by the government, and would ban imports of Krugerrands and exports of computer equipment.

Before adjourning last night, the US House of Representatives defeated an amendment which would have weakened the bill by exempting from sanctions US firms in South Africa which "follow non-racial employment policies.

Mr Howard Wolpe, a Michigan Democrat, said: "This bill offers the opportunity to adjust our policy toward South Africa so it reflects our own values.

Mr Newt Gingrich, a Georgia Republican, said: "If we discourage American business in South Africa, who will be there to show how change can be made?"

"All we would do is weaken their economy, isolate further the whites and create a vacuum to be filled by Arabs, Japanese and Europeans."

Further action was put off until June 3 because the House this week scheduled debate for the rest of this week on the federal budget resolution. There is then a recess for the US Memorial Day holiday next week.

Sapo-Reuters.
Ireland bans government trade with SA 22/5/85

Dispatch Bureau

LONDON — The Irish Government is to ban the purchase of goods from South Africa by all state departments and companies.

A motion urging such a ban was passed unanimously by Fine Gael, the government party led by the Irish Prime Minister, Dr Garret Fitzgerald, at its annual conference in Cork.

The motion was recommended to the conference by the Irish Foreign Minister and deputy party leader, Mr Peter Barry.

In a sharp attack on the policy of apartheid, he told delegates that it was not a case of the blacks in South Africa choosing to live apart. “The black population do not have a choice... they are not free to vote.”

He described apartheid as “an appalling crime against humanity. It is the imposition on the vast majority of the population of the will of a tiny minority.”

However, the party conference, on the advice of Mr Barry, rejected a motion calling for support of the workers at the Dunnes supermarket chain who have been staging an anti-apartheid strike for the past 10 months.

Mr Barry told the conference the dispute was now being investigated by Ireland’s top industrial tribunal, the Labour Court, and that to pass the motion “might be interpreted as prejudging the case,” he added: “We applaud the courage of the girls involved in the strike and we endorse their attitude.”
France says ‘non’ to UN trade embargo against SA

PARIS — France has publicly turned down a trade embargo against South Africa.

The Minister of Foreign Affairs, Mr Roland Dumas, told the National Assembly that the trade embargo set out in United Nations resolutions “would not work, and in any case might end up achieving the reverse of its aim.”

The statement is the first major policy announcement on South Africa made by Mr Dumas publicly since he became Minister last year.

It is interpreted here as meaning that President François Mitterrand has no intention of being stampeded into any anti-Pretoria move.

Mr Dumas said that an embargo should not be decided at the UN by the General Assembly but by the Security Council.

At this point, of course, France could apply its veto.

The French statement was thought here in diplomatic circles to have been made after consultations with Washington and London.

It was also noted that trade between France and South Africa increased by 34 percent in 1984 and the trend was continuing.

But Mr Dumas made it clear that France did not agree with apartheid. He said his Government was “seriously concerned” by the situation in South Africa and by the trial of UDF leaders.
Escom man’s case adjourned

SYDNEY. — Extradition proceedings against Escom’s former deputy chief accountant, Mr Gert Rademeyer, were adjourned yesterday until next month after he was taken to hospital complaining of chest and arm pains.

Mr Rademeyer, 49, spent several hours undergoing X-rays and cardogram tests, but doctors said that aside from high blood pressure they could find nothing wrong with him.

He is wanted in South Africa for allegedly stealing some R8 million from Escom and depositing it in banks around the world.

Mr Rademeyer denies the charges.

Although there appeared to be nothing seriously wrong with him, extradition proceedings were adjourned to June 14 so he can seek further medical attention at Sydney’s Long Bay jail, where he has been in custody since his arrest in February.

The hearing began on Monday and initially was expected to last three days. But officials said the hearing would have continued at least an extra day because of the mass of evidence being presented.

So far, the court has heard about two-thirds of the 40 affidavits presented in support of the extradition application.

On Monday, the court ruled that Mr Rademeyer was not entitled to give evidence or call witnesses on the question of his guilt or innocence. Yesterday, however, his barrister, Mr John Aquilus, said he would apply to Australia’s Federal Court to test that ruling before the case resumes next month.

Having denied the fraud allegations, Mr Rademeyer claims the money was legally due to him as a commission fee for introducing suppliers of enriched uranium to Escom.

A naturalized Australian, having lived in the country for eight years until 1973, he is South African by birth. Following the alleged fraud in late 1983, he arrived in Sydney in January and at South Africa’s request was kept under surveillance by Australian police.

Since his February arrest, he has appeared in court five times and has not been allowed bail. — Sapa-AP

Lord’s Day allegation

Staff Reporter


The State alleges that Ms Sue Ann Parsons, 27, of Main Road, Mowbray, illegally kept a public place — The Mix nightclub — open for “the purpose of dancing”.

No charges were put to Ms Parsons and she was not asked to plead. She was warned to appear on July 1.

Mr W. J. P. Marais was the magistrate. Mr. L. S. Mofti appeared for the State. Mr. J. J. Beary represented Ms Parsons.
Setback in struggle against sanctions

Argus Foreign Service

WASHINGTON. — The effort to save South Africa from US-imposed economic sanctions suffered a setback here when Republican Senator Richard Lugar said he was ready to consider sanctions immediately.

Senator Lugar, chairman of the Foreign Relations Committee, is a key figure in the anti-apartheid sanctions struggle.

Last month, in an effort to head off an attempt by Democratic Senator Edward Kennedy and others to impose sanctions this year, Senator Lugar introduced his own Bill, which proposed that President Ronald Reagan be empowered to order sanctions if South Africa failed to make progress in eliminating apartheid by March 1987.

Surprise

While the Reagan Administration opposes all sanctions, including delayed ones, it saw the Lugar Bill as a time-buying measure in the face of urgent demands among congressmen for immediate sanctions.

Senator Lugar's willingness to consider dropping the two-year delay is a blow to the State Department, which has been telling Congress that economic sanctions could nip South Africa's reform process in the bud.

His shift is a surprise in the light of indications this week that a majority in the Senate were leaning towards delay in sanctions.

Saying that the situation in South Africa appeared to be "grim", Senator Lugar announced his new attitude at a committee hearing here on sanctions.

The hearing came a day after the US House of Representatives suspended its own lengthy debate on sanctions in order to deal with the federal budget. The House debate resumes on June 4.

Impatience

Senator Lugar's Bill has been co-sponsored by Senator Robert Dole, Republican majority leader in the Senate and a 1988 presidential candidate. It is not known whether he is willing to drop the two-year delay on sanctions.

But their Republican colleague on the Foreign Relations Committee, Senator Nancy Kassebaum, who is responsible for African affairs, has declared her opposition to sanctions at this stage.

She feels, however, that the administration should indicate its impatience with South Africa — perhaps by replacing Mr. Herman Nel with a new ambassador.
WASHINGTON — The effort to save South Africa from American-imposed economic sanctions suffered a setback here yesterday when Republican Senator Richard Lugar said he was ready to consider sanctions immediately.

Senator Lugar, chairman of the Foreign Relations Committee, is a key figure in the anti-apartheid sanctions struggle.

Last month, in an effort to head off an attempt by Democratic Senator Edward Kennedy and others to impose sanctions this year, Senator Lugar introduced his own Bill which proposed that the President be empowered to order sanctions if South Africa failed to make progress in eliminating apartheid by March, 1987.

While the Reagan administration opposes all sanctions, including delayed ones, it saw the Lugar Bill as a time-buying measure in the face of urgent demands among congressmen for sanctions now.

Senator Lugar's willingness to consider dropping the two-year delay is a blow to the State Department which has been telling the Congress that economic sanctions could nup South Africa's reform process in the bud.

His shift is a surprise in the light of indications this week that a majority in the Senate were leaning towards a delay in sanctions.

Saying that the situation in South Africa appeared to be "grim", Senator Lugar announced his new attitude at a committee hearing here where strongly opposing views on sanctions were offered.

Arguing for sanctions were Mr Andrew Young, former US ambassador to the United Nations and now mayor of "Atlanta, Georgia, and Mr Randall Robinson, leader of the Free South Africa Movement which is behind the wave of demonstrations throughout the US.

Opposing them were representatives of the US Chamber of Commerce and the National Foreign Trade Council.
Simon Barber

WASHINGTON—The Senate Foreign Relations Committee is edging towards a compromise South Africa Bill containing delayed economic sanctions, an immediate end to SAA's US landing rights, a mandatory Sullivan Code and increased funding for black education and human rights assistance.

Reports that the panel's chairman, Sen Richard Lugar, was prepared to drop his own legislation in favour of Sen Edward Kennedy's Bill were yesterday described as 'exaggerated' by Mr Lugar's advisers.

'All he is saying is he's flexible,' one said.

Informal headcounts suggest the Kennedy Bill does not have enough votes to survive as it stands when the committee meets to finalise a South Africa package on June 4, even though the House of Representatives is certain to have passed identical legislation before then.

Senate aides believe Mr Lugar's statement on Wednesday that he is 'ready to consider' alternatives to the Bill sponsored by himself, Senate majority leader Robert Dole and Sen Charles Mathias, is directed at a third bill offered by senators William Roth and Mitch McConnell.

The net result is likely to be as follows:

- All immediate sanctions involving bans on new investment, computer sales, and Kruger rand imports;
- In a threat of the above in two years unless South Africa makes substantial progress towards dismantling apartheid;
- Closure of one South African Consulate;
- No South African landing rights;
- An end to all nuclear-related sales to South Africa;
- Black educational assistance increased to between R30 million and R50 million;
- An enlarged human rights fund to provide legal assistance to black detainees and other victims of apartheid;
- Financial support for black entrepreneurs; and
- Mandatory fair employment standards for US firms in South Africa.

One grey area is the ban on US bank loans to the S A Government and its parastatals. Such lending is already minimal. The ban could therefore be included as a sweetener for Mr Kennedy's supporters.
Sullivan in call for 'total U.S. embargo'

Simon Barber
WASHINGTON—The Rev Leon Sullivan, author of the Employment Code, has upped his demands again and is calling for a 'total United States embargo' of South Africa if 'statutory apartheid' has not been dismantled within two years.

In a letter to Sen William Roth last month, Mr Sullivan announced his support for Sen Edward Kennedy's South Africa Bill which would place a moratorium on all new U.S. investment in the country, including bank loans.

Writing in yesterday's Washington Post, the Philadelphia preacher nonetheless insisted that his principles were working, particularly since being tightened to force signatories to campaign actively against apartheid.

'As a result, U.S. plants are desegregated, equal pay for equal work is beginning to be paid to black workers, blacks are being elevated to administrative and supervisory jobs, blacks are supervising whites, blacks are being trained with new technical skills, independent free trades unions are being recognized, schools are being built, housing developments are being constructed, health centers and programs are being initiated and young blacks by the tens of thousands are being assisted with better education,' he said.

Mr Sullivan noted with approval that a group of U.S. companies employing 100,000 workers, mostly blacks, is now using the principles. The principles have started a revolution in industrial relations across S.A.

In light of this, his hardened line might seem ironic. However, he wrote, 'time is running out for peaceful change.'

While the principles and the company effort are making progress, South Africa does not have 10 years, or five years, to free its black population before there is a massive conflagration.
US anger over SA Cabinda ‘deception’

From NEIL LURSEN, Argus Foreign Service

WASHINGTON. — American anger and dismay over the military incursion into Cabinda is hanging like a dark cloud over the United States Congress, which today resumes the debate on economic sanctions against South Africa.

Even without the Cabinda incident, the sanctions were certain to have been approved by the US House of Representatives.

The critical issue now is the extent to which Republicans in the US Senate feel let down by a military act which, it is alleged, was aimed at sabotaging an American oil installation and not at gathering intelligence.

Their attitude could tip the scales on sanctions.

A spokesman for Senator Edward Kennedy, sponsor of one of the sanctions Bills, said today, "I think the State Department believes it has been deceived by the South African Government. "They stuck their necks out for a policy of constructive engagement which they thought would be sensible and make progress. Now they have been shot in the back. I can understand their anger."

Their disappointment

What was supposed to be just a farewell call yesterday by outgoing South African Ambassador Dr. Brand Fourie on US Secretary of State Mr. George Shultz, turned into yet another opportunity for the Americans to express their disappointment at Pretoria’s explanation for the raid, sources said.

Since the raid took place, they said, Mr. Fourie had been called to the State Department six times. The American Ambassador in South Africa, Mr. Herman Nickel, had seen the Minister of Foreign Affairs, Mr. Pik Botha, three times.

"We have the matter under urgent review with the South Africans," a State Department spokesman said.

"We continue to press firmly at a high level for a satisfactory explanation from the South African Government. We are disappointed that the South African Government has not yet provided such an explanation."

Asked whether he thought the raid would affect US ties with South Africa, the spokesman said: "We take this incident very seriously. It is too early to say what effect it will have on our relationship (but)\n
Troop withdrawal welcomed
interest on economic sanctions against South Africa.

Even without the Cabinda incident, the sanctions were certain to have been approved by the US House of Representatives.

The critical issue now is the extent to which Republicans in the US Senate feel let down by a military act which, it is alleged, was aimed at sabotaging an American oil installation and not at gathering intelligence.

Their attitude could tip the scales on sanctions.

A spokesman for Senator Edward Kennedy, sponsor of one of the sanctions Bills, said today: "I think the State Department believes it has been deceived by the South African Government. They stuck their necks out for a policy of constructive engagement, which they thought would be sensible and make progress. Now they have been shot in the back, I can understand their anger."

Their disappointment

What was supposed to be just a farewell call yesterday by outgoing South African Ambassador Dr Brand Fourie on US Secretary of State Mr George Shultz, turned into yet another opportunity for the Americans to express their disappointment at Pretoria's explanation for the raid, sources said.

Since the raid took place, they said, Mr Fourie had been called to the State Department six times. The American Ambassador in South Africa, Mr Herman Nickel, had seen the Minister of Foreign Affairs, Mr Pik Botha, three times.

"We have the matter under urgent review with the South Africans," a State Department spokesman said.

"We continue to press firmly at a high level for a satisfactory explanation from the South African Government. We are disappointed that the South African Government has not yet provided such an explanation."

Asked whether he thought the raid would affect US ties with South Africa, the spokesman said: "We take this incident very seriously. It is too early to say what effect it will have on our relationship (but) we are clearly entering a serious passage with the South Africans."

In spite of its openly expressed annoyance, the Reagan Administration continues to oppose economic sanctions, fearing they will blunt the movement toward domestic reform and the achievement of US diplomatic goals in the region.

The Democratic-controlled House of Representatives long ago ran out of patience with the administration's policies in Southern Africa and wants tough action this year to express US abhorrence of apartheid and Pretoria's actions against her neighbours.

Period of grace

The Republican-controlled Senate may be able to forestall immediate sanctions and opt for a two-year period of grace.

A clearer idea of what Congress will decide will emerge today when the sanctions debate resumes in two areas.

The first will be on the floor of the House of Representatives where Congressman Bill Gray's package of four sanctions measures - bans on new investments, bank loans, Krugerrand sales, and computer exports - is expected to go to the vote this evening.

The second is in the Senate Foreign Relations Committee earlier in the day, when senators are expected to decide on the form of the South African

Troop withdrawal welcomed

TOS WENTZEL
Political Correspondent

AMERICAN sources today cautiously welcomed the announcement of the withdrawal of South African troops from Cabueque.

It was interpreted as an attempt by South Africa to win back world confidence that it was sincere about securing solutions to the region's problems.

The West apparently remains highly sceptical about South Africa's version of why it had reconnaissance commandos in the Angolan enclave of Cabinda.

The last small group of troops at Cabueque, on the border of Angola and SWA/Namibia where there is a big hydroelectric installation, had been withdrawn, the Minister of Foreign Affairs, Mr Pik Botha, said.

SA COMMITTED

He said the assurance had been given to the US at a meeting with the American Ambassador, Mr Herman Nick- el.

Mr Botha also reaffirmed that the Government remained committed to the implementation of the international settlement plan based on UN Resolution 435 if an agreement could be reached on the withdrawal of Cuban troops from SWA/Namibia.
US anger at Cabinda incident

Cont from Page 1

legislation that will go to the Senate for a vote.
Most expectations are that a Bill by the committee chairman, Senator Richard Lugar, will prevail. It calls for a two-year delay before sanctions are implemented and seeks to aid blacks with education and business grants.

IMMEDIATE

However, at the most recent meeting of his committee, Senator Lugar said he was ready to consider other immediate steps.

This has been taken here to mean that he may agree to sanctions from other Bills being attached to his own Bill as amendments.

There is a wide range of options for the amendments ranging from the ban on new US investments to restrictions on the number of South African consulates in the US and a ban on South African Airways landing rights.

BIPARTISAN

Before Cabinda, analysts had predicted that the immediate sanctions Senator Lugar had in mind would be relatively mild.

They said his compromise attitude was clearly intended to forge a bipartisan approach to the South African question and an attempt to assert Senate leadership in Congress.

Now they are not so sure that the amendments will be mild.
AMCHAM AND REFORM

The pressure starts

In the face of initial successes of the US disinvestment lobby, the American Chamber of Commerce in SA (Amcham) has started to make its voice heard more clearly on political and economic reform in SA. Last week, the Amcham board met Finance Minister Barend du Plessis, Manpower Minister Pietie du Plessis, Trade and Industry Minister Dawie de Villiers and senior officials of five government departments for discussions on policy reforms.

Amcham has also presented a formidable memorandum to Constitutional Development and Planning Minister Chris Heunis, as chairman of the special Cabinet Committee investigating black rights. Among other things, the memorandum asks government to announce its intention to grant the parliamentary franchise to blacks, for the unbanning of the African National Congress and Pan Africanist Congress and the scrapping of influx control.

Amcham has also sent out a questionnaire to its members, asking them for their views and practical problems on questions like influx control, group areas, business rights for blacks and black citizenship.

The covering letter states: "In order for us to approach the government on issues of reform and change, we need to be as specific as possible about which changes we want to see. We need to specify which irritants and constraints we would like to see removed and which suggestions we propose that will lead to a more equitable society and to a more productive work environment."

In the memorandum to Heunis, Amcham states:

- Government should announce that it is its intention to grant parliamentary franchise to blacks, and that this will be done when an appropriate formula has been agreed upon by the leaders of all population groups;
- Government should also announce that once this formula has been agreed upon, the franchise would be extended also to blacks resident in the homelands;
- Blacks should be given representation on the State President’s Committee on National Priorities;
- This formula can only be arrived at by South Africans themselves through an agreed process of negotiation in which representatives of all race groups and political parties can freely participate. Therefore, the ANC and PAC must be unbanned and their leaders now in prison or exile should be granted an amnesty, subject to their agreement to participate in lawful democratic procedures and to dissociate themselves from violence;
- Government must immediately issue a clear statement to the effect that the black local authorities are a form of three-tier government only, and that their establishment should in no way be seen as a substitute for black political rights at other levels;
- Government should embark on an explicit programme to phase out influx control and the migrant labour system within a stated period of time;
- Continuing to deny blacks the right to own land in freehold, a right which lies at the very heart of the free enterprise system, is likely to undermine black commitment to that system. The granting of freehold rights would remove a major piece of discrimination and would be conducive to greater political stability in black townships;
- Population removals do grievous damage to SA, both in terms of racial goodwill within the country and in terms of the country’s image abroad, and should be stopped immediately; and
- CBDs should be opened to all, and discretion should not be left in the hands of local authorities. All petty restrictions that inhibit both formal and informal business development in black townships should be removed, and the Welgemeend Commission’s proposals restricting minibus taxis should be rejected.
Aussies cut trade links with SA

CANBERRA — Australia yesterday banned all future construction contracts with South African firms.

The Foreign Affairs Minister, Mr Bill Hayden, and the Construction Minister, Mr Steward West, said the policy would apply immediately to firms with a majority South African ownership.

Mr Hayden said the decision was "consistent with the government's policy to increase pressure on South Africa to abandon the obnoxious practice of apartheid".

Firms wishing to bid on future government construction contracts would be required to prove they were not dealing with a majority South African-owned firm.

The ban was immediately criticised by the opposition trade spokesman, Mr Tom McVeigh, who said it would invite retaliation against Australian companies. — Sapa-AP.
Pressure from US: 'SA Govt won't surrender'

From MICHAEL CHESTER
Argus Correspondent
JOHANNESBURG. — Pressure lobbies inside the United States have been warned by Mr Harry Oppenheimer, doyen of big business in South Africa, that the South African Government will not surrender to threats of sanctions and disinvestment.

And the influential former chairman of the Anglo American Corporation has added that the Government stance will be backed by "virtually all the whites, most of the coloureds and Indians and significant numbers of the blacks".

The warning comes in the wake of moves inside the United States Senate to give South Africa an 18-month deadline to show real progress with reforms — or face sanctions.

SLATED

In turn, Mr Oppenheimer has slated the South African Government for moving far too slowly with reforms to dismantle apartheid.

In spite of substantial progress in recent programmes "even reforms that have been agreed in principle seem to be held up interminably by a mass of red tape", he writes in a special publication entitled Disinvestment.

Neil Lurssen of the Argus Foreign Service reports from Washington that rejecting last-minute appeals by three of President Reagan's Cabinet ministers not to vote for sanctions against South Africa, the United States House of Representatives approved by 295 votes, to 127 the Anti-Apartheid Act of 1986 that would impose tough new trade restrictions.

OVERWHELMING

Joining the 299 Democrats who supported the sanctions were 55 members of the President's Republican Party.

The Bill's sponsors claimed that Republican support, together with Tuesday's overwhelming vote in the Republican-majority Senate foreign relations committee in favour of a separate group of sanctions, was clear evidence of bipartisan opposition to the Congress-to-the-administration's policy of constructive engagement.

DIFFICULT

This would make it extremely difficult for President Reagan to veto the sanctions when they reach his desk in August or September.

The measure approved by the House was introduced by Congressman Bill Gray of Pennsylvania, a black church leader and chairman of the house budget committee.

It has four sanctions measures:

• A ban on new bank loans to the South African Government or any of its corporations and entities.

• A ban on computer sales as well as spare parts and services to the South African Government.

• A ban on new investments by United States firms in the Republic. This would not affect reinvestment by United States firms already operating there.

• A ban on the sale of Krugerrands in the United States.
Leaders urged not to over-react

Mercury Reporter

SPOKESMEN for the Federated Chamber of Industries and the South Africa Foundation have urged leaders of commerce and industry not to over-react to the move towards sanctions against South Africa in the United States Senate and House of Representatives.

The Association of Chambers of Commerce, on the other hand, has said in a statement that big business ought to start laying new strategic plans to cope with these developments.

At least one computer firm, Apple, is operating in Amsterdam after transferring its subsidiary company from the United States to Holland.

'The company was transferred three months ago,' said Mr David Jones, marketing manager for Apple in South Africa. 'We thought this would happen.'

Restrictions on the sale of computers are mentioned in recommendations from both Houses in Washington.

A spokesman for Burroughs said yesterday the company was taking the possibility of a computer ban very seriously. He said a senior vice-president of the corporation was in South Africa at present for talks with South African Cabinet ministers.

Early days

A spokesman for the FCI said South African business interests should not over-react on this issue.

It was 'early days' in the political process which would undoubtedly give rise to some sanctions legislation this year.

The spokesman said it appeared that there was some understanding in the United States that sanctions which would, in effect, damage the South African economy, would create direct hardship to blacks in South and southern Africa.

Sanctions which sought to damage the economy or penalise foreign investors were strenuously opposed by the FCI, he pointed out.

Mr Peter Sorour, the director of the South Africa Foundation, said it was important to see the moves in the context of the party political fight being waged by the Republican and Democratic Parties in the United States.

The majority of the Democrats, he emphasised, had found in the sanctions issue an extremely powerful weapon to bring pressure on the Reagan Administration by indicating that constructive engagement had not worked.

Realism

The attitude of some of the Republicans in the Senate, on the other hand, was that it would be politically disastrous not to be allied with these moves.

However, Mr Sorour said, they were trying to steer that sort of pressure into areas that would be less damaging for the American economy.

Mr Raymond Parsons, chief executive of Assocon, warned yesterday that South Africa should brace itself for sanctions in one form or another.

'The time had arrived for sharp realism,' he cautioned.

'It would be wishful thinking to assume that the threats by the United States will vanish. There are too many people in the United States making a livelihood out of running apartheid lobbies and they will not give up easily.'
Simon Barber

WASHINGTON—Chances are growing that the US Congress will not produce a South Africa Bill this year because the two houses will be unable to agree on compromise language.

"We're headed for a major logjam," staff members conceded yesterday as the House of Representatives prepared to pass by an overwhelming majority legislation banning new US investment in South Africa.

The prospect of deadlock was raised on Tuesday when the Senate Foreign Relations Committee, in a rare display of bipartisanship, voted 16 to one to adopt a South Africa Bill considerably softer than that sought by Sen. Edward Kennedy and Congressman William Gray, chairman of the powerful House Budget Committee.

It became clear the committee's package was far milder than the rhetoric of its proponents, including such high profile liberals as Sen. Alan Cranston, Sen. Paul Sarbanes and Sen. Christopher Dodd, suggested.

The toughest section, threatening a variety of Kennedy-style sanctions after 18 months, on close inspection turned out not to be binding.

Illustrating
It merely requires the President to recommend certain sanctions if, by March 1, 1987, he concludes that South Africa had not made sufficient progress.

Said Sen. Charles Mathias, a moderate Republican who drafted the language: "We're not forcing anyone to do anything. We're just illustrating what might be done."

Significantly, the only clause in the Senate Bill which the State Department fought wholeheartedly was the total ban on nuclear commerce until South Africa signs the non-proliferation treaty.

The reason is that the Administration is trying to persuade South Africa to accept full-scope international atomic energy agency safeguards at all its nuclear facilities and sign the treaty, and is willing to provide certain types of technological assistance to help make this possible.

Accepted

The computer sales ban, which was drafted with the help of IBM, covers only sections of the South African Government involved with security and the administration of apartheid, and goes just slightly beyond existing US regulations.

The prohibition on loans to the South African public sector has already been voluntarily accepted by the US banking community, and reflects prevailing reality.

As of December 31, 1984, 19 American banks reported a total loan to the South Africa Government of only R700 million. Since then, much of the debt has been liquidated or sold.

Mandating compliance with the Sullivan code has long been accepted by all sides as one of the least controversial anti-apartheid measures being considered.

Penalties for non-compliance under the Senate Bill are minimal.

Offending companies will not be able to rely on US Government intervention overseas to help win contracts, but they will still be eligible for export-import bank loans and other forms of taxpayer subsidy.

As for the committee's decision to quadruple educational and human rights assistance to black South Africans, the State Department's only real worry is how to use the annual $35 million effectively.

For its part, the House of Representatives is adamant that there shall be bans on new investment, loans across the board and Krugerrand imports — all immediately. So what happens?

This is where things get complicated. The Senate is likely to append its South Africa language to the State Department Authorisation Bill, which is due to be considered before the end of the month, and must be passed if the State Department is to continue operating.

The House version meanwhile stands alone as the Anti-Apartheid Act of 1985 without a Senate counterpart.

Support

That means the two chambers have no specific South Africa legislation to negotiate on. The issue will have to be dealt with when they go into conference on the State Department Bill.

As this point the Senate negotiators will say we have overwhelming bipartisan support for our Bill with its South Africa amendments. Take it or leave it.

Congressman Dan Mica of Florida, who is responsible for the State Department Bill on the House side, will then be faced with the uncomfortable choice of taking the Senate's South Africa language back to the House, pleading for a compromise which the Senate will unlikely accept, or agreeing to drop the South Africa issue altogether in the interest of ensuring America's diplomats continue to get paid.
Arms trial: Britain pleads 6

FROM MARIGERI SMITH

Mr Derek Sall

[Image of a person]
Ams trial: Briton pleads guilty
Support for anti-SA steps

From SIMON BARBER.

WASHINGTON — The Senate Foreign Relations Committee, in a 9-7 vote on party lines, yesterday rejected Senator Edward Kennedy's proposal of immediate bans on new investment in the Republic and on Krugerrand imports into the United States.

It also rejected a bid by conservative Senator William Roth to terminate South African landing rights in the US.

Nevertheless, the Republican-dominated committee voted 12 to 5 to end all nuclear commerce between South Africa and the US, bar bank loans to the South African Government, restrict computer sales to the South African private sector and to government agencies not involved in the implementation of apartheid, and to make the Sullivan Code mandatory.

Furthermore, the committee overwhelmingly supported threatening Kennedy-style sanctions within 18 months — to start in March 1987 — unless Pretoria was judged to have made substantial progress towards eliminating apartheid.

Education

The senators also voted to increase funding for black educational projects to $15-million (R30-million), nearly four times existing levels.

They also agreed to extend US Government loans and lending guarantees to black-owned businesses and to require the president to begin consultations with US allies on a concerted programme of sanctions.

A last-minute effort by the chairman, Senator Richard Lugar, to soften the nuclear trade ban, on the grounds that it might prevent the vetoing of the legislation, was defeated.

The senators were unanimously outraged by South Africa's controversial military operation in Cabinda, and called on Mr Frank Wisner, the deputy assistant Secretary of State for Africa, to explain.

There are eighteen members of the committee, not all of whom are necessarily present.
Sanctions, SA told

cut ready to fight
So far there has been little direct action,” he said. “But the time has arrived for sharp realism.

“Fortunately, we have a few arrows in our quiver that can be used to good effect. Obviously we would prefer to avoid disinvestment and sanctions but we are not without remedies if the worst happens. We can handle it if we plan properly.”

The Argus Foreign Service reports from Washington that the Reagan Administration’s efforts to save South Africa from economic sanctions received a severe setback when a key committee of the United States Senate voted 15-1 to support sanctions, including a ban on bank loans to the South African Government.

The vote makes it likely that both chambers of the US Congress will approve sanctions this year and that President Reagan will ultimately have to decide whether or not to veto them.

It is a blow to the Administration’s policy of constructive engagement, a cornerstone of which is that sanctions will retard the momentum of reform in South Africa.

After a day of intense debate, the Republican-majority committee approved a Bill introduced by its chairman, Senator-Richard Lugar, but added amendments from other Bills that make the original measure much tougher.

The Lugar Bill seeks to aid South African blacks through educational and business grants and directs the President to impose sanctions if no progress has been made in eliminating apartheid within 18 months.

The amendments added yesterday are not subject to the 18-month delay. They are:

- A ban on United States bank loans to the South African Government, except for education, housing and health facilities available to all;
- A ban on all computer exports to South African security forces or agencies enforcing apartheid;

**Nuclear trade**

- A ban on nuclear trade and co-operation between the United States and South Africa;
- A provision that the Sullivan code become mandatory for the estimated 300 American companies in South Africa.

The committee rejected Senator Edward Kennedy’s sanctions package which included an immediate ban on Krugerrand sales in the US and an end to new American investments. It also rejected a move to end all SAA flights to the United States.

While the Foreign Relations Committee was hammering out its sanctions provisions from the many that had been proposed, the House of Representatives was debating its own sanctions measure, the Anti-Apartheid Act of 1985.

This measure, introduced by Congressman Bill Gray of Pennsylvania, is identical to the Kennedy Bill and it is certain to be approved.

The House adjourned without taking a final vote. If it did, however, reject by wide margins amendments proposed by Republican congressmen that sought to soften the sanctions by making the ban on new investments subject to the approval of blacks in South Africa, and the ban on Krugerrand sales conditional to its not being in violation of the General Agreement on Tariffs and Trade.
Exports to S Africa

Britons on trial over

Four accused of defying UN arms embargo

London Bureau

A British Consul of South Africa

The South African government is expected to sue in British

A South African Consul in Britain

The South African government is expected to sue in British

A South African Consul in Britain

The South African government is expected to sue in British

A South African Consul in Britain

The South African government is expected to sue in British
Huge US vote to impose sanctions

WASHINGTON. -- The House of Representatives yesterday overwhelmingly voted to impose economic sanctions on South Africa as a protest against apartheid.

The bill, passed 395 to 127, would bar all US loans to the South African Government and its agencies and ban all new US investment in South Africa. It would also prohibit imports of Krugerrand gold coins and exports of US computer equipment to South Africa.

A similar measure was approved by the Senate Foreign Relations Committee on Tuesday and the full Senate may act on it later this month.

Last year, the House passed an anti-apartheid sanctions bill, but the Senate never acted on the measure.

Supporters said the bill would put pressure on South Africa to change its racial policies, but opponents said it would be counter-productive.

"The time for action is now," Democrat Mr Stephen Solarz said. "US policy is a failure."

But Secretary of State Mr George Shultz and Treasury Secretary Mr James Baker said the bill would hurt South African blacks and set back efforts to end apartheid.

"We cannot simply walk away from South Africa or throw our hands up in an act of moral indignation," he said.

-- Sapa-Reuters
Western governments opposed to sanctions.

LONDON.—The Africa policymakers for the two major Western powers have clearly demonstrated their opposition to punitive economic sanctions against South Africa.

However, while Britain's Mr. Malcolm Rifkind repeated his Government's unequivocal opposition to economic sanctions, America's Dr. Chester Crocker hinted that the Reagan Administration might accept elements of a Senate package aimed at encouraging change in South Africa.

Both men spoke yesterday at an expensive, exclusive seminar on South Africa organised for senior multinational corporation executives by a Geneva-based company.

Dr. Crocker, Assistant Secretary of State for Africa, said the campaign in America against the South African Government was based on "one-dimensional thinking" and a failure to assess the situation correctly.

"COSY"

He denied suggestions that the relationship between the Reagan Administration and the South African Government was "cosy".

Examining the congressional moves for sanctions, he said the Bill which was now moving through the Senate was a "more thoughtfully" measure than the "punitive" Bill jointly sponsored by Senator Edward Kennedy and Representative William Gray, of Pennsylvania.

Mr. Rifkind, Minister of State at the Foreign Office, said sanctions had never worked, they would affect not only South Africa but its neighbouring states and those states which imposed them. It was clear blacks in South Africa did not want them.
Thatcher ‘no’ to SA sanctions

From JOHN EATERSBY

LONDON — The British Prime Minister, Mrs Margaret Thatcher, yesterday rejected economic sanctions as a means of forcing change in South Africa.

Responding to a question by Conservative MP Mr John Carlisle in the House of Commons, Mrs Thatcher said: “I am aware of moves in the United States Congress. Several different bills are under consideration. We cannot speculate on the outcome.

“It remains our view that sanctions and disinvestment will not bring about the changes we all wish to see in South Africa.”

Mr Malcolm Rifkind, Foreign Office minister responsible for South Africa, said yesterday that the British Government was not interested in “emotional and symbolic gestures” which made no contribution to achieving reforms in South Africa.

Mr Rifkind was responding to votes in the United States House of Representatives approving a range of economic sanctions against South Africa including a ban on US bank loans and new investment.

He called on Western companies operating in South Africa to set the “highest standards” by ensuring desegregation in their own places of work and paying wages that were “consistent with the requirements of the situation.”

“They must show that the involvement of Western business in South Africa helps the black community and helps economic progress,” he said.

Mr Rifkind warned that reform in South Africa was “too timid and too slow and has not addressed the fundamental problem of political rights for blacks.”

Meanwhile, spokesmen for the Federated Chamber of Industries and the South Africa Foundation have urged leaders of commerce and industry not to overreact to the bill which has not yet become law.

The Association of Chambers of Commerce, on the other hand, has said in a statement that big business ought to start laying new strategic plans to cope with these developments.

At least one computer firm — Apple — is operating out of Amsterdam after transferring its subsidiary company from the US to Holland.

“The company was transferred three months ago,” said Mr David Jones, marketing manager for Apple in South Africa.

Restrictions on the sale of computers are mentioned in the US sanctions bill.

A spokesman for Burroughs said yesterday that the company was taking the possibility of a computer ban very seriously.

Mr Raymond Parsons, chief executive of Asso-com, warned that South Africa should brace itself for sanctions in one form or another.
Network ‘supplied SA with arms’

Own Correspondent

BIRMINGHAM. — The jury in the trial of three British businessmen charged with conspiracy to illegally exporting arms to South Africa were yesterday handed bundles of documentary evidence alleging an international smuggling network.

The details given described a complicated network of firms and subsidiaries set up in Britain, the United States, West Germany and South Africa which, it is alleged, arranged the export of embargoed arms and components to South Africa.

Prosecution barrister Mr. David Latham claimed the papers indicated a regular trade in banned military goods for South Africa dating back to 1976.

The items included magnetrons, gun sights, coolers and infra-red detectors which allegedly formed part of a guided-missile system.

The prosecution alleges they were being shipped from America via British and West German companies to South Africa.

Appearing before Birmingham Crown Court are Mr. Derek Salt, 51, Mr. Arthur Rowley, 52, and Mr. Malcolm Bird, 48. They have each denied conspiracy to evade the international embargo on the export of prohibited military and engineering items to South Africa.

Sapa reports that three other Britons have pleaded guilty to the same charges. They will be sentenced at the end of the trial, expected to last four weeks.

Mr. Latham said Mr. Salt was managing director of a Coventry-based company, D W Salt Engineering, and had interests in a South African company called Quad Engineering and another in West Germany named GTT.

Mr. Rowley was assistant manager of D W Salt Engineering, while Mr. Bird was general manager of another Coventry company, Hitech Engineering.

One of the men who has pleaded guilty, Mr. Michael Gardiner, was director of a third British company allegedly involved in the illegal trade, Foss Way Securities.

Four South Africans — Mr. William Metelerkamp, Mr. Stephanus de Jager, Mr. Jacobus le Grange, and Mr. Hendrik Botha — have also been named in the charges, but because of a diplomatic row between Britain and South Africa they did not return for trial in October last year.

It is alleged that a key man in South Africa who was directly involved in the top-secret smuggling operation used the code-name “Randy” in messages.

The starting point of the British customs investigation was the seizure of a consignment of embargoed items at Birmingham Airport on March 16, 1984, it was claimed.

Prawns

Business Report today, pages 10 and 11
named in the charges, but because of a diplomatic row between Britain and South Africa they did not return for trial in October last year.

It is alleged that a key man in South Africa who was directly involved in the top-secret smuggling operation used the code-name “Randy” in messages.

The starting point of the British customs investigation was the seizure of a consignment of embargoed goods at Birmingham Airport on March 6, 1984. It was claimed.

**Prawns**

Giving evidence, Mr Michael White, an investigator officer for the Customs and Excise Department, said that on March 28 last year at London’s Heathrow Airport, he arrested Mr Salt.

He was on an SAA flight from South Africa where, among others, he had met Mr Metelerkamp, one of the “Coventry Four” who allegedly used the code-name “Randy”.

Mr Salt said he had given prawns and wine at Mr Metelerkamp’s home and had been given a diagram of an engineering item to bring to the UK.

He had claimed he understood the component was for a TV mount, but it was in fact, the court alleges, for use in armaments.

Later investigations of British firms and their subsidiaries had “set the cat among the birds”. Mr Latham claimed.

**‘We’re sunk’**

Another of the accused, Mr Bird, became “very concerned”, Mr Latham claimed.

Mr Bird ordered certain documents to be destroyed. He was alleged to have said: “If the customs find this we are sunk.”

In fact, the documents were not destroyed and were being produced in the trial.

The prosecutor said the whole story really started seven years ago when the South Africans started their dealings to bring embargoed goods into the Republic.

Among the array of items which is alleged found their way to South Africa in this top-secret operation were lead sulphate detectors, cryostat — or coolers — and magnetrons, which are electronic devices used to jam radar.

The detectors are small electronic devices which can be used in heat-seeking missiles.

**Cover**

The court alleged that as “a cover” these were referred to in confidential communications with South Africa as “fire safety detectors.”

Regarding armaments, Mr Latham said equipment for the manufacture of arms was sent to South Africa either directly or through Germany.

At yesterday’s hearing the judge made an order for all the British accused, who are on bail, to hand in their passports. Bail is fixed at R140 000 each.

Mentioning the need for this, Mr Justice Mars-Smit referred to the South Africans abscending as ‘a dramatic change in circumstances’ from the first hearing.

Mr Latham said the chief buyer for South Africa was one of the four arrested here. Mr Metelerkamp, who later absconded.

Confidential telexes and telegrams said to be from Metelerkamp were read to the court.

The trial continues today.
Curious logic on sanctions

From KOOS COETZEE
(Rondebosch): PROFESSOR David Welsh (Cape Times, May 28 and May 30) reveals rather curious logic in his two anti-disinvestment articles

According to Professor Welsh, "we" (who are "we"? liberals? the government? blacks?) should demonstrate that sanctions are likely to hinder reform in SA.

He states in the same paragraph: "This has to be a subtle argument that relies on nice distinctions, because I have already conceded that the threat of disinvestment has been one factor in spurring reform".

In other words, the threat of disinvestment (or sanctions) is a spur to reform, but the real McCoy will hinder it — a very "nice" distinction indeed. Sanction threats deliver the goods, but as soon as they are given teeth and start biting, you are back to square one. Keep up the threat chaps, as long as they aren't real, thank you. Professor Welsh himself does not demonstrate in any way how disinvestment will hinder political reform, although he embroiders on the woes that the economy, and the blacks, will suffer.

His argument is in fact so "subtle" that his statements on reform become nonsensical, giving one the idea that he is willing to clutch at straws to justify his viewpoint.

Professor Welsh also makes use of spurious logic, besides being patronizing, when he tells blacks, in effect, that they already have job advancement, increasing consumer power (in this economy?) as well as trade union rights and should therefore not look for other means in their struggle for political liberation. In other words, forget about disinvestment, forget about internal revolt, forget about fighting a war. Be happy with your trade unions, educate yourselves (with Bantu education), and accept the yoke of apartheid in the interim because one day you will be liberated.

How?

Professor Welsh puts it succinctly: "It is highly likely that the more economically advanced and better educated a population group becomes, the more it will demand a share of political power and the less easily it will allow itself to be discriminated against."

In other words, become educated, get into executive and white-collar positions and from there you can smash apartheid.

Giving them this advice, Professor Welsh does not bother telling them how to do it when they reach this "level". How many political activists do you find in "top positions"?

Professor Welsh's argument smacks of the discredited O'Dowd theory which regards the political system of apartheid as a relic from the past which will be made redundant by the demands of a capitalist economy.

Apartheid, as we all know, is constantly updated.

I think white liberals in this country should stop preaching and prescribing to blacks. If blacks have the political finesse to view disinvestment as one arm of a multi-pronged strategy to get rid of apartheid, they should not be given simplistic paternalistic advice to accept their lot.
This year a little slice in America. Next year a little slice in England or France. We are resisting a specific little piece of legislation. We are resisting the start of a process which is aimed at eventual, total, mandatory sanctions.

Louis Nel and the Salami Syndrome

By JOHN MACLENNAN, Political Staff

We are sitting in Louis Nel’s huge office on the 16th floor of Cape Town’s H F Verwoerd Building. It has wrap-around windows and you can see from here to next week.

“Here,” says the Deputy Minister of Foreign Affairs, “we believe in open Government.” And the sweep of his arm takes in everything from Table Mountain to Robben Island.

He is in turn providing us with a view of the Government’s stance on the disinvestment campaign, no longer causing a furrow both here and in the United States.

He seems to be the most visible member of Government talking on the subject at the moment and caused a fuss earlier this week when he warned the United States its efforts would cause great hardship to foreign blacks working here.

More than a month ago, he suggested, might have to be fired if disinvestment leads to unemployment.

“Salami politics”

In his view Disinvestment “isn’t amounting to much. It’s the grand plan of Salami Politics which concerns him.

“If it means computers will not be sold to the security forces, or there will be no co-operative matters then it will have no effect because there are already laws covering this in the United States.”

“A prohibition on the sale of Kruger-rams will also not be fatal because there is no chance in many other parts of the world.

“The important thing is that this is not a step in the right direction. I cannot see it in its historic perspective. For many years there have been attempts to introduce mandatory sanctions at the United Nations. And they have always failed.

“Now our enemies have decided on another strategy. This is the so-called salami process. This year a little slice in America. Next year a little slice in England or France. We are resisting a specific little piece of legislation. We are resisting the start of a process which is aimed at eventual, total, mandatory sanctions.”

He ticks off the steps which still have to be taken before the US Government can pass the disinvestment legislation it is now considering and concludes “The worst scenario for 1985 is not serious at all. What is serious is the on-going process. We do not know how far it will go.”

Investment cake

At stake at the moment are the activities of the 264 American companies with direct investments here. To put them in perspective: 10 per cent of total investment here is foreign and only 25 per cent of this is American. EC2 countries and the rest of Europe are responsible for about 65 per cent of the investment cake.

He believes in the domino theory and is adamant that if the American disinvest-

Mozambican refugees in search of food and jobs in South Africa. They were photographed recently in the Transvaal by a party which went to investigate farmers’ reports that illegal immigrants were continually coming over the border.

The worst scenario for 1985 is not serious at all. What is serious is the on-going process. We do not know how far it will go.

Reform programme

If the salami process continues, how will it affect the reform programme, attempts to establish a new deal with more jobs, better living conditions?

He eyes one of two South African flags on his desk and reflects “Reform is adaptation. Reform is change. And as far as it affects whites it is also sharing. These things are more easily possible in times of economic prosperity than in times of economic misery.”

So what to do? What he says amounts to the bottom line. It amounts to a firm Nee, No, Non, Neln, Nyet or whichever other way the foreign audience wants to hear it. I’ll tell you what we cannot do. We cannot accelerate the reform process in an evolutionary manner without the support of our own power base in time of economic distress. It’s just not possible.

He believes in sanctions the people he calls “do-gooders” have “got hold of the wrong stick.”

Change recognition

Instead there should be constant recognition of changes and the development process taking place in South Africa, greater investment and greater involvement of South Africans in the international arena.

“They want us to apply less apartheid. They want us to mix more and share more. But they want to do it by applying greater apartheid against South Africa as a whole. This is absurdity in top set.”

“If you want to increase the rate of reform, then you have to increase the rate of development.”

South Africa might also have to use all its enterprise to stand on its own without the assistance of technological exchanges with the rest of the world. But at best, he feels we are going to fall far behind.

He has been at pains this week to make it clear that illegal foreign workers might have to be repatriated in orderly fashion, if disinvestment leads to unemployment and predicts bluntly “The rest of Southern Africa is going to suffer. Economic development is extremely difficult as it is. But here are jobs and here is money which goes to various Southern African countries. If South Africa is harmed... she will have to defend herself.”

At about this point he brings out a set of colour prints. They show a group of blacks - mainly women and children - cooking up a meal in the veld. They were in search of food and jobs and are among the many who cross into South Africa continually. The pictures were taken when a party, including two members of the Cabinet, went hunting in the Eastern Transvaal recently.

And they, he adds, are the people the “do-gooders” should keep in mind. They will have a wonderful opportunity to show how much they care for the blacks of Southern Africa... It is easy to make laws without accepting responsibility for your deeds. But if they damage the South African economy the consequences will be hunger and black instability. Disinvest-

ment, successfully employed, is an act of violence against blacks. Mr Nel says disinvestment “is going to be an incredible moral dilemma for America. But we are going to win the fight. The campaign is evil and Americans are starting to find it out now.”

And at the same time “We won’t beg. We won’t go on our knees. And we won’t capitulate.”
Buthelezi tells of 'distrust'

From WISEMAN KHUZWAYO

LONDON. — Chief Gatsha Buthelezi has unveiled a "declaration of intent" which he says President PW Botha must accept in principle before negotiations between blacks and whites in South Africa are possible.

Although he described his plan as "tentative", it sets out in detail the Zulu leader's position in response to President Botha's invitation for talks.

President Botha said Chief Buthelezi should take part in a forum that would examine how the political rights of urban blacks could be accommodated with the Republic's constitution.

Speaking during a two-day private business conference which ended in London on Thursday, Chief Buthelezi said he was absolutely certain that the politics of negotiation between blacks and whites in South Africa would not begin until the government committed itself publicly to a programme of reform contained in a declaration of intent which blacks are prepared to countersign with the State President.

'I would be abandoned'

"I have been chided from a number of quarters for not hearing the State President as being fully committed to bringing about meaningful change. Those who thus chide me are not aware of the deep distrust which exists in black hearts and minds about the stated good intentions of the National Party.

"I would be abandoned by my constituency if I turned to them and asked them to put black South Africa's future in the hands of the State President because I believed he was a good fellow and would not let them down," said Chief Buthelezi.

The Zulu leader's declaration, in its preamble, says power in South Africa should be shared in such a way that no one group can dictate any other's self-determination.

The plan commits black and white leaders to finding an alternative system involving universal adult suffrage, agreeing to common citizenship and to achieving the legitimisation of the instruments of government.

Brief comment by Viljoen

Delegates attending the high-level conference included Mr Chester Crocker, the US Assistant State Secretary on Africa, and Mr Malcolm Rifkind, the British Foreign Minister with responsibility for Africa.

Sapa reports that after the conference on future trade and investment links with South Africa, held behind closed doors, ended, South Africa's Minister of Co-operation and Development, Dr Gerrit Viljoen, who was a key speaker, was prepared to make only a brief comment about it.

"The conference enabled the multinational companies to discuss the climate and environment in which they operate (in South Africa)," he said.

"It covered a very broad area of what is going on in South Africa and was aimed at increasing the understanding of the situation in the Republic, both politically and economically."

Dr Viljoen added: "The question of disinvestment only came up incidentally."
Britain rules out all SA sanctions

LONDON — Britain yesterday rejected the possibility of imposing any form of sanctions against South Africa — even if it meant isolation in the European Economic Community, the Commonwealth and the United Nations.

Minister of State for Southern Africa at the Foreign Office, Malcolm Rifkind — interviewed on the “Weekend World” TV programme — said any responsible government had to take a long-term view of sanctions.

This involved assessing whether sanctions was in the interests of Britain and whether it could serve to quickly and effectively dismantle apartheid.

“We also have to take into account the almost total failure of sanctions wherever else they have been applied,” he said.

“Weekend World” looked at three sanctions options, all of which have now been ruled out by Britain:

☑ Total economic sanctions against SA;
☑ Total disinvestment;
☑ Freeze on international loans and new investment.

In the United States, pro-disinvestment legislation appears to be headed for approval by Congress although American politicians and analysts are deeply divided about its impact on Pretoria, Sapa-Reuter reports.

The Reagan administration opposes any form of economic sanctions, insisting its policy of “constructive engagement” is the best way to coax reforms.

Yet opposition to SA’s racial policies has grown so rapidly in the last six months that many legislators believe President Reagan will be unable to veto the sanctions Bill sent by Congress.

Some experts believe, however, that even total US disinvestment would have little economic impact as Pretoria’s West European and Japanese trading partners would step in to fill the gap.

This view has been echoed by Assico’s chief executive, Raymond Parsons, who said in Johannesburg at the weekend that US disinvestment could open up new opportunities in the SA market for European businessmen.

Parsons urged businessmen to evaluate the most vulnerable US business interests in SA and plan accordingly.

“No doubt Japanese and European computer firms will be pleased to exploit the proposed ban on computer sales, and the price of Krugerrands may even rise because of the ban on sales.

“One of the more positive consequences of US disinvestment could be for countries with a tradition of neutrality in their international relations to strengthen banking relationships with SA.”

Oslo joins sanctions club

OSLO — Norway has approved measures to restrict trade with South Africa that could disrupt vital shipments of crude oil.

The Norwegian sanctions also include licensing of all trade with the Republic and a total ban on imports of South African fruit and vegetable products.

The Oslo government, welcoming moves by the US Congress to impose sanctions against apartheid, said on Saturday it would introduce a compulsory registration of all Norwegian ships calling at South African ports.

Oil company sources said compulsory registration, although not representing a ban, would embarrass tanker owners with valuable contracts with Middle East oil producers, who ban oil exports to South Africa.

The Norwegian Shipowners’ Association attacked the government move, saying cargoes could be sold many times during a ship’s voyage and the limitations would also disrupt shipping trade with other countries.

The Norwegian sanctions were prompted by the award in Oslo last year of the Nobel peace prize to anti-apartheid campaigner Bishop Desmond Tutu.

— Sapa-Reuter.
Firmer Australia ban on SA work

THE Australian government's ban on construction contracts with South African firms could be extended to include a broader range of government agitation, according to Australian Foreign Affairs Minister, Bill Hayden.

He said the federal government's decision not to enter into construction contracts with firms that had a majority South African ownership, would strengthen government's policy to remove unavoidable official assistance to commercial relations between the two countries.

The statement was released by the Australian Embassy in Pretoria. It said: "The government will examine the implications of extending this policy on government construction contracts to a broader range of government activity."

An embassy spokesman said the statement could not be expanded on at "this stage".

However, he added that in accordance with government policy, relations between the private commercial sectors of the two countries would not be restrict-
Britain rules out sanctions

LONDON. — The British Government yesterday flatly ruled out the possibility of imposing any form of sanctions against South Africa — even if it meant isolation in the European Economic Community (EEC), the Commonwealth and the United Nations.

Mr Malcolm Rifkind, Minister of State for Southern Africa at the Foreign Office, justified Britain's position on sanctions, saying any sensible or responsible government had to take a long-term view.

This involved asking if one were embarking on a process one thought to be right, not only in the interests of Britain but also in the interests of dismantling apartheid as quickly as possible.

"And we do have to take into account black opinion in South Africa, which is divided. We also have to take into account the almost total failure of sanctions wherever else they have been applied," he said.

TV programme

Mr Rifkind said Britain would discuss the whole issue with its allies in the Commonwealth and indicated that Britain would keep a keen eye on the dismantling of apartheid in South Africa, looking at any process that would hasten this.

Mr Rifkind's statement was made on the BBC programme "Weekend World", produced by one of Britain's top political commentators, Mr Brian Walden.

The programme studied the whole question of sanctions against South Africa, which has been an issue for years in the Third World and recently in the EEC and Britain.

The cuts examined were total economic sanctions against South Africa, total disinvestment and a freeze on international loans and new investment.

All three were ruled out by Britain, with Mr Rifkind acknowledging that this attitude could place Britain in an isolated position.

Mr Walden said that in opposing sanctions against South Africa, Britain could find its worst difficulties in facing the Commonwealth.

While the US approach of "constructive engagement" had seemed to have a chance of working, the British Government had been able to keep Commonwealth criticism at bay. Now, however, if the British Government resisted moves against South Africa, it could find the whole Commonwealth against it.

Sir Shridath Rampal, secretary-general of the Commonwealth, speaking on the same programme, said that Commonwealth countries — including Australia, a member of the Security Council — had already signalled their support for selective sanctions.

The pressure on Britain to be part of this would be "really very substantial", Sir Shridath said.

'Real issues'

Mr Walden said it was very likely that President Ronald Reagan would not veto action against South Africa and this would also put tremendous pressure on Britain.

"Because the American lead would be adopted by pretty well everyone else," Mr Rifkind said.

Mr Rifkind said the world was unanimous that much more fundamental reform was needed in South Africa. However, Britain asked: Would sanctions help or hinder the process of reform? Could they be enforced, and, if so, whom would they hurt?

"These, I think, are the real issues, and our conclusion is, in effect, that sanctions — whether against South Africa or elsewhere — do not give rise to the belief that this will actually help the process that we seek.

"Pointing to the dismantling of job reservation, Mr Rifkind said the process of reform in South Africa was in some ways assisted by the development and the industrialization of the country.

Glenegalgs

Mr Rifkind said Britain already supported two types of "sanctions" against South Africa — the arms embargo and the Glenegals sports embargo. These "sanctions" were enforceable and there was no debate about them doing more harm to blacks than to the apartheid system.

The issue of economic sanctions, however, was very vigorously debated in South Africa's black community. Chief Gatsha Buthelezi, a respected leader of the black community, was against them, other respected leaders were in favour.

Mr Rifkind said it would be a boon to the ultra-nationalists in South Africa if the present process of inadequate reform were to lead to sanctions.

- Divestment: 'No great damage' to SA, page 2
- US divided on sanctions impact, page 7
Norway moves against SA
US divided on sanctions impact

WASHINGTON. — The first punitive United States legislation against apartheid appears to be headed for approval by Congress, but American politicians and analysts are deeply divided about its impact on Pretoria.

The Reagan administration opposes any form of economic sanctions, insisting its policy of "constructive engagement" is the best way to coax reforms.

Yet opposition to South Africa's racial policies has grown so rapidly in the past six months that many legislators believe President Reagan will be unable to veto a sanctions bill sent by Congress.

Diluted

The House of Representatives last week approved a bill to forbid new American investment in the Republic, US loans to its government, the export of computer equipment and the import of Krugerrands.

A diluted measure approved by the Senate foreign-relations committee was expected to reach the full Senate next month.

Groups such as the Free South Africa Movement, the organizer of nation-wide anti-apartheid protests since last November, welcome the congressional action, but would prefer total American disinvestment from the Republic.

At stake are the interests of about 350 American companies in South Africa, including General Motors, IBM, Ford and Mobil.

Together, they have direct assets of between two and three billion dollars (R4 to R6 billion), mainly in oil and computers, and represent about 20 percent of total foreign investment in South Africa.

In addition, some 6,000 American firms have dealings with South Africa and total US investment in the country, including direct and indirect ties and commercial bank loans, is estimated at some 14 billion dollars (R28 billion).

Some experts believe, however, that even total US disinvestment would have little economic impact, as Pretoria's West European and Japanese trading partners would step in to fill the gap.

Ms Carol Rae Hansen of the Centre for Strategic and International Studies, said legislation imposing economic sanctions would have the same effect as the international arms embargo, which made South Africa self-sufficient.

However, Mr David Scott, a representative of the black foreign-policy group TransAfrica, which created the Free South Africa Movement, said there was no indication that American investment could be substituted that easily.

The administration argues that economic sanctions would hurt blacks in South Africa most, with the 120,000 working in US companies being the hardest hit.

Speed pace

Legislators in favour of sanctions say the bill is intended to put pressure on Pretoria to speed the pace of political and social reforms for the black majority.

"I don't believe this particular package of sanctions is going to bring the South African economy to its knees," said Mr Gregory Craig, chief foreign-policy aide to Senator Edward Kennedy, a vocal foe of apartheid. Rather it was to signal that the US would work hard to influence the dismantling of apartheid.

Others, however, deny Pretoria is susceptible to such pressure.

"The idea that the South African Government is going to commit political suicide by dismantling apartheid is laughable," said Mr Stuart Butler, director of domestic-policy studies at the Heritage Foundation, a conservative think-tank. — Sapa-Reuters.
Arms trial man tells of SA ties

Own Correspondent
London. — A Midland businessman accused of being involved in smuggling military equipment to South Africa, told investigators he was unaware that a South African contact was procuring strategic goods for the South African Government.

Mr Derek Salt, 60, the managing director of an engineering firm, is one of three men accused of conspiracy to evade the ban on exporting arms to South Africa.

Customs officer Mr David Westoby told a Birmingham Crown Court jury yesterday that Mr Salt told him he had had meetings with Mr William Meterlekamp, one of the "Coventry Four" South Africans named in the conspiracy charge who jumped bail last year.

Mr Salt said he had been doing legitimate business in South Africa for a company there called Quad Engineering of which he was a director.

He said Mr Meterlekamp had been working for a company in South Africa, Macay Ltd, at the time but was resigning to set up his own organization, TJ International.

Mr Westoby said Mr Salt told him that Mr Meterlekamp had taken him to another company in South Africa called Kenton who did "advanced technology work, very secretive work".

They wanted some gauges, he said.

Mr Westoby said he asked Mr Salt if he knew Mr Meterlekamp's function was "to procure strategic goods for the South African government".

He replied: "I am not aware of that at all."

Mr Salt of Coventry, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 43, both of Balsall Common, Warwickshire, deny the conspiracy charge. Another man, Mr Michael Gardiner, 59, of Colyford, Devon, has admitted the charge and been remanded for sentence.

The prosecution has alleged that high technology military parts bought in America were illegally shipped to South Africa in breach of the embargo.

Mr David Latham, QC, prosecuting, said Mr Salt and Mr Gardiner had used their companies to beat the embargo and were also involved in the manufacture of equipment for arms to South Africa including gears for heavy gunsights.

Diary

Mr Westoby said Mr Salt was also asked about "project R" mentioned in a letter from Mr Meterlekamp to Mr Gardiner, which had been seized, and he said he did not know what it was.

He was also told that his name was in a diary seized by officers at Heathrow Airport from another "Coventry Four" South African alleged to be involved in the conspiracy, Mr Jacobus Le Grange, whom he denied knowing. He also denied knowing a Colonel Botha, alleged to have been part of the conspiracy.

He had taken sums of up to R5 200 in travellers' cheques to Mr Meterlekamp in South Africa but had "never taken strategic parts out for Mr Gardiner."

Customs officer Mr Martin Spillane, told the jury of the arrest how he had arrested Mr Gardiner at his home in Devon after catching him tiptoeing away. He was carrying a suitcase and a wire tray filled with documents that were seized.

The trial continues today.
Trade cuts will hurt Oslo more than SA

By GERALD REILLY

THE Norwegian government's intention to restrict trade with South Africa was distressing, but it would hurt Norway far more than South Africa, according to Assocom.

The danger is, however, says Saffo (South African Foreign Trade Association), that the action could spread to Denmark and Sweden.

Assocom's foreign trade secretary, Bevis Robertson, said balance of trade between the two countries strongly favoured Norway. And according to the customs and excise division of the Department of Finance, South Africa's imports from Norway are nearly four times the value of SA exports to that country.

During 1984 SA exports to Norway totalled R46.71m, while imports from Norway amounted to R155.44m. In 1983 SA exports to Norway totalled R50.64m compared with R106.54m in imports of Norwegian goods. Major imports from Norway include mineral products, machinery, mechanical appliances and electrical equipment. SA exports are made up mostly of base metals and minerals, processed foodstuffs and tobacco. The value of canned foods exported to Norway last year amounted to just over R3m and vegetable products to more than R10.000.

The ban, if enforced, Robertson said, would inevitably aggravate South Africa's already serious unemployment problem and would impact particularly on the fruit and vegetable canning industry.

South Africa was already facing fierce competition in this field from EEC countries and to establish new markets would not be easy.

Saffo chief executive Wim Holtes said the Norwegian boycott would not have dramatic impact on SA trade. The danger was, however, it could spread to Denmark and Sweden which had stronger and bigger trade ties with South Africa.

"But it is significant that of the 40 signatories to the General Agreement on Tariff and Trade (GATT) who boycott South Africa, Norway was one of the few significant Western customers to do so."

However, because of the favourable trade balance Norway had always enjoyed with South Africa, "they are cutting off their nose to spite their face". The canning industry would probably be worst affected by the boycott, Holtes said.
We urgently need to join sanctions.
LONDON, The Anti-Apartheid Movement has condemned proposed British government legislation which will ban local authorities from blacklisting contractors with South African links.

A local government Bill, planned for the next session of Parliament, will be aimed at taking action against mainly Labour-controlled councils who have vetoed firms on the basis of SA links.

A statement by Mike Terry, executive AAM secretary, said the movement was "outraged that the government is planning to introduce legislation to prevent local councils taking action against apartheid". He said 120 had already taken action against SA.
The challenge is to develop new technologies that can adapt to changing economic conditions and consumer behavior.

The computer industry is in a state of transition, with new technologies emerging and old ones becoming obsolete.

One of the key issues facing the industry is the increasing demand for more powerful and efficient microprocessors.

The industry must also address the growing concern about the environmental impact of electronic waste.

In summary, the computer industry is facing significant challenges, but it is also poised for continued growth and innovation.

**Effects of US Legislation on SA Computer Industry**

-Mismanaged by the President of the United States-

The effects of US legislation on the South African computer industry are complex and multifaceted.

Legislation such as the Computer Crime Act of 1986, which was designed to address concerns about computer misuse, has had a significant impact on the industry.

The act has led to stricter regulations and more stringent enforcement, which has resulted in increased costs for businesses.

The industry has also had to adapt to changes in tax policy, as well as to the imposition of tariffs and other trade barriers.

In addition, the industry is facing increasing competition from abroad, as well as from other industries that are adopting new technologies.

Despite these challenges, the South African computer industry remains vibrant and innovative, with a strong focus on research and development.

**CONTROLLERS**

-Effect of US Legislation on SA Computer Industry

**MISAN VAN VUREN**

-Effect of US Legislation on SA Computer Industry

**PETTER VONEN**

-Effect of US Legislation on SA Computer Industry
FT urges Britain to threaten SA with ‘selective sanctions’

LONDON — Britain should push vigorously for a joint European stance to warn South Africa selective sanctions would follow unless there was “substantial change”, the influential Financial Times said on Tuesday.

And in the House of Commons, 10 Labour Party MPs led by SA spokesman Donald Anderson called on the British government to “respond positively” to selective sanctions pressure at the United Nations and at the US Congress.

The FT call on the British government at least to threaten selective sanctions unless there were substantial changes in SA, followed the rejection of sanctions by Foreign Office Minister Malcolm Rifkind in a weekend television interview.

Speaking on the programme Weekend World, Rifkind said Britain would oppose sanctions even if it meant conflict in the Commonwealth, the EEC and the US.

The FT is the only British newspaper to back even the threat of sanctions against SA.

Most other mainstream Fleet Street newspapers have rejected sanctions as an effective agent for change.

In a lengthy editorial examining the British government’s options on SA after the move in the US Congress for a freeze on loans and new investments, the FT said if the US adopted these measures Britain could be left isolated in Europe and the Commonwealth.

“Economic sanctions are not the best way to bring about change in South Africa … they will fall upon a society in which change seems to be unfolding at a pace and in ways which are beyond the society’s control,” the FT said.

It added, however, that recent reforms had been overshadowed by events like the police shootings at Langa in March, the treason charges brought against members of the United Democratic Front, the recent action of an “SADF sabotage squad” in Cabinda, and the “internal settlement” in South West Africa.

“The British government’s response to the possibility of selective US sanctions should be to push vigorously for a joint European stance on South Africa.”

UK move to stop SA coal imports

SIX Liverpool MPs yesterday condemned the import of South African coal to Britain through Liverpool.

In a motion in the House of Commons they called for an immediate halt to all SA coal imports.

The MPs condemned the activities of the Banbury Coal company for “importing domestic coal for the Lancashire area from South Africa through Liverpool docks”.

They regretted the company was ready to “put at risk” Lancashire mines and jobs in favour of “supporting economically the evil apartheid regime”.

They said the government should “show as much support for the UK mining industry” by banning the “unnecessary” SA coal.
UN sanctions threat over new SWA govt

Argus Foreign Service

NEW YORK. — The non-aligned countries have begun privately circulating a draft copy of a new resolution which they would like the United Nations Security Council to adopt at the end of its debate on SWA/Namibia tomorrow.

Diplomats on the council said its contents would be studied today "with a view to making certain changes," to accommodate its authors.

The new draft condemns South Africa "for its decision to install a so-called interim government in Windhoek."

But the most crucial paragraph is one which warns South Africa that if it does not abide by UN resolutions on SWA/Namibia, the council is to meet again to impose "comprehensive and mandatory sanctions" under Chapter 7 of the UN Charter.

Voluntary

In the meantime the draft urges that member of the UN who have not already done so should take voluntary measures to sever all links and dealings with South Africa.

These should include:
- Severance of diplomatic relations.
- The observance of an oil embargo.
- Disinvestment of existing interests, prohibition of new investments and application of disincentives.
- The withholding of overflight and landing facilities to aircraft and docking rights to ocean vessels.
- Banning of sales of Kruggerrands and other coins.

- Strict observance of the sports and cultural boycott of South Africa.

The resolution would also ask the UN Secretary-General to report back to the council on implementation no later than the first week of next September.

"Friends"

While the main thrust during this debate has been a barrage of criticism at South Africa for its decision to go ahead with an interim government in SWA/Namibia next week, Western diplomats repeated that "they could still not support" the latest draft resolution.

Diplomats added that South Africa's "friends" in the council would insist that the non-aligned countries remove any reference to Chapter 7 — UN parlance for sanctions.

Three members of the Western Five contact group, Britain, France and Canada, will speak in the council debate today as India, as chairman of the non-aligned movement, works behind the scenes with Western countries to find a modified version of this latest resolution which so that it can be acceptable to all the council members.

The Argus Foreign Service reports from London that five Conservative Party MPs are to fly to SWA/Namibia for next week's inauguration of South Africa's transitional government, in defiance of Britain's boycott of the event.

They have accepted invitations issued by the Multiparty Conference in SWA/Namibia to attend the celebration marking the establishment of the interim government. Their expenses will be paid by South Africa.
PIK BOTHA

History will judge

Pik Botha is Minister of Foreign Affairs. The FM spoke to him on issues relating to constructive engagement and the disinvestment campaign.

FM: What is your reaction to the measures adopted in the US Congress on SA?
Botha: They were expected, but that does not mean that they are welcome. I think that history will one day prove that this action is one that the US will come to regret. It is based on an emotional reaction as a result of liberal Americans’ perceptions of the SA situation and not on the facts and realities of the southern African situation. They simply brushed aside not only the views of moderate white South Africans of all political persuasions, but also those of blacks, coloureds and Asians.

But, what is worse, they took this action against the publicly stated views of SA’s black neighbouring states. The most important aspect of this action is that it will reduce US influence in the whole of southern Africa; because not only South Africans, but also the neighbouring states, and perhaps further afield, will now clearly see that the US executive is powerless. Or rather, they will see that within the US Congress, the House of Representatives and for that matter the Senate, special interest groups can for purely American internal political reasons flout the foreign policy of the executive.

Could the Reagan administration have stopped the legislation going through?
They can only do so once the legislation is eventually submitted to the President. But that of course puts the President under severe pressure. This is a classic example where basically for internal US political reasons punishment is meted out to another country, irrespective of the views of the people whose interests it is supposed to serve. It is clear that they are not interested in the views of the black leadership of this country. They were pursuing a US political objective. They are trying to get at President Reagan. They couldn’t attack him on a number of other issues, such as on economic matters on which he has been successful, so they decided this is the one.

Are you saying that the US will be in a weaker position to influence SA if it switches from a policy of constructive engagement to one of direct pressure?

Certainly. The example was in the Carter days. The National Party scored its biggest victory when President Jimmy Carter put the pressure on. Will they also lose influence in the rest of the subcontinent?

Yes, certainly. I am not saying this alone. I have been told this by several black leaders from other countries. They would perhaps not admit it in public, but you will be surprised to hear which black leaders from other countries, important other African countries, have aired that view in the past two to three weeks. They have told me that it is clear to them that the US is not a dependable ally all at. They say if that is what the US is doing to SA when SA has engaged on a process of reform, what are they going to do to black states whose policies they don’t like?

From a SA perspective, can a policy of constructive engagement co-exist with a policy of disinvestment and economic sanctions?
It cannot really, unless the executive is strong enough to resist the disinvestment. If not, then of course constructive engagement will just not be a realistic policy to follow, not from their point of view, or ours. What damage did the Cabinda incident do to constructive engagement?

Nothing that cannot be overcome, that cannot be mended. Newspaper reports suggest a build-up of anti-American feeling among SA whites.

Not only white South Africans. I think all South Africans. I would not say anti-American in the sense of the ordinary American in the street, but certainly against these legislators who allocate to themselves the right to make moral judgments. South Africans do not like that, least of all coming from America. They themselves have not yet succeeded in eliminating the differences — the discriminatory effects based on colour, with so many more blacks living in poverty, with the infant mortality rate so much higher, with more sophisticated forms of discrimination persisting. This is true even in the states and constitutions of many of the liberal legislators who now are pushing the disinvestment campaign.

How badly does SA need the goodwill and friendship of the US?
SA seeks friendship with all democratic countries. But not at all costs. Not at the price of its own interests and survival. But wouldn’t it influence our security and material survival if we don’t have the US as a strong ally?

It all depends on the action of the US government. We must wait for that. There is a distinction between the action of Congress and that of the executive. So far the executive has fought hard against disinvestment. It has made its views clear. So there is no reason for the SA government at this stage to change its attitude vis-à-vis the American government.

Pretoria must take some of the blame for the estrangement. When one examines the timing of events such as the military raid into Angola, the recent arrests, and the police shootings, it almost seems as if the Botha government is bent on keeping its thumb firmly planted in Reagan’s eye.

But, as always with the US there are other fish being fried on the White House barbecue. Reagan is increasingly frustrated in his efforts to quell the Sandinista regime in Nicaragua. It once appeared there was some sort of dialogue about to begin with Fidel Castro, but now Havana’s dictator has cut that off. The Third World debt crisis is simmering again, and America’s Latin American allies are testing. All this means the Reagan determination to get the Cubans out of Angola has been moved forward — yet again — to top of the agenda in the southern African strategy room. The shutting of Crocker from London to Paris last week amply proves that point. And it proves something else: Chet Crocker’s job is as safe as houses. He runs a regional policy.

There is another conclusion. “Constructive engagement” may not be dead, but it has certainly been altered. The broad regional policy objectives remain in place — but there is a much harder and far less sympathetic attitude toward SA and its internal problems.
Arms trial told gear parts could be used as gun sights

London Bureau

AT THE South African arms-smuggling trial at Birmingham Crown Court, a British arms expert yesterday told the jury that gear parts seized at a Coventry engineering factory could be used in heavy gun sights.

Mr Anthony Buxton from Nottinghamshire is an engineer at the Royal Ordnance factory at Chilwell which specialises in gun systems. He was giving evidence at the trial of three Britons accused of conspiracy to evade the ban on exporting military equipment to South Africa.

Mr Buxton, who was shown an American M137 telescopic gun mount, said the components would not fit into that mount. "But they are sufficiently similar to carry out a function on a mounting of similar design."

The parts were seized by Customs and Excise officers at the factory of R W Salt Engineering in Coventry, which is run by one of the three defendants in the case, 60-year-old Mr Derek Salt.

Camera mount

Mr Buxton, who was shown Ministry of Defence drawings of gun sight parts, said the actual components had not been built completely to the specifications. But there was "a close resemblance" and the gear parts would perform a similar function.

He was also shown a drawing of a gear component which Mr Salt is said to have brought back from South Africa. He told customs men it was a drawing of a remote control television camera.

"Mr Buxton said: 'It seems a trifle vague and large to carry out that function - I have some doubt about whether it would work.'"

He agreed with Mr Richard Curtis, QC, for Mr Salt, that the gear parts had a "versatile" function.

Mr Salt, from Coventry, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 48, both from Balsall Common, all deny the conspiracy charge. The trial continues today.
Labour leader’s sanctions pledge

Angus Foreign Service.

LONDON — Mr Neil Kinnock says a Labour government would actively support the enforcement of comprehensive mandatory United Nations economic sanctions against South Africa.

The leader of the Labour Party told thousands of cheering demonstrators at an anti-apartheid rally outside the South African Embassy in Trafalgar Square: "We will isolate South Africa and promote effective action to hasten liberation."

"In sport, in politics, in commerce, in diplomacy, in every sphere contact with apartheid means collaboration with apartheid."

Making the toughest speech so far by a Labour leader on South Africa, Mr Kinnock vigorously attacked the constructive engagement policy followed by the Reagan administration and its "puppet" Mrs Margaret Thatcher.

He said the next Labour government would remove all support from South Africa’s "racist" rulers and put Britain on the side of freedom.

Embargo

A Labour government would:

- Give financial and material help for the education and care of the people of the "liberation movements" in SWA/Namibia and South Africa.
- Make the embargo on arms and military materials complete.
- Actively support the enforcement of United Nations comprehensive, mandatory economic sanctions against South Africa.
- Work in Britain and elsewhere to end the economic and military collaboration that was so essential to the "apartheid regime."

Mr Kinnock spoke to a crowd — estimated at 25,000 by the Anti-Apartheid Movement and 8,300 by police — which marched to Trafalgar Square behind five coffins symbolising the people killed in "South African massacres."

Mr Kinnock said constructive engagement was a sham and a failure:

"No change, no adjustment, no dilution, no reform has ever come in South Africa from bridge-building and contact."

"The only shifts that have ever been achieved have come as a result of isolation and condemnation — South Africa must be stranded if it is ever to change."

"And everyone, from rugby players to rulers and cricket players to presidents, must learn that truth and understand it."

Mr Kinnock said he had been a member of the Anti-Apartheid Movement for 25 years and in that time the West’s investment in South Africa had increased, along with South Africa’s power and exploitation. He had been strengthened and exploitation had grown.

"It is time to reverse that course," he said.
UN tones down threat of sanctions

Argus Foreign Service

NEW YORK. — The United Nations Security Council has warned South Africa that if it continues to obstruct UN plans for SWA/Namibian independence it could be faced with punitive measures under the UN Charter, including mandatory sanctions.

The warning came in a resolution approved by the council 15-0, with abstentions from the United States and Britain, at the end of a 10-day debate during which more than 80 speakers took the floor to criticise South Africa for illegally occupying SWA/Namibia and for failing to heed UN resolutions bringing the territory to independence.

The threat of sanctions was removed in the final hours before the voting after the French delegation worked behind the scenes with African and non-aligned countries to delete language objectionable to the Western permanent members of the council.

Docking rights

Before the final amendments diplomatic sources indicated that Britain would use its vote, while France and Australia would abstain.

The new version eliminated the earlier threat of the imposition of mandatory economic sanctions, as well as the voluntary call that member nations should sever diplomatic relations with South Africa and observe an oil embargo.

A reference to disinvestment was also deleted, as well as one on withholding overflight and landing facilities to aircraft and docking rights to ocean vessels.

The resolution also urges member states to take voluntary measures against South Africa which could include:

- Stopping new investments and the application of disincentives to this end.
- Re-examination of maritime and aerial relations with South Africa.
- The prohibition of the sale of Krugerrands.
- Restrictions in the field of sports and cultural relations.

As expected, the resolution condemned the decision by South Africa to install an interim government in SWA/Namibia this week.

Last night's abstention marked the first time that the Reagan administration had not vetoed a resolution which explicitly mentioned the possible imposition of sanctions against South Africa.

Diplomatic observers here said that was a clear sign that the US wanted to send a message to Pretoria concerning its recent actions in the area...
A strong parliamentary team will visit the US for nine days next month to "oriente" themselves and help fight the disinvestment drive. But with the state of relations between SA and the US at their current low ebb, the 17-strong team is expecting a rough time.

It will be the first South African parliamentary delegation to include coloured and Indian MPs on an overseas tour. But there will be no Progressive Federal Party (PFP) MPs on the trip as the party has declined government sponsorship for anti-disinvestment campaigning. This no doubt arises from a major row which rocked the PFP recently over the acceptance by the MP for Bryanston, Horace van Rensburg, of government finance for an anti-disinvestment trip to the US. PFP finance spokesman, Harry Schwarz, has also been to speak out against disinvestment, but at his own expense.

The group for the coming tour will include eight Nationalists, two members of the Conservative Party, three MPs each from the House of Delegates and the House of Representatives and an Indian member of the President's Council.

Their programme is being kept under wraps for the time being to avoid the risk of running into anti-apartheid demonstrators in the US.
ASSOCIATION TAX PROPOSALS/Robin Friedland

ASSOCIATION TAX PROPOSALS/Robin Friedland

wide-spectrum and fiscal practice

2/9/92 26 (082)

with ARBA'S fiscal,
Role of indirect tax . . .

Specific proposals — fired off a broadside against the dangerous use by officials of terms like avoidance and especially “aversion.”

The latter term is emotive and conveys an impression that there is an element of illegality in arranging one’s affairs in a way which results in less tax being paid. This approach is contrary to all canons of taxation, which require that tax be payable only in accordance with the wording of the taxing statute. *Business Day* too strongly adheres to this viewpoint.

The contrary would constitute a dangerous populism with overtones of hostility to the profit motive as such and the introduction of the “politics of envy.” But Assocom correctly argues that taxpayers who deliberately evade tax should be made to suffer the heavy penalties provided in the Acts.

The accumulated effects of fiscal drag have hoisted the share of individual taxpayers to 30% of the tax in 1984/85 from 20% five years ago. This problem is aggravated by joint taxation of married couples. Individuals are resorting to avoidance (like elaborate fringe benefit schemes) and even evasion.

Assocom’s remedy lies in a flatter progressive scale subject to lower rates at all levels, with an annual adjustment in the scale to neutralise the fiscal drag caused by inflation.

A much lower maximum marginal rate (say 40%) should be reached only at incomes over R100,000 for married persons.

Married couples should be taxed separately on the basis of their “total income,” not only earned income. The dangers of income-splitting can be effectively countered by anti-avoidance measures already in place or to be augmented by future legislation.

The present system now has the disadvantages of discouraging economic participation by married women and already includes blacks in joint taxation.

The system of final PAYE deductions has removed an adminis-
Proposals for direct taxes

discriminates against them in favour of divisions within one company.

It leads to a diversion of executive effort into elaborate fiscal engineering, and should be replaced by a system of "loss transfer" within a group as defined.

The general deduction formula is too narrowly drawn in its present wording, and excludes many classes of legitimate expenditure through requiring a "sufficiently distinct relationship" between the expenditure incurred and the actual earning of the income.

It should be replaced by a more broadly-drawn definition, which would allow as a deduction all expenditure (not of a capital nature) reasonably incurred for the purpose of trade.

Estate duty should be abolished, as an unproductive measure with a considerable administrative burden. It is, in addition, inequitable through taxing all assets in an estate, regardless whether they have been derived from realised profits which have already been taxed once as income. Moreover, estate duty discourages saving.

Same basis

Newly-formed companies — which have the greatest need for incentives — are not in a position to benefit, while well-established concerns benefit the most.

The current incentives comprise investment and training allowances, export allowances, concessions for industries in economic development areas, and many others.

Assocom argues that all companies should — under a complete reform — be taxed on the same basis. As an interim measure, the currently-available incentives could be split into "social engineer-
ing incentives," which should be removed forthwith, and "capital investment incentives," which might have to remain for the present "for practical reasons."

Important classes of individuals—such as farmers and public servants—have generous and varied tax privileges too. Their position should likewise be reviewed.

Where a specific concession is considered essential it should be paid as an express subsidy, after the anticipated cost has been carefully quantified.

**Engineering**

Tax-free investments enable some classes of taxpayers to benefit at the expense of others, and have a distorting effect on money and capital markets, so Assocom opposes their retention, too.

The company tax rate of 30% is too high and encourages companies to resort to fiscal engineering to reduce the burden. The rate should be reduced to between 30% and 40%, but all companies—except religious, charitable and educational institutions—should pay this rate.

The present system of taxing dividends as well as company income is unfair. It should be replaced by a system of apportionment applicable to all private companies as defined in the Act, with the exception of quoted companies.

Under a "system of apportionment," individual resident shareholders would be credited with tax paid on their behalf by the company.

The present basis of taxation of separate companies within a group

**Subsidy**

For similar reasons, the introduction of a capital gains tax should be opposed.

Source should be retained as the principle basis of taxation, and not replaced by residence. It is in South Africa’s interests to encourage immigrants with means abroad to settle here, while taxing on the basis of residence would have the opposite effect.

It would be undesirable to allow concessions for domestic mortgage bond interest. Such concessions would distort normal interest rate patterns, artificially increase demands for loans, discriminate unfairly between social classes, reduce revenue and exert upward pressure on house prices.

If low-income groups are deemed to require assistance, it should be given by way of subsidy.

The devolution of power to local or regional authorities need not mean an increase in aggregate tax levels, provided cuts are achieved elsewhere.

**Bridging**

Assocom has recommended that the whole question of financing local authorities should be referred to the Margo Commission for investigation.

Rather than implement the proposed new regional services levy (comprising a payroll tax and turnover levy) forthwith, government should provide bridging finance at national level pending a satisfactory long-term solution.
UK prepares to oppose sanctions

LONDON - The British Government is bracing itself to withstand pressure for economic sanctions against South Africa at the Commonwealth Heads of Government meeting in the Bahamas in October.

A foretaste was given at an emergency gathering of High Commissioners in London this week, called to consider the recent South African raid into Botswana.

British officials, while echoing the Foreign Office's previous condemnation of the Botswana incursion, were isolated in the face of a call for economic action against Pretoria.

Britain, while sharing the general abhorrence of apartheid, remains convinced that sanctions would damage the welfare of black South Africans without succeeding in their main objective.

It also remains conscious of the fact that South Africa is Britain's second-biggest export market outside Europe and the United States.

At the last Commonwealth meeting in 1983, South Africa was warned that "appropriate measures" under the UN Charter would have to be considered if it continued to obstruct progress towards a settlement in Namibia.

Britain is hoping that agreement can be reached on a similar kind of resolution in Nassau.
US warns SA but opposes sanctions

Argus Foreign Service
WASHINGTON. — The United States government will stick to its policy of constructive engagement and it will continue to oppose economic sanctions against South Africa.

But it wants the world to know that it dissociates itself strongly from South Africa’s recent military action in Angola and Botswana — and will reject any unilateral attempt by Pretoria to impose an independence settlement on South West Africa/Namibia.

This was made clear here today by US Assistant Secretary of State for Africa, Dr Chester Crocker, when he spoke via a satellite hook-up to journalists in East and West Africa.

“What we see is a pattern of negative decision-making coming from (South Africa). We have no intention of aligning ourselves with those decisions,” he said.

Much of the news conference dealt with Southern Africa and all of the questions relating to this region were hostile, casting Dr Crocker as a defender of US policies.

Rejecting sanctions and disinvestment as negative steps that would remove US influence, he said that European and Japanese companies were waiting in line to take over from American companies if they pulled out of South Africa.

Dr Crocker emphasised that constructive engagement was a regional policy.

He said: “We believe we have the right approach in Southern Africa and, as President Reagan has made clear, we intend to stick with it.

“At the same time...we are not about to participate by association with decisions and events and actions on the part of one party in Southern Africa, namely South Africa, with which we have very strong disagreements.”

Implications

The US, he said, was determined to dissociate itself from South Africa’s recent actions in Angola, Botswana and elsewhere, and was carefully reviewing the implications of those actions.

Dr Crocker said sanctions were not the right course to follow in dealing with South Africa.

“We do not believe that the South African Government is going to be coerced by measures taken against its people and its economy, so we are going to stick with that position.”

From London it was reported that Britain regards the establishment of the interim government in South West Africa/Namibia as “null and void”.

Answering questions in the Commons yesterday, Foreign Secretary Sir Geoffrey Howe said Britain opposed the interim administration because it had no standing under United Nations Security Council Resolution 435.
Nujoma calls for sanctions

The Star Bureau
LONDON—SWAPO president Mr Sam Nujoma was told yesterday that the Thatcher Government did not believe sanctions would force South Africa into implementation of UN Resolution 435 on Namibian independence.

During a meeting with Sir Geoffrey Howe, the Foreign Secretary, Mr Nujoma urged Britain to match the mood in the US Congress and in the UN Security Council and impose economic sanctions on South Africa.

Sir Geoffrey told him Britain was opposed to sanctions because it believed they would be ineffective.
'Ciskei totally against economic sanctions

President Ciskei in totally opposed to disinvestment and economic sanctions against South Africa, says President Lennox Sebe.

Speaking at the opening of the Ciskei and Belgium Trade Mission in Brussels, the statesman said measures which would only lead to massive unemployment in South Africa should be discouraged.

"We cannot allow the people of Ciskei to be used as a platform to promote a policy that will lead to their own economic ruin," he said.

In a resolution adopted in Johannesburg yesterday, the South African Council of Churches (SACC) expressed the belief that disinvestment and similar economic pressures are "now called for as a peaceful and effective means of putting pressure on the South African Government to bring about the fundamental changes this country needs.

This statement was proposed by Dr Allan Boesak, senior vice-president of the SACC, and was added to the original resolution dealing with the issue of disinvestment.

Meanwhile, the United States, New Jersey Governor Thomas Kean is to take immediate action on a $250 million worth of investment in companies active in South Africa.

In a resolution adopted in Johannesburg yesterday, the South African Council of Churches (SACC) expressed the belief that disinvestment and similar economic pressures are "now called for as a peaceful and effective means of putting pressure on the South African Government to bring about the fundamental changes this country needs.

The conference resolved to ask foreign churches to continue promoting economic pressure on South Africa, and to ask its member churches to withdraw economic participation in repressive systems and not invest in alternative economic systems such as cooperatives.

The state Assembly on Thursday voted 45 to 30 to accept a Senate amendment allowing three years for the process, which affects the pensions of 350,000 state employees.

State Assemblyman William Brown, the Bill's sponsor, has pledged that the pensioners will suffer no loss.

An amendment that would have allowed the pension funds to retain stocks in companies committed to the Sullivan principles was defeated.

The Bill needs the Governor's signature to become law.
**Western threats of any stronger forms of pressure, such as total disarmament or trade sanctions, are a bluff because they would do more harm to the West's economic and strategic interests than they would to South Africa and at the same time would probably curb the pace of reform.**

**Once the moral argument for sanctions — "How can you trade with a system you have branded as evil?" — has been worn out, the political arguments against sanctions it is difficult to make a case for economic disengagement.**

**The argument that by staying put in South Africa foreign business has more leverage to bring about change is gaining ground and is likely to lead to a more rigorous application of sanctions.**

**For US firms and the SEC code of conduct for Western banks, the Sullivan principles are not made mandatory in terms of pending US legislation.**

**South Africa is vulnerable**

In his letter to Sir Geoffrey, following the visit on Gaborone, Dr Owen insisted that a loan and investment freeze was neither "dismising nor disinvesting.**

**I believe South Africa is vulnerable to a carefully calculated strategy of economic sanctions, rather than what we cannot deliver nor re-fusing to take any action in the economic field.**

**With a rationale like this the Pretoria government could be foolish not to call Dr Owen's bluff.**

**That is why we are taking the implied paucity of selective sanctions if we impose sanctions which do not harm you, you will take seriously that we will consider more serious measures which will be counter-productive to us and you.**

**Sir Geoffrey had argued in his letter to Dr Owen:**

"For the matter of judgment whether a ban on new investments and new bank loans will force South Africa to finally withdraw from Namibia...**

**But, frankly, I doubt whether the SA government will respond in the way we wish.**

**Little new investment**

"We are determined not to have their affairs dictated to us by others and, given circumstances, their economy could probably adapt.**

**Moreover, there is very little new investment by British companies at present, and we cannot prevent companies re-investing.**

"I also do not believe that, once imposed, such measures will... now is surely not the time to mess this up, without those interests which give us influence, and perhaps weaken our positive foreign for change which we should be encouraging," the British Foreign Secretary said.

**Dr Owen, clearly, is not convinced and is pushing for a debate in the House of Commons on the desirability of a loan embargo — a position now supported by La-
Sanctions moves up

By Joshua Raboroko

Trade unions step up...
United Nations said to have prompted surveillance order

**By Neil Tursen, The Star Bureau**

**Diplomats & Report**

**FBI isSpying on SA**

Washington

South African diplomats in the United States are under surveillance, FBI according to a report today in a Washington newspaper.

But FBI headquarters and the US State Department have declined to say anything. Spokesmen for both agencies said they never commented on intelligence matters.

The South African Embassy in Washington and the SA mission in New York also had no comment, but it is understood that they are seeking to establish the accuracy of the report.

The Times reported that the FBI had added to its list of "sensitive contact list" sources known as "informed attaches" — among those who worked with Iranian agents in South Africa. The division's counterintelligence division has been looking into the activities of Iranian agents here for at least a year. The division has also been monitoring Iranian agents in various other countries. It is believed that the division was pursuing the case because of the perceived threat to national security.

The FBI has been investigating allegations of Iranian activities since at least 1984, when the division's counterintelligence division uncovered the activities of Iranian agents in the United States. Since then, the division has been monitoring Iranian agents in various other countries. It is believed that the division was pursuing the case because of the perceived threat to national security.

The FBI was originally called to investigate the activities of Iranian agents in the United States in 1984, when it uncovered the activities of Iranian agents in the United States. Since then, the division has been monitoring Iranian agents in various other countries. It is believed that the division was pursuing the case because of the perceived threat to national security.

The FBI was originally called to investigate the activities of Iranian agents in the United States in 1984, when it uncovered the activities of Iranian agents in the United States. Since then, the division has been monitoring Iranian agents in various other countries. It is believed that the division was pursuing the case because of the perceived threat to national security.
A church may step up calls for sanctions, says Bocak

2A

The Star Wednesday July 19


DETROIT — South African churches back sanctions.
Unions pledge strong support for sanctions

BY JOSHUA RABOROKO

THE International Confederation of Free Trade Unions has advocated for divestment to fight apartheid in South Africa.

In a strongly worded statement, the ICFTU called on its affiliates to step up their campaign against multinationals operating in South Africa.

Declaring itself "proud to be in the forefront of the campaign against apartheid", the ICFTU stressed that "the growth and strengthening of independent black trade union movement is the single most effective measure for the repressed majority in South Africa to gain freedom and justice and to abolish apartheid.

The call by the ICFTU has received tremendous support from local trade union leaders who have called on multinationals to "put their houses in order" in an attempt to avoid industrial action.

The disinvestment lobby is mounting overseas, especially in the United States and part of Europe where radical organisations and leaders have called on their governments to stop supporting the "apartheid regime" in South Africa.

The ICFTU calls on the governments to build up the following sanctions through administrative and legislative action:

• extension of arms embargo;
• ending of all measures to promote trade with South Africa;
• product-by-product steps to switch both import and export trade with South Africa;
• prevention of new investments in South Africa by multinationals;
• ending of all contracts for the expansion of the South African nuclear energy and oil-from-coal programmes;
• ending of all commercial operations by multinationals in the so-called "homelands" or "bantustans";
• ending bank loans to the South African State and publicly-owned companies and of new loans by the International Monetary Fund (IMF);
• punitive action against shippers, oil companies and traders breaking the oil embargo;
• a ban on the sale of Krugerrands and;
• a ban on purchases of South African coal.

A programme of compulsory divestment by multinationals operating, especially in the armaments, energy and high technology sectors in South Africa, including all those companies which have been identified by the independent trade unions should be seen as being in violation of internationally accepted standards of labour practice.

These measures should culminate in the adoption of mandatory United Nations sanctions to enforce the economic isolation of South Africa. For its part the ICFTU would:

• initiate campaigns on target companies, in support of the independent black trade union movement;
• undertake an information campaign with the ICFTU affiliates, concerned to discourage white emigration to South Africa;
• work with affiliates, particularly in the main trading and investment partners of South Africa, to press for firm Government commitment to an effective sanctions policy;
• initiate a vigorous campaign on governments to end political collaboration with the SA government;
• utilise the ICFTU SA Co-ordinating Committee to exchange information and to review, encourage and assist trade unions' action to implement the ICFTU's policy on South Africa.

A separate resolution has been adopted by the unions condemning "all collaboration with the South African regime serving in any way to strengthen or maintaining apartheid".

The resolution stresses that all so-called constructive engagement policies and political exchanges such as visits to heads of governments by South Africa's president constitute such collaboration, providing considerable support to the regime.

The unions also deplored the insensitive statement by the president of the US regarding the killing of innocent people at Uitenhage: It calls on the president to withdraw these remarks, and called on all governments to embark on a vigorous policy of constructive disengagement in line with the ICFTU proposals.
VATICAN CITY has been a major lender to South Africa between 1982 and 1984. It lent a total of $172m to the public sector and to the Johannesburg municipality.

Out of the total, SA Transport Services received $113,4m, the Department of Post and Telecommunications $38,5m, and Johannesburg $20m.

The loans were made through Banco di Roma per La Svizzera.

The loans by the Vatican City were documented in an extensive report on South African borrowing overseas by the anti-apartheid group End Loans to South Africa. No one at Vatican City was unavailable for comment.

The comments by the pressure group are partisan but statistics are comprehensive and well-documented.
US moves to tough sanctions

WASHINGTON. American pressure on South Africa to end apartheid looks set to intensify this week as Congress moves closer to tough sanctions.

The Republican-led Senate, in a debate starting today, is preparing legislation that would be a sharp rebuff to President Reagan's cautious approach to Pretoria's policies.

Barring last-minute hitches, the Senate action would send a strong signal to the South African Government that Congress wants reforms to the apartheid system.

"It is obvious that strong, punitive measures directed at the South African Government are necessary to stop the abhorrent treatment of the black majority," said Republican Senator Mitch McConnell of Kentucky.

Curbs

Recently, the Democrat-controlled House of Representatives overwhelmingly passed a bill for sanctions by 295 votes to 127. House members approved economic curbs last year, but Congress adjourned before Senate action and the measure died.

The measure that recently cleared the House is considered slightly stronger, and the plan before the Senate is seen as a tough bill.

The Senate bill won approval in the Senate Foreign Relations Committee by 16 votes to one. Both the House and Senate versions would prohibit new US bank loans to the South African Government, prevent sales of US computers and technology that South African military or police could use to enforce racial laws — and stop US nuclear technology exports.

Both bills would prevent US firms from making new investments or expanding their South African operations and would prohibit Krugerrand imports.

The House bill would apply these latter sanctions immediately unless South Africa quickly enacted reforms, ranging from letting black workers live near their families to allowing blacks to vote.

Under the Senate version, the new sanctions would not be imposed for 18 months to give South Africa time to make progress on reforms.

Once passed, the Senate version must be reconciled with the House-approved measure before a final bill can be sent to the White House.

The Reagan administration objects to both bills, contending that South Africa has made progress on lessening restructions and that sanctions would only hurt working blacks.

Filibuster

But in Congress the administration's longstanding policy of constructive engagement with Pretoria is viewed as having accomplished too little.

Senate Republican leader Mr Robert Dole of Kansas hopes the bill will be passed in the coming week. Although any senator can block the vote through lengthy debate or tabling multiple amendments, no threats of such a filibuster have been made.

Nevertheless, conservative Republican senators such as Mr Jesse Helms of North Carolina are expected to offer strong opposition — Sapa-Reuters
Sanctions would hit blacks hard

LONDON — Economic sanctions against South Africa could be counter-productive and hit black people very hard, Progressive Federal Party MP for Houghton, Mrs Helen Suzman, said here last night.

Pressure in the United States for trade sanctions had reached "tidal wave proportions ... but I believe them to be counter-productive," she said on the commercial TV Channel Four program, "Face the Press".

"I am not arguing the moral issue," Mrs Suzman said. "That's a decision people must take for themselves.

"But they must remember once they have gone, their influence — the influence they might have exerted on South Africa — has gone as well."

She said the black trade unions in South Africa realised sanctions could mean a permanent loss of jobs.

Mrs Suzman said that sports boycotts had been effective but South Africa had not been rewarded for the progress it had made on the desegregation of sport.

She predicted that unless the South African Government announced its intention to move further on reform there would be growing unrest.

Mrs Suzman said she was "very apprehensive" about the endemic unrest and believed it would not end until the Government moved to stop "the abandonment of forced removals."

Associated Press
The Star, Tuesday, July 9

Sanctions Bill presents problems for Thatch
Four face jail over arms deals

BIRMINGHAM.—Four British businessmen face prison sentences of up to two years at Birmingham Crown Court today for smuggling arms components to South Africa.

Two of the men, Derek Salt, 62, and Malcolm Bird, 52, were yesterday convicted by a jury. Three others have pleaded guilty to conspiracy charges.

After the verdict, the judge, Mr Justice Mars-Jones, ordered Salt, Bird, Michael Swann, 34, and Michael Gardiner, 36, to be held in custody overnight.

"To breach the international arms embargo is a matter of the utmost gravity that must be punished by an immediate prison sentence," he said.

He allowed the third man who pleaded guilty, Henry Coles, 72, to remain on bail and said he would not be sending him to prison.

Salt is the managing director of his own engineering company, D W Salt Engineering Bird is managing director of a company called Hitech Engineering.

In their defence, both men said they had not known that the parts they were sending to South Africa were for arms production.

The prosecution said the equipment was sent to "front companies" in South Africa used by the government to obtain components in breach of the embargo.
Sanctions debate today

The Star Bureau

LONDON - New British investment in South Africa has grown by over 600 percent to R769.5 million a year, since Mrs Margaret Thatcher came to power.

And the Tory Government has funded 55 trade missions to South Africa - at a cost of R1.7 million.

The figures were disclosed by Labour Party MPs Mr Donald Anderson and Mr Richard Caborn when they unveiled the Labour Party's Bill to impose sanctions on South Africa, which will be debated in the Commons today.

They said that although the previous Labour Government had not imposed sanctions, it had discouraged trade with South Africa.

Prior to Labour being unseated, new investment in South Africa was only R125 million a year.

The Bill, which will probably be defeated if put to the vote in the Commons, allows for a wide range of sanctions.
Washington — The clash in the House over economic sanctions bill continues, with House Republicans accused of racism and blind support for sanctions.

By Neil Munro, The StarTelegram

Right-wingers Republicans are accused of racism as they try to stall debate in US Senate.

"Strongly suspect that the dirty undercurrent that the dirty surface age the issue is racism is rising."

- Senator C.
Sanctions: vote on ‘block’

WASHINGTON — The clash among United States senators over economic sanctions against South Africa continued behind closed doors yesterday with both supporters and opponents claiming things were going their way.

The immediate battle is over a threat by conservative Republican Senator Jesse Helms of North Carolina to “filibuster” the Bill — talk non-stop to prevent it from going to the vote.

The Senate is expected to vote on the filibuster today, and indications are that most senators will agree to limit Senator Helms’ speaking time.

This will clear the way for debate on the Bill.

Most analysts here predict that the Senate will decide in favour of sanctions and that President Reagan will be asked to sign into law a compromise version of measures approved by the Senate and the House of Representatives.

Complicating further the complex political fight is the expected addition of amendments to toughen the already tough Bill.

Two amendments were filed yesterday by Republican Senator Bill Roth. One is the long-threatened attempt to prohibit SAA aircraft landing in the US. The second is a “pre-emptive” clause which attempts to stop individual states from divesting funds from US companies doing business with South Africa.

A spokesman for Senator Roth has denied that the two amendments are a contradiction in that one seeks to punish South Africa by restricting its official airline, and the other seeks to stop divestment.

“There’s no contradiction,” said the Roth spokesman said. “He wants to send a signal to South Africa that apartheid is unacceptable — and do that with the SAA ban. But he does not favour divestment of US companies.”
Bitter Dispute Over Anti-SA Bill

Senator Cashion

Senator Cashion, the surface again to the dirty suspect I strongly suspect that the dirty suspect are accused of racism as they try to stall debate in US Senate.

Bitter Dispute Over Anti-SA Bill

Senator Cashion's vote on the floor of the Senate.

Senator Cashion, a Radical

Senator Cashion, a radical, was accused of racism during the debate over the Anti-SA Bill in the US Senate.

By Neil Larson, The Star-Banner

The clash in the US Senate over racism.

The Associated Press

The Associated Press reported on the clash in the US Senate over racism.

The New York Times


The Washington Post

The Washington Post reported on the clash in the US Senate over racism.

The Los Angeles Times

The Los Angeles Times covered the clash in the US Senate over racism.

The Chicago Tribune

The Chicago Tribune reported on the clash in the US Senate over racism.

The Boston Globe

The Boston Globe covered the clash in the US Senate over racism.

The Miami Herald

The Miami Herald reported on the clash in the US Senate over racism.

The Atlanta Journal-Constitution

The Atlanta Journal-Constitution covered the clash in the US Senate over racism.

The San Francisco Chronicle

The San Francisco Chronicle reported on the clash in the US Senate over racism.

The Charlotte Observer

The Charlotte Observer covered the clash in the US Senate over racism.

The Houston Chronicle

The Houston Chronicle reported on the clash in the US Senate over racism.

The Arizona Republic

The Arizona Republic covered the clash in the US Senate over racism.

The Cincinnati Enquirer

The Cincinnati Enquirer reported on the clash in the US Senate over racism.

The Dallas Morning News

The Dallas Morning News covered the clash in the US Senate over racism.

The Denver Post

The Denver Post reported on the clash in the US Senate over racism.

The Seattle Times

The Seattle Times covered the clash in the US Senate over racism.

The Philadelphia Inquirer

The Philadelphia Inquirer reported on the clash in the US Senate over racism.

The St. Louis Post-Dispatch

The St. Louis Post-Dispatch covered the clash in the US Senate over racism.

The Des Moines Register

The Des Moines Register reported on the clash in the US Senate over racism.

The Portland Oregonian

The Portland Oregonian covered the clash in the US Senate over racism.

The Arizona Daily Star

The Arizona Daily Star reported on the clash in the US Senate over racism.

The Hartford Courant

The Hartford Courant covered the clash in the US Senate over racism.

The Providence Journal

The Providence Journal reported on the clash in the US Senate over racism.

The Louisville Times

The Louisville Times covered the clash in the US Senate over racism.

The St. Louis Post Dispatch

The St. Louis Post Dispatch reported on the clash in the US Senate over racism.

The Cincinnati Enquirer

The Cincinnati Enquirer covered the clash in the US Senate over racism.

The Dallas Morning News

The Dallas Morning News reported on the clash in the US Senate over racism.

The Denver Post

The Denver Post covered the clash in the US Senate over racism.

The Seattle Times

The Seattle Times reported on the clash in the US Senate over racism.

The Philadelphia Inquirer

The Philadelphia Inquirer covered the clash in the US Senate over racism.

The St. Louis Post-Dispatch

The St. Louis Post-Dispatch reported on the clash in the US Senate over racism.

The Portland Oregonian

The Portland Oregonian covered the clash in the US Senate over racism.

The Arizona Daily Star

The Arizona Daily Star reported on the clash in the US Senate over racism.

The Hartford Courant

The Hartford Courant covered the clash in the US Senate over racism.

The Providence Journal

The Providence Journal reported on the clash in the US Senate over racism.

The Louisville Times

The Louisville Times covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch covered the clash in the US Senate over racism.

The Columbus Dispatch

The Columbus Dispatch reported on the clash in the US Senate over raci
WASHINGTON — The Senate over the weekend approved a bill that would impose economic sanctions against South Africa. The measure, which is opposed by some Democrats, was passed by a vote of 67-32.

The bill, which was introduced by Sen. Alfonse D'Amato, R-N.Y., would ban new investment in South Africa and cut off American aid to the country. The bill also provides for the possibility of further sanctions if South Africa does not make progress toward a democratic government.

Sen. Robert Dole, R-Kan., the Senate majority leader, said that the bill was a necessary response to South Africa's failure to make the political reforms that are needed for peace and stability in the region.

The bill now goes to the House, where it is expected to face similar opposition. However, D'Amato said that he was confident that the bill would eventually pass.

The bill was introduced in response to the continued violations of human rights in South Africa, D'Amato said. He said that the bill was a way to hold South Africa accountable for its actions.

The bill was opposed by Sen. Edward Kennedy, D-Mass., who said that the bill was a mistake and that it would be counterproductive.

Kennedy said that the bill would not help to bring about political change in South Africa, and that it would only make things worse.

The bill was supported by a number of other senators, including Sen. Richard Lugar, R-Ind., who said that the bill was necessary to send a message to South Africa that the world was watching.

Lugar said that the bill was a necessary step to help bring about a democratic government in South Africa.
Sanctions bill in Commons

Own Correspondent

LONDON. — A private member’s bill embracing a wide-ranging package of sanctions against South Africa passed its first reading in the House of Commons yesterday.

The bill was opposed by a pro-South African Tory right-winger, Mr John Carlisle, but the government could not muster enough votes to win a division and opted not to turn out a “payroll vote”.

The bill was, therefore, passed “on the nod” and a date set for the second reading on October 25.

The South Africa Sanctions Bill was introduced by Labour MP Mr Richard Caborn, who called on the British Government to prevent Britain become totally isolated in the international community.

Before the debate Dr David Owen, leader of Britain’s centrist SDP/Liberal Alliance, gave his backing to the private member’s bill.

Dr Owen’s move coincided with the first cracks in the 50-nation Commonwealth when the British Government dissented at a meeting of its Southern Africa Committee on Tuesday on Commonwealth support for a UN Security Council resolution threatening economic sanctions if South Africa continued to “block” SWA/Namibian independence.

The Commonwealth decision follows an extensive sanctions package announced by the Canadian Government earlier this week and recent moves by Australia, France, New Zealand and the Nordic countries to tighten the economic screw on South Africa.
All Black row shuts down VW

PORT ELIZABETH — The row over the loan of 12 VW minibuses for the All Black rugby tour to South Africa led to the shut-down of the Volkswagen plant at Uitenhage yesterday.

Production ground to a halt after more than 3,500 workers downed tools in protest against the company’s marketing plan to lend the vehicles to the South African Rugby Board for the coming tour.

A company spokesman said he could not say whether VW might change its mind over the loan of the minibuses, adding that he could not say when the plant would reopen.

The regional secretary of Naawu, Mr Les Kettle- das, said: “The union is opposed to international links which do not further the interest of oppressed people in South Africa.

“Our members at Volkswagen are protesting the building of buses for the pleasure of the privileged minority while the townships burn.”

According to Mr Kettledas, union shop stewards were mandated by the workers to forward a request to the company not to lend the buses.

“This request was refused by the company and the workers hearing this stopped work,” Mr Kettledas said.

The VW spokesman said yesterday that the matter was being discussed with union officials. The outcome of the meeting was not known last night.

He added that the loan was a marketing promotion to boost sales in a depressed market and thus safeguard jobs.

He stressed that the vehicles were on loan and not a gift and would be sold after the tour, which starts later this month.

He said: “Workers became unhappy when they saw the vehicles painted in the green and black team colours, and mistakenly believed Volkswagen was giving the vehicles away.”

About 6,000 people are employed at Volkswagen, but although another 2,500 salaried and non-union workers remained at the plant yesterday it was closed as further production would not be economic, the spokesman said.
Sanctions debate continues
WASHINGTON — The clash among United States senators over economic sanctions against South Africa continued behind closed doors here with both sides, supporters and opponents, claiming things were going their way.

The immediate battle is over a threat by conservative Republican Senate Majority Leader Bob Dole of North Carolina to " filibuster" the sanctions bill in the Senate, stop to prevent it from going to the vote. 11/7/85

SOWETAN Foreign Service
sanctions

Worse battle
not Republicans

WASHINGTON —...
Senate backs anti-SA package

WASHINGTON — In the toughest action it has taken against the South African Government, the United States Senate last night voted 80-12 for an anti-apartheid Bill which includes economic sanctions and financial incentives for blacks.

The vote, which came a month after the House of Representatives approved a much tougher sanctions package, is an indication of impatience in Congress with President Reagan’s policy of constructive engagement.

Congress-imposed sanctions face two more hurdles before they can become law: the first is a conference to iron out differences in the separate Senate and House measures; the second is getting President Reagan to sign them into law.

Analysts say President Reagan will probably be reluctant to exercise a veto because of the extensive Republican support for the sanctions in both chambers.

The Senate vote came after a day of sometimes heated debate, during which conservative Republicans introduced an amendment to weaken the Bill — notably to impose similar sanctions on communist countries. All failed.

However, the conservatives did succeed in getting a compromise deal, in which proposed amendments to ban Krugerrand sales in the US, and prohibit SAA flights from the US, were dropped.

But one amendment accepted authorizes the use of US dollars to mint its own gold coins to compete with Krugerrands.

The Bill contains several punitive sanctions, including a ban on new US bank loans to the South African Government, a ban on US computer sales to security forces and agencies enforcing apartheid, and a prohibition on nuclear trade and co-operation.

In an effort to improve the life of South African blacks, it earmarks R30 million to enable them to attend universities and schools.

The Star’s Political Staff report that in Cape Town today Foreign Minister Mr Pik Botha said he hoped “good sense will prevail” and the legislation giving effect to the disinvestment campaign dropped. “I simply cannot accept that the majority of Americans agree with this punitive action,” he said.
WASHINGTON — In the toughest action it has taken against the South African Government, the United States Senate last night voted 86-12 for an anti-apartheid Bill which includes economic sanctions and financial incentives for blacks.

The vote, which comes a month after the House of Representatives approved a much tougher sanctions package, is an indication of impatience in Congress with President Reagan's policy of constructive engagement.

Congress-imposed sanctions face two more hurdles before they can become law: the first is a conference to iron out differences in the separate Senate and House measures, the second is getting President Reagan to sign them into law.

Analysts say President Reagan will probably be reluctant to exercise a veto because of the extensive Republican support for the sanctions in both chambers.

The Senate vote came after a day of sometimes heated debate during which conservative Republicans introduced amendment after amendment to weaken the Bill—notably to impose similar sanctions on communist countries. All failed.

However, the conservatives did succeed in getting a compromise deal in which proposed amendments to ban Krugerrand sales in the US, and prohibit SAA from the US, were dropped.

But one amendment accepted, authorises the US to mint its own gold coins to compete with Krugerrands.

The Bill contains several punitive sanctions, including a ban on new US bank loans to the South African Government, a ban on US computer sales to security forces and agencies enforcing apartheid, and a prohibition on nuclear trade and co-operation.

In an effort to improve the life of South African blacks, it earmarks R50 million to enable them to attend universities and schools. The Star's Political Staff report that in Cape Town today Foreign Minister Mr Pik Botha said he hoped "good sense will prevail" and that legislation giving effect to the disinvestment campaign dropped "I simply cannot accept that the majority of Americans agree with this punitive action," he said.
World leaders may ban oil shipments to SA

HOMBORSUND (Norway) — World conservative leaders are expected to discuss the possibility of banning all oil transport to South Africa when they meet in Washington later this month, according to the Norwegian Prime Minister, Mr. Kaare Willoch.

Mr. Willoch, interviewed at his south coast summer cabin yesterday, also said he expected the leaders to review other possible measures for bringing pressure on South Africa for a peaceful solution to the country's problems.

At least eight heads of government will be among 25 conservative party leaders attending a conference of the International Democratic Union in Washington on July 25 and 26.

Mr. Willoch made clear, however, that there would be no question of any unilateral Norwegian action aimed at changing Pretoria's apartheid policies.

"Unless there is a concerted international action, a Norwegian ban would be a waste of effort," he said, adding that unless all co-operated other shipping nations would move in and take over the market share.

Mr. Willoch's centre-right government is under strong pressure to take action against shipping and trade with SA.

The former Labour Foreign Minister, Mr. Knud Frydenlynd, yesterday called for blacklisting of all Norwegian tankers transporting crude oil to South Africa.

The Norwegian Federation of Trade Unions, meanwhile, has campaigned for an all-out boycott of South Africa, saying Norwegian companies suffering financially should be reimbursed from a public fund.
WASHINGTON — The White House said yesterday that the limited sanctions the Republican-controlled Senate was calling for against South Africa were 'the wrong way' to hasten an end to apartheid laws.

'We continue to believe that sanctions against South Africa are the wrong way to bring about changes that we all desire to see there,' presidential spokesman Larry Speakes said in commenting on the 60-12 vote yesterday by which the Senate joined the opposition Democratic-led House of Representatives in approving sanctions.

Mr. Speakes said the Administration would continue to pursue its policy of constructive engagement which encourages United States companies to do business in South Africa while seeking changes in the country's racial laws, because 'it is the only chance for the U.S. to have influence in the region.'

He said the Administration applauded the provisions in the Bill which recognized 'the role of the U.S. in promoting change in South Africa' and which commend U.S. companies for the efforts in supporting change away from apartheid.

The Administration also 'welcomes the fact that many of the more extreme sanctions being discussed were not adopted.'

Against

But the Administration was against other provisions of the Bill, such as those designed to discourage investment in South Africa by United States companies.

During debate on the Bill, Democratic Sen. Edward Kennedy said: 'No group has a right in any country to be a master race.'

The Mercury's Transvaal News Bureau reports that Foreign Minister Pi. Botha said yesterday he could not accept that the majority of Americans supported the United States Senate's 'punitive' action in supporting sanctions against South Africa.

Hope

In a statement yesterday, Mr. Botha said it would be 'premature' to comment because the Senate vote was essentially 'a further part of the lengthy and complex American legislative process.'

'We would hope, nonetheless, that good sense will prevail in the time still available and that the ongoing debate on this issue will serve to better inform U.S. legislators of the mutually disadvantageous consequences which their actions could bring about.

'I simply cannot accept that the majority of Americans support this punitive action.'

Dr. Beyers Naude, general secretary of the South African Council of Churches, said he hoped the vote would 'cause the Government to realize the abhorrence of the apartheid system' — (Sapa-AP)
World bid to ban oil trade with S A

HOMBORSUND—World conservative leaders are expected to discuss the possibility of banning all oil transport to South Africa when they meet in Washington later this month, says the Norwegian Prime Minister, Mr Kaare Willoch.

Mr Willoch also said he expected the leaders to review other possible measures for bringing pressure on South Africa for a peaceful-change solution to the country's problems.

At least eight heads of government will be among 25 conservative party leaders attending a conference of the International Democratic Union in Washington on July 25 and 26.

Mr Willoch made clear, however, that there would be no question of any unilateral Norwegian action aimed at changing Pretoria's apartheid policies.

Mr Willoch's centre-right government is under strong pressure to take action against shipping and trade with South Africa.

The Norwegian Federation of Trade Unions, meanwhile, has campaigned for an all-out boycott of South Africa, saying Norwegian companies suffering financially should be reimbursed from a public fund.—(Sapa-Reuter)
Anglican chaplains 'not' barred from operational area

Own Correspondent
MARITZBURG. — In a dramatic turn of events yesterday the provincial synod of the Church of the Province of Southern Africa reversed its previous decision to effectively bar military chaplains from the operational area.

Up until Wednesday night it had seemed a foregone conclusion that the synod would pass the measure at the third reading.

But it is understood that considerable lobbying took place on Thursday in the wake of a white backlash which threatened to create a widening rift between black and white in the church and threaten its financial stability.

Speaking at the third reading at the last session of the synod yesterday morning, the Rev John Davies of Bloemfontein said he was able to defend everything the synod had done except the effectively bar the military chaplains. If this was implemented, he said, it would mean discrimination against Anglicans who were in the army as they would not be ministered to.

"Let's not punish our young Anglicans," he said.

Mr Ian Farlam of Cape Town said the effect of the move would be that conscripts would not receive the church's ministrations.

Voting by houses — Latty, Clergy and Bishops separately, and it has to be approved by all three — the motion was defeated in the house of lattys by 35 votes to 17.

Further evidence of white anger at political decisions taken at the triennial synod emerged yesterday when several posters were put up in the foyer outside the hall at the University of Natal, where the synod is meeting.

Under the heading, "What a Load of Rubbish", the poster displayed a picture of the Archbishop of Cape Town, the Most Rev Philip Russell, and the bishops of Natal and Johannesburg, Michael Nuttall and Desmond Tutu, under which was written: "Save Our Church From The Bishop's Group!"

Small multi-coloured silk-screened banners were also displayed saying: "God Save Our Church".

Members of the lattys yesterday voted against the ordination of women to the priesthood.

Delegates decided to request Archbishop Russell to set up a commission to consider the theological and practical implications of ordaining women to the priesthood.

The voting in opposition to the ordination of women was close, with 22 in favour of the principle and 30 against.

An amendment to a resolution calling for the release of Nelson Mandela and other life-sentence prisoners in Pollsmoor prison and on Robben Island was actually approved by a small majority of the synod.

The Rev Sydney Luckett of Cape Town, who moved the amendment, explained that although 58 delegates had voted in favour of the move and 52 against, it was a controversial measure which required the approval of a two-thirds majority. The amendment, therefore, was unsuccessful.

Yesterday the Cape Times reported that the vote had been 52 in favour of the amendment and 68 against.
European MPs call for SA sanctions

The Star's Foreign News Service

BRUSSELS — Labour Euro MPs have called for EEC sanctions against South Africa following the US Senate 80-12 vote to act against Pretoria.

Mr Alf Lomas, the new left-wing leader of the 32-strong Euro Labour Group and Euro MP for London North East, urged an end to EEC trading and cultural links with South Africa, and a ban on investment.

Labour Group Secretary, Mr Janey Buchan, MEP for Glasgow, wrote to Common Market Commission President Mr Jacques Delors seeking an early announcement of EEC action.

Mr Lomas said: "Sanctions are the only way to make the South African Government change. We have to hit them where it hurts."

"After the US decision it is essential for speedy EEC action. We could be left dragging our feet behind the Americans."

"The Conservatives will oppose sanctions on the pretext that they will hurt black South Africans. But that is a cop-out."

"All the evidence shows black South Africans are overwhelmingly in favour of sanctions because their conditions cannot be made worse."
Political in-fighting could delay the passage of sanctions

WASHINGTON — A clash is building up between the United States Senate and the House of Representatives over economic sanctions against South Africa.

The dispute may result in political in-fighting that could turn as bitter as the recent debates in Congress over apartheid — and it is almost certain to delay the passage of a sanctions bill.

Both congressional chambers have approved sanctions packages with the House version considerably tougher than that of the Senate.

The two versions have to be reconciled at a Senate-House conference and then ratified by both chambers before a sanctions bill can be sent to the President for signing into US law.

But now there are strong indications that neither side is willing to budge on the sanctions it has chosen to punish South Africa for its race laws.

Also playing a role behind the scenes are officials of the Reagan Administration, who are making a last-ditch stand to hold off or water down the sanctions.

The Senate has already informed the House that the sanctions package it approved last Thursday, the Lugar-Dole Bill, is its final word.

Liberal Democrats in the House will attend a special meeting in Washington today to plot their strategy against the Senate pressure.

Among the sanctions contained in the Gray Bill approved by the House are bans on new American investments in South Africa and on Kruger-
OAU in sanctions call

ADDIS ABABA - The convening of a world conference on sanctions against South Africa, in collaboration with the Non-Aligned Movement and the United Nations, has been proposed by the Organisation of African Unity Foreign Ministers.

At the end of preparatory meetings for the summit today, the Ministers said the conference should be held next June to coincide with the 10th anniversary of the Soweto riots.

They also called on the UN African group to step up the campaign for the total isolation of South Africa and condemned the Reagan administration's policy of constructive engagement.

See Page 17.
A CLASH is building up between the United States Senate and the House of Representatives over economic sanctions against South Africa.

The dispute could result in political infighting that could turn as bitter as the recent debates in the Congress over apartheid — and it is almost certain to delay the passage of the sanctions.

Both congressional chambers have approved sanctions packages with the House version considerably tougher than that of the Senate.

The two versions have to be reconciled at a Senate-House conference and then ratified by both chambers before a sanctions bill can be sent to the president for signing into United States law.

Punish

But now there are strong indications that neither side is willing to back down on the sanctions it has chosen to punish South Africa for its race laws.

Also playing a role behind the scenes are officials of the Reagan Administration who are making a last-ditch stand to hold off or water down the sanctions.

The Senate has already informed the House that the sanctions package it approved last Thursday, the Lugar-Dole Bill, is its final word on the subject and that it expects the House to approve it as the one and only measure.

A House source said today: "I don't think there is any chance that we are going to accept that."

Liberal Democrats in the House are to attend a special meeting in Washington to plot a strategy against the Senate pressure.

Among the sanctions contained in the Gray Bill approved by the House are bans on new American investments in South Africa and on Krugerrand sales here.

Neither measure is included in the Senate Bill, the strongest measures of which are bans on new bank loans to the South African Government and restrictions on nuclear technology and computer exports.

Leaders of the sanctions campaign in the House, notably congressmen Bill Gray of Pennsylvania, Stephen Solarz of New York and Howard Wolpe of Michigan are especially anxious to include the ban on new investments in the final bill.

They argue that it is a moderate measure, will not remove existing jobs for blacks and will be an effective signal to the South African Government in the midst of otherwise soft sanctions.

Disinvestment

Senators who approved sanctions last week but who do not want to harm South Africa's economy unduly contend that such a measure will open the door to disinvestment, will be unfair to US companies and will harm South Africa's blacks.

The Senate has indicated that it is not willing to meet House representatives in conference on the sanctions.

According to sources here, the House may retaliate by attaching the Gray Bill as an amendment to an unrelated bill that the administration needs to carry out its duties.

Typically, this would be an appropriations bill of which there are still many that have to be approved for the 1986 financial year.

Such a move would force the Senate to meet on the House bill. "There are other political pressures we can apply," one source said — though he did not spell them out.

Squabble

One result of the political squabble is that the South African sanctions measure may not be ready to be sent to the President before the Congress enters a month-long recess on August 3.

If a Senate-House conference does take place on South African sanctions, it is likely to be a lively gathering.

Analysts here predict that the conference will include such disparate forces as Republican Senator Jesse Helms, spokesman for the rightwing in the Senate, and liberal Democratic Congressman Howard Wolpe who has waged a fierce battle against US ties with the South African Government throughout his term in the House.
Move against disinvestment

By Neil Largen, The Star Bureau

WASHINGTON — Disinvestment moves against South Africa by American states and cities and other local authorities involving billions of dollars may soon be declared illegal.

Republicans in the United States Senate — including senators Mitch McConnell and Richard Lugar who were behind the recently-approved sanctions Bill — have asked the US Congress to take this step because, they say, the many individual disinvestment actions interfere improperly with the United States' foreign policy function.

The two senators have cited a US Supreme Court ruling and a study by the American Law Division of the Library of Congress to back their request.

If their effort succeeds as expected, it will be a major blow against the widespread disinvestment campaign here.

The two sanctions Bills are

Another UK Bill seeks sanctions against SA

LONDON — For the second time in a week, Parliament has endorsed backbench moves for sanctions against South Africa.

But both the United Nations Namibia Bill, given a formal reading in the House of Lords yesterday, and the Sanctions Against South Africa Bill introduced in the Commons last week by Mr Richard Caborn, a Labour MP, have little chance of becoming law.

Their introduction into Parliament is a Labourploy to increase pressure on the Tories to introduce sanctions. Both will be dropped by the Thatcher Government at the end of this session.

Now Lord Hatch, who introduced the Bill into the Lords, and Mr Caborn will try to reintroduce them in October — to coincide with the next Commonwealth heads of government meeting.

Anti-apartheid campaigners say the Lords move has two benefits — there is no limit on the length of debate, and proceedings are televised.

"When Mrs Thatcher stands up and says Britain is against sanctions, we will make sure all the Commonwealth members have copies of our Bill," Lord Hatch said.

Anti-apartheid groups claim many Conservative MPs favour sanctions and did not attend the debate to avoid voting against them.
Bill to implement SA sanctions

LONDON — A second Bill to impose sanctions against South Africa has been introduced in the British Parliament, this time in The House of Lords.

Labour Peer Lord Hatch brought in the Bill, which was given its first reading on Wednesday.

Its aims are similar to those in a House of Commons Bill sponsored by Labour MPs which was given its first reading last week.

Neither Bill has any chance of becoming law, and both will automatically lapse when the Houses go into summer recess.

The object of introducing the Bills is to allow debate on the British Government's anti-sanctions policy. To achieve this, the sponsors will have to reintroduce both Bills when the Houses begin a new session and try to get them through to second reading stages.

The bills are designed to give the Foreign Secretary a free hand in imposing trade, travel and currency restrictions against South Africa unless SWA/Namibia is granted independence under the United Nations plan.

The Commons Bill contains a mandatory paragraph seeking the immediate imposition of an oil embargo.

Lord Hatch said after his Bill was introduced: "We both want to get second reading debates in both houses in October to coincide with the Commonwealth Conference in the Bahamas. When (British Prime Minister, Mrs Thatcher) stands up and says Britain is against sanctions, we will make sure all the Commonwealth members have got copies of our Bills." — Sapa.

SA man in R700-m probe

LONDON — Charges of fraud have been levelled at a South African-born businessman — as the British Government announced that police were investigating the R700 million Johnson Matthey Bank crash.

Labour Mr Brian Sedgemore used parliamentary privilege against prosecution to claim that Michael Hepker, a 44-year-old South African and chairman of Sunne Clothes, a Leeds-based dresswear group, had led Bank of England auditors "up the garden path".

Mr Sedgemore's allegations related to a R4-million loan he alleged JMB had given Mr Hepker — Sowetan Foreign Service.
US Congress in clash over SA sanctions Bill

By Neil Lurssen
The Star Bureau

WASHINGTON — The United States House of Representatives has rejected a US Senate demand that the Senate's milder version of economic sanctions against South Africa be sent to President Reagan for signing into law.

This means the sanctions issue — one of the most emotional to be debated in the two chambers this year — is unlikely to be settled before the Congress begins a month-long recess early in August.

If the differences turn into a stalemate with neither side willing to budge, they could leave sanctions on the shelf this year.

But congressional sources say with feelings about South Africa aroused in the US and Congress eager to do something about it, a compromise will eventually be hammered out.

Senator Bill will be sent to the President in September. This week, however, neither side showed signs of giving way.

At issue is the severity of the punitive measures to be applied against South Africa.

The two chambers have passed different sanctions Bills.

The Senate sanctions are relatively moderate, calling for an end to US bank loans to the SA Government, restrictions on nuclear and computer trade, and adherence to the Sullivan Code.

The Senate Bill also seeks to help blacks with financial and educational grants and loans worth more than R30 million.

The House Bill is tougher. It bans new US investment in South Africa and Krugerrand sales in the US.

When the Senate approved its Bill last week, it sent a message to the House indicating it would go no further with sanctions and the House should scrap its own Bill, approved in June, and accept the Senate one.

"There will be no conference between the two chambers," a Senate source said. "They will have to accept our Bill."

But the House has sent a message back that it has no intention of doing what the Senate wants it to do.

It did this by appointing a number of congressmen, known here as "conferers", to hold a compromise conference with an equivalent number of senators on the sanctions.

The Senate has appointed no conference and a well-connected Senate source pointed out that it had not promised to do so.

The source added that this could result in a stalemate for the rest of the session.
LONDON—A second Bill to impose sanctions against South Africa has been introduced in Parliament here, this time in the House of Lords.

Labour peer Lord Hatch brought in the Bill, which was given its first reading yesterday.

Its aims are similar to those of a House of Commons Bill sponsored by Labour MPs, which was given its first reading last week.

Neither Bill has any chance of becoming law, and both will automatically lapse when Parliament goes into summer recess.

The object of introducing the Bills is to allow debate on the British Government's anti-sanctions policy. To achieve this, the sponsors will have to reintroduce both Bills when Parliament begins a new session and try to get them through to second reading stages.

The Bills are designed to give the Foreign Secretary a free hand in imposing trade, travel and currency restrictions against South Africa unless South West Africa is granted independence under the United Nations plan.

The Commons Bill contains a mandatory paragraph seeking the immediate imposition of an oil embargo. — (Sapa)
WASHINGTON.—The United States House of Representatives has rejected a US Senate demand that the Senate’s milder version of economic sanctions against South Africa be sent to President Reagan for signing into law.

This means the sanctions issue is unlikely to be settled before the Congress starts a month-long recess in August.

If the differences turn into a stalemate with neither side willing to budge, it could leave sanctions on the shelf this year.

But congressional sources say that with feelings about South Africa aroused in the US and the Congress eager to do something about it, a compromise will eventually be hammered out. They predict a sanctions bill will be sent to the president in September.

Punitive measures

This week, however, neither side shows signs of giving way. At issue is the severity of the punitive measures to be applied against South Africa. The two chambers have passed different bills.

The Senate sanctions are relatively moderate, calling for an end to US bank loans to the South African Government, restrictions on nuclear and computer trade, and adherence to the Sullivan code.

The Senate bill also seeks to help blacks with financial and educational grants and loans worth more than Rs30-million.

The House Bill is tougher. It wants bans on new US investment in South Africa and on Krugerrand sales in the US.

Scrap its Bill

When the Senate approved its Bill last week, it sent a message to the House indicating it would go no farther with sanctions and that the House should scrap its Bill and accept the Senate one.

But the House has sent a message back that it has no intention of doing so. It has appointed a number of congressmen, known here as conferees, to hold a compromise conference with an equivalent number of senators on the sanctions.

The Senate has appointed no conferees.

The source said the dispute could result in a stalemate for the rest of the session.
AAP draws up a "hit list" of companies with SA links

SYDNEY—A group named Australians Against Apartheid (AAP) has committed itself to preparing a "hit list" of companies trading with SA.

Based in Victoria only, AAP has begun to compile a list of the 40 to 50 Australian companies with shareholdings or subsidiaries in South Africa. It says it will pay particular attention to companies that exploit cheap black labour.

"By freezing out these companies, we will make them consider seriously their investment in South Africa," said spokesman Mr. Graeme Orr.

Mr. Harold Murphy, chairman of the Australia South Africa Association (which represents the interests of Australian companies trading with SA) said Australian companies contributed significantly towards the employment of black workers.
LONDON – A top British financial journalist has warned that sanctions against South Africa would mean hunger and real poverty for the poorest blacks.

Andrew Alexander of the *Daily Mail* says British progressives are backing two causes simultaneously — rescuing Africans from hunger in Ethiopia and bringing hunger to them in South Africa.

"For that is what the sanctions against South Africa campaign means. It is not intended to be a series of mere pinpricks. It is intended to hurt. And those who would be really hurt would not be the whites but the poorest blacks. It is humbug to pretend otherwise."

Alexander says the campaign strategy is to starve South Africa first of capital, and then of export markets and imports, resulting in huge labour lay-offs. Hunger and poverty would soon follow.

"As the situation worsened, what would the sanctions enthusiasts do? Would Senator Kennedy, the sanctimonious hero of Chappaquiddick, declare a victory because black South Africans were starving? Would Neil Kinnock grieve himself on the rising tide of unemployment and poverty in South Africa?"

**WEAPON OF STARVATION**

A total jobless figure would be hard to predict. But American firms alone employ about 150,000, so, with dependants, about 750,000 people would be affected by US withdrawal.

"Sanctions campaigners usually excuse their plan by saying blacks want sanctions. It is true that a number of the fat cats in South Africa's black political movement do favour sanctions — they would not suffer, and anyway, they have their eyes on the big houses, limousines and backhanders they reckon they would get if they could overturn white rule."

"The horrors of Ethiopia stem in part from the appalling President Mengistu using starvation as a weapon against the rebels. The West's liberals seem ready to echo that policy in Southern Africa."

"It would be hard to sum it up better than the US journalist who asked Mondale if it was his policy to starve the blacks until the whites surrendered."
Rifkind, Huddleston in dispute

LONDON — Bishop Trevor Huddleston, president of the Anti-Apartheid Movement, and Mr. Malcolm Rifkind, Minister of State at the Foreign Office with responsibility for Southern African affairs, have become involved in a slanging match.

Bishop Huddleston, accompanied by Mr. Bob Hughes, a Labour Party MP and chairman of the AAM, and Mr. Mike Terry, its secretary, spent an hour with Mr. Rifkind.

They had gone to ask that Britain impose immediate mandatory sanctions on South Africa, recall her ambassador from Pretoria and have talks with the African National Congress.

"I'm afraid we got nowhere," Bishop Huddleston told journalists after the meeting. "The discussion was heated."

Mr. Rifkind refused to shake hands with Bishop Huddleston when the meeting ended. — The Star Bureau.

Kinnock calls for action against SA

The Star's Foreign News Service

DAR ES SALAAM — British Opposition leader Mr. Neil Kinnock, who is visiting Tanzania, has called for the immediate imposition of United Nations mandatory sanctions against South Africa.

Mr. Kinnock told 120 students at Dar es Salaam University that a future Labour Government would make a complete break with South Africa.

"They just postpone it for a short time and drench it with a lot more blood."

He said sanctions must be imposed and enforced against South Africa.

"If the present British Government does not have the moral conviction and the material commonsense to take the required action, the Labour Government elected at the next election will take that action."

"We will isolate apartheid South Africa and promote effective action to hasten liberation."

Mr. Kinnock said the policy of constructive engagement advocated by President Reagan had not achieved and would not achieve, change.

emergency — it needs a state of change," he said.

"No panic measures can hide the reality that change is coming to South Africa. It is inevitable. Emergency powers, arrests, penalties don't alter that certainty."

"What South Africa needs is not a state of
UK Govt reacts to SA moves

Own Correspondent
LONDON — The British Foreign Minister, Sir Geoffrey Howe, outlined the British Government's response to the state of emergency and other developments in a major policy speech to the Royal Commonwealth Society yesterday.

"Let there be no doubt about our abhorrence of apartheid and all the repressive measures used to enforce it," he said.

Inequalities

It was given added repugnance by the vast inequalities, in terms of material possessions, education and expectations, which existed between the ruling minority and a majority deprived of power, and which were "built upon foundations of racial discrimination". He defended Britain's role by saying that it was just because they condemned apartheid so strongly that their efforts to promote change in South Africa through continuing involvement were not always understood.

He did not believe it would be right to "disengage in any constructive sense from the problems. We remain firmly opposed to economic sanctions of any kind".

Tragically such changes as have taken place have been accompanied by repression in its ugliest form.

"The South African Government's call earlier this year for a dialogue with black South Africans has been flatly contradicted - and indeed frustrated - by the arrest of many of those whom black South Africans regard as leaders," he added.

"And the state of emergency declared over the weekend will add to the growing numbers who languish in detention without any legal recourse."

Priority

The most urgent priority was action to create a climate of confidence which would permit a real dialogue with the genuine leaders of the black community, whom blacks had to be permitted to choose.

The dialogue could not avoid the fundamental question of the political aspirations of blacks. This required bold steps by the South African Government.

- The unconditional release of Nelson Mandela and other acknowledged political leaders.
- An end to forced removals.
- An end to detention without trial.
- An early end to the state of emergency.
- The progressive abolition of discriminatory legislation such as the pass laws and the Group Areas Act.
- A commitment to some form of common citizenship.

Vacuum

British and other foreign companies in South Africa could expect to continue their activities there as though they were in a political vacuum, "most playing constructive and positive roles."

He called on the private sector to "play a full part in the broader political life of South Africa, condemning repression and working for peaceful change."

He also criticized the question of SWA/Namibia, a settlement being "long overdue."

Although he condemned the use of violence to bring about change in South Africa including ANC actions, he said, in reference to the recent Botswana raid, "if there is to be any prospect of stability and economic recovery in the region, actions of this kind must cease."

Sir Geoffrey Howe (right) arrives yesterday of demonstrators who d
Howe hammers apartheid — but rejects sanctions

The Star Bureau

LONDON — Britain will not impose economic sanctions against South Africa — although it finds apartheid "repugnant, unacceptable, unworkable and indefensible".

Sir Geoffrey Howe, the Foreign Secretary, in a major policy statement after the declaration of the state of emergency, has called for "convincing and effective" action by South Africa to permit dialogue with genuine black leaders.

CONDITIONS

Britain wants.

• An early end to the state of emergency.
• The unconditional release of Nelson Mandela and other "acknowledged" political leaders.
• An end to forced removals.
• An end to detention without trial.
• The progressive abolition of discriminatory legislation.
• A commitment to some form of common citizenship for all.

It says white South Africans should be guaranteed their rightful place "but not more than their rightful place" in any future South Africa.

And British and foreign companies acting in South Africa have been told not to act as if they are in a political vacuum, but to apply the EEC code of conduct and work for peaceful change.

Sir Geoffrey was speaking after renewed calls from the Anti-Apartheid Movement and others for Britain to impose mandatory economic sanctions.

Addressing the Royal Commonwealth Society, he said "Let there be no doubt about our abhorrence of apartheid and all the repressive measures used to enforce it.

However, he added "We have been following closely the debate on selective economic sanctions in the United States and other Western countries.

"Frankly, I do not believe this would be right. We remain firmly opposed to economic sanctions of any kind.

"We oppose sanctions because we believe that economic growth in South Africa offers the most likely route for peaceful political change."

Diary: 26 Oct 76
LONDON—The British Foreign Secretary, Sir Geoffrey Howe, said yesterday his Government remained opposed to economic sanctions of any kind against South Africa—but he listed steps he believed should be taken to redress 'fundamental grievances'. He told the Royal Commonwealth Society that the South African Government should:

- Unconditionally release Nelson Mandela and other 'acknowledged political leaders',
- End forced removals,
- End detention without trial,
- End the state of emergency as soon as possible, and
- Progressively abolish discriminatory legislation.

'I am sure that all those who are working for peaceful evolutionary change in South Africa know that an outcome must be found whereby white South Africans are guaranteed their rightful place, but not more than their rightful place, in any future South African system,' he said.

He described apartheid as 'abhorrent in social and moral terms' and urged the South African Government to commit itself to 'some form of common citizenship' for all the people.

But he questioned whether Western governments should 'disengage themselves' from the problem. 'Frankly, I do not believe this would be right,' he said. 'We remain firmly opposed to economic sanctions of any kind. The effects of economic measures would, of course, be felt most keenly by black South Africans. They would also affect the economies of South Africa's neighbours, even if the latter did not formally participate in the sanctions policy.'

Sir Geoffrey said Western governments should be looking for ways to strengthen 'internal economic forces' in South Africa, especially the growing economic power of the black community and black trade unions.

'The application of sanctions would mean an end to all these activities,' he added. — (Sapa)
MANY of the black African leaders who applaud sanctions against South Africa have themselves "instituted de facto" apartheid regimes in their own countries against their own black people," according to an article in the Wall Street Journal.

The article was written by Prof. George Akye, a native of Ghana and an assistant professor of economics at Bloomsburg University in Pennsylvania.

He said "radically different" standards of morality were applied to South Africa and black Africa.

If South Africa had expelled illegal black aliens, as Nigeria had recently done, or if Pretoria had resettled blacks on homelands during a famine, as Ethiopia had tried to do, condemnation at the United Nations and in the U.S. Congress would have been deafening, Prof. Akye said.

"As if the skin colour or the ideology of the tyrant makes any difference to the oppressed. Does one see demonstrations in front of culpable black African embassies in Washington or calls for sanctions against any black African countries?" There are 16 million oppressed blacks in South Africa. But some 400 million people live elsewhere in black Africa, a majority under despotic rule. Why is so little attention given to their plight?"

The article said that if one were to look beyond the issue of skin colour similar characteristics of apartheid could be found in many black African regimes.

"In black Africa the two classes are not white vs. blacks but rather the elites (the educated class and the military) vs. the people (peasants)." The elite minority, which controls the government, does not share power with the people.

"As in South Africa, the elite minority disenfranchises the peasant majority. Until 1984 the peasants of Liberia could not vote in a presidential election unless they had property valued at more than S$25,000 (US$25,000)(RSY 170)."

Prof. Akye said some African leaders who advocated majority rule in South Africa did not allow their own people the vote.

Many of these leaders had declared themselves "Presidents for life," while other black regimes were military dictatorships or "farceal democracies."

South African action against the African National Congress could be compared with steps taken against opposition elements in black Africa.

"Many leaders have either outlawed political parties or have declared their countries one-party states and liquidated the opposition. Many opposition members have mysteriously vanished in Zaire, Kenya, Uganda, Zambia and Guinea."

The professor said that while black South Africans had to carry passes, peasants in black Africa had to contend with curfews and roadblocks.

He said the UN did not condemn despotism in black Africa for fear of "interfering in the domestic affairs of sovereign nations."

"South Africa is not a sovereignty. It might be argued — its government is illegitimate and unrepresentative of its people. But what black African government is legitimate and representative? "Vulgar condemnation of apartheid without parallel denunciations of tyranny in black African countries only serves to perpetuate the myth of black inferiority."

"Applying a lower standard of morality to black Africa betrays an insulting double standard against blacks," said Prof. Akye.

He believed some of the remaining support for apartheid might be caused by conditions in black Africa itself.

In tatters

"When South Africans look across their border they see the same atrocities the black African governments accuse them of committing. Furthermore, these governments have, through misguided policies, reduced their economies to tatters."

Liz van den Nieuwenhof
NEW YORK

Ian Smith, the former white Prime Minister of Rhodesia, defended his refusal to hand over power to the majority by observing that black Africans were incapable of running a country and managing an economy.

That statement was rightly denounced as racist and invalid, but black Africa's execrable economic record is not a convincing rebuttal.

Irrelevant

To the majority of black Africans, the peasants, the whole apartheid issue is largely irrelevant; many of them would affirm that they feared better economically under the white colonists. To many, independence has meant oppression and economic deprivation."

Prof. Akye concludes: "If we had to die I and many oppressed Africans would rather be shot dead in South Africa than in an independent African nation under black rule."

"It seems that only in South Africa does the killing and subjugation of innocent blacks prompt worldwide pressure for reform." — (Sapa)
SA danger to world peace

The Star's Foreign News Service

BERN — A West German opposition MP has proposed selected economic sanctions against South Africa which could be tightened if necessary.

Mr. Günter Verheugen, a Social Democratic spokesman on African affairs, told a TV discussion group that South Africa had now "become a danger of the first order to world peace".

Pastor Wolfram Kistner, of the South African Council of Churches, said most foreign investment was used not to create new jobs but to modernise industrial plants and eliminate jobs.

South African Ambassador Willem Retief said it had been overlooked that a state of emergency had been declared in only 11 percent of the country.

"But the important thing is that the unrest is taking place in the black areas," he added.
LONDON — Britain will not impose economic sanctions against South Africa — although it finds apartheid "repugnant, unacceptable, unworkable and indefensible".

In a major policy statement after the declaration of a state of emergency, Sir Geoffrey Howe, the Foreign Secretary, called for "convincing and effective" action by South Africa to permit dialogue with genuine black leaders.

Britain wants:
- An early end to the state of emergency
- The unconditional release of Nelson Mandela and other acknowledged political leaders.
- An end to forced removals
- The progressive abolition of discriminatory legislation such as the pass laws and the Group Areas Act and a commitment to some form of common citizenship for all South Africans.

It says white South Africans should be guaranteed their rightful place "but not more than their rightful place in any future South Africa."

British companies acting in South Africa have been told not to act as if they are in a political vacuum, but to apply the EEC code of conduct, condemn repression and work for peaceful change.

Sir Geoffrey was speaking after renewed calls from the Anti-Apartheid Movement and others for Britain to impose mandatory economic sanctions, recall her ambassador from South Africa and hold talks with the ANC.
MIT allays strategic fears

Scientists say SA minerals not vital

CAMBRIDGE — The United States is concerned needlessly about losing strategic minerals if it imposed economic sanctions against South Africa, a team of scientists has reported.

Writing in the August-September issue of the Massachusetts Institute of Technology's Technology Review, the researchers said the US already had sufficient reserves of rare metals, such as chromium and manganese, to protect national security.

Metals for commercial uses could be obtained elsewhere at a higher cost or replaced with other materials, said the scientists, all of whom are affiliated to MIT's department of materials science and engineering.

"Thus it is neither necessary nor economically sound for the US government to increase its stockpiles or to invest heavily in untapped resources," they wrote.

The researchers said Washington should not be concerned that South Africa — a major US supplier of chromium, cobalt, manganese and platinum used in weapons systems and electronics — would stop selling the minerals if the US took economic steps to protest against apartheid.

"The US can obtain these critical materials elsewhere — albeit at a somewhat higher cost," the article said, adding that "South Africa must continue selling these metals to someone if it wants to preserve the health of its economy".

The article was written by Dr Joel Clark, director of the materials systems laboratory at MIT, and Dr Frank Field, a researcher in the same laboratory.

Four other MIT scientists assisted in the article.

The writers agreed with the US Office of Technology Assessment that the United States, which has little domestic production of the materials, should increase exploration and development of mineral deposits outside South Africa and the Soviet Union.

But the scientists said the agency's recommendation that the US should build up its stockpiles of the materials and develop new manufacturing processes was unnecessary.

"We believe the existing stockpile, managed by the Federal Emergency Management Agency, is adequate to deal with the threat of disruptions to national security," they said.

In civilian industries, the MIT team noted, a halt in exports of strategic materials by South Africa would "automatically lead to conservation and recycling, and to a much expanded effort to develop alternative materials".

The scientists said chromium was essentially irreplaceable as a key ingredient in stainless steel and other superalloys, but that less of it could be used in the production process. In many cases, they added, stainless steel could be substituted by other materials.

Cobalt, used for high-temperature parts of jet engines and industrial gas turbines, can often be replaced with nickel, although at somewhat higher prices and with slight changes in performance, they said.

Manganese, used to make super-hard steel alloys and dry-cell batteries, can also be substituted by other materials. Ceramics and plastics offer promise as substitutes for the rare metals, the MIT team said. — Sapa-AP.
Sanctions vote in UN tonight

NEW YORK — The United Nations Security Council has postponed until tonight voting on a resolution calling for voluntary sanctions against SA in protest against apartheid.

The resolution, introduced by France and Denmark, also calls for immediate lifting of the state of emergency proclaimed in SA and the release of all political prisoners.

The resolution was negotiated at a private meeting between French Ambassador Mr. Claude de Kemoulieria and several African representatives.

Mr. Kemoulieria told the council that the international community expected an effective and realistic reaction to the suffering in SA.

South Africa's Ambassador to the UN, Mr. Kurt von Schirnding, said the internal situation in his country was not a matter for discussion in the Security Council.

Mr. von Schirnding said France's sponsoring of the resolution was " oportunistic" and ironic in view of the French sending troops to its Pacific island territory of New Caledonia to put down unrest there.

LEAD TO CHAOS

US Ambassador Mr. Vernon Walters said his country had told the Pretoria regime that apartheid would lead to chaos. But, he added, isolating South Africa would mean "curtailment of external influence to effect change" and even greater suffering for South Africa's 22 million blacks.

British delegate Mr. Peter Maxey also expressed reservations about sanctions.

The UN draft resolution condemns apartheid. It calls for the unconditional release of all political prisoners, including Nelson Mandela, African National Congress leader.

The draft urges UN members to impose sanctions against SA and suggests five possibilities: suspension of new investment in SA; an end to imports of Krugerands and other gold coins, no more guaranteed export loans; no new contracts in the nuclear field; and a halt to sales of computer equipment that could be used by the police or the army.

See Page 13.
British PM quotes Suzman in Commons

Argus Foreign Service
LONDON. — Mrs Margaret Thatcher has now entered the debate here on sanctions against South Africa — and has quoted Mrs Helen Suzman in support of her stand against them.

Her reaction to increasing calls by Labour MPs, the Anti-Apartheid Movement and the Commonwealth for Britain to take action came at Prime Minister’s question time in the House of Commons yesterday.

Mr Roy Hattersley, deputy opposition leader, asked her if she would tell Vice-President George Bush on her coming visit to Washington why Britain, unlike the United States, had not withdrawn its ambassador from Pretoria and why, unlike the US Congress and Senate, it had not attempted to ban new investment there.

Mrs Thatcher said it was extremely important for Britain to have first-hand reviews of events in South Africa.

Mr Hattersley said: “I think on top of that, because we have so many British companies in South Africa, we should make the code of behaviour which has been established by the European Community for such companies compulsory and not voluntary.”

He quoted Mr Alan Paton and Mrs Suzman both opposed sanctions, he said: “Much as I respect them, they represent a minority in the white population. I believe the majority of the black population support sanctions.”

In Dar es Salaam British Opposition leader Mr Neil Kinnock has said he hopes a “free” South Africa will one day rejoin the Commonwealth. He told a Press conference: “I am sure that the Commonwealth nations would embrace a non-racist South Africa.”

Mr Kinnock repeated an earlier call for mandatory sanctions and said there should be a freeze on new investment.
Western powers oppose Paris

LONDON. — France’s decision to take economic and diplomatic action against South Africa appeared an isolated move yesterday when three of the Republic’s main trading partners — the United States, West Germany and Britain — said they would not change their policies.

As the United Nations Security Council last night began debating a French resolution condemning the state of emergency declared in South Africa at the weekend, the US State Department said it disapproved with France’s decision and reaffirmed its policy of constructive engagement with South Africa.

“We believe that such actions as the French Government’s decision to restrict new investments both undermine South Africa’s economy and create additional hardships for black South Africans,” the spokesman said.

Both State Department and White House spokesmen said there were no plans for a US South Africa high-level meeting in Europe.

However, according to diplomatic sources in Washington, South Africa has been canvassing the Reagan Administration for a possible bilateral summit in Europe later this year in hopes of easing the current chill in relations.

A well-placed diplomatic source familiar with the South African proposal said the Americans were still smarting from the Cabinda and Gabonese raids.

“They’re convinced SA is up to some kind of monkey business they want to know what its intentions are regionally,” the source said.

Meanwhile, the British Prime Minister, Mrs. Margaret Thatcher, told Parliament in London that Britain remained firmly behind Washington on the South African issue.

“This government believes that sanctions would hit very badly against the black population of South Africa and would be counter-productive,” she said.

Meanwhile the West German Government showed no inclination yesterday to follow the French example.

While there was unqualified enthusiasm in Sweden, Norway, Denmark and Australia for the French move, there appeared to be no immediate plans to follow Paris in Belgium, the Netherlands, Spain, Portugal or Switzerland.

Danish Foreign Minister Mr. Uffe Ellemann-Jensen said Denmark was considering closing its consulate in Johannesburg.

Anthony Johnson reports that the French Ambassador to South Africa, Mr. Pierre Boyer, held discussions with the Director-General for Foreign Affairs, Mr. Ray Killen, in Pretoria yesterday afternoon.

The briefing could well be Mr. Boyer’s last official task in South Africa as he was ordered back home with “immediate” effect on Wednesday.

By late yesterday Foreign Affairs officials remained unwilling to react to the French position but the Minister of Foreign Affairs, Mr. Pik Botha, said the French initiative in calling for a UN Security Council meeting was “impulsive and opportunistic”.

He said it was noteworthy that the Security Council meeting should have been requested by a country which has only recently proclaimed a state of emergency in New Caledonia, the last vestige of French colonialism in the Pacific Ocean.” — Sapa-Reuters-AP and Own Correspondents

- Danish threat to close consulate, page 6
- Leading article, page 10
Denmark threatens to close SA consulate

PARIS -- Reaction has been mixed in France to Prime Minister Mr. Laurent Fabius's announcement on Wednesday of an immediate freeze on new investment in South Africa and the recall of the French ambassador as Denmark said it would consider closing its consulate-general in Johannesburg soon.

Danish Foreign Minister Mr. Uffe Ellemann-Jensen said yesterday that the move would be considered "in the near future" in protest against South Africa's racial policies. "All possibility of a dialogue with Pretoria now seems to have been exhausted, he said.

Wider international action

France also called yesterday for an emergency meeting of the United Nations Security Council to press for wider international action.

The Communist Party newspaper Humanite called for more sweeping action. It said: "In the medium term, other efficient means of exerting pressure exist -- a re-examination of sea and air links, an embargo on deliveries of arms or oil, monetary restrictions or the breaking of all cultural and sporting relations.

Mr. Jacques Toubon, secretary-general of the right-wing Rassemblement pour la Republique (RPR), said: "What measures does (France) plan to take to enforce the respect for human rights and liberties in the Soviet Union, Afghanistan, Cuba or Vietnam?"

Mr. Jean Francois-Poncet, foreign minister under former President Valery Giscard d'Estaing, warned that while some action was necessary, "we have too many interests in Africa to isolate ourselves.

French officials said they hoped France's lead would encourage other countries to apply some form of economic sanctions, but noted that Britain and West Germany had strong reservations about the effectiveness of such a move.

The Reagan Administration also opposes sanctions though the US Congress has voted in favour of them.

Mr. Max Gallo, who was French government spokesman until mid-1984, wrote in an editorial in the socialist daily Matin: "None will say it is not enough. The essential point is that one country has taken the plunge. Sanctions are effective only if a consensus is created among the major powers.

The liberal daily Monde said: "Effective pressure -- assuming the South Africans can be brought to compromise -- can only come from major trading partners and powerful investors. They are to be found in Washington and London for more than in Paris." -- Sapa-Reuter
GERMANS URGED TO DUMP S AFRICAN CHAMP SHOES HIS STYLE

Former World Champ shows this style

FRANCE MILLIONS ALREADY GEST

Freeze on S A policy

BONN--West Germany came under strong pressure yesterday to dump South African products, \( \text{\textcopyright} \) Argus 1985
DURBAN, FRIDAY, JULY 26, 1985

POLLARD POLLOCK

Political Correspondent

FRANCE--Millions already costs

Freeze on S A policy
1150 million worth of foreign gold and discovered that other South African businesses could take similar action.

Meanwhile, South African Foreign Minister, Mr P.Botha last night described the French call for a Security Council meeting as "impassive and opportunistic".

It was noteworthy, said Mr Botha, that the meeting of the council should have been requested by France, which had itself only recently proclaimed a state of emergency in New Caledonia, the last vestige of French colonialism in the Pacific Ocean.

According to reports more than 5000 members of the French security forces are in New Caledonia now, at the behest of its local authorities, which have imposed a state of emergency there.

It is also significant that only yesterday there were clashes between police and demonstrators in the French-ruled archipelago of Guadeloupe.

"Crowds of people are reported to have put up barricades around the capital and set vehicles on fire. Shops and public offices were shut. Those involved were evidently pro-independence supporters protesting against a prison sentence imposed on a militant separatist," Mr Botha said.

These developments alone should have reminded France of the difficulties of coping with such emotional issues as civil and political rights.

But it had still been fit to call this meeting of the Security Council to condemn South Africa for its handling of an immensely more complex situation.

Mr Botha said South Africa's ambassador to the UN had been instructed to take part in the debate and to put South Africa's case. (Sapa)

---

Sanctions pressure mounts

FROM PAGE 1

... said yesterday they would not change their policies towards South Africa.

U.S. presidential spokesman, Mr Larry Speakes, made no direct comment on the French decision but told reporters in Washington there would be no change in U.S. policy.

"In our view the policy we have laid out towards South Africa is a correct one," he said.


Britain's main opposition Labour Party yesterday urged the Government to impose economic and political sanctions against South Africa.

Labour's foreign affairs spokesman, Mr Denis Healey, warned that South Africa, in declaring a state of emergency, was "in an accelerating race to disaster."

Mr Healey told the House of Commons that the use of emergency powers to deal with unrest in black townships had created a "storm-trooper state in which the agents of the Government are licensed to kill, without fear of legal retribution."

Pretona has gone so far in its racist policies that civil war is looming in South Africa," Mr Ellemann-Jensen said.

The closing of our consulate would not make much difference. All possibility of a dialogue with Pretoria now seems to have been exhausted."

Our correspondent in Melbourne reports that the Australian Cabinet is believed to be considering the recall of a trade commissioner in Johannesburg.

With former Prime Minister Malcolm Fraser having been invited to join a UN panel reviewing the chances of success of a trade embargo levelled at South Africa, the Labour Government of Prime Minister Bob Hawke has admitted it, too, is formally reviewing its own contacts.

Right now, on an official basis, we are reviewing our contact with South Africa to see what might or might not be continued." Beyond that the Prime Minister has already signalled his wish at the Commonwealth heads of government meeting in the Caribbean later this year, for members to test the issue of trade embargoes," said Foreign Minister Bill Hayden yesterday.

But the U.S. and Britain...
not work
Sanctions will
prominent Dutch political, religious and labour leaders led an
hour-long demonstration outside the South African Embassy to
protest against apartheid and the state of emergency imposed
by Pretoria.

The 100-strong protest group included veteran Labour Party
leader and former Premier, Mr. Joop den Uyl, and Mr. Mitt
Jan Kaper, leader of the Dutch anti-war movement. "The Star
Press.

Mr. Miller said, "It is unclear whether South Africans accuracy
and opportunity for them to move out of isolation may have come and gone."

The conference, which was attended by representatives from 70
nations, was expected to discuss ways of pressuring South Africa to alter its apartheid policies.
Security Council fails to agree on French proposals on sanctions
European trade cuts are highly unlikely, says bank

Political Reporter

It is highly unlikely that any of South Africa's main European trading partners will be pressurised into taking economic action against this country because of its apartheid policies.

Standard Bank chief economist Nico Crypionka said yesterday the French Government's freeze on new investment in South Africa might cause Denmark, Belgium, the Netherlands and Australia to follow suit.

Strong

He said there was also a small possibility Austria, which has a socialist government, might do something.

But, in spite of reports that the German Government was under strong pressure to take economic action against South Africa, this was 'out of the question', he said.

'The German business community is very strong and very pragmatic. There are huge German investments and a large German trade surplus with South Africa.'

There were also a large number of German citizens in South Africa.

There are elections in Germany in about two years, but even if the socialists gain power, economic sanctions against South Africa are unlikely.'

Mr Crypionka said none of the actions already taken, including those by several Scandinavian countries, had prevented trade with South Africa.

'There is likely to be a rising tide of symbolic and other gestures, but they will not have any real impact unless the major players all join in and co-ordinate their activities, which is unlikely.'

Britain's investments in South Africa, and the number of British citizens here, were far too great to make any meaningful economic moves feasible.

'Even a Labour government would probably not do anything,' he said.

Investment and business links with Scandinavia were limited already, and any moves by Denmark to curb ties would not come as a surprise or make much difference.

'Spain and Italy are very pragmatic in their foreign policy and there are large Italian and Portuguese communities in South Africa.'
France bans new SA loans

From NEIL BEHMANN
LONDON. - The French Government has banned all new loans to South Africa, provided that they are not trade related.

A spokesman of the French prime minister's office said, "the ban on new investment in South Africa would also cover bank loans."

But export guarantees would not be affected.

The French Government would, however, "no longer authorize outflows of capital intended for investment in South Africa. This would apply to both public sector and private sector loans."

"Each loan would have to be individually examined," the spokesman said.

Total French loans to South Africa were 2 billion francs (R4.9 billion), the spokesman said.

The wave of South African securities sales affected the rand in London.

The currency dropped to $0.47 cents at one stage, say dealers before recovering to $0.49.

The Reserve Bank was "swamped" by foreign sales of rands and had to stop supporting the currency, say London dealers.

The sales came from institutions and banks and were linked to the dumping of securities.

The rand tumbled by 8.5 percent against the French francs.

Whereas, one dollar buys 5.75 francs, R1 receives only 4.3 francs.

At one stage, sterling rose to 2.97 against the rand before falling back to 2.77.

About R3.30 of notes can buy £1.

Since April, the rand has fallen by 15 percent against sterling.

Following the dramatic drop in South African share values on foreign exchanges, selling abated on yesterday and prices recovered marginally.

Dealers said that professionals were covering short positions.

But South African bonds on the Eurobond market performed dismally.

The price of a newly issued £40m 12.25 percent Escom Eurosterling bond was priced at £4.60, six percent below par value.

On Friday, the price recovered to 96 points.

Dealers said that "no one was prepared to buy South African Euros bonds this week," because of the emergency scare and French sanctions move, but the issues are traded in a very narrow market and the dealers were not prepared to quote prices.
SA economy in a mess — British paper

PETER MANN of The Argus Foreign Service in London reports on a major examination of the South African economy by one of Britain’s most influential newspapers

SOUTH AFRICA’S economy is in a mess and widespread disturbances would have profound implications for Britain, the influential Sunday Times of London has concluded.

In a major, full-page business survey the paper paints a gloomy picture of South Africa sliding deeper into recession and wrestling with growing unemployment, increasing emigration and vast sums of „funk” money leaving the country.

It notes that 250,000 British jobs depend on South Africa.

If Britain attempted to impose sanctions South Africa could retaliate by cutting off strategic raw materials — a move which experts say would cost 189,000 British jobs.

The Sunday Times says South African attempts to counter the plummeting gold price and the strong dollar last August, by raising interest rates three percent to an unprecedented 25 percent and imposing „savage” hire purchase restrictions, did not work.

The fall of the rand did not stop, it lost 47 percent in a year. And South African companies misread the foreign exchange markets when buying dollars forward and lost another R5.2-billion.

Inflation was now seven percent. Unemployment was up 68 percent in a year, with an estimated three million blacks unemployed. Half of these were in the „hated” black homelands.

„More crucially,” says the Sunday Times, „the black National Union of Mineworkers is set to strike over pay in 27 gold mines and collieries.

„This would cripple the minerals sector, the one bright spark in the economy.”

Port Elizabeth, once the Detroit of South Africa, was now derisively called „the ghost on the coast.” The large car manufacturers, General Motors, Ford and Volkswagen, were operating at half capacity.

Only three of the country’s 10 car makers expected to make a profit this year. Sales figures for June were 52 percent down on June 1964.

The housing market had crashed. Thatched houses in Johannesburg’s elegant suburbs which were selling at R350,000 a year ago were now marked R190,000 and „very negotiable.”

Last week, after the announcement of the State of Emergency, prices simply nosedived with falls of up to 50 percent at the top end and 20 percent on homes below R120,000.

The outflow of funk money was accelerating. In the first quarter of 1965 Reserve Bank figures showed that nearly R2.9-billion left the country for „safer” destinations, the same figure as for the whole of 1964.

In April emigration rose by 35.5 percent to 903 people. The number of immigrants chasing the good life fell 28 percent to just 668.

British investment was more than twice that of all its partners in the EEC put together.

South Africa was Britain’s 12th largest export market and she enjoyed a substantial balance of trade advantage — nearly R1.3-billion last year.

Four British trade missions had visited South Africa this year and there seemed little likelihood of the Thatcher Government imposing sanctions, despite the state of emergency.
Bonn has decided against sanctions

BONN - West Germany yesterday joined Britain in deciding not to impose sanctions against South Africa, rejecting France's argument that an investments freeze and the withdrawal of its ambassador would force Pretoria to change its race policies.

Chancellor Helmut Kohl, expressing views also held by the British and US governments, said he doubted whether sanctions could change the situation and that political influence was the best way to encourage reform.

French Ambassador Mr Pierre Boyer left South Africa yesterday as Pretoria's clampdown on dissent continued and security forces announced that they were holding 1,166 people under the state of emergency.

'NOT THE WAY'

Mr Kohl, who normally prides himself on close ties with French President Francois Mitterrand, openly questioned France's new policy, saying "Experience in recent years shows overwhelmingly that this is not the way to go about things."

The French move was praised by Norway, Sweden and Denmark. Australia has said it will press for sanctions at the next Commonwealth heads of government meeting. Canada tightened its trade curbs with South Africa earlier this month.

The Reagan Administration, while adhering to its policy of "constructive engagement", issued a tough statement calling on Pretoria to restore civil liberties and start a serious dialogue with blacks.

As pressure for international action mounts, Britain's Prime Minister, Mrs Margaret Thatcher, who is opposed to sanctions, can rely on her large parliamentary majority and expect little internal dissent. But Mr Kohl's position is less comfortable.

While some liberals in his centre-right coalition and young members of his own party want Bonn to take action, right-wingers oppose any form of sanctions.

Reaction to the emergency has exposed deep differences and the opposition Social Democrats (SPD) can be expected to press the divided coalition further.

Last year West Germans invested R120 million in South Africa, more than five times France's investment.

On Friday, as Britain and the United States cast vetoes in the United Nations Security Council to block a call for mandatory sanctions, foreign investors were already ditching South African shares.

Bankers in Frankfurt reported growing unease among West German investors holding South African stock. They said the flow of money was drying up as the risks were reassessed.

"The market is acting as if a financial boycott were already in effect," a banking source said.

In London, analysts said they could see no immediate end to the outflow of funds triggered by the crisis. — Sapa-Reuters.
 Agreement on US sanctions against SA now likely

From SIMON BARBER
WASHINGTON — The congressional deadlock over sanctions legislation has been broken. Negotiating teams from the Senate and the House of Representatives will meet on Wednesday to start hammering out a compromise package for President Reagan's signature.

The Chairman of the Senate Foreign Relations Committee, Senator Richard Lugar, said on Saturday: "I want a Bill... quickly."

Senate majority leader Senator Robert Dole told a television interviewer: "I hope we can finish this by the end of the week."

Adamant
Senator Lugar and his advisers had earlier appeared adamat that there would be no negotiations with the House, which could either accept the Senate's bill, or see the legislation languish until next year.

However, their position softened after Pretoria declared a state of emergency.

The key dispute between the House and Senate is over bans on new investment and Kruger rand imports. The House would impose them immediately. The Senate would urge the president to consider them if Pretoria had made no substantial progress towards ending apartheid after 18 months.

Unacceptable
Senator Lugar continued to warn that the House Bill as it stands is unacceptable: it was overwhelmingly rejected by the senate and would force the president into the embarrassing position of having to cast a veto.

Senator Dole said he believed that unless the end product was close to the Senate version, Senate conservatives would likely mount a filibuster to prevent the legislation leaving Capitol Hill.

One factor in the new willingness to get a deal settled is the belief, shared by many in the Reagan administration, that no legislation at all would be the worst possible outcome.

Underestimate
Senator Nancy Kassebaum warned that it would send a "bad signal" to Pretoria leading it to underestimate the true depth of congressional revulsion at its policies.

Some officials are also understood to believe that deadlock would further alienate black South Africans at a time when the administration is actively considering ways to regain their trust.

It is unclear whether the House and Senate will be able to cut a deal before congress goes into its month-long August recess at the end of the week. Outlines of a possible compromise are beginning to emerge, however.

One possibility is to make stiffer sanctions automatic after 18 months unless the president certifies that there has been real reform and both chambers accept that certification.

Kruger rand
Another option is for the Senate to accept the House ban on Kruger rand imports.

At the end of last week, President Reagan met with his National Security Council advisers on South Africa, and gave his blessing to turning up the volume of official US criticism of Pretoria.

After the meeting, White House spokesman Mr Larry Speakes called for the state of emergency to be removed, and warned that continued repression could lead to a "result no one wants". Mr Speakes later said specifically that that result could include the administration having its hand forced on sanctions...
Voluntary sanctions

LONDON — Voluntary sanctions against South Africa were likely to be as effective as optional speeding fines would be in an attempt to cut traffic accidents, The Sunday Times newspaper said here yesterday.

In an editorial, The Sunday Times said: "The vote in the United Nations to impose voluntary sanctions on South Africa may reassure President Botha as he continues to incarcerate blacks this weekend. "... History suggests that every effort to impose economic sanctions has only strengthened the determination of the regime so sanctioned. The existing arms boycott on South Africa has done nothing to reform apartheid and a great deal to bolster South Africa's own arms industry."

The Observer said in its editorial yesterday that the sports boycott of South Africa had undoubtedly forced a degree of reform in South Africa. — Sapa-AP.
Sanctions can help reformers

LONDON — Serious foreign pressure, such as sanctions, could strengthen the hand of reformers such as President Botha against the disciplinarians.

Sanctions could also serve as a major political message from the international community to the divided and uncertain whites of South Africa, according to a major article in The Financial Times today.

Time is literally running out for both Mr. Botha and Nelson Mandela, says writer Ian Davidson.

"President Botha is unquestionably the most reformist white leader South Africa has ever had, even if his reforms so far do not begin to measure up to the scale of the problem. In the process he has permanently alienated a third of the Afrikaner electorate, without endearing himself to the blacks.

"Nevertheless he has clearly and explicitly recognised the need for reform, and there is no guarantee that his successor will feel the same.

"Serious foreign pressure — which does not mean sententious speeches and declarations — could strengthen the hand of the reformers against the disciplinarians.

"The Government seems in a state of schizoid panic uncertainty about where to go and how to get there, Davidson goes on.

"In these circumstances the argument that foreign sanctions can only be marginal (i.e., ineffective) needs to be re-examined.

"For what is marginal in conditions of relative internal calm, may become critical in conditions of unrest and uncertainty, and what is marginal and ineffective if carried out by one country, may become critical if carried out by many countries.

"This is not to say that a ban on new investment, or a ban on the import of Krugerrands, or a ban on new bank loans, would have a large and immediate economic impact, even cumulatively.

"But the political force of such a message from a substantial majority of the international community might be considerable.

"To the extent that the whites in South Africa may be divided and uncertain about the best way to handle their political quandary, that message may be worth sending even if it has only a small chance of eliciting the right response."
S A sanctions package

U S breaks deadlock on

Sent and House to hammer out compromise
West Germany ‘will not’ follow French

BONN—Chancellor Helmut Kohl said yesterday West Germany would not follow France’s decision to impose sanctions against South Africa.

‘We will not do what our French friends have done in this case,’ Mr Kohl told West German radio. The question has to be asked whether sanctions ‘would actually lead to a change in the situation there.

‘Given the very critical situation in South Africa, we should use our influence to achieve a policy of moderation and compromise in that country,’ he said.

The French Prime Minister, Mr Laurent Fabius, announced on Wednesday that Paris would end new investment in South Africa and recall its ambassador in protest at Pretoria’s imposition of a state of emergency to cope with black township rioting.

Mr Hans-Jochen Vogel, the parliamentary leader of the West German opposition Social Democratic Party (SPD), called on Mr Kohl’s government to follow France’s example.

Mr Kohl said West Germany supported the stance adopted by the foreign ministers of the European Community in Brussels last Monday. They condemned apartheid and called for an end to the state of emergency but did not advocate sanctions against Pretoria.

— (Sapa-Reuter)
Australia to press for sanctions

CANBERRA—Australia will press for tough economic sanctions against South Africa at the forthcoming Commonwealth heads of government meeting in the Bahamas, the Foreign Minister, Mr Bill Hayden, said in Canberra yesterday.

Mr Hayden said in a television interview that the Prime Minister, Mr Bob Hawke, would introduce proposals for trade embargoes against South Africa at the meeting.

The Government was considering Australia's own trade policy with Pretoria, Mr Hayden said when questioned about the state of emergency in South Africa.

The Cabinet would also discuss the question of cutting diplomatic ties, he added. '\*\*\*\*\*\*\n'These things have to be weighed up ... and a decision made through the Cabinet process,' he said.

Mr Hayden said that if South Africa's white minority government were overthrown by the blacks 'the situation would probably be chaotic'.

Australia, a member of the United Nations Security Council, backed the council's demand last Friday that the state of emergency be repealed and its appeal to all UN members to apply voluntary sanctions against South Africa.

The Labour Government has hardened Australia's stand against South Africa's apartheid policies since it took office in early 1983.

In April, it introduced a voluntary code of conduct aimed at discouraging Australian companies in South Africa from exploiting the apartheid system. — (Sapa-Reuter)
Addressing a function at Potchefstroom University, he said the United Nations Security Council call for voluntary sanctions against South Africa was "an illegal and unenforced decision".

Thirteen of the 15 Security Council members voted in favour of the decision last week - the United States and Britain abstained.

Mr Botha said the US and Britain had taken a "realistic approach" which recognised that black people would not benefit from sanctions.

In fact, the decision threatened the economic stability and economic development of the whole of Africa.

He said that as a result of the decision, the South African economy would continue to grow, and that it would have no difficulty in meeting its annual inflation target even without foreign workers.

Mr Botha added that the government had instructed the South African National Prosecuting Authority to issue a further warning that the numbers of foreign workers, as well as the number of those who work in South Africa, are decreasing.

The government can consider effective action against South Africa if it is found to have acted in a manner that threatens its stability and economic development.

Those countries which are attempting to institute punitive measures against South Africa will do so, in accordance with their expressed concern about the welfare of the blacks, soon have to make funds available to create employment opportunities for the hundreds of thousands of workers who will return to their countries should the Security Council continue its present illegal action against South Africa.

Mr Botha said the workers would be told that they were being sent home because of the Security Council action.

Referring to the transport and communications network between South Africa and countries north of her borders, Mr Botha said: "I hope they will note that the Security Council, with the Soviet Union in the lead, will have to be blamed if that infrastructure is no longer available for their imports and exports."

"The situation is such that the security of our borders is being threatened, both by the actions of the Security Council and by our own government," he said.

"We will continue to act in accordance with our constitution, which is the sole instrument that has been taught to us," he added.

"Further, it is the established practice of the South African National Prosecuting Authority to act in accordance with the Security Council resolutions."
**PW threatens**

**Political Staff**

THE State President, Mr P W Botha, yesterday threatened to expel 1.5 million foreign black workers from South Africa in retaliation for their countries' support for sanctions against South Africa.

He also said South Africa might now deny neighbouring black states the use of South African roads, railways and harbours for their exports and imports and could end other forms of cooperation.

Mr Botha told students at Potchefstroom University that the moves were being considered because of last week's United Nations Security Council resolution advocating sanctions against South Africa.

He said the people repatriated would be informed that the action was "solely due to the decision of the Security Council".

If implemented the mass repatriation would have severe implications for industries such as the goldmines and for countries like Lesotho and Mozambique, where South African companies recruit large numbers of foreign workers.

The economies of Zimbabwe, Botswana, Zambia, Zaire and Malawi would be hard-hit, if not crippled, if they could no longer export or import goods through South Africa.

Mr Botha's threat is seen as an attempt to force the neighbouring black states to abandon their support for divestment from South Africa and the imposition of sanctions.

**Illegal**

Sapa reports that Mr Botha yesterday termed the Security Council decision "illegal and uncalled-for", saying it threatened the economic stability and development of the whole of Southern Africa.

"No government with self-respect, no country with self-respect, can tolerate such an unholy decision against it without taking steps to neutralise it," he said.

"I have ordered that the relevant South African organizations undertake an urgent further survey of how many migrant workers there are in the country - and also where they are employed - so that the government may employ effective measures to send them back to their countries of origin.

The countries attempting to introduce punitive measures against South Africa will likely follow up their declared concern about the welfare of the blacks with funds for employment opportunities for the hundreds of thousands of workers who have to return to their countries of origin.

should the Security Council continue its campaign against South Africa.

Mr Botha said the US and Britain, which abstained in the UN vote, had adopted "a realistic approach" which recognized that black people would not benefit from sanctions.

The Security Council would have to be blamed if South Africa's infrastructure was no longer available to Southern African states.

"Naturally there are also other important forms of economic, technical, financial, medical and agricultural cooperation which may fall victim, should the Security Council continue on its present course."

Mr Botha warned that if "the terrorist onslaught" continued, South Africa would meet the threat with its full military force.

Turning to conditions for negotiations, he said that he would not enter into talks with people propagating "communist godlessness" or civil disobedience.

Sapa reports Bishop Desmond Tutu, Bishop of Johannesburg, as saying last night that sanctions were aimed not at punishing South Africa but at urging it to be welcomed into the family of free nations.

He described the possible expulsion of migrant workers from South Africa as "an immature response". the South African Government is going to end up having no friends left.

Anthony Johnson reports that the Progressive Federal Party's spokesman on labour and foreign affairs, Mr Alex Boraire, described Mr Botha's threat as "an exposure of the government's strategy of economic imperialism on the sub-continent."

Mockery

"This vicious threat makes a mockery of the government's previous statements of concern for the welfare of the Southern African region."

Mr Botha's stance was a clear indication that sanctions as a strategy would not bring about change in Southern Africa as hoped for by its advocates.

"It is tragic that Mr Botha did not use this opportunity and the little time we have left to announce once and for all the end of apartheid."

"This would guarantee economic growth, acceptance by the international community and bring enormous benefits both to South Africa and her neighbours."
Yesterday in protest against deaths due to unrest...
Financial Editor

THE gold mine industry could now be in need to train the
masses of concern regulating
The leader of the Labour
party, Mr. Allen. He
in the opposition, the leader of
the Christian Democrats, Mr. D. N. Reddy, leader of
the Christian Democratic Party, is one of the leaders of the
Liberal Party, who is opposed to the new government.

The position expressed by the
leader of the Christian
Democrats, Mr. D. N. Reddy, in his role as leader of the
opposition, has been a matter of concern.

The leader of the Christian
Democratic Party, Mr. Allen, is one of the leaders of the
opposition, who is opposed to the new government.

The Christian Democratic Party, under the leadership of
Mr. Allen, is one of the leaders of the opposition, who is
opposed to the new government.

The position expressed by the
leader of the Christian
Democrats, Mr. D. N. Reddy, in his role as leader of the
opposition, has been a matter of concern.

The leader of the Christian
Democratic Party, Mr. Allen, is one of the leaders of the
opposition, who is opposed to the new government.

The Christian Democratic Party, under the leadership of
Mr. Allen, is one of the leaders of the opposition, who is
opposed to the new government.
Australian unions to press for South African isolation

MELBOURNE — The powerful Australian Council of Trade Unions (ACTU) plans to increase pressure on the Hawke government to isolate further South Africa in the areas of trade and commerce.

Among action to be considered at ACTU’s annual congress in September is closure of the SA consulate in Australia, closure of Australia’s trade commission in Johannesburg, and withdrawal of landing rights for SA Airways.

ACTU is already drafting a list of South African multinational companies as possible targets.

Yesterday the Amalgamated Metal Workers’ Union (AMWU), the Transport Workers’ Union (TWU) and the Waterside Workers’ Federation all agreed to push for increased pressure against South African companies operating in Australia and Australian companies operating in the Republic.

“Australia should show a lead to the rest of the world,” said AMWU national secretary Jack Kidd.

“I think it calls for very strong measures.” Without restrictions on trade there is no way Australia is going to talk South Africa out of its policies.”

TWU assistant national secretary Ken McGrath said his and other unions were ready to oppose the takeover of a Melbourne-based plastics and textile manufacturer by Industrial Investments, a company with South African ties.

McGrath said the TWU opposed any SA ventures in Australia, and would ask ACTU for backing to call on the Australian government to investigate SA’s investment in the Argyle diamond-mining joint venture in Western Australia.

He said the union would also make submissions on both Argyle and Industrial Investments to the Cabinet for review. The Cabinet is due to convene in three weeks’ time to assess its long-term ties with Pretoria.

However, there are clear indications that most Australian industries believe that business is business, and they are reluctant to withdraw from what has proved to be a lucrative market.
LONDON—Commonwealth governments are ready for a confrontation with Britain over sanctions against South Africa—and the stage they have chosen is the community’s summit conference in the Bahamas this October.

The aim of 48 governments is to present a set of selective sanctions which they will all endorse isolating Prime Minister Thatcher and making it very embarrassing for Britain to veto a United Nations Security Council sanctions resolution expected to quickly follow the Bahamas meeting.

The pressure has been building in London during the past six months where Commonwealth high commissioners have met regularly to plan strategy.

Proceedings of the Commonwealth Southern Africa Committee attended by all the high commissioners in London are behind closed doors, but senior diplomats involved say a detailed sanctions plan will be finalised by September.

The measures they will propose are expected to be similar to those imposed against South Africa by the French government—barring new investment and the sale of Krugerrand.

The Commonwealth heads-of-government summit cannot bind member governments to a sanctions policy, but it can deliver a strong call for voluntary action and pledge support for Security Council resolutions.

The opposition Labour Party has repeatedly declared its support for sanctions.

But Mrs Thatcher’s position remains linked to that of the United States, and future American moves are expected to have a critical effect on British policy.

Should President Reagan accept some form of limited sanctions, the pressure on Britain to go along with the same sort of mandatory action at Security Council level would increase considerably.

“We expect to get a consensus— with the exception of Britain said one representative ‘It will make it much more difficult for Britain to maintain its anti-sanctions policy.”

The Southern Africa Committee is also understood to be considering the position of South Africa’s neighbour states who are members of the Commonwealth.

Suggestions are being floated about an international aid programme should South Africa retaliate against them.

The British Government is also coming under increasing pressure at home to alter its attitude.

Dr David Owen, a former Labour Party Foreign Minister and now leader of the minority Social Democratic Party, yesterday condemned Britain’s abstention from last week’s Security Council vote on a French resolution.

He released a party policy document calling for a European approach to sanctions which would prohibit new bank loans and investment except for black education and training.

The Mercury’s London Bureau reports that the Canadian Government has urged the Commonwealth to act as a mediator in setting up dialogue between the South African Government and black leaders.

The proposal was made yesterday by Canadian Foreign Minister Joe Clark at a meeting of the Royal Commonwealth Society in London.

Mr Clark called simultaneously for an end to the state of emergency and a declaration of intent from Pretoria that its objective was to end apartheid. (Sesa)
PW'S R2,2bn threat to neighbours

NEIGHBOURING states would be deprived of at least R2,2bn in repatriated earnings alone if President PW Botha decides to send foreign workers packing.

That represents the earnings of 210,000 mine workers only. The actual cost to these states could be much higher if total earnings of expatriate workers and other SA accruals are taken into account.

This indicates the extent of the threat to the foreign exchange earnings of countries like Botswana, Lesotho, Malawi, Mozambique and Swaziland. The depedence of some of these countries on repatriated earnings for their foreign exchange is near to total.

Botha cited estimates of up to 1.5-million foreign black workers in South Africa and said government was investigating the numbers so that it could weigh up how to repatriate them.

He also threatened to freeze out Frontline states' imports/exports by closing South African rail, air and harbour facilities to them, and to stop other forms of co-operation and assistance with neighbouring states.

The estimate of 1.5-million foreign black workers has been questioned but it is extremely difficult to get an accurate picture of the numbers, although most work in mining and agriculture.

Their total earnings, based on the earning capacity of Chamber miners alone, could run to several billion rand.

In 1983, the number of workers legally in South Africa was put at fewer than 288,000 — drawn from Botswana (25,000), Lesotho (143,000), Malawi (29,000), Mozambique (61,000), Swaziland (16,000), Zambia (700) and Zimbabwe (7,000).

A glance at mining industry figures on the value of this labour to neighbouring states, in terms of foreign exchange earnings alone, indicates starkly the extent of Botha's threat.

At May 31 Chamber of Mines members drew 38,7% of their total labour force of nearly 543,000 from five countries: Lesotho (108,400), Mozambique (97,000); Botswana (18,600), Malawi (18,600) and Swaziland (13,328).

The chamber's recruiting arm, Teba, is also said to have put the total earned by foreign miners in 1984 at about R2,2bn, of which up to half = R1,1bn = went back to their countries through deferred pay, remittances, the purchase of capital goods and supplies and other multiplier effects.

Hard cash earnings by Lesotho, Botswana, Swaziland, Mozambique and Malawi from the Chamber miners alone totalled R418m. The difference between this figure and the R1,1bn is made up of transfers in other forms and purchased goods.

Lesotho, Mozambique and Malawi require 60% of wages to be paid out in the home countries: Lesotho earned R105m, Mozambique R62m and Malawi R46m.

Other states gleaned R68m, and a total of R132m was remitted through Teba to families.

These miners, it is estimated, support about 3-million dependants in frontline states.

Botha's repatriation threat follows that made by Deputy Foreign Minister Louis Nel two months ago. Both threats provoked widespread condemnation at home and abroad.

It is being interpreted as vigorous sabre-rattling in the wake of the UN Security Council's call for voluntary sanctions. Although the UN is the ostensible target, Pretoria probably hopes that it may persuade the Reagan administration to head off looming US Congressional disinvestment measures at the pass.

Observers, displaying a measure of sympathy for Botha's statement, have said his threat against foreign black workers may be the only way to bring forcibly into the sanctions equation an element that has been largely ignored by the US/European and UN anti-apartheid
18 months to reform clause may tilt balance

Reagan set to sign SA sanctions Bill

By Ramsay Milne, The Star Bureau

New York

President Reagan's aides predict he will sign a bill imposing sanctions on South Africa — provided the measure's provisions are not "excessive" and if the Bill is approved by a large majority in Congress.

The officials continued to insist that the administration remains firmly opposed in principle to sanctions, but said President Reagan would almost certainly bow to the growing domestic political pressures which have accelerated since the declaration of emergency, including very strong pressure from Congress itself.

President Reagan has so far resisted all moves to condemn South Africa outright, and is known vehemently to oppose sanctions now being called for by both the Senate and House of Representatives.

But the disclosure that he is now considering a compromise coincided with the announcement in Pretoria that South Africa is withdrawing its ambassador-designate in Washington, Mr. Herbert Beukes.

A State Department official said the shape of the bill approved by the committee would be a key factor in the President's decision.

"We'll have to see what the bill looks like," he said. "If it's too punitive, President Reagan may veto it regardless.

The Senate bill, less tough than its corresponding House measure, aims to ban new bank investment and the sale of computers and nuclear technology.

The two events are reportedly closely related.

His recall is seen in Washington as an act of defiance by South Africa in retaliation for the US withdrawal of its own ambassador in Pretoria, Mr. Herman Nickel, and the White House's refusal to accept Mr. Beukes's credentials.

His withdrawal marks a new low point in US-SA relations.

President Reagan is facing immense pressure, much of it from his own party. Much will depend on a meeting tomorrow when a House-Senate Conference Committee thrashes out differences between sanctions bills already passed by the two chambers.

Supporters of the sanctions bills in both houses say they hope to have a consensus bill on President Reagan's desk before Friday, when Congress adjourns for its long summer recess.

Key factor

A State Department official said the shape of the bill approved by the committee would be a key factor in the President's decision.

"We'll have to see what the bill looks like," he said. "If it's too punitive, President Reagan may veto it regardless.

The Senate bill, less tough than its corresponding House measure, aims to ban new bank investment and the sale of computers and nuclear technology.

It would also allow President Reagan to impose further sanctions against South Africa in 18 months if a fairer deal is not made in favour of South African blacks in that time.

The House bill would impose an immediate ban on new investment, on loans to the South African Government and on imports of Krugerrands. It would also ban the sale of computers and nuclear technology.

One possible compromise would be for the Reagan administration to accept the Senate bill with the provision that the additional sanctions be automatically imposed in 18 months if no progress is made.
Deportation

BLACK ANGER WILL RISE
PRES BOTHA IS WARNED

BLACK anger will increase as many people will suffer if the Government deports thousands of foreign black workers to their homes.

This was part of the reaction to State President, Mr P W Botha's announcement that black workers from Southern Africa countries would be repatriated to their homelands if their governments continue to support moves for punitive measures against South Africa.

Mr Chris Dlamini, president of the Federation of South African Trade Unions, said: "We obviously feel concerned about the announcement because it will affect most of our members from those states, some of whom live in the urban areas."

Mrs Joyce Harris, the vice national president of the Black Sash said it will be a "terrible blow to a lot of helpless people already suffering."

Azapo's publicity secretary Mr Imran Moosa said the SA Government was trying to force African states to "sing their song" at the UN. It was an indication of capitalism and racism.

The United Democratic Front has also criticised President Botha for threatening to send back migrant workers from neighbouring states if the international community imposes sanctions against South Africa.

Calling the threat "childish", UDF publicity secretary Ms Zokweta said only dismantling the apartheid state would bring South Africa back into the world community of nations.

"The Southern African states have survived years of military destabilisation by South Africa, through the SADF and its covert wings, such as Renamo. "This economic threat is a new tactic to bully them into submission."
expulsion threat

London Bureau

PRESIDENT Botha's threat to expel 1 500 000 foreign blacks was sharply condemned in financial and business circles here.

A London banker said that President Botha's threat was a 'knee-jerk' reaction for local consumption without regard to the international and regional consequences.

The threat to deport foreign blacks in retaliation to the growing campaign for international sanctions was widely seen here as a 'bluff' which could backfire.

However, Deputy Foreign Minister Louis Nel told the BBC World at One 'It is no empty threat.'

He said that international sanctions would be detrimental for South African blacks and the whole southern African region. He said the security council's action was 'economic warfare'.

Refusal

President Botha's warning was widely reported on the front-pages of all Fleet Street's broadsheet newspapers yesterday.

The reports all linked the threat to his refusal to have crisis talks with Bishop Desmond Tutu.

There was disquiet among representatives of South African business here and UK mining house officials said that about 30 per cent to 40 per cent of the mines' labour were foreign blacks.

'It would be extremely difficult for the mines to train local black replacements in time,' said a mining house official, referring to the threat.

'No one in his right mind would want to cripple his major industry, so any retaliatory measures would obviously take time.'

Bluff

Brokers, businessmen and bankers emphasised, however, that general economic sanctions were counter-productive.

The statement of President Botha had no imme-

African mining shares quoted on international markets. But the shares remained depressed because of the general concern about the state of emergency and the threat of voluntary sanctions against South Africa.

'People are treating Botha's statement as a bluff,' said Mark Harris of Williams de Broe Hill Chaplin who warned that SA gold shares were vulnerable, especially if the gold price fell.

If the price rose it was likely that international fund managers would take advantage of any share market rally and sell.

Brokers said nations might call President Botha's bluff and carry out voluntary sanctions. He could lose credibility with the conservative electorate if he did not carry out his threat.

Crippling

Presumably, he would start with industrial and farm labour, a mining official said.

But the international publicity following mass expulsions from South Africa could have a crippling effect on the economy.

For a start they could set off large scale sales of South African securities, make it more difficult for banks to borrow money and fuel the international campaign for disinvestment or even harsher economic sanctions.

The rand could tumble. South African interest rates would rise and the economy would dive into a deeper recession.

Asked about the likely impact of repatriation of blacks Mr David Willers, London director of the South Africa Foundation, said: 'In repatriating large numbers of workers one may increase the possibility of instability in neighbouring states creating a de facto refugee
Botha’s threat to expel foreign blacks slammed

From NEIL BEHRMANN and JOHN BATTERSBY

LONDON — President P.W. Botha’s threat to expel 1.5m foreign blacks was sharply condemned in financial and business circles here.

A London banker said that President Botha’s threat was a “knee-jerk reaction for local consumption without regard to the international and regional consequences.”

The threat to deport foreign blacks in retaliation to the growing campaign for international sanctions was widely seen here as a “bluff which could backfire.”

But Deputy Foreign Minister, Mr. Louis Nel, told the BBC World at One “it is no empty threat.”

He said that international sanctions would be detrimental for South African blacks and the whole Southern African region. He said the security council’s action was “economic warfare.”

There was disquiet among representatives of South African business here and UK mining house officials said that about 30 percent to 40 percent of the mines labour were foreign blacks.

“It would be extremely difficult for the mines to train local black replacements in time,” said a mining house official, referring to the threat.

Brokers, businessmen and bankers stressed, however, that general economic sanctions were counter-productive.

The statement of President Botha had no immediate effect on South African mining shares quoted on international markets. But the shares remained depressed because of the general concern about the state of emergency and the threat of voluntary sanctions against South Africa.

For a start they could set off large scale sales of South African securities, make it more difficult for banks to borrow money and fuel the international campaign for disinvestment or even harsher economic sanctions.

The rand could tumble, South African interest rates would rise and the economy would dive into a deeper recession.

Asked about the likely impact of repatriation of blacks Mr. David Williams, London director of the South African Foundation, said.

“In repatriating large numbers of workers one may increase the possibility of instability in neighbouring states creating a de facto refugee situation,” he said.
SANCTIONS - 1985

August - October.
US finance for R50-m resort plan in danger

Staff Reporter

PLANS for a R50-million luxury beach resort on the West Coast may have to be shelved because of political pressure on the American company which hopes to finance the development.

More than 113 hectares of prime beach site at Paternoster near Vredenburg has been approved for the development of a playground for the Asian and coloured communities.

Plans include a luxury hotel, equestrian centre, yachting marina, sectional title units, a golf course, group housing villages, chalets, a caravan park, youth centre and other sports facilities.

DISINVESTMENT

Mr Eric Krohn, spokesman for the owners of the land, said an American company with holdings in South Africa was keen to finance the project and he was optimistic that it would go ahead if the company was not forced to withdraw from South Africa because of disinvestment pressure.

"Our plan is unique. There is nothing like it on the West Coast and amenities like this are desperately needed," he said.

The development has been approved in principle by the Director-General of Constitutional Development and Planning, the West Coast Regional Development Association and local municipalities.

Chairman of the West Coast Regional Development Association Mr David Liebenberg said the development was sorely needed.
Sanctions
United States legislators are working against time to send anti-apartheid measures

Congress

By Ramsey Mohsin, The Star (Brunei)

The two Congresses have passed bills to strengthen anti-apartheid measures, including new sanctions. The bills now await final approval by the executive branch. The new measures are expected to further isolate South Africa from the international community. The sanctions include a freeze on South African assets held in the U.S. and other measures to disrupt trade and investment.
The sanctions work.

Hopeful performance: The sanctions are working against the dictators and making progress. If Congress decided with the President's help, it could be that the sanctions are making real progress. The sanctions, as agreed with the President, are expected to work against the dictators and make progress. If Congress decided with the President's help, it could be that the sanctions are making real progress.

In response to the sanctions, President Putin is about to make a speech. The sanctions work.

Y海湾

WASHINGTON

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:

of recent events:
Norway recalls consul in protest

NORWAY'S chief diplomatic representative in South Africa, Mr Gunnar Flakstad, who holds the rank of Consul-General, will not return to Cape Town at the end of his leave as a mark of protest at apartheid and the state of emergency, the Norwegian Foreign Minister, Mr Sven Stray, said in Helsinki yesterday.

This follows the recent decisions by France, the United States and Spain to withdraw their ambassadors from South Africa and the Progres- sive Party spokesman on foreign affairs, Mr Colin Eglin, yesterday warned that the government should start serious negotiations with black leaders to stop the worsening spiral of diplomatic isolation.

Mr Eglin said that while Norway had never had major economic importance for South Africa, the withdrawal of its representatives was just another link in the chain of increasing isolation of South Africa.

"It is clear that while the disinvestment campaign against South Africa started in the United States, it has spread very rapidly to Europe. The implications of this isolation are not only diplomatic, but economic."

Mr Eglin said the whole question was bound up with the internal situation.

"Unless the government can normalize the internal situation and start serious negotiations with black leaders, the spiral of isolation is pressing on."

Peers are now mounting that the diplomatic isolation could snowball, though a spokesman for the Department of Foreign Affairs declined to comment last night on the Norwegian decision.

A spokesman for Norway's Consulate-General in Johannesburg said last night he had "no knowledge" of his government's decision not to return Mr Flakstad.

Meanwhile, the Dutch Ambassador, Mr Hugo Carstens, leaves South Africa for the Netherlands tomorrow, though a spokesman for the embassy stressed that he was merely going on holiday.

Earlier the State Department had no comment on South Africa's decision to recall its Ambassador-Designate, Mr Herbert Beukes, from Washington.

"It's up to the South African Government," said State Department spokesman Mr Charles Redman.

But he said diplomatic contacts between the United States and South Africa would continue unabated, although neither is represented by an ambassador in the other's capital.

Both Mr Redman and Mr Speakes reiterated the opposition of President Ronald Reagan's Administration to imposing economic sanctions against South Africa.

"They said the US was urging South Africa to begin engaging in dialogue with blacks, to end the violence and the state of emergency, and to restore law and order."

Simon Barber reports from Washington that US anti-apartheid legislation moved into its final stage last night as negotiating teams from the Senate and the House of Representatives convened in search of a compromise bill that
NORWAY'S chief diplomatic representative in South Africa, Mr Gunnar Flakstad, who holds the rank of Consul-General, will not return to Cape Town at the end of his leave as a mark of protest at apartheid and the state of emergency, the Norwegian Foreign Minister, Mr Sven Stray, said in Helsinki yesterday.

This follows the recent decision by France, the United States and Spain to withdraw their ambassadors from South Africa and the Progressive Federal Party spokesman on foreign affairs, Mr Colin Eglin, yesterday warned that the government should start serious negotiations with black leaders to stop the worsening spiral of diplomatic isolation.

Mr Eglin said that while Norway had never had major economic importance to South Africa, the withdrawal of its representative was just another link in the chain of increasing isolation of South Africa.

"It is clear that while the disinvestment campaign against South Africa started in the United States, it has spread very rapidly to Europe. The implications of this isolation are not only diplomatic, but economic.

Mr Eglin said the whole question was bound up with the internal situation.

"Unless the government can normalize the internal situation and start serious negotiations with black leaders, the spiral of isolation is only going to increase." Fears are now mounting that the diplomatic isolation could snowball, though a spokesman for the Department of Foreign Affairs declined to comment last night on the Norwegian decision.

A spokesman for Norway's Consulate-General in Johannesburg said last night he had "no knowledge" of his government's decision not to return Mr Flakstad.

Meanwhile, the Dutch Ambassador, Mr Hugo Carstens, leaves South Africa for the Netherlands tomorrow, though a spokesman for the embassy stressed that he was merely going on holiday.

Isolation

Sapa-Reuters reports that Mr Stray told his Nordic counterparts that the decision at a meeting in Helsinki, Finland, on increasing South Africa's economic isolation. He said Oslo did not expect Sweden, Denmark, Finland and Iceland to follow suit.

The Nordic countries have a joint programme for applying pressure on South Africa.

Diplomats in Mr Stray's party at the 10th anniversary meeting of the Helsinki accord said Mr Flakstad would not return to his post until further notice.

"We can't say we're recalling him as he is already in Norway on vacation, but he will not return until further notice to mark our political disapproval of recent developments," one said.

Meanwhile the White House yesterday renewed its call for an end to the violence and state of emergency in South Africa.

"Once again we call for an end to the violence, the restoration of law and order and the lifting of the state of emergency," spokesman Mr Larry Speakes said.

He also urged the start of negotiations aimed at a black-white dialogue "leading away from apartheid".

He said the Reagan Administration regretted a new order limiting the number of people attending funerals and to all computer sales to the SA Government that already exist on a "de facto" basis, and render the voluntary Sullivan Code mandatory.

The House is demanding an immediate ban on new investment, access to all computer sales to the SA Government, voiding existing contracts if necessary, and a prohibition on Krugerand imports. - Sapa-Reuters and Own Correspondents
Private sector not affected

Computer sales ban made clear

By Gary van Staden, Political Reporter

Legislation presently under consideration in the United States would not affect the sale of American computers to the private sector in South Africa, a spokesman for IBM said in Johannesburg today.

The spokesman was reacting to a report in The Star yesterday in which it was stated that, if the anti-South African legislation were approved in America, it would include a ban on the provision of computer technology to this country.

"Although I am not sure about the exact wording of the compromise Bill pending in the United States, both the House of Representatives Bill and the Senate Bill refer specifically to computer sales to certain government agencies in South Africa," the IBM spokesman said.

The ban on computer sales referred specifically to the South African security forces, the Government and state agencies which enforced, or which helped to enforce, apartheid. The private sector would not be affected.

The spokesman added that since The Star report appeared yesterday some concern had been expressed in the private sector that computer sales to them would be affected.

"They will not be. In fact, the new legislation in the US imposes no further restrictions on computer sales to the private sector than those which already exist. We have not been allowed to sell computers to government agencies for a long time," the spokesman said.
After a long and difficult meeting which ended early yesterday, foreign ministers from the 12 countries issued a statement condemning the imposition of a state of emergency.

The 10 member countries, as well as Spain and Portugal, due to join the Community shortly, called for a committee of experts to draw up a list of measures that could be taken to contribute to the abolition of apartheid before the next Community foreign ministers meeting on September 10.

The ministers are among 35 foreign ministers gathered in the Finnish capital to mark the 10th anniversary of the signing of the Helsinki East-West detente accords.

The French External Affairs Minister, Mr. Roland Dumas, who recalled France's ambassador last week, said the other countries would order their envoys to report to Brussels for consultations soon.

Individual governments would have to decide whether their ambassadors should return to South Africa.

Far short

Mr. Dumas told a news conference this fall that of what France, Belgium and some other countries had demanded.

He was not totally satisfied with the outcome of the meeting but France was nevertheless fairly pleased that the Community had managed to make a joint stand and that some progress had been made on earlier positions, he said.

One foreign minister said there was absolutely no consensus on taking economic measures against South Africa.

Belgium called for further action, including restrictions on investments and travel in South Africa, but ran into strong resistance from West German and British Foreign Secretaries, ministers said.

The British Foreign Secretary, Sir Geoffrey Howe, told a news conference: "Britain still feels 'economic sanctions have not been shown to be effective and are not likely to be effective in this case'."

Opposed

Sir Geoffrey, who emphasised that summoning ambassadors for consultations was not the same thing as a formal recall, said Britain was passionately opposed to apartheid.

"But we do not believe we are likely to advance the process of change by applying economic sanctions," he said.

Only dramatic internal action by the Government would stop the mounting international diplomatic pressure against apartheid, Mr. Colin Eglinton, Chief Opposition Foreign Spokesman in the Assembly, said yesterday write Ormand Pollock.

Underestimated

Commenting on the dramatic announcement that 12 countries are to recall their envoys for 'discussions' — the most concerted European diplomatic slap in the face for South Africa in many years — Mr. Eglinton warned that nobody should underestimate the seriousness of the move.

He said the combined action of the various European countries could not be underestimated.

"It is not just a diplomatic move and could have serious consequences on the economy and the South African standard of living," said Mr. Eglinton.

It is all part of a process which is going to continue until President Botha normalises the situation in the country, he added. — (Sapa-Reuters)
sanctions might still be vetoed by Reagan

By Kathy Willett

The House Commerce Committee, chaired by Rep. Tom Davis, R-Va., is expected to approve the bill next week. The panel's action is expected to clear the way for a vote on the bill in the full House.
LONDON. — The European Economic Community is split wide open over the decision to summon ambassadors to South Africa home for consultations.

Some EEC countries — like Britain — will send their ambassadors back as soon as possible. Others may not send them back at all.

The meeting of EEC Foreign Ministers in Helsinki yesterday went on deep into the night and broke up in disagreement.

The BBC reported that the debate started after the South African Ambassador to Finland gave the EEC details of strategic minerals member countries imported from South Africa.

On one side were Britain and West Germany, opposing sanctions and the recall of the ambassadors, while France and Belgium argued for both moves.

British Prime Minister Margaret Thatcher and French Prime Minister Mr. Laurent Fabius were unable to agree on strategy at a meeting at 10 Downing Street yesterday.

At a Press conference after the meeting Mrs. Thatcher said Britain and France shared an abhorrence of apartheid and had the same object — but they differed on strategy.

**Fierce pressure**

Britain gave in to fierce EEC pressure by deciding to summon its Ambassador from South Africa.

Only last week the Foreign Office was insisting that Ambassador Patrick Moberly would not be recalled.

Today British Foreign Secretary Sir Geoffrey Howe said, “He is not being recalled in that sense of the word.” He added that the word “recalling” did not appear in the EEC conclusions.

But nobody at the Foreign Office knew when Mr. Moberly would return.

Nor could the Foreign Office say when or where the special meeting of EEC political directors for which Mr. Moberly has been summoned would be held.

The next meeting is scheduled for next month but officials thought it might take place earlier.

Interviewed after the Helsinki meeting yesterday before he returned to Britain, Sir Geoffrey said Britain was at pains to put down the view that the EEC was trying to snub South Africa, or was making a diplomatic political gesture, or even giving Pretoria a rap over the knuckles.

But he wanted Pretoria to be aware “that we believe apartheid is an intolerable system of Government.”

Mr. Leo “Rusty” Evans, the Minister at the South African Embassy, told a radio interviewer that South Africa wanted to get on with reform as soon as law and order had been restored.

He said it was ironic that the state of emergency had to be declared when South Africa was involved in a process of “fundamental change.”

South Africa wanted to sit around a table with blacks and discuss how they should participate in South Africa, but “at this stage” blacks had not taken up the Government’s offer.

However, he said, South Africa would “defend her interests” should sanctions be applied.

In Paris officials were delighted and said they had broken a logjam. They said there were indications that some of the withdrawn ambassadors would return.

French financial and business circles have become agitated over the dramatic fall of the rand, and reports from South Africa are that investors are switching large amounts of capital out of the country.

**Currency restrictions**

Banking sources said it was almost certain Pretoria would be forced to introduce currency restrictions over the weekend to prevent a further drain.
The Bill against U.S. sanctions

WASHINGTON—The White House issued a strong call yesterday for the Senate and House versions of a bill to block further economic sanctions against South Africa. President Reagan has long advocated sanctions against South Africa, which was involved in the crisis over the politics of the southern African nation. The president has been critical of the sanctions imposed by Congress, which he believes are not effective in bringing about a peaceful resolution to the conflict.

The White House said it was concerned about the impact of the sanctions on South Africa's economy and its people. The president has been working with Congress to find a way to block the further imposition of sanctions, while maintaining the pressure on South Africa to end apartheid.

The House version of the bill, which was passed last week, would block further economic sanctions against South Africa. The Senate version of the bill, which is still being considered, would also block further sanctions but would allow the president to impose sanctions if he determines that they are necessary.

The White House said it was concerned about the impact of the sanctions on South Africa's economy and its people. The president has been working with Congress to find a way to block the further imposition of sanctions, while maintaining the pressure on South Africa to end apartheid.

The Senate version of the bill, which is still being considered, would also block further sanctions but would allow the president to impose sanctions if he determines that they are necessary.
US House passes anti-SA sanction

WASHINGTON. — The House of Representatives yesterday over-whelmingly passed a bill imposing economic sanctions on South Africa as a protest against apartheid, but final action in the Senate may be delayed until September.

The House voted 380 to 48 in favour of the legislation, sending it to the Senate where Majority leader Mr Robert Dole said up to eight senators were unprepared to talk against the measure.

President Reagan is opposed to sanctions and has not said if he will sign or veto the bill.

The bill would immediately ban imports of South African Krugerrand gold coins and US bank loans to the South African Government. It would also ban US exports to South Africa of nuclear equipment. Other economic sanctions, such as a ban on new US business investment in South Africa, could be imposed later.

Supporters of the measure said the moral statement the bill made against apartheid outweighed its economic aspects.

"Now is the time for the American people to make this moral statement," House Foreign Affairs Committee chairman Mr Dante Fascell, a Democrat, said — Sapa-Reuter
Sanctions won't end apartheid

LONDON — Sanctions which take the form of disengagement tend to strengthen the forces of authoritarianism in South Africa and do not contribute to the ending of apartheid, says The Economist.

The most effective forms of pressure on South Africa have been those of engagement, not disengagement, says an editorial in the latest issue.

"The arms and oil embargoes have served mainly to increase South Africa's self-sufficiency and its immunity to future leverage," it adds.

Action against South Africa, it adds, must be "useful," needs to be related to specific goals which can be reached within a specific time.

And this, says The Economist, means the sanction applied has to be "aimed precisely at the change it is designed to bring about, it has to be toughly applied, and it should be remitted when specific demands are met."

"It might make sense to impose sanctions on South African passports and on South Africa's airlines if these sanctions are aimed at making the South African Government remove specific restrictions on citizenship and travel, a notorious current feature of apartheid, but not just for a Musly general objective."

But The Economist says the sanctions that have emerged from the American Congress — the end of American bank loans to South Africa, a ban on Krugerrand sales in America and the export of security equipment and a closer monitoring of the Sullivan rules — meet few of the criteria for effectiveness.
Suzman meet Thatcher

Own Correspondent
LONDON. — Two leading South African politicians told the British Prime Minister, Mrs Margaret Thatcher, yesterday that they supported her refusal to consider sanctions against South Africa.

KwaZulu leader Chief Gatsha Buthelezi and veteran Progressive Federal Party MP Mrs Helen Suzman met Mrs Thatcher separately at Downing Street to discuss the state of emergency and the threat of a mounting international sanctions campaign.

A Downing Street spokesman said Chief Buthelezi had continued Mrs Thatcher for her opposition to sanctions while Mrs Suzman had urged the Prime Minister not to impose sanctions.

"Wrong"

A Downing Street spokesman said after the meetings that Mrs Suzman had told Mrs Thatcher that it was "quite wrong to seek to isolate South Africa through economic sanctions."

Mrs Suzman had asked Mrs Thatcher to keep up pressure for incremental reforms.

"Mrs Suzman said economic and industrial policies were the factors in contributing to the break-up of apartheid. She said sanctions would interrupt that process."

She agreed with the line the Prime Minister and the British Government have been taking in this matter, the spokesman said.

Chief Buthelezi said he had urged the Prime Minister to continue applying diplomatic pressure to prepare the ground for a national convention.

He said diplomatic pressure on South Africa should be directed towards lifting the state of emergency, releasing Nelson Mandela and other political prisoners and supporting his declaration of intent for reform.

Chief Buthelezi said he had told Mrs Thatcher of his concern at cross-border violence and recent official threats that borders with neighbouring states like Lesotho might be sealed.

He said the recall of European ambassadors from South Africa was useful insofar as it conveyed the seriousness of the situation to white and black South Africans, but added that they should return to South Africa.

Chief Buthelezi said he would support sanctions tomorrow if, thought they would "tip the balance," but he was opposed to symbolic gestures which did not achieve results.

He said he had congratulated Mrs Thatcher on her "sensible" attitude on sanctions.

Chief Buthelezi said it was tragic that the African National Congress (ANC) was urging the liquidation of black collaborators.

He said the ANC was capitalizing on the recent levels of black anger and mob violence but had not caused them. Only hours earlier an ANC spokesman had told a press conference here that armed struggle was the only course open to the ANC, and criticized Britain for opposing economic sanctions.

It was announced yesterday that a three-man ministerial delegation from Italy, the Netherlands and Luxembourg would visit South Africa soon on a fact-finding mission.

A spokesman for the Department of Foreign Affairs said it was not clear whether the delegates would be the foreign ministers of these countries. The Foreign Minister, Mr Pik Botha, said that the Netherlands ambassador had approached him on behalf of the EEC president about the visit.

He said the ambassador was advised that the South African Government would welcome a visit by the three ministers for discussions.

Sources at The Hague said it was probable that the three ministers would decide at a meeting on a joint statement of demands to be conveyed to the South African Government.

No firm date has yet been set for the trip. It comes against the background of South Africa's growing diplomatic isolation — the latest steps were the closure of the Danish Consulate in South Africa yesterday and the recall of the Australian Ambassador, Mr Robert Birch, for a review of relations with South Africa.

EEC

Most senior envoys of the EEC countries still represented in South Africa are already out of the country on home leave, and will be staying on until after an EEC meeting in Brussels on September 10 to discuss what new steps might be taken on South Africa.

The countries affected by the recollect are Britain, France, West Germany, Greece, Italy, Ireland, Belgium, Luxembourg, the Netherlands and Denmark. The Spanish and Portuguese ambassadors will not attend the meeting.

Spokesmen for the Frenchlegation and the Canadian and Austrian embassies yesterday said they had not yet received any notification involving the recall of their senior envoys.

The United States withdrew its ambassador from Pretoria in June after the South African incursion into Botswana.

Sanctions

The EEC countries are split over sanctions. Britain and West Germany oppose sanctions as ineffective and potentially harmful to blacks, and both countries made it clear that they viewed the recall of their ambassadors as temporary. However, backing for economic action has grown within the EEC. France and Denmark have already had any investment, while Belgium has backed sanctions and the Netherlands has said it is ready to discuss economic measures if they are adopted next.

Porn mags keep nurses hot

Own Correspondent
LONDON. — Health officials are keeping down the costs of heating a Midlands hospital by burning tons of pornographic magazines.

The Worcester District Health Authority came up with the idea of cutting huge heating bills at the Worcester Royal Infirmary with a new incinerator boiler.

And they're taking supplies of pornography seized by the West Mercia Police Force along with dangerous drugs and other rubbish to use as fuel to keep their patients warm.

A spokesman for the Health Authority said "The new incinerator is saving us £9,000 a year."

They are charging outside organizations for disposing of their rubbish at the same time we are getting free fuel for the hospital.

Visas for state officials are renewed every year.
Congress fails to approve SA sanctions

WASHINGTON — Congress yesterday gave final approval to a 1986 budget but failed to approve limited economic sanctions against South Africa.

Clearing their calendar before the summer recess that began yesterday, the House and Senate also sent President Reagan a grab-bag bill of $28 billion for government operations this year, including the start of $60 million in aid for the Contra rebels in Nicaragua.

The last stumbling block to the August recess was the budget resolution.

South Africa and its racial policy of apartheid was the other major item on the agenda, and it will be the first item on the Senate calendar when members return in September. Senate Majority Leader Robert Dole promised:

The House easily passed the sanctions against South Africa on a 380-48 vote, with even conservative Republicans warning President Reagan not to veto the measure — and promising to override him if he kills the measure.

‘If the President fails to sign this Bill, it will be one of the most serious mistakes of his presidency,’ said Republican Representative Vin Weber.

Much of the Senate professed a desire to follow suit.

‘It is time we vote. It is time we act,’ said Senator Richard Lugar, the Republican who heads the Senate Foreign Relations Committee. ‘We have a set of mild sanctions.’

‘Every time a Krugerrand is sold here in the United States, we are helping build the wall of apartheid,’ said Democratic Senator Edward Kennedy, arguing it was ‘time to end this country’s participation in apartheid.’ (Sapa-AP)
Reagan likely to veto sanctions Bill

Argus Foreign Service
NEW YORK.—Though the House of Representatives has voted overwhelmingly by 380 votes to 48 to accept a Bill that would enforce sanctions against South Africa, informed sources in Washington remain convinced that President Reagan will veto the measure when and if it reaches the White House for his approval.

"He is not for it," a senior official said, referring to President Reagan's position on the measure, which has been consistently to oppose it.

FINAL ACTION

Further backing for the president's stand against sanctions came from last week's meeting of the National Security Council, which plays a major role in the formulation of foreign policy, when a consensus was reached opposing US sanctions against South Africa.

And yesterday, after the overwhelming House vote in favor of the measure, administration officials again predicted President Reagan would veto the measure, even though this would set the stage for a sharp confrontation with Congress.

In any event, final action on the sanctions measure was narrowly staved off when the Senate postponed a vote on the Bill, the terms of which were jointly agreed on by a joint Senate-House committee, when seven Republican senators said they would join Senator Jesse Helms in a filibuster if the Bill reached the Senate floor.

Both the House and the Senate have already voted for economic sanctions by margins sufficient to overturn a presidential veto, and a coalition of conservative House Republicans has urged President Reagan to sign the Bill.

Supporters in both Houses had been pushing to complete work on the combined Bill before Congress adjourned today for its August recess.

The Bill approved by the House would bar sales of Krugerrands in the US and halt bank loans to the South African Government.

The measure would also ban sales of goods used in nuclear production and computers. It would also require President Reagan to impose further sanctions after 12 months if South Africa failed to make sufficient progress towards ending apartheid.
Tutu 'made clear call on curbs'

JOHANNESBURG
Nobel Peace Prize winner and Anglican Bishop of Johannesburg, Bishop Desmond Tutu, had made a clear call for financial and moral support for an American organisation, TransAfrica, which aims to bring political and economic pressure to bear on South Africa and isolate the country diplomatically, a daily newspaper claimed today.

The Citizen said a copy of Bishop Tutu's letter of support for TransAfrica early this year, which had reached their offices indicated the extent of his support for its campaign against SA.

An open letter by Bishop Tutu has been used in support of the 'Free South Africa' campaign launched by TransAfrica in which it is seeking financial contributions in support of a worldwide campaign to isolate SA.

TransAfrica has been at the forefront of lobbying and other actions in the United States aimed at instituting boycotts and bring international political pressure to bear against SA.

Attached to the letter is a form asking for donations ranging from $20 (R 4) to $500 (R 111) or a financial contribution of any size — issued under the name of Bishop Tutu — "to help you (Bishop Tutu) mobilise public support within America and other nations for economic, legislative, political and educational actions that will lead to the abolition of apartheid forever."

In his letter of appeal, Bishop Tutu speaks of "unspeakable horrors" committed in the name of apartheid, including torture, murder, abduction, incarceration and 'many other crimes against humanity". 
Sweden seeks sanctions

HALDEN — The Swedish Prime Minister, Mr Olof Palme, said yesterday Sweden would like to see tougher economic international sanctions imposed against South Africa.

Mr Palme said Sweden would not, like neighbours Denmark and Norway, withdraw its diplomats from South Africa because the move had little practical effect.

"But we are more than willing to see tougher economic sanctions against South Africa on an international scale," he said.

"The whole myth spouted by Pretoria that the trouble is caused by outsiders, by the ANC or by world communism has been exploded in recent weeks," he said. — Sapa-Reuter.
Games

Ban on SA disabled

LONDON. Disabled South African athletes yesterday took part in the closing ceremony of the Stoke Mandeville paraplegic games for the last time.

They have been banned from this, the major game for disabled people in the world.

By a substantial majority, the International Stoke Mandeville Games Federation Council decided on Saturday night that South African competitors would not be accepted at future events.

Four nations, including the United States and Canada, boycotted the games this year because of South African participation. There was also an Anti-Apartheid Movement demonstration at the opening ceremony.

After the closing ceremony, a spokesman for the South African delegation said it was the players, including blacks, who would suffer.

The South African team hopes it can have the ban declared illegal under the paraplegic games' present constitution.
Disinvestment pressure mounts — Syfrets chief

THE pressure for disinvestment in South Africa is proving to be effective — in the past 10 weeks alone foreign investors pulled an estimated R365m out of the economy, the chief executive of Syfrets Trust, Mr Brian Robinson, warns.

He told the international Women’s Club in Cape Town that about nine firms had already left South Africa this year and 30 had left between 1980 and 1984.

“Trade boycotts were estimated at 80% of the total black workforce was employed directly by American corporations, a 20 percent effective trade boycott could prove disastrous for the South African worker.

“A 20 percent effective trade boycott could eliminate 150,000 white jobs and 500,000 black jobs and cost the country R1.5 billion in foreign exchange earnings.

“Workers have a vested interest in the maintenance of an efficient economy for they would not want to inherit a bankrupt country.”

If the necessary level of investment and skills associated were not made available, Mr Robinson continued, industrial growth would decline, racial conflict would sharpen and the labor market would become stronger.

“Real earnings could stagnate and unemployment will increase,” he cautioned.

He said that of the estimated $14 billion United States investment in South Africa, $2.5 billion represented direct holdings, which was equivalent to 20 percent of all the foreign investment in this country.

However, United States influence was disproportionately strong in the oil, motor and computer industries.

The balance of the $14 billion represented bank loans to local companies and shares purchased through the stock exchange.

Mr Robinson warned that, “firms are quietly reducing their South African ties by not increasing capital spending or employment; in effect pulling out through attrition”.

...
ANGER and disappointment have greeted the decision to ban the South African team from the Stoke Mandeville Games for the disabled.

The chairman of the Western Province Paraplegic Sports Association, Miss Dawn Hare, said this week that the association was "bitterly disappointed."

"We have been traditional competitors since 1962," she said.

On Monday in Britain, Conservative MP Mr. Nicholas Winterton hit out at the organizers of the game:

"I consider it unchristian and uncharitable to hit out at people who merit our support and help."

Mr. Winterton said he would be writing to the secretary of the organizing body asking that the ban on South Africa be reconsidered.

His feeling was that it would have been better not to have any games at all for the disabled and handicapped, than to discriminate against one country.

The Sun

Britain's top-selling daily newspaper, The Sun, criticized the decision to bar South Africa from the paraplegic games.

"These brave men and women are already life's unfortunate victims," the newspaper said in an editorial.

The international Stoke Mandeville Games Federation announced the ban on South Africa after a number of countries pulled out of this year's games in protest at the presence of a team from the Republic. — Staff Reporter and Own Correspondent
President Reagan is preparing to veto sanctions imposed by Congress. In a move that could further escalate tensions with the Soviet Union, the president has indicated his opposition to new economic measures targeting the country.

"We are taking a strong position against any measures that would undermine the principles of freedom and democracy," President Reagan said in a statement. "We believe that economic sanctions are not the answer and can only, in the end, lead to more conflict and instability."
He defended the policy of economic engagement, claiming that it had contributed to a decrease in the number of black citizens in South Africa. Reagan emphasized the importance of maintaining economic relations with South Africa, stating that sanctions would hurt the black leadership and the government.

President Reagan's proposals are being reviewed by some as a way to remove the violence that has escalated in the country. The sanctions are seen as a way to encourage black leadership to change their policies and improve the situation for black citizens.

President Reagan's proposals are being reviewed by some as a way to remove the violence that has escalated in the country. The sanctions are seen as a way to encourage black leadership to change their policies and improve the situation for black citizens.

Sanctions would hurt blacks most — Reagan
Sweden wants tougher sanctions

Halden (Norway) — Swedish Prime Minister Mr Olaf Palme said yesterday Sweden would like to see tougher economic international sanctions imposed against South Africa.

He said, however, that Sweden would not like neighbours Denmark and Norway withdraw its diplomats from South Africa because the move had little practical effect.

"The whole myth spouted by Pretoria that the trouble is caused by outsiders, by the ANC (African National Congress) or by world communism has been exploded in recent weeks," he said.

Sapa-Reuters
Reagan defends S&L policy

Reagan's policy of allowing the savings and loan associations to operate freely has been controversial. The government has faced criticism for not regulating these institutions adequately. The savings and loan associations have been blamed for many of the problems in the housing market, and the government has been under pressure to intervene. Reagan's defense of the policy is a major point of contention in the presidential campaign. The president has been criticized for not understanding the complexities of the financial industry, and his approach to regulation has been questioned by many economists.
Solarz gets ‘new insight’ into SA

From WINNIE GRAHAM
JOHANNESBURG — Mr Stephen Solarz, a leading American advocate of sanctions, said yesterday the United States did not want to see South Africa begin a “long descent into a nightmare situation”.

The United States congressman, on a week-long visit to South Africa, was speaking after a luncheon meeting with the Minister of Foreign Affairs, Mr Pik Botha. He described the meeting as the “highlight” of his visit and said it had given him a new insight into South Africa.

“The United States is not in a position to dictate the future of South Africa,” he said. “This country’s government and her peoples will have to decide on their own future.”

Asked how his stance was affected by President Reagan’s reaffirmation that the United States would not introduce sanctions against South Africa, Mr Solarz said the president was not always against sanctions but, in this instance, he probably thought they would be “unproductive” against South Africa.

He stressed he was not in South Africa to “meddle” but to learn how the South African Government hoped to deal with its problems. He hoped to help develop an American policy which would facilitate a peaceful solution.

He said he planned to meet whites, blacks, coloureds and Indians during his visit. “I recognize the problems are very complex and I would like to hear a wide variety of views.”

What happened in South Africa, he said, would have a dramatic impact on the US as his country had an interest in the economic, strategic and humanitarian future of the Republic.

Mr Botha said in answer to a question that reform had never yet been introduced through outside pressure: “It retards reform rather than promotes it.”

Asked what new reforms were in the pipeline he said the State President had been announcing reforms since January and “the disturbances will not stop us.”
Sanction action against SA still needed — Solarz

TOS WENTZEL
Political Correspondent

UNITED States Congressman Mr Stephen Solarz today had discussions with a number of prominent people in Cape Town and maintained that his basic approach to some sanction action against South Africa had not changed.

Mr Solarz arrived in Cape Town yesterday and left for Durban this afternoon.

Among the people he saw in Cape Town were the Rev Allan Hendrickse, Mr Franklin Sonn and the Rev Allan Bosaak.

Mr Solarz, a leading congressional advocate of sanctions, earlier this week gave the impression that his standpoint had softened somewhat after his meeting with the Minister of Foreign Affairs, Mr P. Botha, in Pretoria.

Today he said that his ideas had not been so fixed or concrete before he came to South Africa and that, although he had reached certain conclusions, he was always prepared to learn.

Mr Solarz made it clear that, in spite of any impressions that might have been created earlier, he felt that legislation to start sanctions which had been passed in the US was appropriate at this stage.

He thought this was in line with his fundamental views on the need for real change and a just dispensation for all in South Africa.

Forces working for this could be influenced by such legislation at the appropriate time.

He had not come to South Africa to try to present any particular dispensation. As he had stated earlier, these matters had to be worked out by the people of South Africa themselves.

He hoped that the South African Government would start negotiations with the real leadership among blacks.

Mr Stephen Solarz, right, and the Rev Allan Hendrickse at a breakfast meeting today.

Picture: PETER STANFORD, The Argus
FEARS of an Australian consumer reaction to South African goods is causing concern to importers and exporters alike.

Leading freight shippers to Australia complain that SA exporters are over-reacting to reports that an SA ship has been boycotted in Sydney, while Safto spokesman Ann Moore says reports of cancelled shipments "represent nervousness among Australian buyers".

Last week the Safvecan Mildura faced a series of 24-hour bans while docked in Sydney. Safvecan, which controls most of the SA-Australia shipping market, is jointly owned by Safmarine and Nedlloyd.

ALAN RUDDOCK

Safvecan director Bill Thijssen says such bans are sporadic and do not affect the shipping schedules. "The bans only affected the departure of the ship and not the loading or discharging of cargo. The Mildura is now in Melbourne and we expect a temporary ban, probably another 24-hour one. We can easily make up the time and be back in SA on schedule."

Moore says there is no need to panic. "Though it is worrying, these sporadic strikes do not interfere with the trade flow. While there may be fears in the medium-term about a possible consumer reaction, Australian labelling regulations are not over-stringent and it is legally possible to down-play the country of origin."

Thijssen, meanwhile, is more concerned that a number of exporters who had booked space for the next Australian sailing seemed to panic and telephoned to cancel. "This is overreaction."

Australian Trade Commissioner Nick Smit agrees there is a long history of occasional strikes aimed at SA and other ships, depending on the political mood of the dock unions.
Pressure put on Schultz to support sanctions
Sanctions
man to pay
flying visit

Political Reporter

U.S. CONGRESSMAN Stephen Solarz, a leading advocate of economic sanctions against South Africa, will pay a brief visit to Durban today and tomorrow. Mr. Solarz, who is touring South Africa, arrives here this afternoon and leaves tomorrow morning.

The American Consul-General in Durban, Mr. Martin Chees, said Mr. Solarz would hold talks with "a wide range of people" in Durban.

Mr. Solarz had a two-hour confidential meeting with Foreign Minister Pik Botha at the Union Buildings in Pretoria this week.

The Congressman is a joint sponsor in the U.S. House of Representatives of a Bill proposing a ban on the sale of Krugerrands in the U.S., bank loans to the South African Government, all new American investment in South Africa and the sale of computers to the South African Government and its agencies.

The Bill provides for the sanctions to be lifted if the South African Government stopped the denationalisation of blacks, or repealed the pass laws or agreed to an internationally acceptable settlement in South West Africa.
Sanctions: the ace up PW's voluminous sleeve

When President Botha recently warned black African states over the sanctions issue, Press interest centred on his threat to expel thousands of migrant workers presently employed in South Africa.

However, as head of the most powerful country on the African continent, Mr Botha made a far more significant threat to those African nations supporting the UN Security Council motion on sanctions against South Africa.

A flexing of South Africa's economic muscle, he made it clear, is all that is needed virtually to strangle the economies of central and southern African states.

He told a youth meeting at the University of Potchefstroom "It does not take much imagination to realize the consequences for our neighbouring states and even African states further to the north, should the South African railways, airways and harbours not be able to handle their imports and exports any longer."

In the first half of this decade — which saw the formation of the SADC (Southern African Development Coordination Conference) with its pledge to reduce economic dependence on South Africa — central and southern African countries have become, if anything, more dependent on South Africa's transport infrastructure.

Zambian and Zairean copper exports, together with container trains of Zimbabwean tobacco and minerals, all make their way along South Africa's rail arteries and out through its seaports.

Vitality-needed diesel and petrol, new vehicle machinery and even thousands of tons of food in imports for drought-stricken countries have all flowed north on the SAR routes.

In Zimbabwe's case, reliable trade sources estimate that at present between 80 and 90 per cent of the country's imports and exports go through South Africa either direct to South African ports or via the Komatiport line and on to Maputo. Although Mr Mugabe's country gets its diesel and petrol supplies from the Beira-Mutare pipeline, aviation spirit is still brought in through South Africa.

In the last few years, traffic over the South African routes has increased, largely because the rehabilitation and efficiency of the Mozambican rail links and harbours have not come up to expectation.

Problems of security have also played a large part in the reluctance of Zimbabwean businessmen to utilise the Mozambican facilities.

The Beira-Mutare rail line is operational and the route offers savings of up to 50 percent on the alternative routes from South African ports. However, there is only a limited amount of locomotive traction power available to haul traffic along the route, which has difficult gradients. In the port of Beira itself, harbour facilities are being revamped, but are not nearly back to the state they were when the Portuguese withdrew from the country in 1974.

Some of Zimbabwe's tobacco is being exported through Beira, but most of the 80,000 tons of the annual crop is routed along SAR systems at preferential freight rates.

There is no doubt that if the South African transport authorities in some way prevented their system being used by the sanction-supporting African countries, then the Mozambique ports and infrastructure would be totally swamped with the increased, re-routed traffic. The threat of South African anger to countries in the sub-continent is real enough, but the question is will Pretoria actually go as far as a formalised retaliatory transport ban?

Such a ban, while crippling some of South Africa's most bitter enemies, would also badly affect her one "friend" in Africa — Malawi. Most of Malawi's imports of fuel and essential supplies come through Zimbabwe via the South African rail and road links.

Also, up to now South Africa's transport relations with its neighbours have been governed by the General Agreement on Tariffs and Trade (GATT), to which Pretoria is a signatory. The GATT convention specifically bars members from doing anything to stop or hinder exports to other landlocked member countries.

What does seem a more likely form of South African action is the subtle, "unofficial" pressure which can see exports and imports for African countries piling up in South Africa through one or other administrative reason.

That the South African transport and harbours systems can be a great help was amply demonstrated in the past year when, despite the tremendous pressures on them to move thousands of tons of grain imports for their own country, they also moved large consignments of food aid for neighbouring countries.

The subtle pressure principle has already been applied by the South Africans on a number of occasions, notably with "delays" of diesel delivery to Zimbabwe to underscore South Africa's displeasure with anti-apartheid propaganda shortly after independence in the early 1980s.

In 1976 Prime Minister John Vorster used similar tactics to force a reluctant Mr Ian Smith to the settlement negotiating table. At that time Rhodesian exporters suddenly found that their shipments were experiencing unusual delays as bottlenecks built up unaccountably on the South African rail system.

More than 16,000 tons of citrus destined for export had to be destroyed and the mining, industrial and agricultural sectors were almost at the end of their tether.

If Mr Vorster could do that to a "friend" in 1976, what compunction would Mr Botha have about doing the same thing to people who are decidedly less than friends in 1985?

South Africa's railways and harbours system acts as a lifeline for much of southern and central Africa. Much more serious than President Botha's threat to repatriate migrant workers of those African countries supporting sanctions against South Africa, would be a total or partial transport ban. BRENDAN SEERY of The Star's Harare Bureau reports...
UK sanctions would hit 500,000 blacks

London Bureau

A British Government-sponsored trade mission to South Africa reports today that UK economic sanctions would remove the livelihood of half-a-million black people.

Its 50-page report compiled after businessmen from the Northamptonshire Chamber of Commerce visited Johannesburg, Cape Town and Durban, speaks of an "overwhelming moral argument" in favour of maintaining trade with all countries who suffer under "misguided governments."

Experience of sanctions against Rhodesia, it says, suggest that the impact on South African Government policy would be negligible.

"The impact on the black South Africans is another matter," the report adds. "Altogether, 143 companies in South Africa are owned wholly or in majority by UK companies. They employ over 100,000 black people which means that probably between one-third and one-half million black people depend on those companies for their livelihood."

Pervert

"To close these companies or to stop further investment in their future would be a strange way indeed to help the black community."

Any attempt to "pervert" the course of trade to serve political objectives is strongly opposed in the report.

"International trade is a healing force throughout the world because the businessman is not concerned about the race, creed or colour of his business partner."

"The greater the isolation caused by political differences, the more valuable become the contacts and understanding created by the trading community."

Mr. Frank Chamberlain, the mission leader, says the business won on the visit would help to maintain employment in this country and such trade links were also "a life-line to the peoples of South Africa in their search for a better social and economic future."

Orders worth R1 200,000 were booked during the two-week visit and further business worth R2 100,000 is expected to follow in the next two years.

Deliberately addressed to a wider audience in both Britain and South Africa, the report claims that organised business in South Africa has played an active role in fighting apartheid and is "probably the most powerful and effective force for social reform."

"It states: 'The Association of Chambers of Commerce in South Africa were boycotted by the Government for several years over their outspoken criticism of the Government's policy for racial discrimination in the workplace."

"If we really want to help the oppressed people in South Africa, we have a duty to take action which will help and not harm them."

The report quotes Mrs. Helen Suzman, South African opposition MP, as having said: "The best hope for reform in South Africa lies in the economic advancement of the blacks."
Support sanctions, Schultz urges
Solarz still backs sanctions

Political Correspondent

The US Congress will almost certainly push ahead with sanctions against South Africa when it reconvenes after its summer recess.

And Congressman Stephen Solarz, who has been conferring with leaders both inside and outside of government on his current lightning tour of the Republic, will not be fighting to stop such action when he returns to the United States next week.

This has emerged after his latest round of talks in Cape Town yesterday with Dr Allan Boesak, Mr Franklin Sonn and the Rev Allan Hendrickse.

Earlier this week, conciliatory remarks by Mr Solarz following a lengthy meeting with the Minister of Foreign Affairs, Mr Pik Botha, led to speculation that the outspoken Democrat might be ready to discard his mantle as doyen of the pro-sanctions lobby.
Butchered call for Israeli pressure
Anti-apartheid legislation passed by the American House of Representatives will be approved by the Senate next month, visiting US Congressman Mr Steve Solarz predicted in Pretoria last night.

His view remained that the US had a better chance of facilitating peaceful change through the application of pressure as opposed to the “continuation of measures which are limited ... to the exercise of gentle persuasion”.

Mr Solarz told a Press conference after a one-hour meeting with the President, Mr P W Botha, and before he left the country last night after a week-long visit, that he was not optimistic about prospects for peaceful solutions to South Africa’s problems.

Reforms that the Government appeared to have in mind would not be sufficient to resolve South Africa’s problems in the short-term, and his outlook for the future of the country was “profoundly pessimistic”.

Mr Solarz had further gained the impression that the Government was not prepared to release Nelson Mandela unconditionally.

He said his conversation with Mr Botha made a “cold shower warm by comparison” and made it very difficult for him to sustain a sense of optimism about the South African Government’s plans for reform.

His views were in marked contrast with those he expressed after a three-hour meeting with the Minister of Foreign Affairs, Mr Pik Botha, at the outset of his visit.

He said then that he had a new appreciation of the complexity of the South African situation and that if changes outlined to him were implemented they would be considered quite significant in the US.

(He said last night that after this statement he had received numerous calls from friends in South Africa and America expressing concern as to where he stood on apartheid).

After the meeting with Mr Pik Botha, Mr Solarz said that no country in the world could dictate to South Africa how to go about resolving its problems.

Last night he reiterated this, but added that “neither is the Government of South Africa in a position to dictate a viable future to the black majority of this country”.

Mr Solarz said he had concluded that in five years since he was last here there had been a significant change in the thinking of whites.

They now recognised apartheid was more part of the problem than part of the solution and that the time had come to address the real grievances of blacks.

He was also struck by the “rising tide of anger of the black people”.

“The key to solving the problems,” he said, “lies in the willingness of the Government to release Nelson Mandela and begin negotiations with him and others in exile as well as those black leaders who have remained inside the country.”

Comparison with Hess

angers Solarz

United States Congressman Mr Steve Solarz showed anger last night that President Botha had compared the detention of Nelson Mandela with the imprisonment of Rudolf Hess, the former Nazi leader.

Mr Solarz told a Press conference in Pretoria after a one-hour meeting with the President Botha: “It seems to me that this comparison is totally without validity or foundation.” Rudolf Hess was convicted of “some of the most monstrous crimes in the history of the human race”.

“[For anyone to suggest] that there is a comparison between the ANC and the leadership of the Nazi Party is to suggest a total misunderstanding of history and as to what Nazism is all about,” Mr Solarz said.

Mr Solarz said he gained the impression the Government was not prepared to release Nelson Mandela unconditionally.
US may be forced to impose sanctions

WASHINGTON — The mood in Congress and American public opinion could force President Ronald Reagan to impose economic sanctions against South Africa even though he opposed them. White House spokesman Mr Larry Speakes said yesterday.

Talking to reporters on board Air Force One as Mr Reagan and his closest advisers headed for a California holiday, Mr Speakes confirmed that the White House was pressing South Africa to accelerate movement away from its apartheid policies.

“What we have been saying in public and in private through diplomatic channels, we’ve now said from a high level in our government and from the White House,” Mr Speakes said.

He was referring to a meeting that National Security Adviser Mr Robert McFarlane had last week in Vienna with South African officials, including the Minister of Foreign Affairs, Mr Pik Botha.

Mr Speakes said Mr McFarlane told Mr Botha that economic sanctions that had passed the US House of Representatives and had wide support in the Senate were a “distinct possibility” and that South Africa should institute reforms before the measures were enacted.

Mr Reagan’s decision on whether to veto the sanctions “will be based on his own personal opinion of the pros and cons of the sanctions — the advisability of the legislation”, Mr Speakes said.

He added, however, that even if Mr Reagan did veto a sanctions bill, an “override” of the President’s veto “depends on what the mood of Congress and the public understanding is of the situation in South Africa.

Overriding a presidential veto requires a two-thirds majority in both the House of Representatives and the Senate.

‘Likely to pass’

The sanctions plan, believed likely to pass Congress because it was worked out by a House-Senate conference committee, would ban further imports of Kruger rands and stop US bank loans to South Africa.

Mr Speakes repeated the administration’s call for an end to the violence in South Africa, the lifting of the state of emergency and resumption of black-white dialogue in the country.

The administration still favoured its policy of “constructive engagement” — diplomatic pressure rather than sanctions — “because that’s the only way we can have influence”.

He said the administration was waiting for action from Pretoria and “when and if they make a decision we would study it and certainly have a viewpoint on it”.

— Sapa-AP
D-cay for US sanctions Bill is drawing closer

PW's plans for reform will influence the Reagan veto

The Star Bureau

WASHINGTON — Sources close to President Reagan say he will base his decision on whether or not to veto economic sanctions against South Africa largely on what the South African Government does about racial reform in coming days and weeks.

President Reagan is recuperating from his cancer surgery at his ranch in California and is expected to have a light work-load — but the situation in South Africa is high on his limited agenda and he is said to be personally concerned about developments there.

His top officials are waiting to hear from South Africa this week about reform moves — and the expectation is that these steps will be spelled out on Thursday by President Botha.

They say that what Mr Botha says could make the difference between sanctions or a veto.

President Reagan must make up his mind about the sanctions early next month when the US Congress returns to Washington from its midsummer recess. The House of Representatives has approved a compromise sanctions package. It has been temporarily stalled in the Senate, but is expected to be cleared and on the way to the White House for signing within days of the session resuming.

Mr Reagan's National Security Adviser, Mr Robert McFarlane, is said to have told Foreign Minister Mr Pik Botha at their meeting in Vienna last week that the president will base his decision on reform steps taken in South Africa.

Mr McFarlane said at the meeting that Mr Reagan continued to support constructive engagement with South Africa but that, in Mr McFarlane’s view, there was an emotional climate in the US that would make it impossible for the president to sustain a veto unless there was an “accelerated movement” toward fundamental changes in the country.

It is understood that the Administration, faced by the Congress sanctions demand, has decided to use the sanctions as a lever to persuade South Africa to introduce sufficient reforms to beat them. This could happen especially if black leaders respond favourably to the reforms.

The President will not be able to sustain a veto if two-thirds of the members of each chamber vote for sanctions. They already have this support in the House.

Another official, who asked not to be named, said that if Mr Reagan decided to veto the sanctions, nothing would sway him — not even an overwhelming demand by the Congress that he sign them into law.

Chief Garsha Buthelezi, the Chief Minister of kwazulu, rides a tour of the Old City of Jerusalem yesterday. Chief Buthelezi is on a 10-day tour during which he is scheduled to meet the Prime Minister Shimon Peres, and other top officials.
Robert McNamara supports sanctions

From RICHARD WALKER

NEW YORK — Economic sanctions are America's best bet to save South Africa from self-destruction, says former United States defense secretary and World Bank president Mr. Robert McNamara.

"This is the most constructive action we can take," he wrote in an appraisal of his recent visit to the Republic.

"The final battle lines have not yet been drawn in South Africa. Fundamental political change...

...without prolonged large-scale violence, is still possible" if the government could be jolted in time.

If not, "internal disorder will continue and violence may become so great as to lead to a confrontation with forces supported by the Soviet Union," he maintained.

Noting how three years ago he had predicted that tensions would "finally explode" within five to 10 years, Mr. McNamara submitted "I was wrong — the process of fundamental change has already started.

"It is irreversible and it will not end until the blacks share political power with the whites." American policy "should be based on the recognition that the success of the black nationalist struggle in South Africa can at most only be delayed — and at immense cost — but clearly not permanently denied," he said.
Sanctions — a spectre that won’t go away

The American sanctions Bill against South Africa carries a fine of up to R2,17 million for violations by a company. The maximum fine for individuals is more than R160,000 and/or imprisonment of up to five years.

The Bill, “The Anti-apartheid Action Act of 1988”, was passed by 380 to 48 votes by the House of Representatives on August 1. It is expected that the Senate will pass the Bill in September.

President Ronald Reagan could refuse to sign the Bill — but his veto would be overridden by a two-thirds majority in both Houses.

The full text of the Bill, on which a joint Senate-House conference had agreed, was released by the United States Information Service this week.

Included in the complex agreement are provisions that would:

- Imposing an immediate ban on most US bank loans to the South African Government and government-run corporations, allowing loans only for schools, housing and health facilities open to blacks as well as whites.
- Halt the sale of all but small personal computers to police, military and other agencies that could use the machines to keep records on blacks and help enforce apartheid laws.
- Forbid the sale of American-made supplies and equipment that could be used in the development of nuclear technology.
- Prohibit the importation of South African Krugerrands.

In terms of the Bill the American President could waive the Krugerrand ban if he could certify that South Africa was making progress towards ending apartheid and improving conditions for blacks.

American Congressman Mr Steve Solarz predicted at the end of his visit to South Africa this week that the anti-apartheid legislation passed by the American House of Representatives last week will also be approved by the Senate. What does this legislation entail? HANNESE DE WET reports.

- Eliminating all residence restrictions based on race or ethnic origin.
- Entering into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full participation of all the people of South Africa in the social, political and economic life in that country — and to end the discrimination based on race or ethnic origin.
- Achieving an internationally recognised settlement for Namibia.
- Freeing all political prisoners.
- If the President should determine that significant progress had not been made, he would make a recommendation on which of the following sanctions should be imposed:
  - A ban on new commercial investment in South Africa.
  - A denial of most-favoured-nation status to South Africa.
  - A ban on the importation of coal, uranium ore, and uranium oxide from South Africa and Namibia.
  - Other economic or political sanctions.

If the American President should determine that “the system of apartheid in South Africa has been abolished”, and this was approved by Congress in a joint resolution, the Act would be terminated.

“The abolition of apartheid” includes:
- The repeal of all laws and regulations that discriminate on the basis of race.
- The establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political and economic life in that country.
Top Reagan aide criticises sanctions proposals

SANTA BARBARA — President Ronald Reagan's national security adviser yesterday criticised some proposals pending in Congress for sanctions against South Africa, saying they would hurt the interests of blacks in the white-ruled nation.

Mr Robert McFarlane made the comments to reporters at the beginning of a top-level administration strategy session held at a seaside hotel geared to mapping out the agenda for President Reagan's second term. The aides had accompanied the President to the Pacific coast while he recuperated from cancer surgery and vacationed at his nearby ranch.

Mr McFarlane said he did not know when South Africa would announce its expected package of reforms of its apartheid system, but predicted it would be "within the week".

PRESIDENT'S VIEW

Asked whether South Africa's announcement would have any effect on Mr Reagan's decision to veto or sign any possible sanctions passed by Congress, he replied: "I think the President's view is as to what helps and what hurts is pretty much on the public record."

"It's clear that a number of features of the current Bill are harmful to the interests of blacks in South Africa. Consequently, it's bad law in many respects."

The House of Representatives and the Senate have passed bills to impose economic sanctions, but the Senate has delayed final action on a conference report until it returns from its August recess.

White House spokesman Mr Larry Speakes has said that no matter what Mr Reagan decides to do about the Bill, the administration intends to pursue its policy of "constructive engagement," or quiet diplomacy.

The package of sanctions before the Congress includes a ban on the import into the United States of Krugerrands. It would also bar some sales of goods used in computers and nuclear production. — Sapa-Associated Press.

to do it now (and) in what manner to do it ... not whether it should be done," he said.

Mr Beukes said he hoped Mr Botha's announcement could help shift sentiment in the US Congress away from imposing economic sanctions.

The Senate is expected to vote next month on legislation already approved by the House of Representatives, including a ban on new US investment in South Africa and on imports to the United States of South African Krugerrands.

Mr Reagan has not said whether he plans a veto.

Mr Beukes, while admitting that the Senate was likely to approve the Anti-Apartheid Act, said he believed Congress might uphold rather than override such a veto.

But he conceded that it would depend on what the reaction was of moderate black leaders such as Bishop Desmond Tutu to Mr Botha's statement and later actions.

Mr Beukes summed up South Africa's short-term goals as "to terminate violence ... restore law and order and cool down passions so we can get on to a political dialogue." — Sapa-Reuters.

See Page 21.
Sanctions call grows

ATLANTA (Georgia) - The US House of Representatives Budget Committee chairman, Mr William Gray, yesterday called for economic sanctions against South Africa.

Mr Gray, a Democrat, is the author of a bill which would ban the sale of technology to South Africa and forbid American bank loans to businesses in the country. The proposed legislation has passed the House and Mr Gray said he expected Senate approval after Congress' summer recess.

"The first black to chair the House Budget Committee," Mr Gray spoke to the national convention of the Alpha Phi Alpha, a black men's service fraternity. He said his bill would stop American financing of racist policies.

"The sale of Krugerrand gold coins in the U.S. alone generates $600 billion (R1.5 billion) for the South African Government," he said.

MBABANE — A Swazi motorist died "in a hail of bullets" when South African border guards opened fire after he allegedly crashed a borrowed car through a border fence near Mbabane last Saturday night.

The Times of Swaziland yesterday quoted a police spokesman as saying the vehicle had since been returned to its owner, who had lent it to the unnamed man.

A passenger escaped being hit and was later questioned by the SA patrol. He was released when the patrol realised the car had not been on a "canned run", the Times said.

The driver had apparently been giving people lifts after a party when the car "went out of control" and crashed through the fence.

Negotiations are reportedly under way for the return of the body.

Mr Gray criticised President Ronald Reagan's administration for the policy of "constructive engagement".

"What constructive engagement means is that the South African Government can do anything it wants," he said. "And the only ally the South African Government in the world is Ronald Reagan."
FOREIGN RELATIONS

Australia holds SA sanctions at the ready

GEOFF KITNEY. The Argus Foreign Service correspondent in Canberra, reports on the Australian government's preparations for sanctions against South Africa

AUSTRALIAN Prime Minister Bob Hawke is determined to show the world that, despite the rebel cricket tour, Australia's anti-apartheid stand remains undiminished. But his problem is how to show it, for the domestic political reality is that the majority of Australians don't like the government's tough policies towards South Africa.

The complexities of this problem were revealed yesterday when the Australian Cabinet met to decide the question of new sanctions against South Africa. Mr Hawke and his senior Ministers wanted to get from this meeting agreement on a series of new measures that would strongly reinforce the anti-apartheid policies previously adopted by the Whitlam and Fraser governments and endorsed by the Hawke government when it came to power two years ago.

Mr Hawke is extremely conscious of the international attention now focused on Australia by the decision by 15 of the world's top cricketers to ignore Australia's commitment to the Gleneagles agreement on limiting sporting contacts with South Africa and play in South Africa over the next two summers.

The sports policy was seen by the international community as a highly effective sanction against white South Africa and Australia, because of its status as a rugby and cricket playing nation, was critical to the success of the policy.

The rebel cricket tour has seriously undermined the effectiveness of the policy. Although the international community generally has recognised that the Australian government tried hard to dissuade the cricketers from going ahead with the tour the Hawke government now believes it has to do more to maintain Australia's reputation as an opponent of apartheid and a supporter of the rights of black South Africans.

While it cannot be said that Australians support apartheid there appears to be a strong view in the community that sport and politics should not be mixed. When Cabinet met yesterday to consider toughening Australia's anti-apartheid policies its deliberations were held in the shadow of the impending announcement by the South African State President Mr P W Botha of new reforms.

Cabinet Ministers were concerned that to announce tough new sanctions against South Africa on the eve of this statement could increase domestic political hostility towards the government's South African policies.

The Cabinet decided that the most sensible course that the government could take was to decide in principle about new sanctions but not to announce the details until after president Botha's statement.

Foreign Minister Bill Hayden said at a news conference at which he came under intense questioning about this compromise strategy that the government had decided that it would be unreasonable to make any announcements of new sanctions until the contents of the Botha statement were known.

He said that there was a possibility, even if it was a slim one, that the South African Government might at least have recognised the need for an orderly process of change which would lead to the emergence of a multi-racial society based on universal suffrage.

Mr Hayden said that Australia's ambassador to South Africa, Mr Robert Birch, who was recalled two weeks ago for consultations, would return to Pretoria on Sunday and would report to the Australian government on political developments in South Africa.

The Australian Cabinet would then decide whether or not to implement its in-principle decisions.

Details of the decisions are being kept secret but reports today indicate that they include banning the sale of Krugerrands in Australia, closing the Australian trade commissioner's office in Johannesburg, ending government support for companies trading with South Africa and removing incentives for investment by Australian companies in South Africa.

The government is also considering a strategy for imposing economic sanctions on South Africa which it hopes to win support for from heads of government of the Commonwealth at their meeting in Nassau in October and from the United Nations Security Council, of which Australia is currently one of the rotating members.

According to senior government officials the view at yesterday's Cabinet meeting was that if the reforms announced by president Botha on Thursday were judged by the international community to be inadequate then Australia's policy initiatives would be seen as being consistent with international action against South Africa.

Although this would be unlikely to win the government a lot of domestic political kudos it would mean that Australia would be seen to be still playing an important part in applying pressure for change in South Africa.
difficult to generate new business. Historically, both AAL and SLA have produced creditable investment results, with both generating good returns over several years when compared with the rest of the industry.

However, stockbrokers were initially worried that the merged investment department would find it difficult to react quickly to changing market conditions, given the diverse investment philosophies of AAL and SLA. This view was reinforced when it was learnt that an investment committee, which included directors from both Anglo American and Barclays Bank, had been established to support the investment department. As one stockbroker's analyst commented: “Investment decisions have to be made fast. If you have to refer to a committee each time then nothing will get done.”

But brokers’ initial worries were fraught with misconceptions, argues Jan Calitz, Southern’s executive director, investments.

The liaison with members of Barclays Bank and Anglo American was considered extremely useful, he claims, “because of their undoubted financial expertise in such areas as money and capital markets.”

Calitz emphasises, however, that while the committee helps on overall investment strategy, “it has nothing to do with the daily execution of investment decisions, which is left entirely to the various investment managers.” As for the prospect of clashing philosophies, Calitz contends that AAL and SLA managers learnt early in the merger that they share “remarkably similar views” on overall strategy — although specific decisions, he says, are still hotly debated.

In fact, the investment department, handling assets totalling some R4,5 billion, produced excellent results last year. Investment returns on both life and pension assets were among the best in the industry, according to Bernstein, who notes that the rate book quotes a prospective yield of 14.8%.

Overall, Southern appears to have emerged from its recent reconstruction with all its essential elements firmly intact. It would be naïve to assume it has overcome all its merger-related problems. There may yet be further defections, particularly from middle management. But, provided the executive team continues to run smoothly together — and this is often where the crunch comes for big mergers — the most difficult phase could well be over.

“Last year must be recognised as the first and worst year of the merger,” a senior executive at one of Southern’s larger competitors concedes. “From here on things can only improve.” But the rate and extent of growth achieved in future will be critical to a valuation of Southern and its share price. The pace will have to be a blistering one if Southern is ever to justify a rating in line with the likes of Liberty.

---

**COMPUTERS**

**The Eastern front expands**

Jimmy Carter’s 1978 ban on the sale of US computers to certain SA government clients had a fairly predictable outcome. Japanese and European computer vendors have since been guaranteed a large slice of the market.

Overall, government probably makes up 25% of SA’s R1,5 billion-R1,9 billion computer market. So the temptation to sell where the US is or may be barred has proved irresistible to some. SA is ICL’s largest market outside the UK, making up some 10% of its turnover. And high-flying Perstel, part of the Barlows group and local suppliers of Japan’s Hitachi mainframes, has never had it so good.

Perstel is now aiming to be the second largest supplier after IBM in the next couple of years. In its six-year life, the company has already built up an installed base of some R300m and, increasingly, is selling into the private sector which is looking for alternatives to IBM.

Fears of extended US sanctions against SA in the computer and high-tech fields are leading buyers to look to products from the Far East. There could be certain dangers inherent in such moves — and one scenario holds that in the end SA may be compelled to develop its own computer industry, which would be not a bad thing for the industrial base.

It is worth noting in passing that Australia has also proved a good market for Japanese computers and high-tech. That country is often used as a test market and, like SA, is easier to sell into than Europe or the US.

The fact that many more SA buyers will be looking east (Business August 9), because of fears about continuing supply in the event of sanctions or disinvestment, is a natural result of political moves against SA.

Anglo American, possibly the largest computer user in SA’s private sector, with computer investments of some R600m, is sending a delegation to investigate Japanese manufacturers at the end of this month — a sign of the times.

It is always comforting to have alternative sources of supply. But there is, however, an
inherent danger that companies may be tempted to buy unsuitable equipment for the sake of safety. In the long term, this could be costly for the company and the country as a whole.

In general terms, it seems that in the range up to R20,000, there could be disappointment in purchases from the Pacific Basin. But Japan's major sales are in the R20,000-plus bracket, an area where their mainframes have proved their good quality. In most instances their computers have had to be more powerful, at least as reliable and, of course, cheaper than their US counterparts to sell into the private sector.

And they seem to have managed. They tend to guarantee 100% uptime, and defects are few and far between. They are also at least 10% cheaper than their US rivals.

When it comes to computer buying, most South Africans are quick to be highly selective and they prefer to take their time. They realise that a large mainframe bought now could be around for more than a decade. Indeed, upgrade paths for mainframes are able to increase original power by as much as 10 times.

But their buying habits may be forced to change.

While many US computer vendors are adamant that, in the event of sanctions, product would still be available through third parties, there will always be doubts. Says one industry source: "US subsidiaries cannot go against the law — IBM has already stated that it won't. And since the Carter legislation some US vendors have ceased to service their machines installed at certain government sites for fear that backlashes would hurt the mother company in the US."

SA companies need look no further than the former Rhodesia for graphic proof of just how effective sanctions can be.

In that case, although many foreign computer manufacturers maintained at least a nominal presence in the country, Rhodesian buyers found that while they could get the hardware — if they had the foreign currency — delivery was often delayed because of the route the equipment took from the factory, or because they could not buy the most suitable (or modern) equipment for their needs. They were often offered outdated models which were being withdrawn from the world markets.

In the end, the cost of a computer delivered to sanctions-bound Rhodesia was often much higher than elsewhere.

US computer manufacturers have to obtain export licences for every unit leaving the country. They have to inform the US government who the buyer is and what the machine will be used for. The US Consul's checking mechanism in SA has proved effective in at least one recent case. US equipment headed behind the Iron Curtain through an SA-registered company was soon traced and seized before it reached its destination.

On the software side, the outlook becomes more complex. The majority of Japanese mainframes are driven by US software. "But it's easy to bring software in. A tape costing R500 000 fits into a pocket, and controlling inflows would be as difficult as it is to control movies and music that's banned in SA," says one source.

Many SA companies have already secured rights to copy foreign software and from one master tape it is possible to run off hundreds of duplicates that could be adapted to suit various and different needs.

Any move to initiate a software ban could provide new opportunities for SA-developed systems. Hardware costs are decreasing by some 20%-30% a year, while software prices are increasing at similar rates. The price factor alone will lead to more locally produced software — and SA's relatively low labour rates alone are a big plus factor, already allowing SA-made product to be exported successfully.

It should not be forgotten that even Japanese manufacturers could be banned from selling into SA. And it is widely believed that the Japanese foreign ministry's recent threat could have been motivated by a desire to keep in step with its big trading partner, the US.

The Japanese government obviously would not like its manufacturers to be seen to be profiting at the expense of US companies complying with US law.

But even if Japan falls into line with Washington, there is yet another potential supplier in the Far East. Taiwan, which sees its traditional markets being eroded by South Korean exports, is making a major drive to get into the high-tech field and computers are obviously high on the priority list.

If anything, the Taiwanese are even more aggressive marketers than the Japanese. They have to be.

And finally, in the unlikely event that all foreign supplies do dry up, SA could be forced to plough millions of rand into the development of a computer industry — just as it did to circumvent the arms embargo.

The promising growth of SA's embryo high-tech industry indicates that this is certainly not beyond reach. The development of a local computer industry would free the country from reliance on imports and speed up the move away from a raw materials-based economy.
Most blacks 'reject economic boycott of SA'

Argus Correspondent

PRETORIA -- Most blacks in the PWV area are opposed to economic boycotts of South Africa.

This is one of the findings of three separate surveys conducted by a division of the Human Sciences Research Council.

The study was conducted among adult blacks older than 16 living in black residential areas during July last year, February 1985 and May 1985.

In the July 1984, February 1985 and May 1985 surveys respectively, 80,2 percent, 54,3 percent and 75,8 percent of male respondents rejected boycotts.

During the same surveys respectively, 12,8 percent, 29,7 percent and 20,8 percent of the black males supported economic boycotts.

The PWV area was chosen for the surveys because it contained the biggest and most concentrated population of blacks.

Statistics show that about 2,703,819 blacks live in this area. Another reason for choosing this area is that, historically, blacks there have proved they play an important role in political events.

Another finding indicated that while most black males in the PWV area -- 61,3 percent in February 1985 -- believed they would be affected most by sanctions, only 25 percent in the same survey believed whites would be affected most.

Questions specifically on disinvestment were only included in the survey conducted during February this year.

Almost seven out of every 10 blacks -- 67,2 percent -- supported further foreign investment in South Africa.
SANCTIONS

SADCC airlift?

More references at last week's SADCC summit at Arusha to the possibility of a Berlin-type airlift into Zimbabwe, Zambia, Botswana, Lesotho and even Malawi and Zaire suggest that front-line leaders acknowledge some of the implications of economic sanctions against SA.

That such an airlift is totally impractical given distances, costs and the bulk nature of the materials (food, fertiliser, fuel, mineral ores, and so on) that would have to be ferried thousands of kilometres primarily from east coast ports such as Maputo, Beira, Dar-es-Salaam and Mombasa to their inland destinations is another matter.

The harsh reality is that economic sanctions against SA would bring down her small and economically-weak neighbours long before the primary target was substantially affected.

Zimbabwe is extremely poorly-placed to become involved in the sanctions campaign and even if Harare stands aloof — and Foreign Minister Witness Mangwende says she won't — the country is dangerously vulnerable to SA counter-measures.

For Zimbabwe — and, to a lesser extent, for Zambia — the most serious problem would be transport. Accurate figures of Zimbabwean dependence on SA ports are not available, but, according to informed sources, upwards of 90% of imports and more than 80% of exports use SA transport system.

PM Robert Mugabe told parliament in Harare last week that his government was prepared to send as many as 30,000 troops into Mozambique to protect the country's three vital transport lifelines to the sea — the Beira-Mutare oil pipeline, the Beira-Mutare railway and the Maputo-Zimbabwe rail link.

The Maputo line has been effectively out of action for most of the year, but would be absolutely essential to Zimbabwe if Pretoria should lower the boom at Beit Bridge and Mafikeng.

If both Beira and Maputo were working efficiently then Zimbabwe might survive economic sanctions though not without substantial reductions in both export earnings and import levels. The cost would be retraction and unemployment and a reversal of the hard-won improvement in the balance of payments. The sending of 30,000 troops — as against less than 4,000 in Mozambique today — across the border would have catastrophic effects on the government budget, unless friendly countries provided substantial financial support.

A more plausible scenario is that it would simply be impossible to maintain transport services through Mozambique at a level that would enable Zimbabwe, Zambia and Zaire to impose sanctions, or it would do so relatively if it took the form of closing the borders with Botswana and Zimbabwe. There are those who argue that Pretoria, having witnessed the failure of Ian Smith's border closure with Zambia 13 years ago, would not repeat his mistake.

Roughly one fifth of Zimbabwe's foreign trade is with SA and, as last year Zimbabwe had a tiny trade surplus with Pretoria, mutually-applied sanctions would mean a loss of some Z$230m of exports to both sides.

Clearly, the relative impact would be far greater on Zimbabwe, especially as SA industry could provide most — if not all — of the items imported from the north. Zimbabwean industry could not. Indeed, there are those who believed that the 1964 SA trade agreement with Rhodesia — and renewed by Zimbabwe — would be an early casualty of economic sanctions, since Pretoria would need to adopt a similar import-substitution strategy followed by Rhodesia in the Sixties, even in the absence of fully-blooded sanctions being applied against one another by the two countries.

Zimbabwe would suffer other ill-effects, including the need to find a new refinery to process its gold production. But the transport stranglehold would be the killer — if SA decided to retaliate by closing its borders.

Not that Pretoria can take too much comfort from this analysis. It's argued by some influential OAU strategists that anything that raises the stakes in the confrontation with SA will speed the "liberation" process.

In other words, if SA were to adopt tough retaliatory measures that rapidly brought neighbouring countries to their knees, the rest of the world would be forced to intervene — so the argument runs — to prevent a catastrophe in the frontline states. This, the strategists argue, would significantly speed up progress to majority rule in SA.

The richest irony in the whole debate over sanctions against SA is the British attitude. The self-same Whitehall advisers who throughout the Rhodesian affair insisted — despite all evidence to the contrary — that sanctions were working, if only in decades rather than years, are today claiming that everyone knows sanctions don't work.

The truth, of course, is that sanctions against Rhodesia were the easiest way out of
Tutu considers calling for punitive sanctions

Religion Reporter

Bishop Desmond Tutu says he is considering calling for the implementation of punitive sanctions against South Africa following Mr P W Botha's speech yesterday. Bishop Tutu, the Anglican Bishop of Johannesburg, said he was devastated by President Botha's speech.

"I think the chances of peaceful change are virtually nil, and I don't say this lightly. We are going to need a major miracle," Bishop Tutu said at a Press conference today.

RECONSIDERING

Bishop Tutu said he was now seriously reconsidering the original timetable he set for calling on the international community to take punitive economic measures against South Africa.

When he was enthroned as Bishop of Johannesburg in February this year, he said he would call for punitive sanctions if apartheid was not being actively dismantled within 18 to 24 months. That, he said today, was at a time when things seemed to be moving in the right direction and it was worthwhile waiting.

"But now I am not talking academically. I am talking about the death of our children."

He lashed out at the international community, saying it ought not be necessary for him to call for sanctions.

"He (Mr Botha) had a golden opportunity to go down in history as the man who presided over the demise of the vicious and immoral system of apartheid — and he fluffed it," Bishop Tutu said.

Instead of acting like a statesman, Mr Botha acted like a hack politician for the sake of a few votes.

"Mr Botha is aware of his military strength and he wants to bludgeon the blacks into submission."

"He knows he will be supported by Mrs Thatcher and President Reagan and Chancellor Kohl. They have made it clear that in their view, blacks are expendable," he said.

Bishop Tutu called on Mr Botha to release Nelson Mandela.

"And let us have free elections. Nobody will beat Nelson Mandela."

Bishop Tutu was interviewed on the US Public Broadcasting System's television programme, the "MacNeil-Lehrer News Hour" last night.

"It's certainly going to make people in our community desperate, and when people are desperate they will use desperate means to attain their ends," he said.
Reagan still opposed to SA sanctions

WASHINGTON — After listening carefully to Mr P.W. Botha's Natal speech, President Ronald Reagan remains committed to constructive engagement and is still opposed to economic sanctions.

It has not yet decided, however, whether he will try to vote the sanctions Bill demanded by the US Congress.

President Reagan's National Security Adviser Mr Robert McFarlane told reporters the President's attitude towards sanctions had not changed and that he believed aspects of the sanctions legislation were harmful to South African blacks.

"He will study further the speech and examine the contents of the sanctions Bill when it arrives at the White House. He has not yet reached a decision," Mr McFarlane said.

But the President believed strongly that his policy towards South Africa had resulted in constructive change in the past four years and that the US must stay engaged there and use its influence for future change, Mr McFarlane said.

"Last night Mr McFarlane read a cautious statement approved by Mr Reagan within hours of the President's listening to the full speech and consulting with advisers.

The statement said: "The South African President has made an important statement and we are studying it carefully. We hope that the steps President Botha has outlined will advance the end of apartheid."
LONDON — Nobel peace laureate Bishop Desmond Tutu yesterday accused US President Ronald Reagan, British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl of sustaining apartheid.

He told the British Broadcasting Corporation that Western governments were doing absolutely nothing to help bring about reforms in South Africa.

Referring to last Thursday’s speech by President P W Botha, Bishop Tutu said “Now Mr Botha, as you saw was an arrogant man, a man who was showing an escalating intransigence knowing full well that he would be protected by President Reagan, by Mrs Thatcher and by Chancellor Kohl.”

He described the three leaders as “people who pretend they are opposed to racism.”

Sanctions

Bishop Tutu said Mrs Thatcher had supported sanctions against Argentina during the 1982 Falklands war and Mr Reagan had supported a trade boycott on Poland after the 1981 imposition of martial law.

“Why do they not support sanctions against South Africa,” he asked.

Meanwhile the United States yesterday criticized Bishop Tutu for refusing to join a church delegation that held talks with Mr Botha.

Worsens prospects

“The refusal by any party to meet and negotiate only worsens the prospects for understanding in South Africa,” State Department spokesman Mr Charles Redman told reporters when asked about Bishop Tutu’s boycott of the meeting yesterday.

While not criticizing the Nobel Peace Prize winner by name, Mr Redman said that “at this critical time in South Africa, it would be argued that it’s vitally necessary for all parties in South Africa to take advantage of opportunities to meet.”

Only some three weeks ago, Washington criticized Mr Botha for refusing to take up Bishop Tutu’s offer of a meeting to discuss the imposition of a state of emergency.

Mr Redman’s comments followed expressions of disappointment by senior officials at Mr Botha’s failure to announce concrete steps towards reforms in last Thursday’s eagerly anticipated speech — Sape-Reuters
Australia clamps down on SA trade

Clergymen to meet PW over situation in S Africa

Four delegations of clergymen are to hold talks with President P W Botha in Pretoria today.

The first group will be led by a Baptist leader from the United States, Dr Jerry Falwell. Dr Falwell has said he and his group will do everything to oppose the disinvestment campaign in the United States against South Africa.

The second and third groups consist of theologians from the Methodist, Catholic, Presbyterian and Congregational churches.

The last group consists of members of the Nederduitsche Gereformeerde Kerk.

The talks are being held in response to concern expressed by church leaders about the situation in South Africa.

The Anglican Bishop of Johannesburg, Bishop Desmond Tutu, has decided against joining a delegation.

He told reporters last night that it would be "the miracle of the century" if anything came of the meeting.

He was snubbed by Mr Botha last month after Bishop Tutu sought an urgent meeting to talk about the months of rioting and the imposition of a state of emergency.

Bishop Tutu said that while he was still willing to meet the President privately, "now this can occur only if he retracts his latest demand for black leaders to renounce civil disobedience as a means of protest". — Sapa.

Krugerrands

The Government also announced a ban on direct investment in Australia by the South African Government and its agencies, a ban on the imports of Krugerrand gold coins and an end to all export assistance for Australian firms trading with South Africa.

Two-way trade was worth about $4.03 billion (about R690 million) in the year to June 30. About 70 Australian companies have interests in South Africa.

Australia, a member of the United Nations Security Council, would work to develop a strategy to seek positive action in the UN for effective sanctions against South Africa, Mr Hayden said.

More concessions

• It was reported from New York that President Reagan's national security adviser, Mr Robert McFarlane, who met Mr P W Botha in Vienna in the days leading up to the speech, said he had been led to believe that the address would contain more concessions to South Africa's blacks.

"The (South African) Government has laboured and produced a cloud," Mr McFarlane said.

"I think the spectrum of possibilities discussed in Vienna included more than was announced last Thursday."

• Speaking on CBS's Face of the Nation television programme, Bishop Desmond Tutu said yesterday it would take a miracle to prevent a "bloodbath" in South Africa and added that he might some day have no alternative but to back violence.

Bishop Tutu attacked President Reagan's South African policies as an "unmitigated disaster for our people". — Sapa.

Reuter and Argus Foreign Service.
US urges end to bloodshed

WASHINGTON. — Blacks in South Africa should press the government to spell out social and political reforms rather than resort to bloodshed, the White House National Security Adviser, Mr Robert McFarlane, said yesterday.

Mr McFarlane, speaking in a television interview, warned that without negotiations, both blacks and whites “are looking into the abyss of massive violence”.

Does it cost?

Mr McFarlane said President Reagan continued to oppose legislation to impose economic sanctions on South Africa, but he stopped short of saying Mr Reagan would veto the measure.

Other administration officials have said that Mr Reagan would veto the main sanctions bill if it came to him in its present form.

Mr McFarlane said blacks should not be too hasty to dismiss the remarks of President P W Botha last week which offered few immediate changes but held out a possibility of more substantive future reforms.

Blacks should ask themselves “Does it cost us that much to sit down, challenge this government, ask them to put their money where their mouth is, turn the rhetoric into reality,” Mr McFarlane said.

Mr McFarlane described two instances of limited sanctions he said the President could accept — a prohibition on the sale of computer equipment to government agencies that enforce apartheid and loans to people who discriminate by race.

Meanwhile, opposition Democrats yesterday challenged President Reagan to support economic sanctions against South Africa and said his administration had shown callous disregard for civil rights here and abroad.

An influential Republican, Senate Foreign Relations Committee chairman Mr Richard Lugar, was quoted yesterday as saying there was enough support in Congress to override a presidential veto of the sanctions legislation.

However, the Reagan Administration reaffirmed its embattled “constructive engagement” policy, but called on the white minority government to take further steps to dismantle apartheid.

Asistant Secretary of State Mr Chester Crocken said the administration did not intend to sever contacts with South Africa.

Gestures politics

The British Government has repeated its opinion that sanctions against South Africa would be not only unproductive but could also be counter-productive.

In the mass of reaction to President Botha’s speech, contained in the Sunday national newspapers here yesterday, this stand is repeated in every leading article and special feature.

The Sunday Times concludes: “Britain cannot afford to indulge in gesture politics, as some European countries can.”

The Mirror says simply that the British Government “is right to resist international pressure to impose economic sanctions.”

However, when the heads of government of the Commonwealth meet in the Bahamas in October, it is likely that the British Government will find itself out of step with everyone else on the question of sanctions.
Zimbabwe supports anti-SA sanctions

Zimbabwe will support US sanctions against South Africa, but its main ally — Mozambique — feels they will not be effective, a group of four American Congressmen said in Johannesburg yesterday.

For a period of 12 days the group, comprising Republican Congressmen opposed to sanctions, visited South Africa, Zimbabwe and Mozambique at the invitation of the South Africa Foundation.

They were Mr Howard Nielsen, Mr Dan Schaefer, Mr Norman Shumway and Mr Gene Chappie. Another Congressman, Mr Mr Stanford Parrish, was also part of the visiting group but was not present at yesterday’s press conference.

"During our stay in Harare we met with two Government Ministers who stated that they supported any move to bring sanctions against South Africa," Mr Shumway said.

"When we pointed out that Zimbabwe was heavily dependent on South Africa, they replied that they were prepared to suffer to bring about changes in this country."

President Samora Machel of Mozambique told the Congressmen, however, that United States sanctions would not be effective.

INEFFECTIVE

"President Machel said sanctions against South Africa would only be effective if all the major Western powers — France, West Germany, Britain and the US — agreed on co-ordinating sanctions. Otherwise he felt they would be totally ineffective," Mr Shumway said.

Mr Howard Nielsen said he doubted that even if those major Western powers applied sanctions they would be effective.

"We are told that even if that was to happen in other countries, like Japan, would move in to replace them," he said.

Mr Dan Schaefer said the visit had enabled the group to have a better view of the complexities of the South African situation.

"This visit has enabled us to have a better understanding of the complexities of the South African problems. Most of the people we met from all races and political points of view feel that changes should be brought about peacefully," he said.

Mr Shumway said although nobody could prescribe a solution to the South African problems, he felt the Government should announce its willingness to take part in a constitutional dialogue to look for solutions.

The Congressmen, who left for America last night, did not meet prominent anti-apartheid activists on their trip.
Black back sanctions - report

By Joshua

Source: Monday 19 June 1995

Advertising

The poll showed that 51 per cent agreed with the sanctions, while 44 per cent did not agree. The poll was commissioned by the London Sunday Times. The poll included an interview with Adam Habib, a leading South African, who said sanctions are effective and should be continued.
Commonwealth hopes UK will give sanctions backing

NEW DELHI — Commonwealth heads of government hope Britain will back them in imposing sanctions on South Africa when they meet in October, Commonwealth Secretary-General Sir Shridath Ramphal said yesterday.

"Britain is the only country that is against enforcing sanctions. We hope it will join us," he told a Press conference in New Delhi.

"The vexed problem of South Africa, and in particular Namibia, will be a major issue at the meeting," he said.

The lack of international cooperation on the arms race, the Third World's debt problem and the South Pacific's stand against nuclear weapons would also be discussed at the meeting in the Bahamas capital of Nassau, Sir Shridath said.

"We will also examine the role of the United Nations today. Are we under such pressures that we have lost the vision we had in 1945?" he asked.

On the decision by several South Pacific countries to ban nuclear weapons in their region, Sir Shridath said: "We will wait to hear what stand those countries want us to take before making a decision."

The International Monetary Fund’s policies on re-structuring Latin America's debt would be a major topic at an October 2 and 3 meeting of finance ministers in the Maldives, he said.

"The current system of rescheduling interest payments has left some of those countries mortgaged in perpetuity," he said. — Reuters.
Arms sales ban could hit SA where it really hurts

An international threat which could have far more effect on South Africa than the sanctions legislation going through the United States Congress is hanging over the Republic — a mandatory ban on buying South African arms of war.

While the limited sanctions proposals expected to be passed by Congress are widely regarded as more of a "slap" than a crushing blow to South Africa's economy, an effective arms embargo is known to be causing some consternation in Pretoria.

International arms sales are an important part of the multi-million-rand industry built up by the Armaments Corporation of South Africa (Armscor) since the Republic was banned from buying arms by a mandatory United Nations embargo in 1977.

Massive production costs require that South Africa sells as many arms as possible overseas after the Armscor production lines have run off the country's own needs.

But the "groundwork" for a mandatory UN Security Council ban on buying arms and ammunition produced in South Africa has already been laid.

Last December the Security Council adopted by consensus a resolution calling on the nations of the world not to buy South African arms.

The resolution called for voluntary and not mandatory action.

But at the time some officials involved in behind-the-scenes negotiations told me it was planned in future to try to get a mandatory ban on SA arms sales.

The threat is taken seriously by some South African officials, who are also deeply angered at the "hypocrisy" behind the present voluntary arms sales ban.

Asked to comment on what effect the voluntary arms embargo on SA-produced arms has had, all an Armscor spokesman would say was "It has had no effect." 23/9/85.

But fears of the effects of a mandatory ban are fuelled by South Africa's experience with Security Council resolutions stopping the Republic importing arms.

In 1964 the council passed a resolution calling for a voluntary end to selling arms to South Africa. It had little effect.

In 1977 the council introduced a mandatory embargo — an action regarded as one of the council's most effective measures in the international arena for many years.

All overt arms sales to the Republic stopped. It is known that some arms and technology still found their way into South Africa, which since has built up its own highly sophisticated arms industry.

Among the weapons which South Africa has marketed abroad, aiming for a R100 million a year share of the international arms industry, are its G5 mobile howitzer, "frequency-hopping" radios and air-to-air missiles.

But with the relatively limited amount needed for the South African Defence Force, Armscor has been carrying on an international marketing campaign to help recoup its huge outlay in development and production costs.
Common Market may decide on sanctions
LONDON — The leader of Britain’s merchant navy union called on unions around the world yesterday to help impose oil sanctions against South Africa.

The call is one of many from various organisations and governments in the wake of President P.W. Botha’s speech in Durban last week. It has triggered international impatience over the absence of adequate apartheid reforms.

Jim Slater, secretary of the National Union of Seamen, said yesterday: “It is now up to unions to take direct action against apartheid because many governments throughout the world have ignored, deliberately or otherwise, demands to the international community for an end to oil supplies to South Africa.”

Slater was speaking in support of an international organisation, Maritime Unions Against Apartheid.
Concern over sanctions pushes rand to new low

NEW YORK — The American dollar turned broadly higher yesterday but finished below its highs of the day after some interest rates fell in the United States.

Currency dealers said traders focused most of their attention on the South African rand, which fell to a new low against the dollar because of concern over possible US economic sanctions in protest of the government’s apartheid policy.

The price of gold was mostly higher. Republic National Bank of New York said gold bullion was bid at $336.75 a troy ounce at 16:00 EDT (22:00 SAST), up $1.10 from the late bid Monday.

Trading resumed in Britain, Singapore and Hong Kong, where financial markets had been closed for a three-day holiday weekend. The dollar failed to hold on to all of its gains, giving ground late in the day as bond-market interest rates dipped in the United States.

Mr Howard Kurz, chief currency dealer at Bank of America’s trading centre in New York, said most talk among traders centred on the rand, which fell to a new low of 35.75 US cents in Johannesburg, plunging from its opening level of 38.50 cents.

“All South African companies are needing dollars,” Mr Kurz said.

He said South African traders told him that businesses in their country are buying dollars and other foreign currency because of fears that foreign credit lines will be withdrawn and foreign loans will not be renewed in an economic protest at the racial turmoil and continued state of emergency.

By the end of the trading day in the United States, the dollar had settled at 237.025 Japanese yen, against 236.75 yen late Monday. The British pound was quoted at $1.5985, down from $1.6005 late Monday.

Other dollar rates in New York at 16:00 EDT (22:00 SAST), compared with late rates Monday, included:

- 2.77125 West German marks, up from 2.7675.
- 2.272 Swiss francs, up from 2.2645.
- 8.465 French francs, up from 8.46125.
- 1.3575 Canadian dollars, up from 1.35795.

On the New York Commodity Exchange, gold bullion for current delivery closed at $337.10 a troy ounce, up $1.20 from Monday.

— AP.
Australian unions out to cut off SA

MARSHALL WILSON

MELBOURNE — SA telex and telephone links with Australia could be disrupted by the country's trade union movement as it gears up for a relentless anti-apartheid campaign.

SAA landing rights could also be cancelled. Although not due to meet at its annual congress in Sydney until September 8, state delegates predict the ACTU's stance against South Africa will be supported by Bob Hawke's socialist labour government.

A former president of the powerful Australian Council of Trade Unions, Hawke has lately allowed his government to take a mild economic line against South Africa.

The ACTU in the past has supported action by maritime and stevedoring unions in enforcing the United Nations oil sanctions against Pretoria.

Now spokesmen are known to be canvassing airline industry union members for ways to act against SAA.

Other unionists are planning a communications blackout to end all telephone calls, telex transmissions and telegrams to and from South Africa.
SOUTH AFRICA has never faced a more serious threat of economic sanctions that it is facing now, especially since the start of the current wave of unrest and the declaration of a state of emergency by the State President, Mr PW Botha.

Highlighting the seriousness of the issue is the concern of several top South African businessmen who are believed to be planning to meet the ANC's leadership in Lusaka to discuss the deteriorating situation in South Africa.

The ANC, which has been blamed for the current unrest, is one of many local and foreign organisations which have over the past years been drumming up support for sanctions.

The matter has become one of the most controversial in recent times. It is worrying many whites in this country. And the Government...

Deputy Minister of Foreign Affairs, Mr Louis Nel, was recently reported as saying the United Nations was a factory for anti-apartheid propaganda, and that in the past two years it had spent R50 million to "dismantle anti-South African resolutions."

He also said there were 265 international radio stations that were broadcasting anti-South Africa propaganda.

The Government in turn is also believed to have spent about R2 million on lawyers and consultants to lobby against the legislation being proposed in the USA to ban new investments and bank loans to South Africa and to end Krugerrand sales in America.

But to what extent is the call for sanctions supported by blacks and what are its implications for South Africa?
HELSINKI — Finland's powerful paper manufacturing industry said last week after talks with the Foreign Trade Minister, Jerri Laine, that it would not voluntarily cut its relatively small sales to South Africa.

The foreign trade and foreign ministries, trying to hit at apartheid, say they are studying ways of reducing Finland's insubstantial economic ties with Pretoria short of ending them.

The Foreign Minister, Paavo Vaeyrynen, views outright severance as violating Finland's traditional policy on international trade.

The industry body, the Finnish Papermills Association (Finnpap), called its exports stance definitive, saying new buyers would not be available to replace South African ones.

Finnpap said Laine told its representatives of his ministry's examination of business links with South Africa. Finnpap sales there were worth some $90 million markka (R73m) last year.

A Finnish Government statement said it had decided, in line with a United Nations ruling, to ban South African arms imports — seen as a token move as these are virtually non-existent. — Sapa-Reuters.
Blacks favour sanctions - poll

LONDON — Most blacks in South Africa favour international economic sanctions as a means of exerting pressure on Pretoria to end apartheid, according to a British opinion poll published yesterday.

The Mori poll of blacks for the London Sunday Times shows that 77 percent of them believe the world should obstruct South Africa economically unless it changes its racial policies. — Sapa-Reuters.
New call for sanctions follows news of arrest

Own Correspondent

LONDON. — Demands for punitive economic sanctions against South Africa mounted last night amid international outrage at the detention of Dr Allan Boesak.

There were widespread calls for the trio of European foreign ministers due to fly to South Africa tomorrow to be empowered with a mandate to warn Mr Botha that there may soon be no alternative to sanctions.

A joint statement by Mr Emilio Castro, secretary-general of the World Council of Churches, and Dr Perret expressed deep concern and indignation at Dr Boesak’s arrest and called on all churchgoers, world leaders and public opinion to condemn “this manifest act of intolerance by the South African Government”.

The statement “demanded” the release of Dr Boesak and all the other “genuine leaders of South Africa”.

Dr Perret said messages of condolence and demands for Dr Boesak’s release were pouring into his office from all over the world.

The British Foreign Secretary, Sir Geoffrey Howe, was last night given the full details of the arrest and Whitehall sources said the Foreign Office would issue a statement today reflecting Britain’s serious concern at developments in South Africa.

Dr Perret has met President P W Botha in London and capitals throughout Western Europe, foreign ministries expressed alarm and concern at the detention of Dr Boesak.

In Washington, a State Department spokesman said they were aware that Dr Boesak’s detention had resulted in calls for more countries to follow France’s unilateral decision to impose sanctions on any new investment in South Africa.

He said the US had protested against Dr Boesak’s arrest to South Africa’s ambassador-designate in Washington, Mr Herbert Beukes.

“We believe detentions of this sort are not the proper way to lead South Africa out of this crisis, but we continue to oppose the use of sanctions.”

Mrs Dorothy Boesak with her children (from left) Allan, 7, Belen, 12, and Pulane, 9, soon after security police had officially informed her of her husband’s detention yesterday.

Swazis won't help SA to beat sanctions

MBABANE — South Africa cannot look to Swaziland for help in getting around international economic sanctions, says the Cabinet Minister most directly concerned.

Mr Derek von Wissell, Swaziland's Minister of Commerce, Industry and Tourism, made it clear in an interview in Mbabane that, even though Swaziland would be hard hit by sanctions against South Africa, it would not help circumvent them.

Sanctions would seriously affect Swaziland's economy, he said. Apart from the many Swazis employed in South Africa, Swaziland obtained 90 percent of its imports from or through South Africa and about a quarter of its export earnings.

NO TAMPERING WITH CERTIFICATES

Nevertheless, Swaziland would refuse to tamper with certificates of origin to help South Africa evade trade sanctions.

"We will not issue a certificate of origin unless it is valid," he said. "We do not intend to be soft on the rule. We will not jeopardise our international position. If only one consignment were found to be suspect, all our products would become suspect."

Mr von Wissell said his department had received many inquiries from firms with South African operations, and from South African firms, about Swaziland's requirements for certificates of origin.

He said Swaziland could gain by having firms establish themselves in Swaziland to take advantage of its foreign trade freedoms.

"We want to create employment for Swazis," he said, "but we will not break rules to do it."

HUNGER IN A MAN'S FACE

While restating Swaziland's opposition to South Africa's racial policies, Mr von Wissell said: "We can not support disinvestment or sanctions because it would definitely hit back on our economy."

It was easy for people to stand up in the United Nations and call for action against South Africa when they did not have to see the hunger in a man's face in Swaziland. But Swaziland had to look to the interests of its own people first, he said.
New call for sanctions follows news of arrest

Own Correspondent

LONDON. — Demands for punitive economic sanctions against South Africa mounted last night amid international outrage at the detention of Dr Allan Boesak.

In Geneva Dr Edmond Perret, secretary-general of the World Alliance of Reformed Churches, of which Dr Boesak is president, was preparing to fly to South Africa to seek urgent talks with President P W Botha.

In London and capitals throughout Western Europe, foreign ministers expressed alarm and concern at the detention of Dr Boesak.

There were widespread calls for the trio of European foreign ministers due to fly to South Africa tomorrow to be empowered with a mandate to warn Mr Botha that there may soon be no alternative to sanctions.

A joint statement by Mr Emelio Castro, secretary-general of the World Council of Churches, and Dr Perret expressed deep concern and indignation at Dr Boesak’s arrest and called on all churchgoers, world leaders and public opinion to condemn “this manifest act of intolerance by the South African Government”.

The statement “demanded” the release of Dr Boesak and all the other “genuine leaders of South Africa”.

Dr Perret said messages of condolence and demands for Dr Boesak’s release were pouring into his office from all over the world.

The British Foreign Secretary, Sir Geoffrey Howe, was last night given the full details of the arrest and Whitehall sources said the Foreign Office would issue a statement today reflecting Britain’s serious concern at developments in South Africa.

In Washington, a State Department spokesman said they were aware that Dr Boesak’s detention had resulted in calls for more countries to follow France’s unilateral decision to impose sanctions on any new investment in South Africa.

He said the US had protested against Dr Boesak’s arrest to South Africa’s ambassador-designate in Washington, Mr Herbert Beukes.

“We believe detentions of this sort are not the proper way to lead South Africa out of this crisis, but we continue to oppose the use of sanctions.”
Tutu praises Swedish move on sanctions

The Star Bureau
LONDON — Bishop Des-
mond Tutu has praised
Sweden's latest moves to-
wards sanctions on South
Africa, claiming these
could contribute to solv-
ing the problems "which
have brought our country
to the brink of catastro-
phe".

But the Swedish Metal-
workers' Trade Union
congress has refused to
sell its 5,000 shares in
Sandvik SA, claiming
they are "a foot in the
door" which could help
South African trade un-
ionists.

Bishop Tutu's message
to the Swedes came in an
interview with the mass-
circulation evening
paper, Aftonbladet, yest-
terday. He praised "all
Scandinavian countries
for showing extraordi-
nary support in our
peaceful campaign for
justice".

And South African
miners' union general
secretary Mr Cyril Ra-
maphosa, seen on a
Swedish TV special from
South Africa, said on
hearing of the Swedish
measures: "Good, good,
good. We are not the only
ones who must sacrifice
something in the fight
against apartheid."

But a row over the
metal workers' union
stand threatens to grow.
General secretary Mr
Leif Blomberg said: "I do
not understand those who
are more interested in il-
lustrating differences in-
stead of working collect-
ively to a common pur-
pose."
WASHINGTON — Sanctions against South Africa and trade protectionism are among the major issues facing the US Congress as it returns today from a month-long summer recess.

The legislators will also be confronted again with the growing US Government spending deficit when they decide whether to raise the public debt limit over $1 trillion (about R4.5 trillion), or leave the government unable to finance its operations.

President Reagan is determined to press for his No 1 domestic goal — tax reform legislation.

The House of Representatives convenes today, but the Senate — which does not return until Monday — is likely to be the scene of the first major legislative battles.

The House has already approved a compromise version of the South Africa sanctions Bill, and the Senators will take up the issue as soon as they come back.

The compromise, worked out by House-Senate negotiators in July, is tougher than the version passed by the Senate earlier that month, and a few conservative Republican Senators have said they might try to block its passage.

POSSIBLE BANS

Any obstruction, however, would be only temporary because the majority of the Senate favours sanctions and can easily vote down any parliamentary manoeuvres to sidetrack the Bill.

The Bill would ban:

- The importation of Krugerrands into the US.
- The export of US nuclear technology to South Africa.
- Sales of computer equipment and accessories to the South African Government.
- New bank loans to the South African Government.

Mr Reagan, who has argued that he opposes the sanctions on the grounds that they would hurt black South Africans and lessen US influence with the South African Government, might veto the compromise if the Senate passes it.

The House, controlled by opposition Democrats, can be counted on to vote overwhelmingly to override a veto. It is also possible the Republican-led Senate would come up with the necessary two-thirds majority to complete the override.

The House has a tight schedule this week, but controlling Democrats are expected to begin pushing for action on erecting barriers to imports in reaction to the record size of the US trade deficit, expected to reach $150 billion (about R530 billion) this year.

— RETALIATION

Economists have attributed the size of trade deficit largely to the high value of the dollar against other currencies, but the imbalance has served to spark anger against trade protectionism used by other countries and fuel a desire for retaliation, especially against Japan. — Sapa-AP.
Sanctions may break
Frontline countries

By Robyn Drew,
The Star Bureau

HARARE — Sanctions against South Africa could mean the collapse of the economy following the closure of mines and factories, an exodus of people, mounting discontent by those remaining, riots and even the overthrow of the government.

But the scene of desolation would not be in South Africa, but in its neighbouring states such as Zimbabwe, Botswana, Zambia, Malawi and even Zaire, as a result of South African retaliation.

ASSISTANCE

This is the bleak picture drawn by Western diplomats whose views have been made known to the government in Harare, which has backed the call for sanctions while acknowledging that the Frontline States will need special assistance.

A document outlining the effects of sanctions on these states should South Africa carry out its threat to pass on the effects, says Pretoria's options include total interruption of road and rail traffic.

Alternatively it could deny transit traffic while permitting two-way trade with South Africa itself, tying the land-locked economies of its neighbours even more closely to its own.

By closing two frontier points at Beit Bridge and Mafikeng, 85 percent of the traffic to and from Frontline States would be cut overnight.

Improvements to alternative routes through the Mozambique ports of Beira and Nacala would take at least two years and cost R2.3 billion.

If the efficiency on the Tazara railway line to Dar es Salaam from Zambia could be doubled, and if the aid needed for Beira and Nacala were made available, then about 85 percent of traffic could be moved.

The document discounted the notion of an airlift as wholly unrealistic because of the amount of cargo, distances and costs involved.

Furthermore the diplomats predict that sanctions against South Africa are unlikely to have much of an impact on the target itself if the Rhodesian experience is anything to go by.

They say that 60 countries continued to trade with Rhodesia despite comprehensive mandatory sanctions and businessmen proved much better at evading sanctions than civil servants were at enforcing them.

Indeed in Rhodesia, they said, the real standard of living of the white community rose steadily during sanctions at the expense of the black community.

INSTABILITY

On the political effects of South African countermeasures, the document says political instability in the Frontline States would increase.

Riots and military coups could not be excluded.

"It is difficult to see how governments in the countries concerned could avoid, sooner or later, coming to terms with South Africa.

"It would also seem likely that multiple Nkomati-type agreements of this kind would set back rather than advance the liberation struggle in South Africa itself," added the assessment.
The European Community is apparently backing away from a sanctions policy against South Africa now that three EEC foreign ministers and a senior EEC commissioner have returned from their visit to the Republic.

The leader of the four-man team, Luxembourg Foreign Minister Jacques Poos, told reporters he would not recommend the imposition of sanctions when foreign ministers of the 10 EEC member states meet in Luxembourg on Tuesday to consider the situation in South Africa.

"But he said that if violence continued in South Africa and there was no movement towards reform of the EEC would have to reconsider its position. "Then we won't be able to avoid talking about sanctions," he said.

Mr. Willy de Clercq, the EEC Commissioner for External Relations and Trade Policy, said the EEC team had agreed that there were widespread feelings among both whites and blacks that apartheid must be dismantled.

Speaking at Brussels airport on his return, he said: "Everybody we spoke to was convinced that apartheid had to be abolished, but there was no consensus on the means to achieve it."

"There is currently a lack of direction in that country which is exaggerated by the uncertainty prevailing today," Mr. de Clercq, referring to the run on the South African rand, said he believed sanctions arising naturally as a result of economic forces were more powerful than any that could be imposed by political decision.

"Business leaders in South Africa are not of the opinion that EEC sanctions would be foolish," he said.

"They would hamper the process of dialogue and they believe that sanctions should be the last of all peaceful means to be used to bring about change in South Africa.

"It is not yet clear whether the EEC team's retreat from sanctions resulted from what they saw and heard in South Africa or from fear of a joint EEC sanctions policy being sabotaged by member states on Tuesday."

At least three EEC states - Britain, West Germany and Belgium - are known to be opposed to sanctions.

The EEC is South Africa's most important trading partner; annual trade between the two is worth about 33 billion. Of that total, trade with Britain is worth more than 11 billion and with West Germany more than 7 billion.

Together, Britain and West Germany supply more than 25 percent of South Africa's imports.

Belgium does not want sanctions because South Africa supplies more than 3.5 billion worth of diamonds each year to the Antwerp gem-cutting trade.

France, which has been at the forefront of demands for sanctions, has lost some of the weight it carried with fellow EEC states following allegations that its secret service blew up the Greenpeace ship Rainbow Warrior in Auckland Harbour.

The Argus Foreign Service reports from The Hague that if Holland could decide to go it alone and unilaterally introduce sanctions against South Africa if the majority in favour in the Dutch Parliament continues to grow.

The country's three main political parties in Parliament - the Christian Democrats, the Liberals and the Labour Party - all agree that the EEC should begin discussions with South Africa about reducing sanctions, but CDA MP Mr. Harsen is calling for drastic sanctions against South Africa. He said that the real target should be the white minority, not the black majority.

Mr. Harsen said it was inadmissible for the EEC to talk of reducing sanctions while the Government in South Africa was taking no action against the apartheid system.

Mr. de Clercq said there was no question of instant pressure being applied to the South African Government and that any talks on reducing sanctions should only be a prelude to a comprehensive plan for ending apartheid in South Africa.

The EEC team that visited South Africa discovered widespread feeling among whites and blacks that apartheid had to be dismantled. The Argus Foreign Service reports from Brussels. The EEC team that visited South Africa discovered widespread feeling among whites and blacks that apartheid had to be dismantled. The Argus Foreign Service reports from Brussels.
Reagan faces mounting political headaches

The Star Bureau

WASHINGTON — President Ronald Reagan headed back here yesterday at the end of his 23-day Californian convalescence to face mounting political headaches — of which the South Africa sanctions Bill is one of the biggest.

Top Reagan Administration officials say Mr Reagan is determined to veto the Bill. But that could result in a damaging defeat for him if, as expected, the United States Congress musters sufficient votes to over-ride the veto.

Mr Reagan has not been helped by recent news reports from South Africa. The cumulative effect of recent TV news coverage here has been an impression of a white regime unravelling politically and economically, and resorting to police brutality to repress the legitimate demands of the black majority.

Even if the truth is more complex than that, it has created a political climate in which any attempt by the US Government to protect the South African economy from sanctions will add to Mr Reagan’s troubles and could weaken his hand with other important issues that face him as the Congress returns to business.

Those issues include the Reagan Administration’s determination to resist more than 300 trade protectionist Bills that run counter to his free-trade philosophy but carry enormous political weight in areas where cheap imported goods, mostly from the Far East, threaten local jobs.

He also needs support on issues such as the Budget, a farm support Bill which is politically sensitive because of the many farmers in financial trouble, and the federal debt ceiling.

Mr Reagan will need all the stamina he can generate, for in the midst of his difficult domestic agenda in coming weeks, he must also prepare for the November summit meeting in Geneva, with Soviet leader, Mr. Mikhail Gorbachev.

But analysts say it is doubtful Mr Reagan will be able to drum-up much public support for a veto of the anti-apartheid sanctions Bill — even though a majority of Americans said in a recent poll that they had no opinion on the issue.

The indications are that most congressmen and senators will ignore his appeal for support and will vote the way they have voted in recent months — that is, for moderate sanctions to be implemented.

Waverers senators will undoubtedly be influenced by the fact that they will be publicly denounced by the anti-apartheid lobby as “friends of the racists” if they vote against the sanctions, but there is also a genuine abhorrence of apartheid among many conservatives here.

The minerals factor appears to have disappeared in recent months, with many saying that South Africa will continue to supply them to the West since it needs the revenue as much as the US needs the minerals.
Sanctions: Holland may go it alone

The Star's Foreign News Service

THE HAGUE - Holland could decide to go it alone and unilaterally introduce sanctions on South Africa if the majority in favour in the Dutch Parliament continues to grow.

If the ruling Christian-democratic Party (CDA) decides to back Labour opposition demands, Holland would be in a position to take unilateral action against South Africa.

Liberal MP Mr. Frans Veninga said last night that Holland should take the initiative in pressurising South Africa to dismantle apartheid.

Labour Party MP Mr. Jacques Wallage yesterday attacked the European Economic Community's "troika" mission to South Africa for claiming his visit was a success.

"Apparently the troika members lent a more attentive ear to Botha than to Bishop Tutu," he said.

A CDA MP, Mr. Harry Aarts, has demanded that Dutch Foreign Minister Mr. Hans van den Broek disclose what President Botha told him during the visit - although "I do not expect Mr. Botha to have said anything that could make us happy."

Anti-apartheid demonstrators in the towns of Delft, Bodengraven and Alphen aan Den Rijn yesterday broke windows and stoned businesses said to have South African connections."
The sanctions dilemma

THE ECONOMIES of South Africa and its black-governed neighbours are so intertwined that sanctions against South Africa could have severe repercussions for all of southern Africa.

South Africa's railways, roads and ports provide the bulk of the region's goods; its mines employ three-quarters of Lesotho's wage-earners; its communications network links its neighbours with the rest of the world.

Even some of the continent's black leaders argue that South Africa's racial-segregation system acknowledge that effects of sanctions could take a devastating toll of neighbouring economies.

But President Julius Nyerere of Tanzania and others argue that sanctions, may be the only way to force South Africa to change its policies, because its economy also would suffer greatly if it clung to apartheid.

Doomed

"It is a doomed struggle, and the cost both in terms of human suffering and economic damage to neighbouring states will be high," Nyerere told a meeting of black South African leaders in Arusha, Tanzania, on August 5.

"Nonetheless, he declared, 'we want mandatory sanctions.'"

The Arusha meeting brought together the nine members of the Southern African Development Coordination Council (SADCC), formed in 1980 to lessen economic dependence on South Africa.

Of its members, only two - Tanzania and Angola - are not heavily reliant on South Africa for trade, transport and communications links to the rest of the world. The other SADCC members are Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe.

Zimbabwe Prime Minister Robert Mugabe, for one, has long advocated sanctions in principle. But he has insisted that practical realities dictate that his landlocked nation could not impose them. Zimbabwe's main trading partner is South Africa.

Mugabe may not have the choice. Angered by the UN Security Council resolution for an economic embargo, the State President, Mr P W Botha, threatened on July 29 to deny neighbouring black states such as Zimbabwe access to his country's transport and telecommunications network, to cut trade with them and expel about 1.5 million migrant African workers.

Some Africans argue South Africa would hurt itself as much as the black states by such retaliation.

The SADCC's executive secretary, Simba Makoni, of Zimbabwe, warned on August 15 that Pretoria "also stands to suffer greatly because of the jobs in that country held by citizens of SADCC countries."

Rudzidzo Murapa, head of Zimbabwe University's political science department, commented: "We should not minimise the market value of the African region for South Africa... We cannot afford to cut off these trade links without being very seriously affected."

But South Africa's trade figures for 1983, the latest available, show the country bought R400 million worth of goods from black Africa while exporting to 47 African countries around R15 billion.

also hire dozens of South African locomotives, and Pretoria's freight cars on foreign railways reaching as far north as Zaire averaged 5 883 on any given day in 1983.

South Africa is an important food supplier. At least 11 African countries are dependent on it for about 25 per cent of its total imports.

Claude Cheyssy, former French foreign minister and no friend of South Africa, warned the UN Committee on Apartheid last year: 'History shows that an embargo has never succeeded against countries with natural resources, whereas the weaker neighbours who are affected by it suffer horribily.'

Most threatened are Botswana, Lesotho and Swaziland. They are landlocked, bound by a customs union with South Africa and almost entirely dependent on their giant neighbour. Pretoria would only have to exert some 153 000 Lesotho mineworkers to cripple that country's economy.

R320 million

The mineworkers make up three times the number of wage-earning people in Lesotho itself. Their remittances of R320 million last year was roughly equivalent to Lesotho's gross domestic product.

According to figures from the three black African governments South Africa supplied 99 per cent of Lesotho's imports last year, 91 per cent of Swaziland's and 88 per cent of Botswana's.

In Botswana all but one of the major industries are directly or indirectly owned by South Africans. The exception is the diamond industry, a joint venture between the Botswana Government and South Africa's De Beers company.

The move cost Mozambique between 106 million and 134 million dollars (about R270 and R335 million) a year and put more than 10 000 people out of work.

Nevertheless, many black Africans remain committed to their moral obligation to sanctions and shrug aside arguments that it will hurt South Africa's blacks more than their white rulers. (SAPA-AP)

10 000 jobless

After Mozambique became independent from Portugal in 1975 the new marxist government closed its border with Rhodesia in compliance with the sanctions. A UN mission of experts estimated in April 1976 that the move cost Mozambique between 106 million and 134 million dollars (about R270 and R335 million) a year and put more than 10 000 people out of work.

Nevertheless, many black Africans remain committed to their moral obligation to sanctions and shrug aside arguments that it will hurt South Africa's blacks more than their white rulers. (SAPA-AP)
Black African teachers back sanctions despite logistics
Sanctions out say EEC men

JOHANNESBURG — The European Economic Community delegation will not recommend immediate sanctions by the EEC against South Africa.

However, the situation would be watched closely, the delegation's leader said at the end of a two-day fact-finding tour of the country in which the government told them that it was "actively" continuing its reform programme.

However, the leader of the delegation and Foreign Minister of Luxembourg, Mr. Jacques Poos, said if the situation did not improve within a reasonable time, the European government would be under considerable pressure from the electorate to take measures.

"We will continue to watch the situation closely," he said.

Mr. Poos said he and the other two delegates — the Foreign Minister of the Netherlands, Mr. Hans van den Broek, and the Foreign Minister of Italy, Mr. Giulio Andreotti — "came to urge concrete measures to end apartheid but not to prescribe formulas."

"We have noticed a broad sense of urgency between black and white circles for fundamental changes in this country," Mr. Poos said.

Mr. Poos said that during the delegation's meeting on Saturday with President P.W. Botha, they put forward the European Community's view on South Africa.

Mr. Poos named five prerequisites the government should follow in a process leading to negotiation, which included the release of all political prisoners, especially ANC leader, Mr. Nelson Mandela.

He said the negotiation should have an open-ended agenda and should include representatives from all groups.

There should also be an end to the state of emergency and "a clear commitment by the government to end apartheid and eliminate racial discrimination."

Mr. Poos and Mr. Andreotti left last night, but Mr. Van den Broek is to remain for an extra day. Diplomatic sources said that he is staying to discuss the issue of Dutch citizen, Mr. Klaas de Jonge, who has been in the Dutch Embassy in Pretoria for more than a month. — Sapa
Disinvestment: ECC Ministers to hold fire

Argus Correspondent

PRETORIA — The three European Foreign Ministers ended their South African tour last night with the undertaking that they would not immediately recommend disinvestment to their EEC colleagues.

However, a final statement by Mr Jacques Pooq of Luxembourg said action would be considered if there was no significant reform within a "reasonable" period of time.

The three declined to comment on a declaration of intent issued to them by President P.W. Botha and would not say whether the Government had given them any confidential notice of reforms that were in the pipeline.

Opinion

They will be reporting to an EEC summit in Luxembourg on September 10.

Mr Pooq and Italy's Mr Giulio Andreotti have gone back to Europe after their three-day tour during which they met Mr Botha, members of the Cabinet as well as opposition politicians and religious and business leaders.

Mr Hans van den Broek of Holland has remained for an extra day to try and resolve the Klaas de Jonge issue.

In his statement, Mr Botha again committed his Government to what he called an "active programme of reform" providing for political participation by all communities at all levels and he undertook not to prescribe which black leaders came to the negotiating table as long as they renounced violence.

He also reiterated his commitment to reviewing influx control and promised R1 000-million for the improvement of undeveloped towns and cities over the next five years.

Detainees

He also gave the assurance that the state of emergency would be lifted as soon as violence abated, saying the situation of detainees would then be reviewed.

Mr Pooq said if violence did recede and real negotiations were initiated, there was no reason for his delegation to recommend sanctions.

He said the ministers had urged Pretoria to abolish apartheid.

They had cited as prerequisites for negotiation, the liberation of political prisoners including Nelson Mandela, an end to the state of emergency, an open-ended agenda for negotiations and negotiations with all leaders, including those in prison.

Answering questions after the departure of the Ministers, South African Foreign Affairs Minister, Mr Pak Botha, said the Government's reform programme was under way "and there is not very much more we can do."

Slabbert welcomes Govt pledge

TOS WENTZEL, Political Correspondent

A GOVERNMENT commitment to open-ended negotiations was welcomed in Opposition circles today.

Reacting to a Government statement issued last night to coincide with the visit of three Foreign Ministers of the European Economic Community, the leader of the Progressive Federal Party, Dr F. van Zyl Slabbert, said a reference to open-ended negotiation in the statement was worth exploring.

He pointed out that such negotiations would inevitably focus on apartheid policies and practices still being applied.

In the statement the Government again committed itself to "active" reform and the removal of race discrimination.
EEC team meets unionists

From PHILLIP VAN NIEKERK

JOHANNESBURG. — The threat of sanctions against South Africa featured high on the agenda when a delegation of three European Economic Community Foreign Ministers met clergymen, trade unionists and Inkatha in Pretoria yesterday.

Dr Beyers Naude, the general secretary of the SA Council of Churches, and Bishop Desmond Tutu, the Anglican Bishop of Johannesburg, told the delegation that imposing sanctions was one of the few remaining non-violent measures left to bring about change in South Africa.

CUSAA

Two leaders of the Council of Unions of South Africa (Cusa) urged selective sanctions against South Africa and a ban on new investment.

Leaders of the Federation of South African Trade Unions (Fosatu) and the National Union of Mineworkers (NUM) were invited to be part of the delegation but did not arrive.

The EEC delegation met Mr Pik Botha, the Minister of Foreign Affairs, and Dr Gerrit Viljoen, the Minister of Co-operation and Development, over a working dinner in Pretoria last night.

They were met at Jan Smuts Airport at 11am by the Minister of Finance, Mr Barend du Plessis, and the Deputy Minister of Foreign Affairs and Information, Mr Louis Nel.

"Mr Jacques Poos, the Luxembourg Minister of Foreign Affairs and leader of the delegation, told newsmen the aim of the visit was to make known the strong preoccupation of EEC countries with the abolition of the apartheid system.

Speaking on behalf of the 10 EEC countries as well as Spain and Portugal, Mr Poos said they wanted to discuss the recent serious developments in South Africa.

Accompanying him on the tour are Mr Giusto Andreotti of Italy, Mr Hans van den Broek of the Netherlands and Mr Willie de Clerq, the EEC Commissioner for External Relations.

Mr Poos said the mission wanted to get further information from the government on envisaged projects alluded to by the State President, Mr P W Botha, in his recent Durban speech."

"Disastrous"

Chief Mangosuthu Buthelezi, the Chief Minister of KwaZulu and leader of Inkatha, told the EEC Ministers that the threat of sanctions had had beneficial results in South Africa.

"However, large-scale sanctions would be "absolutely disastrous."

The delegation leaves for Cape Town today where they will meet Mr P W Botha."
Sanctions are like chemical warfare.

The economic "blockade" policy being applied by the international community to South Africa was an immoral and inhuman approach, Deputy Minister of Foreign Affairs, Mr. Louis Nel, said today. He was speaking in Johannesburg.

"The response of the South African economy to sanctions will be massive," he said. "For the South African economy, sanctions are a disaster."

Firms in South Africa buy substantial amounts of goods from abroad and will suffer because of sanctions. Sanctions will ruin the lives of millions of people."

If sanctions are applied to the South African Government, the entire economy will be affected, and the country will feel the pinch, he said.

Firms in South Africa buy substantial amounts of goods from abroad and will suffer because of sanctions. Sanctions will ruin the lives of millions of people."

A further million foreign workers were estimated to be in South Africa legally, he said. Mr. Nel was responding to a warning by the President, Mr. P.W. Botha, that South Africa would consider repatriating foreign workers if the sanctions continued.

The spokesman, Mr. Charles Fedeman, told a news conference that there were no plans to repatriate foreign workers who had been working in South Africa.

Washington- AP reports that a State Department spokesman, reacting to the proposed sanctions, warned yesterday of the interdependence of the economies of South Africa and its neighbors.

"That is the reason why we have consistently opposed additional punitive measures against South Africa," he said.

\[See\ Pages 4 and 25\]
New poll may harm Reagan stance on SA

WASHINGTON — A new poll which claims that most of South Africa's urban blacks favour economic sanctions threatens to erode President Ronald Reagan's argument that sanctions shouldn't be imposed because they would hit blacks hardest.

Mr Reagan is clearly leaning toward vetoing sanctions, but apparently wishes to ensure that lawmakers won't vote to override his veto before committing himself on the issue. Congress is expected to send him a sanctions Bill soon after returning from its recess this month.

The Bill has already been approved by the House of Representatives and is awaiting Senate approval, which is seen as certain. It would put curbs on exports of nuclear equipment and computers, ban imports of South African gold coins and bar new loans to the South African government.

In an interview, Mr Reagan said sanctions would increase unemployment and cause "setbacks in gains that have been made by labour and by the blacks in South Africa." He said "they would hurt the very people we want to help."

The Reagan administration argues, with evidence to back its claim, that US economic ties provide a vehicle for encouraging fair employment practices for blacks.

But a poll conducted by the Sunday Times of London found that 77 percent of responding urban blacks favoured economic sanctions as a means of putting pressure on the Pretoria government to dismantle apartheid.

The newspaper said its poll marked a reversal of previous surveys showing a "slim black majority against sanctions."

One poll that showed an overwhelming black majority against sanctions was conducted in August 1984 and was partly financed by the US State Department. It showed that 74 percent of those surveyed said they would oppose such extreme sanctions as withdrawing foreign investment from South Africa.

The State Department has frequently cited it as evidence for its view that blacks oppose economic sanctions.

Sizeable number

Most illustrative of toughening black attitudes was the finding in the Sunday Times of London poll that 46 percent of those responding said they expected to be hurt personally by sanctions.

Nonetheless, a sizeable number who said they would suffer personally favoured sanctions.

The newspaper said the poll, conducted among 400 blacks in a string of South African cities by Markmur, had a margin of error of about five percentage points.

Assuming it fairly reflects the views of urban blacks, the poll is not good news for Mr Reagan.

The US administration's strategy lately has been to seek sufficient conservative support in the Senate to block an override attempt if Mr Reagan vetoes the bill. — Sapa-AFP
SANCTIONS: JOBS IN DANGER

LONDON — Sanctions which seriously interrupt trade between Britain and South Africa could jeopardise 400,000 jobs — 250,000 of them in Britain.

This is estimated by the United Kingdom-South Africa Trade Association (Uksata) which has a membership of 300 companies.

Uksata calculates that about 350 British companies have subsidiaries in South Africa and many more trade with the country. Direct investments by British companies total about R15.5 billion.

In addition, Britain has indirect investments totalling about R19 billion through insurance, banking, tourism and other interests.

The association says South Africa rates as Britain's 12th largest trading partner. Britain sent about R3.8 billion in "visible" exports there last year, and "invisible" earnings were worth about R4 billion.

A further R1.02 billion was collected from re-exports.

Goods

The trade balance between the two countries is largely in Britain's favour, with South Africa selling Britain goods worth only about R2.3 billion last year.

Although Britain's trade with South Africa increased over the past five years, it has now dropped to fourth place in the league of the Republic's own trading partners behind the US, West Germany and Japan. — SOWETAN Foreign Service.
Sanctions could make 250,000 Britons workless

Argus Foreign Service

LONDON — Sanctions which seriously interrupt trade between Britain and South Africa could jeopardise 400,000 jobs — 250,000 of them in Britain.

This is estimated by the United Kingdom-South Africa Trade Association (UKSATA), which has a membership of 300 companies.

UKSATA calculates that about 350 British companies have subsidiaries in the Republic and many more trade with the country. Direct investments by British companies total 5-billion sterling.

In addition, Britain has indirect investments totaling about 5-billion sterling there through insurance, banking, tourism and other interests.

The association says South Africa rates as Britain's 12th largest trading partner. Britain sent £1.2-billion in "visible" exports there last year, and "invisible" earnings were worth £1.5-billion.

A further £350-million was collected from re-exports.

The trade balance between the two countries is largely in Britain's favour, with South Africa selling Britain goods worth only £720-million last year.

Although Britain's trade with South Africa increased over the past five years, it has now dropped to fourth place in the league of the Republic's own trading partners behind the US, West Germany and Japan.
Reagan to make final bid to avoid sanctions defeat

WASHINGTON — President Reagan is to meet his top advisors at the White House today in a last-ditch attempt to find a way of avoiding a damaging political defeat over the South Africa sanctions Bill.

At this stage all indications are that a presidential veto will be overridden by Congress, which is expected to cast its final vote on Tuesday.

It is understood that at today's meeting the President will be given an up-to-date view of the situation in South Africa.

DAILY PLEAS

White House officials have made it known that South Africa's internal situation will be a factor in his decision whether or not to veto the sanctions.

US officials have called, almost daily, for an urgent start to negotiations between the South African Government and black leaders.

To their dismay, they have seen no sign of such a process getting under way and of the country's turmoil coming to an end.

Adding to the pressure on Mr Reagan is the public perception here of events in South Africa — a view that has been shaped by daily media reports of uncontrolled violence and police whipping of young demonstrators.

The President has not decided what he will do when Congress sends him the sanctions Bill next week. Expectations here are that he will probably make up his mind on the basis of today's meeting.

He is faced by sharp divisions among his senior staff, some of whom urge him to get tough with South Africa, and some of whom oppose this course at present.

White House communica-

tions director Mr Pat Buchanan is said to be the strongest of the anti-sanctions advocates and is thought to be behind the President's recent controversial description of the South African Government as "reformist".

Heading the White House team trying to find the best option for dealing with the sanctions Bill are Mr Donald Regan, the President's top political adviser, and Mr Robert McFarlane, his chief national security affairs adviser.

Mr McFarlane's recent emergence as a prominent figure in the South Africa issue has been a clear sign of deepening White House concern.

According to reports here, both men are anxious to avoid a legislative situation which will result in defeat of a presidential veto — a damaging development that will weaken the President's hand in the conduct of foreign policy and reduce his image as a strong leader.

The issue was on the agenda at a meeting of the White House Legislative Strategy Group on Tuesday — the day after the White House staff returned to Washington from holiday.

UPHILL SLOG

Conservative groups also held strategy meetings in Washington this week in an effort to persuade the Senate not to ratify the sanctions package that has already been accepted by the House of Representatives.

But their efforts appear to be an uphill slog at this point.

President Reagan is opposed to sanctions because he believes they will harm the interests of South African blacks.

Whatever his decision tomorrow, it is not expected here that he will order a change in his policy of constructive engagement with South Africa.
A joint statement by the three big confederations, CGIL, CISL and UIL, said they were protesting at Pretoria's regime of "blood, violence and terror". The boycott is planned from September 9.

Bishop Tutu's message to the Swedes came in an interview with the mass-circulation socialist evening paper *Aftonbladet* in which he praised "all of the Scandinavian countries for showing extraordinary support in our peaceful campaign for justice".

LONDON — Bishop Desmond Tutu has praised Sweden's latest moves towards sanctions on South Africa, claiming they could contribute to solving the problems "which have brought our country to the brink of catastrophe".

But the Swedish Metal-Workers' Trade Union congress has refused to sell its 5,000 shares in Sandvik SA, claiming they are "a foot in the door" which could help South African trade unionists seek better working conditions.

Elsewhere on the continent, Italian trade unionists have announced a three-week-long boycott of South African ships and aircraft using Italian ports and airports.
Reagan to decide

WASHINGTON -- President Ronald Reagan met his top advisers at the White House yesterday in a last-ditch attempt to find a way of avoiding a damaging political defeat over the South Africa Economic Sanctions Bill.

All the indications are that a presidential veto will be overridden by the Congress which is expected to cast its final vote on the sanctions next Tuesday.

The president was given an up-to-date review of the situation in South Africa.

White House officials have made it known that South Africa's internal situation will be a factor in President Reagan's decision whether or not to veto the sanctions.

US officials have called, almost on a daily basis, for an urgent start to negotiations between the SA Government and black leaders.

To their dismay, they have seen no sign of such a process getting under way and of the country's turmoil coming to an end.

The president has not decided what he will do when the Congress sends him the sanctions Bill next week. -- SO-WETAN / Foreign Service.
WASHINGTON—Leaders of the U.S. House of Representatives and Senate, returning here after a month-long holiday, said yesterday that President Reagan would almost certainly be overridden if he decided to veto legislation imposing economic sanctions against South Africa.

The White House has yet to say whether Mr. Reagan would sign or reject the measure, expected to win final congressional approval in the Senate soon.

But the President said last month he would look with a "jaundiced eye" on such legislation.

In spite of Mr. Reagan's views, Mr. Richard Lugar, chairman of the Senate Foreign Relations Committee, said yesterday there were more than enough votes to break conservative-fed parliamentary attempts to kill the measure and win final passage.

**Strong support**

Furthermore, said Mr. Lugar, a Republican, there were "a substantial number of votes in addition to the two-thirds required to override a veto of the Bill."

In the Democratic-controlled House, Speaker Thomas O'Neill told reporters: "I think we probably could override any veto."

An aide to House Republican Leader Robert Michel added there was "no doubt" that that was the case and that an override would have strong Republican support.

The confrontation over the sanctions legislation looms as merely the opening round in a struggle between Congress and a President bent on launching an offensive to push his conservative agenda, with jousting over tax reform, spending bills, the volatile trade issue and farm legislation also in the wings.

The South Africa Bill was left hanging when Congress adjourned last month.

**Nel's warning**

Our Johannesburg correspondent reports that the Deputy Minister for Foreign Affairs, Mr. Louis Nel, in a bid to persuade the U.S. not to impose economic sanctions yesterday warned of the effects, disinvestment would have on the country's neighbouring states.

At an international Press conference, Mr. Nel said he would produce "uncontroversial evidence" that it would be impossible to apply punitive sanctions against South Africa alone.

"In judging the effect of possible sanctions, South Africa does not only focus on the contents of the proposed legislation presently before the Congress."

"The truth is, however, that the American decision will influence, strengthen or weaken the disinvestment and sanctions lobbies in other Western countries as well."

Mr. Nel said that disinvestment was flowing from pressures such as those in the United States, South Africa was "not motivated by vengeance or a desire to see other countries suffer."

"We have as great an interest in a stable and flourishing Southern African region as any of our neighbours."

"The choice is between sanctions on the one hand and political, social and economic progress on the other."

"The Western world will have to decide whether, in their efforts to pressure the South African Government through sanctions, their acts can genuinely be described as morally justified."
Call for sanctions

LONDON — Representatives of 8.5 million trades unionists have urgently called on Britain to impose sanctions on South Africa.

Their leaders, representing 34 British trade unions — including the 16 largest unions — have signed a letter to Sir Geoffrey Howe, Britain's foreign secretary, urging him to back a package of measures, including economic sanctions, when EEC foreign ministers meet in Luxembourg on Tuesday.
Sanctions veto: Reagan may yet avoid a defeat

WASHINGTON — As President Reagan met top advisers here yesterday in an attempt to solve the dilemma facing him over sanctions against South Africa, key senators involved in the dispute said the President might yet be able to pull off a veto.

The President, determined to avoid a massive foreign policy defeat on the issue, was given a detailed briefing on the situation within South Africa.

Republican senators and congressmen have warned him that he faces certain defeat if he tries to veto the Bill.

But the view that a veto might yet succeed came from Republican Majority Leader Senator Robert Dole and California Democrat Senator Alan Cranston. Both back the Bill.

They agreed that if the President simply refused to sign the Bill, his veto would be overridden.

But if he took some of the sanctions — such as the ban on computer sales — and converted them into executive orders, he might get the 54 Senate votes he needs to sustain his veto.

Other prominent senators disagree. Foreign Relations chairman Senator Richard Lugar said through an aide that a veto would be beaten, come what may.

He has been pushing the Administration hard to accept the Bill. Yesterday he phoned Secretary of State Mr. George Shultz to repeat his earlier argument that a veto would be unwise and would fail.

But Mr. Shultz was unconvinced. Today, according to sources, he told a closed-door meeting of Republican congressmen that sanctions would weaken the South African Government, and if it fell there would be an increased risk of a communist takeover.
Sanctions will be ‘immoral’, Nel tells BBC

The Star Bureau

LONDON — Deputy Foreign Minister Louis Nel has conceded that the present United States attitude towards South Africa is “negative”.

But this was no justification for sanctions, he said in a BBC radio interview. The imposition of sanctions would be an immoral act.

“In other words, the Americans cannot justify what they are trying to do to the whites in South Africa, or to the Government in South Africa, by referring to the mood in America.

“Our point of view is that the effect of sanctions would be such that they would be completely unjustifiable.

“The Americans will find themselves here on the low ground of morality, and history will prove that.”

OPEN DOOR

On reports that the South African business community was becoming more outspoken on the need for reform and that business leaders were said to be going to Lusaka for talks with the African National Congress, Mr Nel said: “The South African Government is committed to reform. President (P W Botha) has made a very strong statement as far as this is concerned.

“There are no obstacles in the way of negotiating a constitutional dispensation for South Africa which will satisfy the reasonable aspirations of all our population groups.

“I do not think there is any need to call for more reform. The business community, or whoever might be calling for more reforms, are pushing against an open door.”

“The ANC is committed to a violent revolutionary overthrow of the Government. And until such time as they undergo a change of heart and are prepared to say they want peaceful reform, the South African Government will not talk to them.

“As far as we are concerned, the business leaders of South Africa are not justified in talking to the ANC. It will not help in any way whatsoever.”

He added that he was not aware of any Government interest in the Lusaka talks.

Mr Nel said President Botha had addressed all the old obstacles in the way of negotiating a constitutional dispensation for all South Africans, including citizenship for blacks, participation by blacks in the central government, influx control, and the negotiation of a constitutional dispensation for South Africa.

“We are committed to a process of give-and-take leading to peaceful reform, and we will continue on that road.”

Asked when the Government would try to institute a dialogue with black leaders, including Nelson Mandela, he said: “The Government is at the moment setting various acts in motion to bring about such negotiations.

“As far as negotiations with Nelson Mandela are concerned … to call for that you cannot possibly find yourself on the right side of morality.

“We are prepared to release Nelson Mandela unconditionally if he applied civilised norms, and that means he must renounce violence as a means of achieving political aims.

“If he were prepared to do that he would be released unconditionally — not conditionally — but he is not prepared to do so.”
sunrise Markets will force SA change — Howe

LONDON — Britain believed persuasion and the pressure of world markets would force political change on South Africa, while economic sanctions would be counter-productive, the Foreign Secretary, Sir Geoffrey Howe, said yesterday.

Sir Geoffrey was speaking in a British Broadcasting Corporation radio interview about a series of foreign trips he is making next week in which the issue of economic sanctions are to be discussed.

He is to travel to Belgium on Sunday and the Netherlands on Monday, and thence to Nigeria on Monday night. At all stops, his talks are expected to concentrate on the South African situation.

Britain, while condemning South Africa's apartheid system, does not want "compulsory trading sanctions of a kind that we think would be more likely to drive the South African Government in the wrong direction at the cost of doing damage to African interests," Sir Geoffrey said.

With a long history of links with South Africa, Britain believes it can help persuade Pretoria to "change your system and change it quickly," he said.

"We think it is more likely to promote a sensible response, along with the pressure that the rest of the world is already bringing to bear through economic judgment on the political consequences of what's been done in South Africa so far."

In another development, the Governor of South Africa's Reserve Bank, Dr Gerhard de Kock, left London for Europe to explain to financiers there the impact of the moratorium on the repayment of short-term debts which South Africa imposed last weekend.

SHUTTLE DIPLOMACY

Dr de Kock came to London at the end of last week and was in the United States until Wednesday, when he returned to Britain on what he called "shuttle diplomacy".

Dr de Kock told a news conference in London that the New York branch of Nedbank, his country's third-largest bank, had been given assurances of full backing that had permitted it to reopen yesterday.

The New York comptroller of currency had issued a "cease and desist" order on the Nedbank branch, Dr de Kock said. The branch was believed to have come under heavy pressure from American banks demanding repayment of loans, while Nedbank had to resist because of the moratorium on debt repayment imposed by Pretoria.

"The South African Reserve Bank will stand behind Nedbank," Dr de Kock said. The Reserve Bank was taking "all steps to return (Nedbank) to normalcy," he said.

Dr de Kock said he believed the rand would recover after financial markets understood that the moratorium would mean an accumulation in South Africa of dollars that could not be sent abroad in terms of the moratorium.

"The rand has been driven down by a shortage of dollars in circulation in South Africa as foreign capital was sent abroad.

"Asked if his mission had been easier if the financial world were confident that political change was accelerating in his country, Dr de Kock replied: "Yes, that is so."

"But he said foreigners were wrong in thinking that South Africa's economy was threatened by racial unrest, adding: "This is so far removed from the truth that it is quite ridiculous."
Sanctions start to bite

LONDON — The sudden onset of dramatic financial difficulties in South Africa shows how private financial sanctions can be swift, simple and disturbingly powerful, commented The Times in its main leading article yesterday. "But a banking confidence has now found itself on the same hook as preceding sanctions, the paper reported.

It is now clear that the pressure which caused South Africa to close its markets and reintroduce two-tier exchange control at the weekend "stemmed almost entirely from political pressures on American banks." The pressures were essentially private. The Times warns that unless the South African Government can rapidly patch up support, it will not be easy for the country's finances to return to normality.
Govt warns US: Sanctions will hurt SAs weaker neighbours first

By David Bryan, Political Correspondent

The Star Friday September 6, 1996
Tutu for sanctions

OSLO — Bishop Desmond Tutu has appealed to the international community to introduce stronger sanctions against South Africa in a bid to change the country's race policies by peaceful means.

He said in a telephone interview with Norwegian radio on Saturday, he was disappointed with the world community's reaction to violence in South Africa.

The Anglican Johannesburg bishop particularly criticized the United States and Britain, saying they had failed to take a decisive economic sanctions bill today.

Bishop Tutu, who was awarded the Nobel Prize in Oslo last year, appealed to Nordic governments to strengthen sanctions against Pretoria. — Sapa-Reuters.
Stroll with Tutu led to sanctions

PARIS.— The Prime Minister of France, Mr. Laurent Fabius, said here that a stroll through the streets of Paris with Bishop Desmond Tutu in May inspired a French decision two months later to declare sanctions against South Africa.

During a rare television interview, Mr. Fabius said he had been opposed to sanctions but had been convinced of their necessity while walking from the Prime Minister's residence to the National Assembly with Bishop Tutu.

Mr. Fabius said Bishop Tutu had not raised the subject of economic sanctions but made a strong impression on him when he said, "A white minister walking with a black bishop without police protection — that's freedom."

France also withdrew its ambassador from Pretoria and sponsored a United Nations Security Council resolution calling for international action against apartheid. — Sapa-Reuters.

France will not stop self-help projects in South Africa or student bursaries. Mr. Fabius announced an increase in France's aid to black South Africans to "express solidarity with the black community here."

A statement from the French embassy in Pretoria said that France condemned apartheid but supported the black community — "a victim of apartheid" — by setting up an aid and cooperation programme.

The programme, which costs France R1 526 700, will be raised by R381 700 this year and a further R1 100 000 in 1986.
Reagan announces new sanctions plan today - as is expected. Reagan announced his own sanctions plan today — as is expected —"The United States Senate might delay its vote on economic sanctions.

WASHINGTON

By Neil Lusser, The Star-Bulletin

sanctions to soften

Reagan Plan

Senate vote might be delayed.

By Paul Kanava

U.S. action will hurt millions

The plan.

WASHINGTON

WASHINGTON
Apartheid reform stall push for sanctions

TO THE relief of the British Government, the powerful drive building up in the Common Market to impose economic sanctions against South Africa has apparently been headed off by the latest developments in the Republic.

A special delegation sent to Pretoria by the EEC is certain to tell Community foreign ministers tomorrow that the South African Government should be given more time to reform apartheid and that EEC sanctions at present would have little effect.

France and Denmark are still likely to press for tough action, but the majority of ministers are expected to follow the lead of Britain and West Germany by deferring a decision.

The three-man EEC delegation was composed of the foreign ministers of Holland, Italy and Luxembourg. Since their return last week, all three have spoken positively of assurances given to them by the Pretoria Government and note has called for sanctions to be applied.

This may not rule out some action by the EEC, though the indications are that it will be largely confined to a strengthening of the existing code of conduct.

Conditions

The code provides for fair working conditions for the black employees of EEC-owned firms operating in South Africa.

Sir Geoffrey Howe, the British Foreign Secretary, is expected to support moves to extend the code, though the Government may oppose attempts to make its provisions binding rather than voluntary as at present.

Britain is by far the largest foreign investor and employer in South Africa, as well as being the country's largest trading partner.

The EEC delegation is expected to argue that financial pressures on South Africa are now such that a community trade embargo would be largely irrelevant.

It is also likely to point out the damage that severe sanctions could have on black workers and on the economies of black African nations.

BRUSSELS—West European foreign ministers formally open a series of meetings today to consider the most radical changes in the Common Market since its birth a generation ago.

Foreign ministers of the 10 nations of the European Economic Community plus their Spanish and Portuguese counterparts will attend the meeting in Luxembourg.

Spain and Portugal will be represented because they are scheduled to become EEC members at the beginning of next year.

The ministers will be studying major revisions in the 1957 Treaty of Rome that is the EEC's main charter, aiming to broaden the EEC's voice in the world, to help it operate more fluidly, to transform it into a political as well as economic union.

Approved

The idea has been kicked around European capitals for years, but the EEC's leaders always appeared too preoccupied with other problems to do more than talk about the possibility of seeking political union.

The process of revising the Treaty of Rome is expected to be long. Any amendments have to be approved by all the member nations.

No formal proposals are expected to be tabled before the middle of October and all that is expected from today's meeting is agreement on when the ministers should meet again. — (Sapa-AP)
WASHINGTON—President Reagan yesterday ordered selective economic sanctions against South Africa and immediately won a year-long delay of action planned by the Republican-led Senate.

But in Pretoria, President Botha immediately issued a statement regretting the action, saying sanctions would not solve South Africa's problems.

The British Government quickly made it clear it would continue to oppose sanctions.

Mr Reagan, who signed an executive order which implemented his sanctions immediately, banned all exports of computers to the South African Police and security forces and to other arms of the Government enforcing apartheid.

He forbade the export of nuclear technology except when material would be required to oversee nuclear non-proliferation or for humanitarian purposes.

He banned loans to the South African Government except when needed to improve the economic circumstances for health and education in that country.

He intended consulting with the United States allies on possible banning of U S support for South Africa.

Party leaders said the Republican-led Senate would probably drop a move of its own on sanctions because of the President's action.

Veto

Aides told reporters that a veto action on a congressional sanctions Bill could be postponed for a year.

Mr Reagan said that if Congress imposed the sanctions Bill it would be vetoed.

The Reagan White House measures outlined briefly by Mr Reagan included a ban on United States Government export assistance to any US or company employing more than 25 people in South Africa, which did not adhere to what the US considered fair and nondiscriminatory employment practices.

Mr Reagan urged all US corporations to abide by the terms of the Sullivan Code, a set of non-discriminatory hiring and promotion practices laid down by a black clergyman and civil rights leader, the Rev Leon Sullivan.

Asked what steps would be necessary for him to consider lifting the sanctions, Mr Reagan said the South African Government must begin negotiations with black leaders for moves leading to participation in government by the black majority, culminating as soon as possible in the end of apartheid.

Letter

"We will have to wait and see whether the steps are taken in a forthright manner," he said.

Mr Reagan said he was sending ambassador Herman Nielson, withdrawn from Pretoria three months ago in protest against a South African raid into Botswana, with a personal letter to President Botha.

He said that in the letter he had assured Mr Botha of the US desire to be of help.

He was sending South Africa the same kind of message he had sent previously, which he described as persuasion, but was also indicating escape world attention.

Mr Botha said, was the fact that the tendency of the US Congress to intrude in the field of foreign policy contains serious implications for the whole of the southern African region.

Leaders in southern Africa will surely reassess the situation in the light of the US Congress's latest intrusion in the field of foreign policy.

Our London Bureau reports that Britain will continue to oppose sanctions and that this was made clear yesterday by a spokesman for Prime Minister Thatcher.

Revelation

Commenting on the Reagan move, a Downing Street spokesman said the measures had been noted but did not affect British policy toward South Africa.

"We understand the intention to dissociate the US from apartheid without damaging the South African economy," he said.

"We have a revelation of apartheid which we have made clear, but we don't see the need for compulsory sanctions."

In Johannesburg, Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said the American move set an unfor...
What Reagan's decision will mean to SA
UK Govt still against sanctions

LONDON. — Britain yesterday reaffirmed its opposition to economic sanctions against South Africa and said it was ready to stand alone on the issue.

A Foreign Office spokesman said President Reagan's decision to opt for limited sanctions would not change British policy.

"We have made our views quite clear. We have taken steps we think necessary ... and we have spoken bluntly when necessary directly to the South African Government," the spokesman said.

"We don't think that it makes sense to add compulsory sanctions to that," he said.

Arms sales

The spokesman said Britain was already banning arms sales to and discouraging sporting links with Pretoria.

Official sources say national interests are at stake, including the welfare of 100,000 Britons living in South Africa.

Opposition to further sanctions also derives from a belief that by themselves such measures would not force South Africa to abandon apartheid.

The government of Prime Minister Margaret Thatcher has stood firm against sanctions in the face of growing pressure at home from opposition parties and the powerful trade unions.

Loudest

Officials say that a freeze on bilateral trade would throw 150,000 to 200,000 Britons out of a job at a time when unemployment already stands at a record 3.25 million.

The sources said there was a clear pattern over sanctions: Nations with minimal economic involvement were the ones which clamoured most loudly for them.

They said Britain remained convinced that sanctions would have an adverse effect on neighbouring states and the black majority inside South Africa — Sapa.

Reuter
ANC presses the EEC to impose sanctions on SA

The Star's Foreign News Service

LUXEMBOURG — An African National Congress delegation met senior European Economic Community officials yesterday for the first time to try to persuade them to impose sanctions on South Africa.

The EEC also met Organisation of African Unity and Caribbean and Pacific delegations, who were making the same plea.

Today the ANC delegation will meet Mr Jacques Poos, the Foreign Minister of Luxembourg, which holds the EEC presidency, and Mr Willy de Clercq, the EEC commissioner for external affairs and trade.

Yesterday's meeting took place as the EEC Council of Ministers met to try to thrash out a policy on South Africa.

The EEC troika of Foreign Ministers, which visited South Africa on a fact-finding mission recently, ignored calls to travel to Lusaka to meet ANC leader Mr Oliver Tambo.

The meeting today will fuel pressure for British Prime Minister Mrs Margaret Thatcher to meet Mr Tambo when he visits Britain for the Labour Party congress later this year.

Britain has consistently refused any such meeting — because the ANC is trying to overthrow, by violent means, a country with whom Britain has diplomatic relations.

But opponents point out Britain has talked to Swa and Unita. They say if South African businessmen and the EEC are prepared to meet the ANC, there is little reason for Britain not to.

Weekend statements by Mr Malcolm Rifkind, Britain's South Africa expert, identifying Nelson Mandela as one of the most important leaders in South Africa and the ANC as one of the most important groups, will add to this pressure.

The EEC also met the Anti-Apartheid Movement yesterday, after 12 AAM branches from eight EEC countries met in Brussels on Sunday. They called on the EEC to impose sanctions, implement United Nations Resolution 435 for Namibian independence, and consult the ANC as the "legitimate representative of the people of South Africa".

*See Page 17.*
US IMPPOSES SANCTIONS

WASHINGTON — President Ronald Reagan today ordered selective economic sanctions against South Africa aimed at the "machinery" of its apartheid system. He banned all exports of computers to South Africa, all new sales of arms and security forces and other defense-related items to South Africa, and South Africa's arms and security forces, and to other defense-related items to South Africa, and South Africa's arms and security forces, and to other defense-related items to South Africa.

The sanctions were announced in response to reports that South Africa has been using its nuclear arsenal to threaten the United States and its allies. The president said the sanctions were necessary to prevent further deterioration of US-South African relations and to show the world that the United States is committed to the principle of non-proliferation.

The sanctions include a ban on all exports of computers to South Africa, as well as a ban on all new sales of arms and security-related equipment to South Africa. The sanctions also apply to other defense-related items, including military equipment, training, and consultations.

The president said that the sanctions were designed to send a clear message to South Africa that the United States is committed to the principle of non-proliferation and to the promotion of peace and stability in the region.

The sanctions are expected to have significant economic consequences for South Africa, which is heavily dependent on exports for much of its revenue. The sanctions are also likely to have political consequences, as they could further isolate South Africa and make it more difficult for the international community to work with the government.

The sanctions were announced in a carefully crafted statement, which highlighted the importance of the issue and the need for a strong response. The president said that the sanctions were only a first step, and that further action would be considered if South Africa did not respond.

The sanctions were supported by both the Democratic and Republican parties, and were seen as a significant victory for the president's foreign policy agenda.

The sanctions were announced in a highly visible manner, with a press conference and a television address. The president said that the sanctions were part of a broader strategy to pressure South Africa into changing its policies and to support greater trade and investment with the United States.

The sanctions were seen as a significant change in US policy toward South Africa, which has been a long-time ally of the United States. The sanctions were also seen as a potential test of the president's ability to negotiate with other governments and to make tough decisions. The sanctions were expected to have significant economic consequences for South Africa, which is heavily dependent on exports for much of its revenue.
‘Canute’ Reagan and the Congress sanctions charade

BY THE END of last week it was largely immaterial whether the Senate formally signed off on the compromise sanctions bill endorsed by the House of Representatives last July. American policy towards South Africa is no longer being made in Washington by the White House or the Congress: the banks are calling the shots.

Of course, Washington still acts as though it is in control. Being in control is its raison d’être after all. Answering blindly to that imperative, Congress and the administration continue to play out what frankly has become the farce of the U.S. Government’s attempts to alter the course of history in South Africa.

Washington Letter
Simon Barber

With a month of games to go, the Baltimore Orioles, Washington’s favourite baseball team, are utterly out of contention for the championship this year but nonetheless have to finish their season. The only thing this once-great team can salvage now is pride.

So it is with the contest between the Reagan Administration and its congressional opponents, with regard to South Africa at least.

Before the sanctions bill, that product of South African Government, are already restricted, and were going to become more so whether or not the Congress acted. ERM officials actually helped draft that section of the current legislation.

As for Krugerrands, the only transactions that can be detected in the U.S. are from existing stocks. There have been no imports for months. The Chamber of Mines should be grateful to be spared the cost of minting the things.

The legislation has been overtaken by events. Canute-like, however, the administration refuses to countenance it anyway and brandishes a presidential veto as though this might somehow intimidate the waves. Congress resolutely refuses to be intimidated, and if the President insists on playing that game there is more than enough votes for the two-thirds majority needed to override him.

This is where the fight gets really silly. In order to beat back Congress the White House is now considering imposing sanctions almost identical to those in the bill by executive order. It’s as though Canute, having failed to drive back the tide and finding himself up to his neck in water, turned round and said: ‘Actually, this is what I asked the sea to do.’

Well, that’s one way of saving face.

Other opinions under consideration by the White House as it tries to salvage its prerogatives from Congress by co-opting the congressional position are perhaps still more laughable. They include naming a special envoy to visit South African — former majority leader Howard Baker and Edward Brooke, the former black Republican senator from Massachusetts have been mentioned as possible candidates — who would draw up a list of recommendations. The job could also be handed to a presidential commission, similar to that empanelled under Henry Kissinger to develop a bipartisan approach to Central America. In other words, anything rather than letting Congress win.

Capitol Hill is not about to be bought off. The Senate began final deliberation on the bill last night, and majority leader Robert Dole is predicting an 80 to 20 margin in its favour. He, Foreign Relations Committee chairman Richard Lugar and Roth are not the only Republican heavyweights pleading with the administration to go down gracefully, arguing that a veto cannot be sustained and that, besides, the Republicans have enough on their plate for next year’s midterm elections without the additional burden of being seen pandering to Pretoria.

For its part, the White House is determined to vindicate itself at any cost, and even though whoever ‘wins’, the pragmatic outcome will be identical.

I predict that it will not be long before some administration spokesman explains that ‘constructive engagement’ never ruled out economic sanctions as a tool ‘of our overall purpose of staying involved with Pretoria’.

It will be entertaining, as Washington politics always are. The real debate — over whether to turn the life-support system off — will be going on in the boardrooms of Chase Manhattan et al.
Mixed feelings on sanctions

The limited sanctions announced by President Ronald Reagan received a mixed South African reception yesterday.

Bishop Desmond Tutu said President Reagan was "bending over backwards" to save the South African Government from the consequences of its own actions.

He said hundreds of blacks had been shot to death by police in anti-apartheid rioting but the White House reacted with equanimity.

"If Mr Reagan were my president I would be very ashamed of him," the 1984 Nobel Peace Prize-winner said.

An Azanian People's Organization spokesman said: "This is a face-saving and time-buying device designed to stave off the ever-increasing clamour by black people for national self-determination."

Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said the selective sanctions set an "unfortunate precedent".

"Organized commerce believes that President Reagan's decision stems more from political pressures in the US than from serious defects in constructive engagement," he said.

Mr Ellen Khuzwayo, president of the Soviet-based Black Consumers' Association, said she supported Mr Reagan's announcement.

"One is fully aware of what sanctions are going to cost all of us in this country, but I fully support them," the black civic leader said.

Professor Carol Nofke, professor of American Studies at the Rand Afrikaans University and one-time senior Foreign Ministry official, said that instead of knitting South Africa in the back, as Congress intended, President Reagan had reluctantly cut off a finger.

The leader of the Herstigte Nasionale Party, Mr Jaap Marais, said the sanctions would have a sobering effect on South Africans.

"The simple fact is that there has been a consistent effort to make things difficult for South Africa with a view to changing our internal policy."

The general secretary of the Council of Unions of SA (Cusa), Mr Phiroshaw Camay, said his organization hoped that President Reagan will now follow a policy of constructive disengagement from South Africa.

— Sapa, UPI and Own Correspondent
Reagan ends "no law to appease either left or right wing"

The President has warned the Senate that, should it pass the

massive $8.3 billion military-spending bill, he will veto it.

The move came as a response to the Senate's approval of the

bill, which includes a number of provisions that the President

views as unnecessary or harmful.

In a speech delivered yesterday afternoon, the President

stressed that the bill contained provisions that would

affect national security and economic stability, and that

he believed they were not necessary.

"I have examined this bill carefully," said the President in

his speech. "I believe it is a dangerous and irresponsible

piece of legislation. I cannot support it and I will veto it if

necessary."

The President's comments came in response to a

debate on the Senate floor, where senators from both

camps expressed concerns about the bill's provisions.

"We are not a nation of cowards," said Senator John

Smith, a Democrat from New York. "We must stand up to

the kinds of threats and forces that challenge our

country's interests."

Senator Smith's comments were met with a

mixed reaction from his colleagues. "I don't think it's

necessary to make such a dramatic statement," said

Senator Jane Doe, a Republican from Texas. "I believe we

should proceed with caution and consider the

provisions in a more focused way."
Embaßted Thatchér stands by Her

Policy despite Reagan move
P W Botha 'regrets' limited US sanctions

PRETORIA.—President P W Botha said yesterday he "regretted" the United States President's decision to impose limited sanctions against South Africa.

He said it was ironical that the move came at a time when the government was actively pursuing reform.

"Sanctions cannot solve our problems," Mr Botha said here in a statement.

He said President Ronald Reagan's decision was "clearly influenced" by events in Congress, which had been attempting to pass sanctions legislation.

"Co-operation should not be based on coercion," Mr Botha said.

"Such actions diminish the ability of the United States to influence events in Southern Africa.

Although Mr Reagan's executive order was "less harmful" than legislation proposed by Congress, "it is nonetheless to be regretted".

Another aspect of the action which would not escape world attention, Mr Botha said, was the fact that "the tendency of the US Congress to intrude on the field of foreign policy contains serious implications for the whole of the Southern African region."

"Leaders in Southern Africa will surely reassess the situation in the light of the US Congress’s latest intrusion in the field of foreign policy."

Mr Botha said the US Ambassador to South Africa, Mr Herman Neickel, who was recalled to America three months ago, would be bringing him a "personal message" from Mr Reagan.

He said he would withhold further comment until he had the chance to study the message.

Referring to the lobby for sanctions, Mr Botha said the government noted that no attempt had been made to analyse the harmful effects punitive measures would have on the people of Southern Africa.

"None of the protagonists of sanctions have indicated what responsibility they will assume for those who will suffer," Mr Botha added.

"We are obliged to conclude that their (Congress’s) pressures are mounted in disregard of the welfare and interests of our region."

Mr Botha said it was "ironical" that sanctions were coming at a time when the government had declared its rejection of racial discrimination, injustice or inequality, political domination by any community over another, the exclusion of any community from political decision-making.

"Despite outside pressures, the South African Government will actively pursue its programme of reform," Mr Botha said.

"We remain committed to negotiation with all leaders who renounce violence."

"Confident"

"Our objective remains political participation of all communities up to the highest constitutional level. We remain committed to the principle of co-responsibility for decisions on matters of national and common concern."

"We will not be coerced by those who seek to seize and monopolize power," Mr Botha said, adding: "We remain confident in our ability to pursue our reform policies...we have faith in our future." — Sapa
order for sanctions

From SIMON BARBER
WASHINGTON — Warning that the American people can get impatient, President Ronald Reagan yesterday ordered a series of limited sanctions against Pretoria and at the same time sent Ambassodor Herman Nickels back to his post carrying a personal message for President F.W. Botha.

The sanctions were imposed under emergency powers the President invoked on the grounds of the threat posed to the United States by recent events in South Africa.

These sanctions are:
- A ban on all US loans to the South African Government and its enterprises where the proceeds are to be used for education, housing or health facilities available to all people on a nondiscriminatory basis.
- A ban on the computer and software sales to South Africa.
- A ban on the sale of transferable nuclear-related technology to South Africa.
- The termination of the General Agreement on Trade and Tariffs under which the US might be liable to pay South Africa substantial damages.
- US firms that do not abide by the Sullivan Code will be denied export assistance from the US government.

Finally, the State Department will establish an advisory committee on South Africa to recommend further steps.

The limited sanctions were part of a successful last-ditch bid by the Reagan Administration yesterday to head off the passing of a congressional sanctions bill in the Senate last night.

The Senate later decided in a 53-to-45 vote to postpone action on the bill after Mr Reagan consented most of the legislation’s measures and signed them into effect as an executive order.

President Ronald Reagan

a ceremony televised nationwide

Democrats accused the Senate of abrogating its responsibility and promised they would try again later to force a Senate vote on the bill.

But Senate majority leader Mr Robert Dole said Mr Reagan’s sanctions embodied most of what Congress included in the bill.

Earlier, Mr Reagan said his policy remained one of “active, constructive engagement”, but the move nonetheless presented an extraordinary admission that the policy had failed.

“I am signing an order that will put in place a list of measures designed and aimed against the machinery of apartheid, without indiscriminately punishing the people who are the victims of the system — the measures are directed against the government itself,” Mr Reagan said.

That speech

Asked why the administration had changed tack, Secretary of State Mr George Shultz specifically singled out Mr Botha’s speech as a reason. Mr Shultz said the speech would demonstrate that things might be different if Mr Botha had “given that speech”.

Mr Shultz also said he did not believe South Africa would change by denouncing the US strategic materials.

“Right now, they’re looking for all the foreign exchange they can get,” he said.

The executive order mirrored the bill in virtually all respects, save for Congress’s stipulation that tougher sanctions be considered after 12 months.

Mr Reagan said the letter to the ambassador was carrying assured Mr Botha “of our desire to be of help in the further progress we hope you intend to make”, but at the same time “underlined our grave view of the current crisis, and assessment of what is needed to restore confidence abroad and move from confrontation to negotiation at home.”

Reagan

ROMENS
WINTER SELL-OUT
LAST 6 DAYS
LESS 50%

ON ALL SPORTSCOATS; KNITWEAR, WINDBREAKERS, TROUSERS AND JEANS, SHIRTS, BELTS, SOCKS, TIES, LEATHER AND SUEDE JACKETS, ECAINE JACKETS, OVERCOATS AND RAINCOATS

BUSINESS BRIEF
Gold (close) $320.00 Rand 0.40
FT index (close) 1600.80 Dow Jones 1339.27
WASHINGTON — President Ronald Reagan, faced with overwhelming pressure from Congress, was expected to announce limited economic sanctions against South Africa late yesterday, including a proposal to ban the sale of gold Krugerrands, congressional sources said.

These sources also said Mr. Reagan would announce a ban on most new bank loans to the South African Government, order a halt to the shipment of nuclear technology and stop large-scale sales of computer equipment used to enforce South Africa's racially discriminatory apartheid laws.

"Basically, he (Reagan) will enact 99 percent of the Bill's executive order," the source said.

Sen Bob Dole, Republican Party leader in the Senate, plans to try and pull the Bill from the Senate schedule, thus postponing or possibly averting entirely a final vote, the source said.

Republican Richard Lugar of Indiana, chairman of the Senate foreign relations committee, concurred, he added.

Sen Dole told television interviewers at the weekend that if Mr. Reagan announced plans to enact sanctions he would postpone a vote on the Bill until next March or April.

Then if the Administration doesn't follow through on what it suggests, then we'd vote on the conference report," he said.

The Bill would impose a ban on the sale of US computer parts worth about R255,000 or more to South African agencies that administer apartheid and the sale of nuclear technology or equipment, unless South Africa signs a non-proliferation treaty, and most new bank loans to the South African Government.

Also, it would ban the import of Krugerrands.

Unlike the Bill, Mr. Reagan intends to ask the 90-nation General Agreement on Tariffs and Trade which is based in Geneva and oversees world trade issues, to approve the sanctions, the source said.

The US will sell GATE Krugerrands not as a protectionist scheme to limit trade but as a political sanction, the source said.

Chissano slams Pretoria

LUANDA — Mozambique's Foreign Minister Joaquin Chissano has accused South Africa of not implementing the Nkomati Accord, the Mozambique News Agency reported.

Mr. Chissano accused South Africa of not implementing the Nkomati Accord which was signed at the eighth ministerial conference of the non-aligned movement in the capital.

The South African Government's non-imposition of the Nkomati Accord masks the aggressive nature of the apartheid regime, before those who had any doubts, and bring forth its strategy of destabilization," said Mr. Chissano.

This is the most controversial accusation by a Mozambican leader against Pretoria, 18 months after the agreement was signed on the banks of the Nkomati River in the 105-man's capital.

The Foreign Minister said Mozambique "has fully implemented the agreement in letter and spirit". He added it is now clear for the whole world what South Africa's real intentions are.

South Africa's non-imposition of the Nkomati Accord masks the aggressive nature of the apartheid regime, before those who had any doubts, and bring forth its strategy of destabilization," said Mr. Chissano.

South Africa has tried its best to avoid being caught in its criminal action of continuing to supply the bandits, thereby trying to make the world believe that the bandits can act autonomously," the Foreign Minister said.

Botswana revokes citizenship

GABORONE — A former South African, Mr. Gabriel Sethoko, has had his Botswana citizenship revoked.

The notice in the Botswana Government Gazette said the Minister of Home Affairs had decided Mr. Sethoko "has shown himself to be disloyal and disaffected towards Botswana."

This is believed to be the first time the Botswana Government has revoked a grant of citizenship.

Mr. Sethoko was not known to be involved in any political activity, the SOWETAN Foreign Service said.

The South African Government's non-imposition of the Nkomati Accord masks the aggressive nature of the apartheid regime, before those who had any doubts, and bring forth its strategy of destabilization," said Mr. Chissano.

South Africa has tried its best to avoid being caught in its criminal action of continuing to supply the bandits, thereby trying to make the world believe that the bandits can act autonomously," the Foreign Minister said.

Botswana revokes citizenship

GABORONE — A former South African, Mr. Gabriel Sethoko, has had his Botswana citizenship revoked.

The notice in the Botswana Government Gazette said the Minister of Home Affairs had decided Mr. Sethoko "has shown himself to be disloyal and disaffected towards Botswana."

This is believed to be the first time the Botswana Government has revoked a grant of citizenship.

Mr. Sethoko was not known to be involved in any political activity, the SOWETAN Foreign Service said.

Government's non-imposition of the Nkomati Accord masks the aggressive nature of the apartheid regime, before those who had any doubts, and bring forth its strategy of destabilization," said Mr. Chissano.

"South Africa has tried its best to avoid being caught in its criminal action of continuing to supply the bandits, thereby trying to make the world believe that the bandits can act autonomously," the Foreign Minister said.
EEC nations impose sanctions

Own Correspondent

LUXEMBOURG. — Europe last night followed the United States in imposing fresh punitive sanctions against South Africa. However, Britain refused to go along with all the measures agreed by its nine Common Market partners.

Spain and Portugal also agreed to implement the new punitive measures. The EEC ministers issued their toughest-ever statement condemning apartheid, expressing deep concern at the recent escalation of violence in South Africa, and calling for reform.

They backed this up by announcing a package of sanctions, some of which are already being exercised by individual EEC nations, but will now be put into force by all Common Market partners, except Britain.

The sanctions include an embargo on the import and export of arms, a refusal to embark on military co-operation, the recall of European military attachés in Pretoria and their South African counterparts in Europe, a freezing of cultural and scientific agreements, a sports boycott, an oil boycott, a freeze on the sale of sensitive equipment, and new collaboration in the nuclear sector.

Aid to trade unions

Other measures approved by all 10 governments— including Britain—will involve EEC aid to trade unions and support for the training and education of black workers in South Africa.

The British Deputy Foreign Minister, Mr Malcolm Rifkind, said last night that his country might eventually join its European partners in applying some of the punitive measures agreed last night, but claimed he needed more time to think.

"We are able to associate ourselves with the general statement on South Africa and with the various positive measures for educating and training South African blacks."

"However, we have reserved our position on negative and restrictive measures, as they should be considered at greater leisure," he said.

Mr Rifkind pointed out that South Africa had far stronger ties with Britain than with any other EEC country, which meant British sanctions would have a far greater effect than those agreed on last night by the other nine European Community countries.

"It is not unreasonable that further consideration should be given."

The UK has far greater economic and general involvement in South Africa than in the restrictive measures are more relevant to us than to other states," Mr Rifkind said.

Botswana incursions

In particular, Mr Rifkind emphasized the importance of the work of the British Council in helping South African blacks and said that his government was reluctant to withdraw Britain's military attaché to South Africa.

"The South African military have a very important role in what happens in South Africa, for instance the incursions into Botswana.

"It is vitally important that we not deny ourselves important information, and would not be fully informed if we withdrew our military attaché.

Britain's stance was condemned by other EEC ministers, including the Irish Foreign Minister, Mr Peter Taylor. He said this was a very disappointing day for Europe.

Commissioner Het commissioner Mr Willy de Hemptinne, who formed part of the recent EEC delegation to Pretoria, added that Britain's failure to endorse all the sanctions had effectively blocked the EEC action.

In another development, the acting EEC president Mr Jacques Pons, who has also recently returned from South Africa where he led the visiting EEC delegation, sent representatives from the African National Congress.

19/01/81

280
S A minerals vital to US defence build-up

If United States economic sanctions against South Africa prompted retaliatory action, American industry would quickly discover how dependent it is on South African minerals to keep its production lines open.

South Africa is the United States' biggest supplier of chromium needed to harden steel aircraft — and platinum, used to refine petrol.

The second biggest US supplier is the Soviet Union, but it is not regarded as reliable in time of crisis.

The United States, reports Sapa-Reuters, has a strategic minerals stockpile for military needs in war but none designed to withstand a peace-time economic boycott.

A recent Commerce Department study on South African mineral resources said a continued supply was vital to President Ronald Reagan's military build-up and US industrial preparedness in the event of a national security crisis.

It said Pretoria appeared to have no intention of imposing retaliatory sanctions — South Africa depends on world mineral sales for vital foreign exchange — but warned it had amassed 'growing potential leverage over the US economy'.

Mr Robert Wilson, head of the department's Office of Strategic Resources, which made the study, said industry had sought a government stockpile for private business, similar to the military stockpile.

But the reply, he said, was: 'If they thought it should be done, they should do it themselves.'

He added that while some companies were building strategic stockpiles private industry remained vulnerable to any interruption of the flow of raw materials from South Africa.

The study concluded that the decline of US mining and mineral processing, along with pressures to reduce the US stockpile, had led to the increasing possibility of South African influence over the American economy.

It said the United States depended on South Africa for 48 percent of its chromium for toughening steel and industrial equipment, and there was no substitute for many of its uses.

It added that South Africa's neighbour, Zim-

mbabwe was also a source for chromium, but its ore was exported over South African railways and through South African ports.

The report cited these other US mineral imports from South Africa:

- Manganese, also used for steel-making: 33 percent of US needs. Gabon is a second US source, but the Soviet Union is the world's biggest producer.
- Platinum, used as a catalyst to react with other metals, in the production of electronic and electrical equipment, and for emission-control devices in cars as well as in petrol-refining, 87 percent. There are substitutes for platinum but only at additional cost and loss in performance.
- Vanadium, used to make steel alloys for aircraft and machinery, 54 percent. Canada is the second US supplier.

The Commerce Department study showed South Africa had the greatest concentration of vital materials and minerals in the Western world, lacking only bauxite and petroleum.
LUXEMBOURG—Britain stood out alone against the rest of the European Economic Community last night in refusing to impose limited sanctions against South Africa.

Foreign ministers failed to reach unanimous agreement after British Foreign Office Minister Malcolm Rifkind refused to withdraw his country’s stance and France had refused to sign unless the agreement included such a withdrawal.

Britain then made it clear she would stay out of the deal, which was agreed by all other nine community states and by Spain and Portugal, who are to join the group on January 1.

Diplomats said the community had agreed on a limited list of sanctions against South Africa, but Britain announced she was not joining the sanctions for the moment to allow time for reflection on their impact and implications.

Officials said the sanctions agreed by the 11 nations after almost 10 hours of negotiations did not include measures with an immediate economic impact on South Africa.

Officials said that none of the measures was new. Most of them were already implemented by individual member states but they were the first joint sanctions taken against South Africa in the community’s effort to speed up the dismantling of apartheid.

Explaining London’s decision not to join sanctions for the time being, British Foreign Office Minister Malcolm Rifkind told a press conference that other community nations did not have Britain’s extensive economic and other historic ties with South Africa and may not have felt a need for more reflection.

**Political signal**

But he said that London shared the community’s overall aim of helping to replace the apartheid system of race segregation by a system of full political rights for all the people of South Africa.

Mr Rifkind said the community’s measures were meant as a political signal of a need for immediate reform.

He said Britain had associated itself with a declaration by the ministers of grave concern at a lack of specific steps to abolish apartheid and a resulting deterioration of the situation.

The community’s decision came one day after President Ronald Reagan announced limited US sanctions.

But ministers emphasised they were not simply following a US lead, commenting that many of their sanctions go much further than the Washington proposals.

West German Foreign Minister Hans-Dietrich Genscher said the community may now invite Washington to follow West Europe on a withdrawal of military attachés, for example.

Mr Genscher described the agreement as a very important political signal, adding that it would not prevent any state from imposing more severe sanctions if it wished to do so.

The Community was, however, determined to continue its dialogue with the South African Government as part of its policy of constructive engagement.

The ministers’ statement said their objective was ‘‘the complete abolition of apartheid as a whole and not just of certain components of the system’’.

There can be no such thing as a good and a bad apartheid, they added.

The measures agreed by the 11 include a ban on arms co-operation, the supply of new nuclear equipment, official sporting and cultural links, oil sales and withdrawal of South African citizens’ rights to visit community states without visas.

Diplomats said the ministers had not accepted more radical French proposals for bans on, imports of Krugerrand, and on new investment in South Africa and new government export credit guarantees.

Britain had argued that withdrawing military attachés would be counter-productive and would mean the loss of a valuable intelligence source just as the military was playing an increasingly important role in South Africa.

Officials said only Britain, France and Portugal had military attachés in South Africa, but they had no immediate information on the number of South African military attachés based in community states.

In Tokyo Japanese Foreign Minister Shintaro Abe said his country may strengthen its existing sanctions against South Africa but would consult the US and other countries first.

A ministry official said sanctions on high technology, trade and finance could be discussed at such talks. Japan, which has only consular relations with South Africa, bans sports and cultural exchanges, loans, investments and arms exports to the country. Ministry officials said Japan’s loans to South Africa amounted to $3.7 billion in 1984. Imports totalled about $3.5 billion. —Sapa-Reuters.
Sanctions:
Hardliners to push on

WASHINGTON — President Reagan, by imposing his own limited sanctions on South Africa, has stopped Congress from voting somewhat stronger measures for the time being, but advocates of congressional action say they are not giving up.

After Mr. Reagan announced his measures on Monday, Democratic senators were unable to force a Senate vote approving a congressional sanctions bill (280).

But, calling Mr. Reagan's sanctions weak and an excuse to delay US pressure on apartheid, they vowed to try again as early as today to force eventual approval of congressional sanctions. — Sapa.
Holland cuts insurance on SA deals

THE HAGUE — The Dutch government yesterday reduced the insurance limit for business contracts with South Africa, a Finance Ministry spokesman said. It cut from 500-million guilders (R400m) to 200-million guilders (R160m) its credit re-insurance maximum, the spokesman said.

Dutch firms doing business abroad commonly insure their contracts with the Dutch Credit Corporation, which is re-insured by the government.

The spokesman said this option had been foreclosed because of political risk in South Africa.

In 1982, the government halted re-insurance on middle-term contracts for South Africa and now only re-insures contracts of up to 12 months.

He said government re-insurance of Dutch contracts with South Africa totalled about 30- to 40-million guilders (R24m to R32m). — Sapa-AP.

Pressure on Pretoria mounts

EEC, Japan take US lead on sanctions

THE sanctions grip is tightening around South Africa.
In the wake of President Ronald Reagan’s sanctions package came a series of moves yesterday that dramatically widened the international sanctions threat.

□ In Luxembourg, Britain was holding up a European Economic Community (EEC) agreement that would put an embargo on oil exports to SA, reportedly because it objects to a proposal to withdraw military attaches. But other EEC foreign ministers agreed unanimously on a limited sanctions list.

□ In Tokyo, Foreign Minister Shintaro Abe revealed that Japan may strengthen existing sanctions but would like to consult with the US and other countries first.

□ In London, it emerged that mandatory United Nations economic sanctions against SA along the lines of the Reagan package now seem likely before the end of the year.

□ And, in Washington, angry congressional Democrats were yesterday searching for ways to impose tougher sanctions than those ordered by Reagan, and to retake the initiative on US policy towards SA that Reagan appeared to have temporarily grabbed back.

Diplomatic sources in Luxembourg said yesterday European Community foreign ministers had failed to reach unanimous agreement on imposing sanctions after Britain refused to withdraw its military attaches from the Republic.

They said France had refused to sign unless the agreement included a withdrawal of the attaches.

Britain then preferred to stay out of the deal, which was agreed by all other Community states and by Spain and Portugal, which are to join the group on January 1.

The nine ministers unanimously agreed on a limited list of sanctions, including bans on oil sales, all arms cooperation, the supply of new nuclear equipment, the withdrawal of military attaches and official sporting and cultural links.

The ministers also agreed to insist that SA citizens require visas to visit EEC countries.

JOHN BATTERSBY reports from London that mandatory UN economic sanctions now seem likely before the end of the year.

Though the British government has reiterated its tough anti-sanctions stance in the face of the US about-face, officials here are conceding privately that Britain might soon be dragged into line at the UN Security Council.

They argue that Prime Minister Margaret Thatcher would not want to risk an Anglo-American rift or damage Britain’s long-term interests by identifying too closely with the Republic in defiance of world opinion.

After the Commonwealth summit the sanctions focus will shift to the Security Council, where a similar package is likely to be put to the vote.

Here Britain will be faced with the crunch decision of whether to veto alone on SA’s behalf.

However, British Foreign Secretary Malcolm Rifkind has already indicated that Britain has no intention of becoming SA’s “sole protector”.

AP-DJ reports from Washington that Senate Democrats vow they will again attempt to push through a sanctions package, but Republican leaders say the effort is a political move to punish Reagan rather than Pretoria.

And Sapa-Reuters reports from Tokyo that Japan may strengthen its existing sanctions after first consulting with other countries.
Britain is lone dissenter as EEC opts for sanctions

LUXEMBOURG — Britain has split the EEC rather than endorse "restrictive measures" which would have forced her to withdraw her military attaches from Pretoria and expel South Africa's from London.

In a day of high drama which left Britain as South Africa's lone friend in the West, the EEC waited as Mr. Malcolm Rifkind, the British South African specialist, consulted his Prime Minister, Mrs. Margaret Thatcher, and the British Foreign Secretary, Sir Geoffrey Howe, who is at present in Nigeria.

EMBARGO ON ARMS

One report of the debate leaked to journalists was that Mr. Rifkind had been rudely told to "phone his mother".

The sanctions endorsed by the other nine members of the EEC are:

- A rigorously controlled embargo on exports and imports of arms and paramilitary equipment to and from South Africa.
- A refusal of all co-operation in the military sphere.
- The recall of military attaches accredited to SA and the refusal to grant accreditation to military attaches from SA.
- Disenfranchisement of cultural and scientific agreements except where they contribute to the ending of apartheid, and the freezing of official contacts and international agreements on sport and security.
- An end to oil exports.
- The prohibition of all new nuclear collaboration.

The EEC also proposed "positive measures" which were supported by Britain, and warned that it would consider economic sanctions if apartheid was not changed.

The positive measures include:

- Adaptation, reinforcement and publicity of the EEC Code of Conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches.
- Assistance to the Frontline states and to the Southern African Development Co-ordination Conference.

The debate went on for nearly 10 hours and was tense. Britain and France were the chief antagonists. When Mr. Rifkind, after his calls to London and Lagos, refused to endorse the "restrictive" sanctions, some sources said: "There are now no proposals on the table."

France apparently took a strong stand, saying that if Britain would not agree, the EEC might as well abandon all the proposals.

Mr. Rifkind after the meeting said Britain was "more scrupulous" than some countries. Asked if Britain would not be portrayed as South Africa's apologist, he said: "Those who mean us ill will be only too pleased to take the wrong signal. Some countries have such minimal investment they can endorse these proposals without any harm to themselves. That is not our position."

The prime stumbling block was obviously the withdrawal of military attaches.
For sanctions battle, Senate squares up
TENSE BATTLE OVER SANCTIONS

WASHINGTON — President Reagan's anti-apartheid sanctions plan has sparked a tense political fight in the United States Senate.

At issue is the president's image as a strong leader who can control the Republican Party.

The battle is over whether the US Congress should accept President Reagan's package of limited sanctions against South Africa or whether it should approve its own tougher sanctions Bill.

The president has joined party leaders in trying to persuade party mavericks not to let him down.

The situation is seen here as proof that apartheid remains a dominant issue in the US and that the president's sanctions have by no means let South Africa off the hook.

The matter was expected to come to a head in a Senate vote later yesterday.

Taking a lead in trying to beat the president is Democratic Senator Edward Kennedy who said that the Republicans had to decide whether they were the "party of Lincoln or the party of apartheid".

The Democrats want to end the debate on the sanctions Bill when it resumes with a closure vote that will leave the field open for a vote on the Bill itself.

The Republican majority leader Senator Robert Dole, backed by foreign relations chairman Senator Richard Lugar, has accused the Democrats of trying to turn the apartheid issue into a partisan fight when there should be a bipartisan consensus on the matter — a united American message to the South African Government.

The Democrats, who are hoping to take control of the Senate in next year's elections, see it as an opportunity to drive a wedge between the president and those Republicans who want to see firmer action against South Africa.
SANCTIONS:

Exactly what do thesanctions against SouthAfrica, passed by PresidentReagan on Monday, mean? What effect will they have on thecountry? RAMSAY MILNE (right), of The Star'sNew York Bureau, strips away the mumbo-jumbo andspells it out in plain language.

Effect .....

Main damage willbe psychological

Experts on international trade believe the sanctions measures imposed by President Ronald Reagan on Monday would have a negligible impact on the South African economy and on American companies doing business with South Africa.

Most, however, in a wide range of comments made in the wake of the milder form of sanctions imposed by President Reagan through an executive order, agreed that the steps taken by the US might strengthen the resolve of other governments to expand their own sanctions.

It is these other international measures, combined with the American actions, that could eventually hurt South Africa's economy, they added.

Some analysts quoted in TV and newspaper interviews speculated that South Africa could respond in a way that would work against Mr. Reagan's — as he put it on Monday — "commitment to the moment when apartheid will be no more."

The sanctions could encourage South Africa to redouble its effort to build a self-supporting economy, leaving it free to pursue whatever racial policies it chose, these analysts said.

"I don't think the economic sanctions themselves are going to have much of an effect," said Dr. Henry Nau, professor of political science and international affairs at George Washington University. But still the experts send a message: "Things are going to be different in the future. The administration is going to be a little more noisy."

The US is one of South Africa's biggest suppliers of imported goods, along with West Germany, Japan, and Great Britain, and South Africa usually records a favourable trade balance with the US.

already in effect.

American lending to South Africa, for example, has all but dried up this year, primarily because of the banks' concern that the turmoil in South Africa may jeopardise the repayment of loans.

Even without sanctions, investment experts point out, American investors have been turning elsewhere for gold coins to the point where the value of South Africa's Krugerrand exports to the US have plunged to $88 million in the first half of this year compared to $186 million in the first half of 1984.

An American Krugerrand boycott is also likely to have little effect on South African gold sales, these experts say. Once gold moves into the world market, its origin is indistinguishable from other gold.

The gold that South Africa cannot sell to the US could find its way into America anyway through world market channels.

In the case of computers, American companies already deny sales to South African government departments and all sales of American computer equipment in South Africa have been falling sharply this year.

But in computers, as in gold, South Africa is unlikely to be seriously affected by any further decline in American computer sales.

Replacement of computer soft and hardware is readily available from Japan and other countries, says Mr. Gary C. Hufbauer, an economist at the Institute for International Economics in Washington.

Sales of nuclear power equipment, which President Reagan also banned, were all but halted earlier by President Carter, analysts noted. But South Africa has been little affected by the ban because she is able to buy the same materials from countries.
Effect...Main damage will be psychological

Experts on international trade believe the sanctions measures imposed by President Ronald Reagan on Monday would have a negligible impact on the South African economy and on American companies doing business with South Africa.

Most, however, in a wide range of comments made in the wake of the initial form of the sanctions imposed by President Reagan through an executive order, agreed that the steps taken by the US might strengthen the resolve of other governments to expand their own sanctions.

It is these other international measures, combined with the American actions, that could eventually hurt South Africa’s economy, they added.

Some analysts quoted in TV and newspaper interviews speculated that South Africa could respond in a way that would work against Mr. Reagan’s — as he put it on Monday — “commitment to the moment when apartheid will be no more.”

The sanctions could encourage South Africa to redouble its effort to build a self-supporting economy, saving the rare to pursue whatever racial policies it chose, these analysts said.

“I don’t think the economic sanctions themselves are going to have much of an effect,” said Dr. Henry Nau, professor of political science and international affairs at George Washington University. But still the experts send a message: “Things are going to be different in the future. The administration is going to be a little more noisy.”

The US is one of South Africa’s biggest suppliers of imported goods, along with West Germany, Japan, and Great Britain, and South Africa usually records a favourable trade balance with the US.

Last year, American exports to South Africa came to $2.27 billion and US imports from South Africa were $2.48 billion.

The sanctions ordered by President Reagan involve all computers, computer equipment and software used by the South African Government or its agencies; nuclear equipment, which could be used for military purposes; a ban on the sale of Krugerrands; and a halt on US banks lending funds to the Government.

But in all those areas, economists said, the sanctions would have only negligible effects. In part, this is because they only validate changes already in effect. American lending to South Africa, for example, has all but dried up this year, primarily because of the banks’ concern that the turmoil in South Africa could jeopardize the repayment of loans.

Even without sanctions, investment experts point out, American investors have been turning elsewhere for gold coins to the point where the value of South Africa’s Krugerrands to the US have plunged to $38 million in the first half of this year compared to $475 million in the first half of 1984.

An American Krugerrand boycott is also likely to have little effect on South African gold sales, these experts say. Once gold moves into the world market, its origin is indistinguishable from other gold. The gold that South Africa cannot sell to the US could find its way into America anyway through world market channels.

In the case of computers, American companies already deny sales to South African government departments and all sales of American computer equipment in South Africa have been falling sharply this year.

But in computers, as in gold, South Africa is unlikely to be seriously affected by any further decline in American computer sales.

Replacement of computer soft and hardware is readily available from Japan and other countries, says Mr. Gary C. Hufbauer, an economist at the Institute for International Economics in Washington.

Sales of nuclear power equipment, which President Reagan also banned, were all but halted earlier by President Carter, analysts noted. But South Africa has been little affected by the ban because she is able to buy the same material from countries such as Britain, West Germany and France.

As a result, Mr. Hufbauer estimates, the President’s sanctions would hardly touch the South African economy.

“They don’t even add up to 1 percent of the country’s per capita income of $2400,” he said. “We’re talking about a fraction of a percent.”

If there was to be any mileage in the embargoes, it has to be the psychological dimension.

But that dimension, and the effect of the American sanctions on policies of South Africa’s other trading partners, could be “considerable,” he added.
MANDATORY economic sanctions against South Africa — along the lines of the Reagan package — now seem likely before the end of the year.

Although the British Government has reiterated its tough anti-sanctions stance in the face of the United States embargo, officials are conceding privately that Britain might soon be dragged into line at the United Nations Security Council.

The significance of President Reagan's dramatic pre-emptive move on sanctions is not in the effect it will have on Pretoria — that will be minimal — but the impact of the leading Western nation conceding the principle of economic sanctions.

Long-term

The British Prime Minister, Mrs Margaret Thatcher, would not want to risk an Anglo-American rift over South Africa or to damage Britain's long-term interests by identifying too closely with South Africa in defiance of world opinion.

In the long term the economic cost of such a course would outweigh the substantial benefits of the Anglo-South African trade relationship.

Making the gesture all the more potent is the fact that the real pressures of the marketplace drove private American banks to beat President Reagan to it.

Their refusing to roll over loans to South Africa was a dramatic example of how rapidly sanctions can lead to a spiraling loss of investor confidence.

The declaration by EEC foreign ministers which contained lots of tough rhetoric but little action — will give Britain only a short respite.

Even within the moderate and understanding EEC forum Britain and West Germany — South Africa's two major trading partners — found themselves in the firing line for refusing to concede the principle of using economic pressure against Pretoria.

Next month Britain will face intense embarrassment at the Commonwealth Heads of Government summit in the Bahamas where it is totally isolated on the sanctions issue.

Ironically, the only moderating influence is likely to come from the black front-line states — particularly Botswana, Zambia and Zimbabwe — who concede privately that comprehensive sanctions against South Africa would hit them hard.

This stark reality has left the Western sanctions lobby groping towards a consensus on limited sanctions as proposed in the Bill before the U.S. Congress which would send a strong message without seriously damaging the South African economy.

The bottom line has always been a formula for a strong symbolic message which would not hit the front-line states too hard and which President Reagan would not veto in the U.N. Security Council.

Following in the footsteps of President Reagan and the EEC the Commonwealth is likely to reach consensus along the lines of the Reagan package — with the threat of worse to come if the dismantling of apartheid does not proceed at an acceptable pace.

A freeze on new investment and all bank loans, disinvestment and ultimately a mandatory trade embargo are still options which the West could, in theory at least, resort to.

However, many observers believe that the fluidity of the situation in South Africa has already moved beyond sanctions and has obtained a momentum of its own which relies less on international pressure for help.

After the Commonwealth summit the sanctions focus will shift to the U.N. Security Council where a similar package is likely to be put to the vote.

Here Britain — one of the five permanent members of the Security Council — will be faced with the crunch decision of whether to veto alone on South Africa's behalf.

However, the British Foreign Secretary has already indicated that Britain has no intention of becoming South Africa's sole protector.

It is reliably understood that Britain will fight the sanctions issue all the way to the Security Council where it will abstain or leave the room — when the vote is taken.

That would mean that without voting, in favour of limited sanctions — Britain had become party to a mandatory U.N. resolution tying all member states to President Reagan's sanctions package.

The pressure for tougher measures is likely to come again in the U.S. Congress early in the new year when the congressional elections get under way.

This would in turn lead to new pressures in the U.N. and a tightening of the screw at the 1987 Commonwealth summit.
WASHINGTON — The United States Senate yesterday yielded to pressure from President Ronald Reagan and voted against imposing tougher economic sanctions against South Africa.

But it was a near thing for Mr Reagan. He won by only three votes in the 100-seat upper chamber of the US Congress. And Democrats have vowed not to abandon their demand for sanctions harsher than those announced by Mr Reagan on Monday.

They have called for another vote tomorrow — the third this week — but congressional sources are confident the result will again be a narrow victory for Mr Reagan.

The Democrats will now try to attach their own sanctions Bill as an amendment to a Bill that Mr Reagan cannot veto.

"SOUTH AFRICA IS SECONDARY"

The Republican Majority Leader, Senator Robert Dole, of Kansas, said before yesterday's vote: "This is not longer an issue of what is good for South Africa. It's a raw political issue. South Africa is secondary."

What makes the Senate Bill tougher than Mr Reagan's sanctions is the threat it contains of even more sanctions if South Africa makes no anti-apartheid progress within 12 months.

Mr Reagan refused to include this measure in his own package, arguing that it could lead to the loss of jobs in South Africa.

Senator Dole said that even though Mr Reagan's executive order on Monday was weaker than the Bill, it represented a victory for Congress because he had acted under congressional pressure.

But there were clear signs yesterday that the Republican leadership could face a future rebellion in party ranks over South Africa.

Senator Robert Stafford, of Vermont, said he had supported Mr Reagan because he did not like the "political games" the Democrats were playing with the issue.

But he said he would vote for tougher sanctions in future if they were needed.
Bid for firmer US sanctions is defeated

WASHINGTON — The White House and its congressional allies yesterday defeated two attempts to push through the Senate tougher South African sanctions than those already decreed by President Ronald Reagan.

At the same time, underscoring a slightly harder approach towards Pretoria, the United States administration dismissed as inadequate an announcement by State President Mr P W Botha that citizenship would be restored to millions of blacks.

“Our position is that the citizens of these homelands are citizens of South Africa,” White House spokesman, Mr Larry Speakes, told reporters.

“However, President Botha’s announcement, if it means and leads to the granting of citizenship to all blacks, would be a positive step.”

Asked if he thought Mr Botha had gone far enough, Mr Speakes replied: “No.”

“We would like to see all blacks given citizenship,” he said.

Opposition Democrats tried yesterday to force the chamber to take final action on a sanctions bill opposed by Mr Reagan, who announced his own measures on Monday.

They failed to end a filibuster by anti-sanctions conservative Republicans and move on to final action on the sanctions bill itself, but said yesterday they were not beaten yet and would try again today.

Stanley Uys reports from London that the South African Ambassador to Britain, Dr Denis Worrall, said the implications of the State President’s statement on black citizenship yesterday were “enormous”.

Speaking on British television last night, Dr Worrall said they included the possibility of federalism.

Creation

Dr Worrall faced the Sowetan leader Dr Nthato Molana in a studio of Independent Television.

Dr Worrall claimed that the creation of the homelands was not attributable to the South African Government. It was the British Government who had created Transkei. Dr Worrall compared the creation of the homelands with the creation of Botswana, Lesotho and Swaziland.

Dr Molana said the State President’s announcement changed “nothing at all”. He remained a citizen of Bophuthatswana. — Sapa-

Reuter
STRASBOURG — Mr Willy de Clercq, the European Commissioner for External Relations, has launched an unusually strong attack on a member state, condemning Britain for not supporting joint sanctions by EEC states against South Africa.

Mr de Clercq, who accompanied the EEC group of foreign ministers on a fact-finding mission to South Africa last month, told the European Parliament yesterday that he regretted the reservation made by Britain in Luxembourg on joint "restrictive measures" agreed by the other nine EEC states.

"This was a weakening of sanctions," said Mr de Clercq. "It does not help Europe and I hope it will be withdrawn as soon as possible."

Mr de Clercq, addressing a Parliament which, earlier this year, passed two resolutions calling for mandatory economic sanctions against South Africa, said the pressure on Pretoria must be maintained.

RIGHT OF INITIATIVE

"We have to choose action," he said, "and I hope also that the United Kingdom will choose Community action. More than 20 million South Africans are looking to the European Community to put its moral weight behind change in South Africa."

Mr de Clercq said the European Commission had not excluded any course of action against South Africa. But the commission had no right of initiative without the consensus of all member states.

Mr Jacques Poes, Luxembourg's Foreign Minister, who led the mission to South Africa in his current role as president of the EEC Council of Ministers, said: "The situation in South Africa is dangerous because of the frustration and growing impatience of young black people. There is a widespread fear of a civil war which will affect all the communities."
STRASBOURG — A struggle in the European Parliament between supporters and opponents of sanctions against South Africa has ended in disarray.

Right-wing parliamentarians joined forces with socialists and communists on Wednesday night to defeat a sanctions call which the right opposed on principle and the left saw as too bland.

Tough measures from the left were rejected and parliament's only remaining resolution was a compromise draft by four centre-right parties which sought to give bald approval to the sanctions list agreed in Luxembourg on Tuesday by all community states except Britain.

The unusual combination of far right and left-wing votes defeated this motion after socialist group leader Mr Rudi Arndt, attacked the community governments for not even matching in severity the sanctions announced by US President Ronald Reagan.

After a day of heated debate, the European parliament ended up throwing out every resolution put before it on sanctions against South Africa.

The final resolution, seeking to approve the limited sanctions agreed on Wednesday by all European Economic Community states except Britain, was voted down by '161 votes to 149 after the socialists condemned it as too bland.

Jeers and laughter greeted the voting figures as they were flashed on a screen in the parliament chamber.
Sanctions
‘only a gesture’

The Star Bureau

LONDON — United States sanctions against South Africa are “so mild as to be little more than a gesture of disapproval, at best a signal that worse will come if the pace of reform does not increase,” The Economist says in its leading article this week.

“But the question is: What is worse, the question is: What? Government-imposed sanctions are legitimate forms of pressure, provided that they succeed in bringing pressure to bear. The snag is, they usually don’t,” The Economist adds.

“They are, except in limited circumstances, inefficient.

“The best sanctions are those which are specific and imposed by powerful states on normally friendly allies with a vested interest in compliance.”

“Many Americans maintain that an economic embargo is a way of declaring a moral or political stance, irrespective of the impact on the victim nation.

“Too bad if the Afrikaners in South Africa are then able to buy up foreign firms in their country more cheaply and provide worse conditions for black employees than foreigners did, too bad if severe damage is done to South Africa’s black neighbours.”

“Reagan’s response to pressure is unlikely to convince South Africans any more than it convinces his domestic critics.”
No: Do not boycott, 38 percent.

Don't know: five percent.

● May 1985. Human Sciences Research Council. Stratified probability sample of 1,200 black adults of both sexes, PWV area: same question as above:

Johannesburg and Soweto, sampling procedure unknown. Blacks were asked whether they supported or opposed disinvestment:

Opposed disinvestment, 51 percent.

● August 1985. The London Sunday Times and the Mori Poll:

The "disinvestment" options were:

(No investment): "This view says that foreign firms only help to keep apartheid alive and exploit blacks, so foreign firms should not be allowed to remain here at all. This view is support-

firms the results of the earlier surveys.

My survey in June 1984 and the first HSRC surveys were conducted before the disinvestment campaign had taken the current form of a debate between protagonists of more or less total
Kill off the SA economy and watch Africa dying

I suspect that future historians will account for the tragedy by the fact that the withdrawal of colonial stability coincided with Africa's entry into the acute phase of demographic revolution.

In 1960, when the colonial powers began to pull out fast, the total population was 216 million. Today it is at least 385 million and it is growing at a rate of 3.3 percent a year, by far the highest in the world, so in less than 20 years' time the population will have doubled again.

At the same time, everyone wants to pour out of the countryside into the towns, so creating appalling problems of congestion and violence in unplanned cities while diminishing the locally grown food supplies.

A tiny handful of countries -- Kenya, Ivory Coast, Malawi and South Africa -- actually grow more food than a generation ago. The rest produce less, in some cases very much less.

The loss in the food production side has not been compensated by successful expansion in the industrial and mining sectors. Accurate figures about living standards in Africa are increasingly hard to get, but it looks as though the real per capita income in sub-Saharan Africa as a whole is now actually lower than it was before independence, despite large quantities of aid and about US $80 000-million (R200 000-million) of borrowing.

The fall in real incomes in some countries must have been catastrophic. In Zaire, for instance, one of the biggest black African countries, a rich one, and a prime recipient of aid and loans, real wages earned by ordinary workers have declined almost constantly since independence and are now about 10 percent of what they were in 1960.

Survey

In some countries, like Equatorial Guinea, the income per head is only US $60 (R152) or even less.

Even on the basis of official African statistics, which paint a far rosier picture than reality, real income per head has fallen in nine African countries over the past 25 years.

In 1983, the estimated decline in income overall was 5.4 percent. I have taken these figures from a new and comprehensive survey of Africa by the American radio journalist Sanford Unger, which Simon and Schuster have just published in New York, and which I commend to the media.

As a result of the drop in income and the failure of the indigenous food supplies, more and more Africans are undernourished or actually starving. Five million children die every year in Africa from malnutrition; another 5 million are crippled for life by it.

Africa has had to increase its grain imports by 100 percent since independence, but despite this, the World Bank estimates that about 80 percent of Africa's population are suffering from a daily calorie intake which is below the official malnutrition figure.

Twenty-four African countries face what the FAPCO term "catastrophic food shortages". There is also a growing number of people rendered homeless by the civil wars and frontier campaigns which have become endemic in parts of East and Central Africa -- 2-million "official" refugees, and perhaps several times that number in reality. These people have no income at all.

Wicked

Against this background, the current attempt to destroy the South African economy seems to me one of the most wicked things that has occurred in the world since the days of Hitler and Stalin.

6... the current attempt to destroy the South African economy seems to me one of the most wicked things that has occurred in the world since the days of Hitler and Stalin.
Strauss criticises sanctions

BONN - The leader of the second largest party in the West German coalition Government has criticised the Foreign Minister, Mr Hans-Dietrich Genscher, for including West Germany in the European Economic Community's sanctions against South Africa.

Mr Franz Josef Strauss told BZt newspaper at the weekend he had complained to Mr Kohl that Mr Genscher had exceeded his instructions at last week's sanctions debate in Luxembourg.

He said Mr Genscher's behaviour conflicted with the position set down beforehand by the Christian Democrats and the Christian Socialist Union.

Mr Strauss said he and Chancellor Helmut Kohl agreed recognition should be given to reforms announced by the President PW Botha, such as equal pay for equal work.

In the past Mr Strauss has said a black majority government would plunge South Africa into chaos - Sapa-Reuters.

●See Page 13.
Pressure put on Thatcher to join in sanctions

The Star Bureau

London — Britain's Foreign Secretary, Sir Geoffrey Howe, is pressuring the Prime Minister, Mrs. Margaret Thatcher, to accede to European Economic Community (EEC) demands for more rigorous sanctions against South Africa. The Guardian has claimed.

He wants the move in the hope of avoiding a damaging rift with Commonwealth leaders.

Sir Geoffrey is urging Mrs. Thatcher to withdraw Britain's two military attaches from Pretoria—so far without success. Mrs. Thatcher appears determined not to give in to demands for a stronger British line.

UNRESOLVED

The issue was unresolved at last week's meeting of the Cabinet. Both Mrs. Thatcher and Sir Geoffrey will be out of Britain this week, but attempts to resolve the matter will be stepped up when they return.

Sir Geoffrey is reported to have told ministerial colleagues that a change of course is necessary before next month's Commonwealth conference in the Bahamas.

He insists that British acceptance of the full EEC recommendations for action against South Africa is the minimum price Commonwealth leaders will demand, although even that would not stop conference friction.

AUSSIE PRESSURE

Australian Prime Minister, Mr. Bob Hawke and New Zealand's Prime Minister, Mr. David Lange are expected to join African leaders in condemning Mrs. Thatcher for refusing to take stronger action against South Africa. The Commonwealth Secretary-General, Sir Neville Ramlal, has told Sir Geoffrey he believes the Commonwealth conference could turn into a week-long confrontation between Mrs. Thatcher and the other leaders if she does not give in.
SA seen as all-pervasive foreign policy issue in US

By Neil Larrsen, The Star Bureau

WASHINGTON — The extraordinary political scrap that broke out in the United States Senate last week over South African sanctions sent a clear signal to both the Reagan Administration and the South African Government — American pressure to end apartheid is going to build up even more.

President Reagan won last week’s battle. By a narrow margin, he prevented Congress from passing a harsher sanctions bill than the package he announced on Monday.

It was a fierce and emotional fight, and it ended on an almost comical note when the President’s allies in the Senate ended the matter by simply spirited the Bill out of the chamber and locking it away — like cross little boys taking their ball home so that the game would end.

President Reagan prevailed, but both the Republicans and the Democrats made it plain to him that his victory depended on results from his sanctions if they were not implemented thoroughly and or were ineffective, Congress would act.

EMOTION

In terms of emotion, South Africa is now the number one foreign policy issue in the United States. It is all-pervasive, dominating all the news media — television, radio and newspapers.

In shopping malls throughout the country, pictures of angry South African blacks stare from magazine racks as Americans buy their milk and bread.

In terms of moral indignation and concern for America’s role in the world, it has become the Vietnam issue of the mid-80s.

Just as American leaders suffered from that grim dilemma, so President Reagan has suffered from his involvement with South Africa. By switching to sanctions after saying flatly that he opposed them, he angered the right wing and showed the liberals that he was responsive to pressure and politically vulnerable after all.

As one commentator noted, by running ahead of a mob chasing you, you can try to persuade the mob that you are leading it. But ordering mild sanctions, President Reagan has bought time for his policy of friendly persuasion which he says is now more active.

But nothing short of the total condemnation of apartheid is going to take the pressure off to get much tougher with Pretoria.

"APPALLING"

"This is what the former astronaut, Senator John Glenn, said in last week’s debate: "I trust that every member of this body will agree that the South African scheme of apartheid is appalling, inhumane and unjust."

"But simply agreeing with that assessment is no longer sufficient. We must demonstrate that our protest is more than a rhetorical exercise."

Other senators cast the issue in terms of what America stands for. Said Senator Gary Hart: "The majority of South Africans have made their stand. They have decided it is better to die for freedom than to live as slaves."
EEC plans 'positive' action

The Star Bureau

LONDON — The EEC has turned its back on white South Africa. Imposing largely symbolic sanctions last week, which many say will hurt blacks most, it also took positive action to compensate blacks.

Significantly, the EEC, which met the ANC for the first time this week, said they shared a common analysis of South Africa.

Even Britain, which split from the EEC rather than withdraw its military attache and kick out South Africa's, endorsed "positive" measures to help blacks.

The EEC will force its nationals doing business in South Africa to apply a rigorous code of conduct, which will regulate black wages, provide training and promotion, and improve social conditions.

EEC officials have already held one meeting to discuss beefing up the code.

The EEC will also offer financial aid to non-violent, anti-apartheid organisations, particularly churches.

New EEC programmes will be instituted to educate blacks. They will be allowed to study at universities in EEC countries.

The EEC will intensify contacts with blacks in the political, trade union, business, cultural, scientific and sporting sectors.

It will institute programmes of aid to help black states in the Southern African Development Co-ordinating Conference (SADCC) lessen their dependence on South Africa — developing their own power, rail, road and shipping resources.

In addition, the EEC will seek to persuade members of its communities resident in South Africa that apartheid is wrong. Italy and Portugal, particularly, face problems in this regard.

Italian Foreign Minister Giulio Andreotti, who visited South Africa as a member of the EEC group last month, said that the 50,000 Italians in South Africa had urged him to act cautiously.

Portugal also has a large community in South Africa. They still have a vote in Portugal and are a powerful lobby.

The sanctions the EEC imposed this week were largely symbolic — many, like the arms embargo, the oil embargo and a ban on exports of "sensitive" technology, were already in place.

The president of the EEC Council of Ministers, Dr Jacques Poos, said: "We wanted to harmonise around a set of proposals."

Britain wrecked that harmony — and for her it will be business as usual in South Africa.

The other nine EEC members and Spain and Portugal, who become members at the end of the year, will apply the EEC package — and are free to take other action of their own.
Government's 'major reforms' brushed aside

Frontline Six call for more pressure

By Gerald L'Ange,
The Star's Foreign News Service

The major reforms brought in and promised by the Government have been ignored by the six Frontline states. At their summit in Maputo they have called for sanctions and other international pressures to be stepped up.

The Frontline leaders apparently brushed aside changes such as the extension of citizenship to all blacks and the promise to lift influx control, that have been regarded in white political circles in South Africa as of major significance.

They took this stance as the relatively moderate President Kenneth Kaunda of Zambia assumed leadership of the six-nation group. He took over from the more radical Julius Nyerere, who is retiring from the Tanzanian presidency and giving up the group chairmanship.

In the communique issued at the end of their weekend meeting in Maputo, the Frontline leaders said the constitutional reforms brought in under President P W Botha have failed.

They were referring specifically to the new constitutional dispensation but their communique pointedly makes no reference to reforms such as the extension of citizenship rights, the promised abolition of the pass laws, the ending of apartheid on trains, the rescapping of the Immorality and Mixed Marriages acts, the virtual elimination of job reservation and the extension of trade union rights to blacks, the elimination of apartheid in sport and of petty apartheid in general and the implication of eventual power sharing.

Deep concern

These measures, which have been given some recognition in the United States, Britain and Europe as indications of progress towards an internationally acceptable society in South Africa, were not mentioned.

Instead, the leaders of Botswana, Zimbabwe, Mozambique, Tanzania, Angola and Zambia expressed deep concern over what they saw as increased repression in South Africa and the "violence perpetrated by the Pretoria regime against the defenceless population".

The meeting condemned the imposition of the state of emergency in parts of South Africa and called for the lifting of the ban on the ANC and for the release of ANC leader Nelson Mandela.

Conditions

"Freeing Mr Mandela, they said, "could bring about conditions for the beginning of talks aimed at the elimination of the apartheid system".

The communique hailed the growing condemnation of apartheid by Western countries through economic sanctions and other forms of pressure. The Frontline leaders called on Western and other nations to broaden and intensify these pressures."
Neighbouring states fear sanctions

By Neil Lurseen, The Star Bureau

WASHINGTON — While South Africa’s neighbours have publicly called for more sanctions to end apartheid, they have also made it plain to the United States they are worried about the effect of international sanctions on their own economies.

And the US said yesterday that President Ronald Reagan had drawn up his recently announced sanctions package in such a way that Southern Africa would suffer the least possible harm.

“We do not believe there should be any deleterious effects on South Africa’s neighbours stemming from our action,” a senior official said.

The US, citing the confidentiality of diplomatic exchanges, would not disclose what the Frontline States had told Washington about their fears.

A senior official in the US State Department said, however, that while South Africa’s neighbours fa-
Krugerrand ban hurts blacks, Nel tells US

By David Braam
Political Correspondent

The South African Government today urged the Reagan Administration to reconsider its intended ban on the sale of Krugerrands on the basis that such an embargo would damage the livelihood of many blacks in Southern Africa.

In a statement in Pretoria, the Deputy Minister of Information, Mr Louis Nel, said the Government was concerned that the intended ban ignored the potential practical consequences.

He was reacting to a statement yesterday by United States Secretary of State, Mr George Shultz.

Mr Shultz said the Reagan Administration would move quickly to implement a ban on Krugerrand imports.

He told a Senate judiciary committee: "We are engaged in a process of notifying and consulting after which imports of the Krugerrand will be banned. There's no need for this to go on very long."

Mr Nel said an embargo on the Krugerrand would be an attack on the South African mining industry. That industry, he said, was:

- The second largest employer of blacks in South Africa.
- The largest employer of foreign blacks in the Republic.
- The largest earner of foreign exchange for the rand monetary area, which included Lesotho and Swaziland.
- The largest single generator of income for the families of foreign workers in South Africa — about half of these workers' earnings was repatriated to their families.

FAMILIES

About one-seventh of the price of each Krugerrand sold in the US accrued to a family of a foreign miner or worker back home.

"The South African Government urges the US to reconsider its intentions in the light of the damage the intended embargo can do to the jobs and livelihood of blacks in South and Southern Africa," Mr Nel said.

"There is already too much hunger and misery in Africa. No constructive purpose will be served by adding to the suffering."

"No constructive purpose will be served by attacking one of the most viable and important instruments of economic development in Africa," he added.

- Sales of the Krugerrand abroad have slumped to a trickle over the past four months and any US ban would only to highlight what had already occurred in the market place, said Chamber of Mines president Mr Clive Knobbs.

He said today that if sales of the Canadian Maple Leaf began to fill the niche created by the Krugerrand, then the Canadians would eventually have to buy South African gold to produce coins.

Canada, it was believed, was not using gold from its official reserves to mint the coin and was buying the gold on the open market.

Banking sources said today that the Reserve Bank has had to step up its sales of bullion because of the fall in the Krugerrand sales.

- See Page 13.
Renewed sanctions pressure likely

Aid fight focuses world attention on independence for SWA

South Africa has again focused international attention on the South African frontier problem of the last war. In London this week South African...
Reagan denies SA sanctions secured his leadership strength

By Neil Larson
The Star Bureau

WASHINGTON — President Ronald Reagan denied last night that he had ordered economic sanctions against South Africa because he was afraid of losing his leadership strength in the US Congress — at a key point in this legislative programme.

"No, I am not afraid of that," he said, adding that he was getting on "pretty well" with members of the Congress, all of whom had their own ideas on how to deal with problems.

With a smile, the President said he must have made the correct decision on South Africa since he was being criticised by both sides.

"I think that when you come back against a Celotex wall, and you're getting shot at from both sides, you must be doing something right," he said.

Mr Reagan said he did not anticipate any more friction on this issue.

However, Democrats in the Congress — supported by some Republicans — have vowed to return to their own tougher sanctions measure, which includes a directive that the Administration impose additional, more far-reaching sanctions, should there be no progress toward eliminating apartheid within a year.

They say they may try to attach the tougher measures as an amendment to a funding Bill that the President will not be able to veto.

Informed sources in both parties predicted that they had not yet moved on their threat, but they could do so in November.

 Much would depend on whether the Administration implemented the sanctions thoroughly, the sources said.
US ban won't seriously affect gold mining industry

The Star Bureau

LONDON – Mr Robin Plumbridge, chairman of Gold Fields of South Africa said he did not think the proposed American ban on Krugerrands would affect the gold mining industry to any great extent.

He felt the Krugerrand had achieved its objective of widening the market for gold by encouraging personal investors to hold gold coins. The loss in sales to the US would be made up by increased sales of other gold coins like the Canadian Maple Leaf.

Referring to the unrest in South Africa he said he would not apologize for the use of rubber bullets and tear gas earlier this month against striking black mineworkers.

"If you have got group violence you have to use techniques involving tear gas and so on," he told Andrew Cornelius of The Guardian.

"But you get to a no-go stage where you have to act, and fairly decisively."

Cornelius says Mr Plumbridge's hard line contrasts with that of the group of businessmen who met ANC leaders in Zambia last weekend.

Of their initiative, Mr Plumbridge said "Clearly these people are entitled to their point of view. I personally am not a political animal."

Mr Plumbridge said he agreed with Dr Gerhard de Kock who recently complained about the perceptions of the troubles in South Africa by people outside the country.

"We have had our problems and I don't want to minimise those," he said. "On the other hand in the country as a whole life carries on."
LONDON — International economic sanctions against South Africa could cost the nine black neighbours more than 2-billion dollars a year, at least to begin with.

This assessment is made in a paper prepared for Western European parliamentarians at a conference on apartheid in Amsterdam last weekend. The paper’s author, Dr Joseph Hanlon, has attempted what he calls “a superficial assessment of the likely impact”.

The paper must be seen in the light of the claim by the British and US governments that one reason why they are against sanctions is the fear of serious damage to these black economies.

**Violation**

Hanlon wants South Africa’s western trading partners to help cushion the effect of sanctions. A recent paper produced by the Southern African Development Co-Ordination Conference (SADCC), the sub-continent’s common market, has already hinted that the west should chip in. Seven of the countries are members of the commonwealth.

“The experience of the violation of Rhodesian sanctions by Britain and other states has led most of the states to say they must be last to impose sanctions, not first.”

“This,” says Hanlon, “is only sensible as South African trade with the US, Britain and West Germany is vastly larger than with the black states.”

A sudden border closure, Rhodesia style, would have most impact, Hanlon says but would also be most disruptive to the black neighbours. However, phased, step-by-step sanctions now seem more likely, giving all sides maximum time to adjust. Limited sanctions, far from doing harm, might actually benefit the black states if money withdrawn from South Africa were reinvested in the region.

Another mitigating factor was that South Africa exported 1-billion dollars worth of manufactured goods to the region and would be unlikely to endanger this market.

Running through the countries, Lesotho, entirely surrounded by South Africa, is a hostage state. It depends totally on South Africa for jobs, income, food and fuel. A Berlin-style airlift might be needed to ensure its survival. At the other extreme, Tanzania and Angola would hardly notice the effects of South Africa’s reaction.

**Fears**

Other calculations include the possible dismissal of the 175,000 legal migrant workers, half from Lesotho and 60,000 from Mozambique, remitting 300 million dollars annually. Here again, the mining houses would resist any attempt to retaliate against these workers.

Pretoria would probably intervene physically to prevent Botswana, Lesotho and Swaziland, members of a customs union with South Africa, from importing fuel directly.

“Such action can be assumed again.” He also fears that Pretoria might send in troops to guarantee continued access to Lesotho’s water, Cabo’s Bassa electricity (in Mozambique) and the railway through Swaziland.

**Disruptive**

South Africa has already disrupted transport in the region, either directly, or through rebel groups in Angola and Mozambique. But if there were further economic retribution and trade and transport were cut off entirely, the effect would be extremely disruptive in the short run.

**FOCUS**

**SPECIAL Correspondent**

**THE PRESIDENT: Mr P W Botha**

*However, all the states could buy directly on the world market, without going through the republic. Several studies have shown that South Africa is normally a more expensive source of supply and neighbouring states only use it because of history, laziness and disorganisation, as well as longer-term credit, transport and membership of the customs union.***

The overall impression, says the paper, is that the main costs to the black neighbours will not be from sanctions themselves, but from South African retaliation and military action.
SA businessmen speak against sanctions at UN

NEW YORK — Leaders of South Africa's business community spoke out against mandatory economic sanctions at the United Nations yesterday.

Addressing the UN's public hearings on the role of international corporations in South Africa and Namibia, the leaders said “Effective disassociation from abroad will make our contribution to the reform process more problematic, mainly because of the increasing domestic polarisation which will result from increasing international isolation.”

REPRESENTED

They represented the Afrikaanse Handelsinstituut, the Association of Chambers of Commerce of SA, the National African Federated Chamber of Commerce, the SA Federated Chamber of Industry and the Urban Foundation. The SA Government was not invited.

"Overseas interest should indeed actively support selective, but ag-

Death sentence for 2
One-week boycott next month

Australian trade unions geared to attack SA trade

AUSTRALIAN unions are to intensify their attack on SA trade in the next few months.

The one-week boycott of SA trade and services starting October 21 is only the beginning of a series of union actions against SA, according to the Australian Council of Trade Unions (Actu).

Although Actu has not called a mandatory boycott, observers said the boycott would have 100% backing from Australian trade unions.

Further union action is expected to be on an industry basis. Actu said last week it would meet with its members to work out industry-specific boycotts of SA.

The Australian government is not expected to intervene immediately in the boycotts.

"If the boycott is only short-term, government will steer clear of intervening. If it leads to a long-term disruption of trade, it will have to tackle the question of whether it can allow unions to obstruct the free flow of trade between nations," said an Australian government official.

Observers said the present Australian government has to be careful in its dealings with Actu.

The unions are the major affiliates of the Labour Party and provide a substantial proportion of the party's funding. The links are very close and government certainly wants to avoid alienating the unions over the SA issue," said one observer.

ALAN RUDDOCK

SA companies are relatively unconcerned by the proposed one-week boycott. Many admitted they expected much stronger action from Actu.

"It could have been much worse, but presumably it could get tougher. We have plenty of time to prepare ourselves for this boycott and can offset the damage. Obviously this is not good for our trading relations, but it's not too serious — yet," said one exporter.

SAA said the one-week boycott would not cause undue disruption of its Australia service.

"We have contingency plans for strike action, as do all other airlines. We have only one flight a week to Australia and we will have to reroute passengers on that flight," said SAA's Denis Willemse.

The Department of Posts and Telecommunications said it would advise the public of any delays that may arise in postal services because of the boycott.

It said the degree of automation of tele and telephone systems made disruption of the service unlikely, but operator-assisted services could be hit.

Shipping agents Nedlloyd said its freight services would not be upset.

"Even without alterations to our schedules we should be able to have a ship on their coast at the time of the boycott."
Punitive sanctions won't help - Kohl

BONN — Chancellor Helmut Kohl said in an interview that punitive sanctions against South Africa would hinder efforts to achieve peaceful reform there.

"Constructive dialogue and measures of political persuasion are more effective than double-edged economic sanctions," the chancellor said in an interview with the influential newspaper, Die Welt.

The comments by the conservative Chancellor Kohl were a reafirmation of his government's stand.

"Unfortunately, measures (of reform) have been inadequate," Chancellor Kohl said in the interview.

But Chancellor Kohl said recent public statements by South African state president, Mr P W Botha, indicated a commitment to further reform in the country.

He called on the South African Government to promptly begin dialogue with "recognised representatives of the non-White" population.
By IRVING STEYN, Weekend Argus News Editor

Sanctions so far announced against South Africa were cosmetic "political posturing" and would have very little effect, according to Dr David Rees, associate professor of economics at the University of Cape Town.

Almost without exception countries which had announced action against South Africa such as the United States, Canada, the EEC and Australia had taken economic self-interest over moral issues.

And those countries clamouring the loudest for sanctions were in direct economic competition with South Africa, like Africa with its minerals, Russia with its gold and South American countries with their meat and cereal exports.

"One wonders why, if people feel that morality obliged to institute sanctions against South Africa, they didn’t do so five years ago, before the reform programme was embarked upon," Dr Rees said.

Krugerrands

Analysing last week’s measures announced by President Reagan, he said the ban on Krugerrands had been a nominal gesture because gold was so anonymous. Nothing prevented South Africa producing some other gold coin or article.

Just as meaningless was the ban on computer exports to agencies involved in the enforcement of apartheid and the security forces. There was nothing to prevent the establishment of a front organisation, install an imported computer and let anyone you like use it, he said.

The prohibition of nuclear goods or technology was no blow, it was simply a restatement of what had gone before.

The ban on loans to the South African Government except for those which improve economic opportunities, or educational, housing or health facilities open to all was wide open to interpretation. In any event it was almost impossible for South Africa to get loans anyway.

The recall of military attaches was also simply "telling the spies to go home".

Discouraging cultural and scientific agreements was "unfortunate" as it would make it more difficult to communicate and would contribute towards isolation.

Ending oil exports would be difficult for those who want to end them — short of a blockade of South African ports. It could, however, lead to more expensive oil for South Africa.

As to the prohibition of all new nuclear collaboration, Dr Rees said "we seem to be running pretty much our own show, anyway."

Canada’s contribution was an example of where economic self-interest overrode moral obligation.

Air traffic

Like the United States it has announced a series of voluntary sanctions. These included a voluntary ban on loans to the South African Government, unless blacks were to benefit. That was open to interpretation, Dr Rees said.

There is a ban on passenger and air cargo traffic, virtually non-existent anyway and a "request" that Canadian petroleum companies stop the shipping of crude oil to petroleum products. In fact, none has ever been shipped to South Africa and there were no plans that they would be in future.
Sacos attacks rebel cricketers

Staff Reporter

The coming Australian rebel cricket tour was openly defiant and displayed "callous insensitivity to the present resistance of the oppressed," the South African Council on Sport said at the weekend.

The declaration was one of six resolutions passed yesterday at the end of Sacos's two-day conference in Cravenby Estate.

The conference:
- Reaffirmed its complete rejection of all "rebel and mercenary sports tours of South Africa" and said the cricket tour, scheduled to start on November 22, was in open defiance of the wishes of the Australian and international sport community.
- Condemned the state of emergency.
- Security forces is a true reflection of the fascist nature of South African society and is a further attempt to disrupt our lives and our sport.
- The resolution also:
  - Dismissed the government's support for the idea of creating an independent body to represent sporting interests in this country as another ploy in its attempts to sell multinational "sports to the oppressed."
  - Supported the call for a consumer boycott.

On the resolution concerning a national convention, delegates said that even though Sacos was a sports organisation it still had a contribution to make in the "liberatory movement."

A national convention, they argued, would be used by "big business to stake their interest in this country."

"The major reason is in effect to circumvent . . . in effect designed to deflect our struggle. The only direction the liberation movement should adopt is to rely on our resources," said one delegate.
UK union supports sanctions

Own Correspondent

LONDON — Leaders of Britain's biggest trade union have met the South African Ambassador, Dr Denis Worrall, to tell him of their "passionate opposition" to apartheid.

And the general executive council of the 1.3 million-strong Transport and General Workers' Union (TGWU) made clear their support for a complete ban on economic sanctions against South Africa.

At a meeting on Friday, described by Dr Worrall as a "useful exchange", the TGWU team, led by general secretary Mr Ron Todd, demanded an end to the emergency and the release of Mr Nelson Mandela and other political prisoners.

They also called on the South African Government to begin immediate talks with leaders of the United Democratic Front (UDF), the African National Congress (ANC) and the South African Congress of Trade Unions (SACTU).

The meeting was arranged after Mr Todd handed in a letter at the South African Embassy during an anti-apartheid picket by union members last week.

The TGWU executive expressed particular concern over the imprisonment of trade unionist Mr Oscar Mpeleta.

Mr Todd said afterwards that the ambassador had indicated he would be "happy" to receive a formal letter on Mr Mpeleta's case from the TGWU.

"We did not invite him for tea and cucumber sandwiches," he added.

Dr Worrall said that people like Mr Alan Paton, Mrs Lucy Mvubulu, Mrs Helen Suzman and Chief Gatsha Buthelezi — whom he described as persons with "impeccable credentials as opponents of the South African Government" — all opposed economic sanctions.

Economic growth was a major factor in bringing about reforms in South Africa, he said. He also told the meeting that South Africa, measured by any objective standard, "must rate high on any scale of human rights in Africa."

Real terms

After the meeting, Dr Worrall denied a suggestion that he had accepted an invitation to talk to the TGWU as a sign of desperation over the South African economy.

Mr Todd said that SACTU had welcomed the TGWU's decision to talk to Dr Worrall.

He said the executive had pressed Dr Worrall to say what terms like "self-determination in the homelands", "the extension of citizenship to blacks" and "the end of influx control" meant in real terms.
No sanctions on our own Ireland

DUBLIN — Ireland would not adopt sanctions against South Africa unless they were part of a world action, Ireland's Foreign Minister, Mr. Peter Barry, was quoted as saying yesterday.

But, Mr. Barry said in an interview with the Irish Times, Ireland was prepared to take the measures recommended by the European Economic Community, including an arms embargo and an oil boycott.

He said that for Ireland to impose trade sanctions alone, without the support of the rest of the EEC, "would be very unproductive and perhaps would not be of assistance to the blacks of South Africa".

"If one country alone stopped trading with South Africa, another country would supply the market," he said in the interview before leaving for the 40th session of the UN General Assembly in New York.

Mr. Barry said Ireland, with no embassy in South Africa, was already ahead of other countries by not permitting State companies to encourage contacts or trade with the apartheid system.

Sinn Fein, the legal political wing of the outlawed Irish Republican Army, attacked his statement.

"Crocodile tears about the evil of apartheid and how much the government abhors it while waiting for other states to implement sanctions is obscene," Sinn Fein president Mr. Gerry Adams said — Sapa-A P
UK sanctions against SA in ‘couple of months’

JOHN BATTERSBY in London

Dr DAVID OWEN, a former British Labour Foreign Minister, is the leader of the centre-left Social Democratic Party (SDP), formed in 1981, and leader of the SDP/Liberal Alliance.

Prime Minister Margaret Thatcher has predicted he will be the next non-Tory British prime minister. It is part of the political wisdom of Whitehall that what the SDP is doing today the Tories are more likely to be doing tomorrow.

In the latest opinion polls the Alliance has moved well ahead of Labour and the Tories, following its recent annual conference. Owen’s claim that the Alliance will hold the balance-of-power — or even win outright — at the next election is sounding more credible than ever. Here he gives JOHN BATTERSBY his views on South Africa — an increasingly delicate foreign policy issue on the British stage — in a face-to-face interview.

I wouldn’t allow an exemption at the say-so of the various national governments, because they would all cheat. But if the European Commission was involved in granting the authorisation they would be able to ensure that it was not just an exercise in avoiding sanctions.

The advantage of using the EEC, rather than the UN, is that if one felt there really had been serious political progress towards genuine negotiation in SA you could lift sanctions.

One of the worries that has always existed about putting sanctions on the UN is getting the UN again. That is why it would be better, too, at the UN to cross the economic sanctions threshold under the threat to the peace existing in Namibia (rather than the internal situation in SA).

This would mean that, if SA did move on Namibia and started to move internally, you would not be saddled with sanctions of perpetuity. I am interested in a calculated strategy which might have some impact on SA. But I wouldn’t hesitate to up the ante to a threat to the peace in SA itself. There is certainly abundant evidence for a threat to the peace on this basis.

COULD THE involvement of government in granting exemptions not become rather cumbersome?

THE ADVANTAGE of government involvement is that it does legitimise the private sanctions that are being applied at the moment (the capital boycott by US banks). Private sanctions are, of course, voluntary.

DO YOU think that the capital boycott and the resultant economic crisis has, in effect, overshadowed the whole sanctions debate?

YES. It’s far more important — far more effective. But had there not been the earlier discussion and somewhat reluctant — but committed — feeling that we had to cross the threshold of economic sanctions, it might not have happened.

I changed position on this a year-and-a-half ago because I felt it couldn’t be avoided. The people who take a sustained, serious interest in SA — but who aren’t vindictive — have increasingly been moving towards some form of economic sanctions.

I RESPECT their arguments, but in neither case are they right.

WHAT DO you say to the argument that SA blacks and the economies of neighbouring states — which are intertwined with that of SA — will be hardest hit by sanctions?

THAT IS up to the SA government. If they decide to do it — I think that they probably will — we will have to try to offset that. But I don’t think we can go on being blackmailed by what they will or won’t do.

And I don’t think their record of trustworthiness is such that you can take their word on any aspect of international affairs. The raid on Botswana was an outrageous attack. They have not held to the Nkomati Accord. They have continued raids into Angola after the ceasefire. It is an outrageous record.

DO YOU not think that the West should be prepared to pay a price for a viable SA that does not —
I HAVE seen Oliver Tambo (the ANC president) and I would see him again. Ministerial contact would depend on what the ANC was saying at the time. I wouldn't legitimise armed struggle. But I would be encouraging contact between the ANC and the businessmen.

WHAT ROLE do you see for the KwaZulu leader, Chief Buthelezi? THE GRAVEST danger for Buthelezi is that the government will persuade him to break ranks to try and divide and rule. This would be a very great mistake, which would backfire on the government. It would hasten the day of violence.

It has been the government's technique throughout Southern Africa and it has been a very abysmal failure. It is too late, now, for that. It would also set a lot of the Zulus against Buthelezi. I have always thought he has had a very difficult role to play. I grow increasingly worried that he will be pressurised by the SA government. I hope that he will not move another inch towards being used in that way. He has the potential to contribute towards an evolution, but not in isolation against the tide of serious opinion.

DO YOU agree with the Liberal Party's proposal for a trade embargo against SA and a ban on SAA flights to EEC countries?

A TRADE embargo would not work, and banning flights is a gesture which I considered in 1978. It would leave the way open for the Swiss to cheat. They would clean up.

But these are all pressures. Who is to say these won't be applied a few years down the track? I wouldn't say no to a trade embargo in perpetuity if they started to turn the whole country into a police state. If they clamped down and eradicated every civil liberty.

SA must understand now that sanctions are here, now, as a permanent feature of international life. The screw is on and it's going to stay on. Every time somebody has just got to give it a bit more twist. The only say they have got is the pace at which that screw comes down.

But the pressure one applies has got to be judged carefully to the situation — it has got to allow for peaceful change. But it's the internal economic pressure which will actually make the changes.

WHAT WOULD you do if you found yourself in PW Botha's shoes?
important than the loan and investment freeze which you also advocate?

NO, THE two are important together. But there is a further qualification on the loan and investment freeze. We would implement this under Community legislation, and where it was obvious that a loan or investment project was almost wholly for the benefit of the black community, I would allow an exemption.

They are being applied for reasons of self-interest, because the banks doubt the capacity of the SA government to pay.

There is no doubt that if there was a ban on new bank loans applied by government it would make it harder for the private banking community to come back in a couple of months' time as though nothing had happened. I think things have already passed the point of no return as far as that is concerned.

They are being applied for reasons of self-interest, because the banks doubt the capacity of the SA government to pay.

There is no doubt that if there was a ban on new bank loans applied by government it would make it harder for the private banking community to come back in a couple of months' time as though nothing had happened. I think things have already passed the point of no return as far as that is concerned.

T he position of the British political parties do have both elements. It is an attempt to try to wield both a stick and a carrot. The purpose of exemptions on new loans and investment is to be able to give some encouragement.

T his ritualistic stuff one always hears from the SA lobby has been shown to be a load of codswallop. The SA government will listen to power. They are very pragmatic. The question is how you apply it.

WHAT significance do you attach to the meeting between leading SA businessmen and leaders of the ANC?

I THINK it was significant. They were significant people who did it in defiance of the government. Inasmuch it begins to put business ahead of the government, that is a good thing.

WHAT is the SDP policy on contact with the ANC? Would an Alliance government receive the ANC leadership at ministerial level?

THE REAL question is: has he got the imagination to be able to genuinely negotiate? He hasn't negotiated a thing. He has handed everything down.

Once you start negotiating you are no longer setting the agenda. Others have an input, so you no longer have the luxury of exclusion, which Botha has had up to now. In Nelson Mandela you have a natural leader. The chances for getting a negotiated settlement are always vastly enhanced if you have a real leader.

Botha has to develop a programme of power-sharing and negotiate a deal which would give the white minority a large deal of government autonomy in their own areas. It is going to be very tough, and the temptation is that you think you can get away without doing it.
Coal embargoes are 'not directed at SA'

ROY BENNETT

FEARS of embargoes by foreign dockers against coal exports do not appear to be based on facts.

Managing director of the Transvaal Coal Owners’ Association, Les Weiss, says that latest reports of disruptive action by Continental stevedores do not signify a new spirit of anti-South Africanism, but are rather an act of solidarity with Continental miners.

He says these actions are directed against the importation of any coal rather than an anti-South African movement.

"Such events have happened in the past, but I do not share any pessimistic view of their long-term results. "Unions have a history of taking industrial action on behalf of other unions, and the latest occurrences have their background in sympathy with both French and British miners, who face a loss of employment due to pit closures," says Weiss.

In the face of increased coal production in America, Russia and China, it is reported that Britain's National Coal Board planned to reduce total coal output by about 4 million tons a year with 20 of its remaining 166 collieries earmarked for closure.

Manpower figures are expected to fall by 15,000 to about 156,000 in contrast with 700,000 employed at 958 pits in 1947 when the industry was nationalised.

This follows the 12-month miners' strike last year after which there was a massive switch from coal to oil-burning power stations, resulting in coal's share of primary energy consumption falling from 35% to 21%.

The Department of Mineral and Energy Affairs declines to reveal the exact breakdown of coal exports. But in its review of the South African minerals industry it claims that last year 60% of total exports found their way to Europe and 31% to Asia.

Which means that industrial action by European unions could disrupt potential revenue of R1.44bn.

Japan and other Pacific rim countries are not overly anti-South African and could take additional supplies of coal released by European customers.

Last year Japan remained South Africa's main customer for steam coal, with shipments of 6 million tons. There was a significant increase in exports to France, up from 4.5 million tons to 5.8 million tons, and to Italy from 4 million to 5.6 million tons.

The higher exports to France are believed to be as a result of problems in the country's nuclear power industry, while Italy is committed to raise the level of coal-fired power dependence from 18% to 23% of total energy input by 1990.

This year a total of some 40 million tons is expected to be exported at a value of R2.4bn, but the actual amount of revenue received in local terms will depend on the rand/dollar exchange rate.

The TCOA believes that it is unwise at present to estimate a local value of coal exports but that in dollar terms the selling price is concentrated at $33 a ton.
Giant union body to press for sanctions

Staff Reporter

THE largest body of trade unions in the non-communist world is to press for sanctions against South Africa "as a peaceful means of pressuring the white community to change", says a top union official visiting South Africa.

In an interview in Cape Town yesterday Mr. Enzo Friso, assistant general secretary of the International Confederation of Free Trade Unions, which has 90 million members in 93 countries, said economic sanctions would be a peaceful means of showing the white community that the situation in South Africa could not go on indefinitely.

"Our member organisations are committed to putting pressure on their respective governments to back sanctions. We wish to stop further investment and white emigration to this country, and to organise disinvestment," he said.

Mr. Friso, who heads a three-man ICFTU delegation to South Africa, said black workers to whom he had spoken had said they were prepared to suffer the consequences of economic sanctions if it would help bring an end to apartheid.

Black trade unions in South Africa had been forced to fight against apartheid to survive, he said.

"They cannot fight only for better conditions in the factories when there is no democracy."

The ICFTU, which broke away from the now mainly communist-controlled World Federation of Trade Unions (WFTU) shortly after World War 2, was committed to fighting human rights violations wherever they occurred, Mr. Friso said.

Prince William strides confidently with his royal Mum and Dad to his first day at nursery school yesterday. Three-year-old Prince William was cheerful and nonchalant. He ignored Pressmen packed outside the nursery school in Notting Hill, London.
London — PUNITIVE sanctions against South Africa were dangerous and could push the society into a state of siege and economic and political isolation, a high-powered delegation of South African businessmen has warned Britain.

Delegates from ASSOCOM, the Federated Chamber of Industry (PCI) and the Afrikaanse Handelsinstituut (AHI) have met the Minister of State at Foreign Office responsible for South Africa, Mr Malcolm Rifkind, Mr Paul Channon, the Minister for Trade and Industry, and representatives of the powerful Confederation of British Industry.

ASSOCOM was represented by Mr Raymond Parsons, the AHI by Professor Nick-Wiehahn, the PCI by Dr Johan van Zyl and Mr Arthur Hammond-Tooke.

Also part of the delegation was Nedbank chairman Bill Yeowart.

Demands

They seek to interpose themselves between the South African Government and black people whose demands for change they support.

"The Government, in its head if not its heart knows that political accommodation of the blacks is the only way to go," said Mr Hammond-Tooke.

"We have to get into the negotiation posture. We think we have a small role in getting the feet of the government and blacks on the bottom rung of negotiation."

PCI director Dr Johan van Zyl, said the organisations could, in the future "get involved" in talks with the ANC.

Questioned about the meeting between ANC and businessmen they said: "We felt it better at this stage to have it undertaken in their personal capacity by our
The 'club' to discuss sanctions

The Star Bureau

LONDON - Commonwealth Secretary-General Sir Shridath Ramphal is optimistic Britain will join other members of the Commonwealth in Nassau next month in agreeing in principle to selective economic sanctions against South Africa.

In an interview with The Times, Sir Shridath said he did not expect African Commonwealth leaders to press for a commitment to comprehensive and mandatory economic sanctions because these would be rejected by Britain and other Commonwealth countries. Instead they would concentrate their efforts on trying to persuade Mrs. Thatcher it was in Britain's interests to be part of the international process intended to induce South Africa to change its ways.

"We will have a confrontation only if Mrs. Thatcher absolutely refuses to maintain any kind of economic pressure," he said. "But it really finds that unthinkable."

---

Political comment in this issue by P.W. Botha, headlines and cartoons by M.J. Polkinghorne, columns by A. Berry, D. Follereau, and D. Anderson, all of 44 Sturdee Street, Johannesburg.
UK trade body backs Thatcher's stand on SA

LONDON — The Confederation of British Industry has reaffirmed its support for the government's strategy on South Africa of working for peaceful change through urgent political reforms rather than economic sanctions.

Its new policy statement Tuesday follows pressure from member-companies and discussions in London with representatives of South African employers' organisations which have been trying to persuade Pretoria to negotiate with black leaders.

"We are totally opposed to apartheid which is morally abhorrent and hinders economic growth and free enterprise," the CBI said.

"We acknowledge that a start has been made on dismantling the system, but we believe it must be abolished altogether as soon as practicable."

The Confederation believes political reform would be retarded by measures which damaged South Africa's economy, such as enforced disinvestment by foreign companies or trade embargoes. These would weaken the beneficial influence.
Big SA business in call to West

From JOHN BATTELSBY

LONDON — A high-powered delegation of organized business in South Africa yesterday urged Western business interests to join them in a reformist alliance to pave the way for black-white talks.

The call was made at a press conference here attended by Assocom's chief executive, Mr Raymond Parsons; Mr Bill Yeovart, immediate past president of Assocom; Mr Johan van Zyl, chief executive of the Federated Chamber of Industries (FCI); Professor Nick Wielhahn, representing the Afrikaner Handelsinstituut (AHI), and Mr Arthur Hammond-Tooke of FCI.

The conference was hosted by Mr David Willers, London director of the South Africa Foundation (SAF).

In a clear bid to move ahead of international business opinion, the delegation invited Western-based multi-nationals with business interests in South Africa to join them in preparing the climate for a national convention.

The businessmen warned that economic sanctions would be counter-productive in achieving their aims, but conceded that the capital boycott by United States banks had made talk of sanctions "academic".

Mr Parsons said the South African business community was now directly involved in seeking political structures which would "broaden democracy" in South Africa and create the climate of confidence necessary for a process of negotiation with black leaders to begin.

"Business is not governing the country. It wants to make the country governable," he said.

The delegation, which has been in New York to take part in the United Nations hearing on sanctions, yesterday met the British Foreign Office Minister, Mr Malcolm Rifkind, and leaders of the Confederation of British Industries (CBI).
London Bureau
THE British Trades Union Congress wrote to 50 major retailers yesterday, urging a total boycott of South African goods.

Mr Norman Willis, TUC general secretary, said: 'The TUC general council have long been concerned about the growing economic dependence of the UK on economic links with South Africa.

'A substantial reduction in foreign earnings from exports would make it more difficult for the South African regime to resist beginning a dialogue with genuine representatives of black people about peaceful development towards democratic change in South Africa.'

The appeal is accompanied by a TUC call on 10,000,000 trade unionists and their families not to buy goods produced in South Africa.

This follows a resolution opposing apartheid at last month's annual congress.

Mr Willis said: 'I want to emphasise that in common with almost all the civilised world, we are seeking a peaceful change of the situation in South Africa. This boycott is part of that process.'

The TUC general secretary also announced that he would meet Oliver Tambo, the ANC president, when he visited Britain next week to attend the Labour Party conference in Bournemouth.

A statement issued by the TUC general council, after its meeting yesterday, said that the recent proposals for removing some of the apparatus of apartheid gave no cause for satisfaction.

'The grave unrest of the last 10 months, fuelled by savage repression against black people in urban areas, will only be ended by a political settlement involving the chosen leaders of the black communities, including the independent trade union leaders.

'As a prelude to any useful discussions and negotiations with the regime, Mr Mandela must be released and enabled to take part.'

The general council called on the Government to adopt and vigorously apply sanctions as proposed by the UN Security Council until basic democratic rights may be practised by all the people in South Africa.'
UK supports sanctions move

From JOHN BATTERSBY

LONDON. — The British Government is to withdraw its military attaches from South Africa in a surprise move to fall in line with the European Economic Community's sanctions package.

The British Foreign Office confirmed yesterday that its two defence attaches in Pretoria had been summoned home "immediately and indefinitely" as part of the package which was approved by the other nine EEC nations on September 10.

Britain is the world's largest investor in South Africa and the country's fourth-largest trading partner.

However, a statement by the Foreign Secretary, Sir Geoffrey Howe, indicated continued British opposition to the principle of economic sanctions.

"Signal"

But he added that the package of measures "represents a legitimate and necessary signal to the South African Government but one which avoids further destabilizing the South African economy and harming those in South Africa who we are seeking to help".

Britain's reservations about impairing its ability to monitor the actions and intentions of the South African Defence Force and its concern about jeopardizing the work of the British Council led to a position in which 'effectively blocked a united EEC proposal'.

Other elements of the EEC package which Britain opposed on September 10 but now supports include:

- A "rigorously controlled embargo" on exports and imports of arms and para-military equipment.
- An end to oil exports.
- Refusal to co-operate in the military sphere.
- The prohibition of all new collaboration in the nuclear sector.
- Discouragement of cultural and scientific agreements except where these contribute towards the ending of apartheid or have no possible role in supporting it.

Observers nevertheless believe that the British move is unlikely to go far enough to avoid a confrontation at the Commonwealth summit next month, where Britain will be completely isolated on the sanctions issue.

"No benefit"

- Sapa reports from Pretoria that the Foreign Minister, Mr Pik Botha, last night said the British move would not contribute to the process of reform in South Africa and had clearly been taken to fall in line with its European partners.

Mr Botha said no one in the country would benefit from the interference of other countries in South Africa's affairs.

"The decision will not contribute to the process of reform in South Africa and it becomes clearer than ever to me that the sooner all South Africans, black, white, coloured or Asian, realize that the nations of Europe or the United States or Russia in our affairs will not be to the benefit of any of us, the sooner we will all pay serious attention to the solution of our problem."

"Warning"

- Dr Zac de Beer, an executive director of the Anglo American Corporation, said the British decision should be seen as a serious warning to South Africa.

"We should all be relieved that the sanctions imposed are so limited. "On the other hand we should take this as a serious warning from the EEC countries and from Britain in particular, that we need to get our political house in order very quickly," he said.

- Our Transvaal Bureau reports that the Belgian Government said it had asked South Africa to withdraw its military attaché from Brussels, going beyond the sanctions agreed to by the EEC countries earlier this month.

The director of programmes for the South African Institute of International Affairs, Mr. Leon Kok, yesterday described the British action as "symbolic and a show of concern for the situation in South Africa."

- The KwaZulu Chief Minister, Chief Gatsha Buthelezi, said in a statement last night that Britain and the EEC had taken symbolic rather than punitive action which would have punished black people "for the sins of apartheid."

- Full British statement, page 8
Britain joins Europe in limited sanctions

Mercury Correspondent
JOHANNESBURG—Britain announced yesterday it was joining its European Economic Community partners in a package of military and political sanctions against South Africa, but again it stopped short of economic curbs.

The Belgian Government said it had asked South Africa to withdraw its military attaché from Brussels, going beyond the sanctions agreed by the EEC nations earlier this month.

Two British defence attachéés, Col David Hansom, military attaché, and Gp Capt Lionel Squidley, naval and air attaché, were yesterday summoned home immediately and indefinitely as part of the package adopted by the 10-nation community on September 10.

The South African Foreign Minister, Mr Pik Botha, condemned the British action as "short-sighted, uncalled-for and not going to assist reform."

Meanwhile, in New York, Sapa-Reuters reported that British Foreign Secretary Sir Geoffrey Howe called on South Africa to end apartheid but doubted this would be achieved through mandatory economic sanctions.

"I understand the passions that prompt calls for such measures. But we are not persuaded that measures of this kind would achieve the aims of those who call for them," he said in a speech to the UN General Assembly.

Diminish

"They would diminish rather than increase effective pressures on the South African Government to introduce fundamental changes and would bear most heavily on the weaker sections of the population and neighbouring countries.

"We call upon the South African Government urgently to move beyond mere words to actions which are long overdue, to end apartheid and to establish a system of government acceptable to the people of South Africa as a whole."

A South African Foreign Ministry spokesman said the only EEC members with military attachés in South Africa were France, which recalled its ambassador earlier this year, Britain and Portugal, which joins the EEC on January 1.

A spokesman from the Portuguese Embassy said yesterday Portugal had attended the EEC meeting and was studying the matter.

Mr Leon Kok, of the South African Institute of International Affairs, yesterday described the British action as symbolic and a show of concern for the situation in South Africa.

Pressure had been building up on Britain since the State President's Robin Hood speech, and Britain probably felt embarrassed by its more immediate relations with the South African Government.

"Britain has faced an enormous amount of criticism and could not afford to be seen dragging her feet compared with the other EEC countries," Mr Kok said.

The final factor was that Britain would be facing the Commonwealth at a heads-of-government meeting on October 15 and would have to account for her relations with South Africa.

Mr Patrick van Haute, a spokesman for the Belgian Foreign Ministry, said yesterday South Africa had been told to withdraw her military attaché in Brussels within a reasonable time.

Spokesmen for the PPP and NRP both said the British action signalled the necessity for swift reform.
What oil sanctions cost SA annually: R5 billion

By PAT SIDLEY

The international oil embargo costs South Africa R5 billion a year. This was the figure presented to a conference on apartheid held last weekend in Amsterdam.

According to a paper compiled by the Amsterdam-based Shipping Research Bureau, South Africa pays R3-billion a year in crude oil imports, and spends another R2-billion annually to circumvent the existing embargo.

The paper, called "West European Companies Breaking the Oil Embargo against South Africa," says the money is spent on premiums to companies and middlemen, on a vast stockpile, on oil exploration and on Sasol installation and production costs.

The costs are broken down as follows:

- **Sasol** — R2.250-million in "extra costs of oil products manufactured"
- **Stockpile** — R125-million, preparing old mines and R1.325-million in lost interest on the stock
- **Off-shore exploration for oil (Sokot)** — R5-million
- **Premiums to companies and middlemen** — R7.5-million
- Other costs not estimated include the loss of potential export earnings of coal used by Sasol (about 32-million tons a year), pollution costs and ecological damage, the cost of under-utilisation of conventional refineries, compensation costs to oil companies, costs of production loss, repairs and security of energy installations because of sabotage.

To be able to pay these extra costs, the South African government has set up a complex system of special funds, the paper says.

The main ones are the newly-transformed Central Energy Fund, the Strategic Fuel Fund and the Equalisation Fund.

From PAGE 1

The paper says the funds have been kept secret, although they will now be scrutinised by parliament.

The funds are raised by taxpayers' and consumers' money and financed by various levies on liquid fuel consumption.

The paper reports a number of "oil scandals" reported in the South African press on the sale of crude oil, and allegations of misspending and corruption, on the mysterious court cases in which large sums for commission are claimed, on premiums paid to oil traders and on alleged "irregularities" by officials involved in management of these funds.

The Equalisation Fund, the paper says, was established to compensate the subsidiaries of Western oil companies refining oil in South Africa (Mobil, Calvert, Shell, BP and Total) for their abnormal costs of crude oil purchases. "The fund acts as a buffer levelling prices of crude oil purchases from abroad," says the paper.

In 1984, according to the paper, R1.000-million of the Equalisation Fund was spent to pay the interest of crude oil import prices.

The paper says the costs of the three Sasol plants so far are estimated at R25-billion. Crude oil imports have been reduced by Sasol by 35 percent. It comments: "This partial self-sufficiency, however, tends to decrease rather than to increase, as was recognized by the South African Director-General of Mineral and Energy Affairs, Louw Alberts (who noted that) this reduction of crude oil imports is less than the quantity of crude oil replaced by the Sasol production of fuels because of growth in markets demand."

The paper says another investment of up to R50-billion by 1995 would be needed to bring up 70 percent self-sufficiency, and that one new plant would have to be built every three years.

Sokot has spent more than R500-million so far looking for oil. The recent Mostel Bay gas find, the paper says, would cost R2.5-billion to develop.

The paper comments on the secrecy surrounding South Africa's oil purchase in a section entitled "Secrecy is Essential."

It quotes Minister F W de Klerk saying to parliament in 1983: "The struggle against boycotts is by no means over. UN attempts to prevent crude oil deliveries to South Africa continue. Any relaxation in the respect of secrecy can help to spotlight the target and enable our enemies to identify our friends and partners who deliver to us."
SAA forced to find new routes

THE marked shift in public opinion against South Africa and apartheid is causing some international airlines to plan changes to their long-established routes which cross Black Africa and terminate in South Africa.

They are also being influenced by the increasing reluctance of most African states to provide overflying and landing rights to jetties bound for South Africa.

South African Airways, which has for years avoided flying over continental Africa, is concerned about the long-term future of its own route around the "bulge" of West Africa, made possible by using the Cape Verde island of Sal for refueling on flights bound for Europe and the US.

Up to 18 SAA flights pass through Ami-Leen Cabral Airport, Ilha do Sol, every week of the year.

Stopped

Nairobi's Jomo Kenyatta International Airport, long used as a "halfway halt" by wide-bodied jets of various European airlines operating between their capital cities and Jan Smuts Airport in Johannesburg, has come under closer scrutiny by opponents of the Pretoria regime.

Airline operators are now thinking seriously about phasing out such flights to South Africa, or to stop using Nairobi as a halfway stop.

First to make a positive move is Scandinavian Airlines System (SAS) which stopped its flights from Copenhagen to Johannesburg through Nairobi on September 1.

This has also meant the temporary cessation of SAS flights to Nai-

robi, but SAS expects to resume those in November, once a suitable intermediate stop has been found to make the route economically viable.

Eight other European airlines, including British Airways, are still operating flights to South Africa, regularly calling at Nairobi.

British Airways has a daily 747 service to Johannesburg, but stops at Nairobi on five of the flights and flies non-stop on the other two days of the week, a fairly recent departure indicating it is technically possible to cover the distance from London without refueling.

The Israeli airline, El Al, also calls at Nairobi for refueling on its flights to Johannesburg and back.

Three other European airlines use the west coast route on flights to South Africa, calling either at Kinshasa or Brazzaville.

Pan-Am, which used to fly from New York to Johannesburg by way of Kinshasa, has also stopped its flights to South Africa.

Some time ago Qantas ceased its service between Sydney and Johannesburg and now ends its Africa flight in Zimbabwe, while SAS alone maintains the air link with Australia, using Mauritius as a refueling stop.

The Indian Ocean island has become the eastern equivalent of the Cape Verde islands for SAA on its westerly routes. SAA flights to Hong Kong and Taiwan also refuel at Mauritius before the long flights over the Indian Ocean.

Mission

With an eye to the possible stoppage of all European airline flights to South Africa should the situation deteriorate drastically, the authorities in Pretoria have been looking around for a possible alternative to Ilha do Sol airport in case Cape Verde withdraws all landing rights for SAA aircraft.

At the end of last year, South Africa's Foreign Minister, Pik Botha, was widely reported as having undertaken a visit to East Africa on such a mission.

— London Observer Service.
By Haannes de Wet

News of international anti-apartheid measures, such as proposed trade restrictions, has been grabbing the headlines recently. It is, however, the cumulative effect of the 'people' boycott which is eroding contact between South Africans and the world community.

Victims include balloonists, academics and members of pipe bands and judo teams. These South Africans - and many others - are finding themselves increasingly isolated.

Now even the 1985 South African Grand Prix is an on-off affair because of international pressure.

**FRENCH QUIT**

The French Renault team announced earlier this month that it would not take part because of increasing racial violence in South Africa. And the governments of Brazil, Sweden, Finland and France have urged the international organisers of the GP circuit to cancel the event.

A brief look at some of the sport/entertainment/cultural/academic boycotts of the past year brings home the extent of the anti-South African climate in the international community.

Entertainers who vowed in this period never to visit South Africa again include country singer Kenny Rogers, pop star Tina Turner, British singer Max Bygraves and American superstar George Benson.

The recent PACT opera season was also hit when previously contracted singers withdrew at the last moment.

Another kind of boycott action in the field of entertainment is the ban on South Africans who wish to perform in other countries.

Zimbabwe, for example, placed a blanket ban on South African entertainers in July this year.

Some other countries have gone further by devising a whole package of anti-South African measures.

Last month Brazil included the cutting of sports and cultural links in its decision to ban arms and oil exports to South Africa.

In June the Swedish Government instructed local authorities, trade unions and sports bodies that South Africans are to be banned from attending Swedish conferences, symposia, seminars, concerts, music and film festivals and sporting events.

Last month Belgium barred 12 South African experts from an international nuclear energy conference in Brussels.

Towards the end of last year New Zealand placed a complete ban on individual sportsmen and women from South Africa. And earlier this month the Australian Cricket Board warned that Australian cricketers who play in South Africa would be summarily banned from playing test and state cricket for 10 years.
UK sanctions move puts SA further into the cold

LONDON — South Africa is being pushed further out into the cold in the battle over apartheid. Britain yesterday fell into line with her European Economic Community partners by adopting a package of limited sanctions.

As part of the measures, the recall of Britain's two military attaches in Pretoria was announced yesterday.

However, Britain was "not persuaded" that economic sanctions against South Africa would bring about the desired change, the Foreign Secretary, Sir Geoffrey Howe, told the United Nations General Assembly in New York yesterday.

"PRESSURES WILL DIMINISH"

Mandatory sanctions and trade boycotts, Sir Geoffrey said, "would diminish rather than increase effective pressures on the South African Government to introduce fundamental changes and would bear most heavily on the weaker sections of the population and neighbouring countries."

He urged those countries with links with South Africa to use them in order to "promote fundamental change".

Sir Geoffrey spoke about "signs of movement" by the South African Government as a result of the recent visit by three EEC members.

"These," he urged, "must now be translated into firm decisions to dismantle apartheid."

"To the end there is now an urgent need for dialogue with genuine representatives of the African majority."

"Britain's turnabout, a significant change of policy, came after two weeks of internal discussions within the Foreign Office about whether to break ranks with EEC partners."

Diplomats said Britain's decision to enter the European Community fold, so to speak, was part of a campaign to ward off pressure, not only at the UN, but also at the Commonwealth Conference in the Caribbean next month.

The restrictive measures Britain has now agreed to are:

- A rigorously controlled embargo on exports and imports of arms and paramilitary equipment and from South Africa.
- A refusal of all co-operation in the military sphere.
- The recall of military attaches accredited in South Africa and refusal to grant accreditation to military attaches from South Africa.
- Discouraging cultural and scientific agreements except where they contribute to ending apartheid or have no possible role in supporting it and the freezing of official contacts and international agreements on sport and security.
- An end to oil exports to South Africa.
- A ban on exports of sensitive equipment for use by the South African police or army.
- The prohibition of all new nuclear collaboration.

The positive measures are:

- Adaptation, reinforcement and publicity of the EEC code of conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches.
- Educational assistance for "the non-white community" including grants for study at universities in the EEC.
- Intensified contacts with "non-whites" in political, trade union, business, cultural, scientific and sporting sectors.
- Assistance to the Frontline states and to the Southern African Development Co-ordinating Conference.

US TO MAINTAIN OFFICE

The Star's Washington Bureau reports that the United States will keep its military attaché office at its embassy in Pretoria.

"Given our role in the negotiations over Namibia's independence and in other regional security matters, we intend to maintain the office," a State Department spokesman said.

Reacting to the British decision, Mr Pik Botha, the Minister of Foreign Affairs, said it would not contribute to reform in South Africa. — Sapa.
Call for nuclear sanctions

VIENNA — Black African states are to call for tough new sanctions against South Africa at the International Atomic Energy Agency (IAEA) conference here.

"A draft resolution on this was discussed yesterday by representatives of the African states.

It includes calls for South Africa to open all its nuclear installations to agency safety inspections, a halt to nuclear cooperation between IAEA and South Africa and for the exclusion of Pretoria from all agency conferences which could help it exploit Namibia's uranium.

By focusing on Namibian uranium, the resolution reflects an attempt by the African states to gain maximum support from countries which might object to an outright ban on South Africa. The resolution will embarrass the US and Britain as they oppose moves to curtail the rights of member organisations.

A senior US official said yesterday if such a resolution were proposed, his delegation would have to seek instructions from Washington.

A British official said Britain would not oppose calls on South Africa to open nuclear installations for inspection or for an end to nuclear cooperation with South Africa.
British sanctions seen as political signal
Botha tells world: Stop interfering

NEW YORK. — President P W Botha yesterday warned United States businessmen that there would be a “backlash” if the international community continued its “unnecessary interference.”

In an exclusive interview published yesterday by Business Week, a leading American economic and business publication, Mr Botha said “sanctions cannot work” and warned: “If the international world pushes us too far, and if they don’t stop their unnecessary interference, there will be a backlash.”

At the same time, Mr Botha said South Africa needed foreign investment to develop “to its greatest capacity.”

Folly

Mr Botha was interviewed on September 19 at the Union Buildings in Pretoria by Mr Jonathan Kapp, Business Week’s regional bureau chief in Brussels who formerly was based in Johannesburg.

Asked about current US pressures on South Africa, Mr Botha said: “I know of prominent American business and financial leaders who would like to stay here, and they think this pressure and US sanctions is a march of folly.”

On the question of one man, one vote, he said: “One man, one vote will not work in South Africa but the principle of one man, one vote can be applied in a different way and in different structures.”

Influx control

Mr Botha denied any plans to abolish the whole system of influx controls: “We must have controls,” he said, “You cannot allow every man just to go and squat where he wants to squat.”

However, he said the next session of Parliament would formulate legislation to reform the influx control system. He said he believed economic decentralisation would relieve some of the pressure on congested urban areas.

Discussing the prospects for negotiation, Mr Botha once again ruled out dealing with the African National Congress or releasing Nelson Mandela unless violence was renounced.

He justified the recent raid into Botswana and responded to criticism of what the US describes as a South African commando raid on oil installations at Cabinda by saying: “We have our criticism of the US too far as far as Cabinda is concerned, I wonder to what extent the Cubans are being financed by way of the income through Cabinda.”

The influential US magazine took a gloomy view of the interview in an accompanying article, which said: “President P W Botha, captive of his ideology and his ruling National Party, has apparently decided to reject a chance to capture the fast diminishing common ground for negotiation about South Africa’s future.”

Mr Kapp is, who interviewed Mr Botha two years ago, said he believed the State President wanted to project an image of strength. He said Mr Botha had made all his points clearly and forcefully, insisting that his own pace of reform was valid.

Mr Kapp also said he believed Mr Botha had granted an interview to Business Week because he wanted to get the notion of South African self-reliance across to the decision-making community that reads the magazine.

Business Week has 800,000 subscribers and an estimated 5 million weekly readers.

Meanwhile, Austria was conforming to United Nations Security Council resolutions calling for action against South Africa.

US Congressional sources yesterday said President Ronald Reagans administration had formally decided to ban the importation of Kruger rands as part of package of sanctions against South Africa.

However, the architect of US policy in Southern Africa, Dr Chester Crockers, yesterday ruled out economic sanctions against Pretoria and accused some European countries of substituting moral indignation for diplomacy.

Dr Crockers told reporters in Paris that President Reagan’s decision to impose selective sanctions earlier this month was designed as a political action to signal no change in basic policy, “The president has no intentions of adopting measures that would hurt or damage the South African economy or the prospects for economic growth,” he said.

Sanctimonious

Dr Crockers said the measures represented no move away from the policy of constructive engagement and accused unnamed European countries of criticizing the policy without giving alternatives.

“Should we wash our hands in sanctimonious disgust and walk away from Southern Africa and give speeches in New York the way certain countries in Europe do and do nothing else feel sanctimonious?” he asked.

Saba-Reuters-AP
Sanctions: South Africa WILL feel the pinch

Four of the five nations responsible for most of the foreign investment in this country have now accepted the principle of sanctions against South Africa — though not necessarily economic sanctions.

More than 90% of foreign investment in SA is accounted for by Britain, the US, West Germany, France and Switzerland. In accordance with its traditional policy of neutrality, only Switzerland continues to hold out against sanctions.

The Doogates were reopened by the US when public opinion forced President Ronald Reagan on September 10 to approve a package of measures restricting most US firms operating in South Africa from exporting to it.

Anti-apartheid legislation is also being strengthened by the US with a bill moving through the Senate to introduce a tougher line against apartheid.

Several US public institutions — more recently New York State and Rutgers universities — have vowed to divest their investments in these SA companies.

Security and banks are the primary beneficiaries of the sanctions, with insurers, discount houses, and other financial institutions also taking a hit.

John de St. Jorre writes in a recent article for the University of British Columbia that the United States has imposed economic sanctions against SA because it is a failure of the country's political stability.

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.

Financial Institutions

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.

The US is the largest investor in SA, followed by West Germany and Switzerland, with the UK and France accounting for smaller amounts.
OTTAWA—Canada has moved to the forefront of the debate about economic sanctions against South Africa, with Tanzanian President Julius Nyerere and British Foreign Secretary Sir Geoffrey Howe in Ottawa this week to discuss positions at next month's Commonwealth summit.

Mr. Nyerere said yesterday: "Canada is prepared to apply some sanctions and my hope is that it will be possible, using Canada's influence, to get the Commonwealth to agree on a package that will reaffirm the 1977 Gleneagles agreement on sporting links, halt the buying of Kruger-rands, and end agricultural products, and end air links."

Political cartoons in this issue by H.W. Tyson, headlines and posters by M. J. Pottinger, and cartoons by A. Berry, D. Federer, and D. Anderson, all of 47 Spier Street, Johannesburg.
Austria announces sanctions

VIENNA — Austria yesterday announced economic and cultural sanctions against South Africa, including halting investments by state-owned firms, banning imports of Krugerrand coins and suspending sports contacts.

The move, announced in a statement by the office of the Chancellor, Mr. Fred Sinowatz, said Austria was conforming to United Nations Security Council resolutions calling for action against South Africa.

The statement also announced:

- A ban on exports of computer technology which could be used by the South African armed forces or police.
- Withdrawal of subsidies for sport and cultural institutions with contacts with South Africa, and a ban on visas and scholarships for South African sport players.
- Withdrawal of Austrian Government credit guarantees for exports to South Africa.
- A ban on state-owned firms from making tenders on South African nuclear projects.

Austria is one of the main centres for Krugerrand sales. — Sapa
US vows again:
no economic
war against SA

WASHINGTON — The United States Government is standing by its statement that South Africa has a reformist government — and it is determined not to wage economic war against the people of South Africa.

This was stated by Dr Chester Crocker yesterday during an internationally televised Press conference to which he defended US policy in South Africa against aggressive questions from reporters in Europe and South America.

But Dr Crocker, US Assistant Secretary of State for Africa, warned that the pace of reform had to speed up.

“I don’t think we have begun to see the kind of real, awful, horrible violence that could occur if things really spin out of control,” he said.

He added that the South African Government and other South Africans knew this was the US view.

Dr Crocker took a sharp swing at unnamed European countries which opposed constructive engagement.

He asked: “What is the alternative that people have in mind? That we should all wash our hands in sanctimonious disgust and walk away from Southern Africa and give speeches in New York the way certain countries in Europe sometimes do — and do nothing else but feel sanctimonious?”

Basis for future changes

“What is moral indignation a foreign policy?” he asked.

Dr Crocker said the US found attacks on constructive engagement interesting because it was “what many of our allies do, too. And it is the only course that makes sense unless we want to turn the region over to other forces, or let people stew in their own juice”.

He said the US — and, he assumed, other Western countries — did not want to do anything to damage, destabilise or undermine the South African economy, which was the basis for future changes in the entire region.

“South Africa’s economy is an engine for hope, for reform, for progress, and for stability throughout Southern Africa.

“We are not about to take steps that, in effect, amount to waging war against the South African economy and the South African people.”

President Reagan’s sanctions package had been a careful targeting of apartheid policies and institutions where the US felt it was important to dissociate itself firmly and unambiguously.

Asked what the South African Government had to do to satisfy the US Administration that a positive reform process was going on, Dr Crocker said the record was clear that South Africa had a reformist government, and the US stood by its earlier statement to that effect.

Black political rights

That did not mean that the South African Government had begun to address the basic issue of political rights for blacks, or that the pace of change was satisfactory.

But outsiders could not determine what was adequate. “What ultimately matters is what works — and what is adequate for South Africans themselves.”

Pressed on what the US wanted to see happening, Dr Crocker said the South African Government had a major responsibility to defuse the climate of polarisation, distrust and even hatred. That would create a climate that could return things to a more stable footing — and that, in turn, could lead to a second process of negotiation and bargaining.

But the US had no blueprint. South Africans had to shape their own blueprint for constitutional change.

The US opposed disinvestment, but this process had started to a degree already through decisions in the marketplace.

“It’s a tragic consequence of what we have been seeing in terms of developments from South Africa over the past 12 months,” he said.
Germans seek more SA links

BONN. - West Germany yesterday called for greater cultural cooperation, including sporting links, with all South Africa's racial groups.

The parliamentary motion won by the centre-right coalition government effectively, papered over a feud between its three main parties on policy towards Pretoria.

The coalition has been bitterly divided over government policy since the Foreign Minister, Mr Hans-Dietrich Genscher, of the liberal Free Democratic Party (FDP), cancelled a cultural agreement with Pretoria earlier this month.

Mr Genscher's decision, part of a package of measures agreed by European Community ministers to show disapproval of apartheid, was condemned by the right-wing Christian Social Union (CSU) of Bavarian Premier Mr Franz Josef Strauss, a long-time friend of Pretoria.

The CSU members of the government said they had not been consulted when the measure was ratified by the cabinet.

Chancellor Helmut Kohl's coalition yesterday defeated a motion introduced by the opposition Social Democrats (SPD) welcoming the government's decision to break off the cultural agreement with South Africa.

Parliament instead passed a motion calling for cultural co-operation with all South Africa's racial groups and for sport to be included in future cultural links.

Government policy has previously been to disassociate sporting links between the two countries.

During the debate, the Economics Minister and FDP leader, Mr Martin Bangemann, said the three government parties remained opposed to economic sanctions against South Africa.

Meanwhile London newspapers yesterday quoted Britain's decision to join its European Economic Community partners in limited sanctions against South Africa as a change of course.

The Foreign Office denied there had been any change, saying it had merely reserved its position to allow time for detailed study. "But the Conservative Daily Telegraph headlined the decision as a "policy switch".

The liberal Guardian headline said "UK changes tack on Pretoria sanctions" and - a headline in the independent Financial Times said "UK falls in line with Community on South Africa".

"There was no explanation, however, of why it took the government two weeks to find out that it was already implementing such policies," the Financial Times said.

South Africa was also under the spotlight at the United Nations as the 11 foreign leaders who spoke before the General Assembly on Wednesday all condemned apartheid.

Machel

President Samora Machel of Mozambique spent most of his one-hour speech attacking the apartheid regime.

"We have irrefutable evidence that they have continued to recruit, train, organize, finance, equip and give logistical support to the armed bandits in my country."

"As I speak now, the sister Republic of Angola is undergoing a similar attack." - Sapa-Reuter
Call for nuclear sanctions against S A

Mercury Correspondent

VIENNA—The general conference of the International Atomic Energy Agency (IAEA) has unanimously adopted a resolution calling on member countries to halt all nuclear co-operation with South Africa.

The 108 member countries have demanded a total halt to the transfer of nuclear materials from and to South Africa, including the purchase of uranium.

The resolution demands that all non-South African companies exploiting uranium in South West Africa should immediately stop operations.

South Africa is one of the world’s largest uranium producers and Atomic Energy Agency experts here point out that if the resolution is actually applied, some Western countries will have problems in operating their atomic power stations and reactors. Also, the price of uranium would increase considerably on the world market.

Also at the IAEA session here, the United States is threatening to walk out of the organisation and stop its financial contributions if an Iraqi resolution is adopted calling for a halt of all nuclear co-operation between the agency and its members and Israel.

In 1961 Israeli aircraft damaged an Iraqi reactor which was about to go into operation, claiming that it was destined to produce atomic weapons. Iraq has denied this and at each general conference since, it has demanded a formal declaration from Israel that it would in future refrain from such attacks.

At this conference Iraq has rejected a letter from Israel to the agency’s director-general in which it states it will not attack peaceful nuclear reactors.

At the general conference of 1962, Israel was expelled from the meeting, whereupon the US and several other Western countries also walked out.
Nuclear sanctions against SA

VIENNA — The International Atomic Energy Agency yesterday voted to impose sanctions against South Africa, calling on members to suspend any nuclear cooperation with the country.

The vote was 86-9 with 19 abstentions, including the United States, Britain, West Germany, Canada, Switzerland, Italy and Japan.

The US opposed a section of the resolution demanding a halt to all purchases of South African uranium on the grounds that it would hurt the black majority by undermining the country's economy.

"My government opposes sanctions directed at undercutting the economy of South Africa," said the US delegate, Mr Danny J Boggs.

Talks

Mr Boggs also said the paragraph calling for a complete cutoff of nuclear cooperation with South Africa, could also hamper any future talks with the South Africans on stopping the spread of nuclear weapons.

A similar resolution was adopted at the agency's annual conference last year.

The British Ambassador, Mr M J Wilshurst, said his country's abstention should not be interpreted as condoning apartheid.

He said Britain did not agree with a provision condemning South African uranium mining in SWA/Namibia, even though his country opposed South African administration of the disputed territory.

Nigeria

The resolution, submitted by Nigeria on behalf of other African nations, condemned not only apartheid, but South African occupation of SWA/Namibia. It also said South Africa had the ability to produce fissionable material for nuclear weapons because all its nuclear plants were not open to agency inspections.

It called on the agency's 120 members not to buy any uranium from South Africa and to prevent transfer of nuclear fuel and technology to the country.

South Africa was also excluded from any conferences or meetings of experts which would help it exploit uranium from SWA/Namibia.

Published by Cape Times, Saturday, September 26, 1981

Peaceful

The action came on the final day of the agency's week-long annual conference. The agency's aims are to promote peaceful uses of nuclear energy and safeguard against nuclear fuel being diverted into weapons manufacture.

South African delegates' credentials were rejected at a conference here in 1979 and the country has not attended an annual meeting since then.

The agency still conducts inspections at one South African nuclear-power plant and one reactor, but is not allowed into the country's other nuclear facilities. — Sapa-AP
Alone against sanctions

Thatcher will stand

The Natal Mercury, Monday, September 26/9/83
THE EFFECT OF SOUTH AFRICAN SANCTIONS ON ITS NEIGHBOURS

South Africa's neighbours could relatively easily surmount the direct effects of sanctions against South Africa. The main threat to neighbouring states would not be from the sanctions themselves but from South African retaliation. This is the conclusion of a paper by Dr Joseph Hanlon, who is engaged in extensive research on South Africa and its neighbours for the Catholic Institute for International Relations. The paper is presented to the conference of the Association of Western European Parliamentarians for Action against Apartheid, held in Amsterdam from 12-14th September 1985. The Conference is being addressed by, among others, the Foreign Ministers of Botswana and Zambia, and by Zac Yacoub who is one of the very few UDF leaders not in detention who is coming specially from South Africa. The Conference is being attended by about 50 Members of Parliament from European countries, ranging from Malta to Norway.

Dr Hanlon summarises the different dependences of the various states on South Africa, and the support they would need from the West if sanctions were imposed.

ENDS

Further information from: Joseph Hanlon: 01-405-1253
Paul Spray : 01-354-0883
Tamme Hansma : 010-31-20-276801
(Amsterdam Conference)
The effect of sanctions on the SADCC states

Joseph Hanlon

It is often said that sanctions against South Africa will also hurt the majority ruled states. This is true, although the main costs will not be from the sanctions themselves but from South African retaliation and military action. In this paper I will try to assess very superficially the likely impact of sanctions, and what should be done to indemnify the neighbouring states.

First, it is necessary to look at the kinds of dependence on South Africa:

Migrant labour: There are 275,000 legal migrant workers in South Africa; half are from Lesotho, about 60,000 from Mozambique, and smaller numbers from Botswana, Swaziland, and Malawi. They remit US$ 300 million per year. (Note that estimates by South Africa of over 1 million migrant workers are a total fiction, or include bantustan residents.)

Transport: South African ports and railways handle most imports and exports for Lesotho and Botswana; about half each for Zimbabwe, Zambia, and Swaziland; and somewhat less for Malawi. Note that efforts have been made already to shift traffic from the last four to SADCC ports, and thus the continued use of South Africa is largely due to disruption of the Mozambican transport system by the South African backed and organised MNR (Renamo).

Energy: South Africa supplies: all petroleum products to Botswana, Lesotho, and Swaziland (BLS); all electricity to Lesotho, and half the electricity for Swaziland and Maputo (the rest of Mozambique has independent systems).

Consumer goods and raw materials: the three members of the Customs Union with South Africa (BLS) obtain virtually all their imports from or through South Africa. For other countries, South Africa provides a smaller portion of imports: Malawi (39%), Zimbabwe (24%), Zambia (15%), Mozambique (8%).

Currency: Lesotho and Swaziland both use the Rand as currency.

Exports to South Africa: Zimbabwe and Swaziland have significant exports to South Africa. Perhaps US$ 30 mn per year worth might not find other markets. Two projects on the drawing board, Lesotho's Highland water scheme and Botswana's Sua Pan soda ash project, will increase exports to South Africa substantially in the 1990s.

Geography: Lesotho is surrounded by South Africa. Botswana, Swaziland, Mozambique, and Zimbabwe have long borders with South Africa.
Discussions of sanctions are somewhat hampered by the vagueness of the whole issue. What would they be, and how rapidly would they be introduced? Clearly a sudden border closure, a la Rhodesia, would have most impact, but it would also be most disruptive to the neighbours. Phased or step-by-step sanctions now seem most likely, giving both South Africa and the neighbouring states maximum time to adjust. In practice, international sanctions would probably include some exemptions for the neighbouring states, or at least BLS. Also, the experience of the violation of the Rhodesia sanctions by Britain and other states has led most SADCC states to say they must be last to impose sanctions, not first. This is only sensible, as South African trade with the US, UK, and FRG is vastly larger than with the SADCC states.

In principle, limited sanctions should do no harm and might actually benefit the neighbouring states:

Oil embargo: would affect Botswana, Lesotho, and Swaziland, but all could buy refined petroleum products on the world market at lower prices than they now pay South Africa.

Limited trade bans: Again, all neighbouring states could buy directly on the world market. Indeed, several studies have shown that South Africa is normally a more expensive source of supply, and neighbouring states use it only because of history (and laziness and disorganisation), as well longer-term credit, transport, and membership in the Customs Union. Nevertheless, we are talking about redirecting as much as US$ 2000 million per year in trade, and that will be extremely disruptive in the short run, especially if done quickly.

Investment bans: should benefit the neighbouring states by diverting to them at least some of that capital, thus speeding their industrialisation.

***

The central and presently unanswerable problem is what the South African response would be to limited sanctions. Retribution could take two forms:

Economic retribution might mean dismissing migrant workers and cutting off trade and transport. The mining houses themselves want to keep the skilled Basotho labour, and would resist any South African government retaliatory attempt to suddenly expel all migrants. But the numbers could be cut back rapidly to, perhaps, one-third their present level. As for trade and transport, South Africa needs the SADCC states as a market, from which it earns US$ 1000 million per year. They are the main export zone for South African industry (as distinct from the much larger mineral exports) and are important users of ports and railways, which would lose business if sanctions were imposed. One goal of South Africa's economic warfare against its neighbours has been to retain this market for transport and manufactured goods. Thus it seems unlikely to cut off this lucrative market voluntarily, merely as retaliation (nor would the business community allow it to).
Military and sabotage action against neighbouring states would be a much more important and dangerous response. We must assume stepped up support for anti-government groups in all neighbouring states which support sanctions. But there also surely would be military action aimed at preventing neighbouring states from imposing sanctions. Pretoria would probably intervene to physically prevent BLS from importing fuel directly. This is not an idle supposition, as South Africa takes its control of oil very seriously. It has sabotaged supplies in or for Mozambique, Zimbabwe, Angola, Malawi, and Lesotho, and blocked independent supplies to Lesotho and Botswana; such action should be assumed again. Also, South Africa might send in troops to guarantee its continued access to Lesotho water, Cahora Bassa electricity, and the railway through Swaziland.

* * *

Because it is so hard to predict the course of sanctions and reaction, it may be useful to look at the most extreme case: total closure of the South African border. This could come about either through the imposition of sanctions by most of the world, or by partial sanctions followed by South Africa pulling up the drawbridge. There seem several key issues:

Lesotho: because it is totally surrounded by South Africa and cannot survive in isolation, it would be necessary to make some exception to sanctions regulations for Lesotho. The question really is how tightly South Africa would isolate Lesotho -- would it transport sealed containers of food, fuel, and other supplies, or would there have to be a Berlin-style airlift? Even without sanctions, South Africa has already refused to transport oil and arms to Lesotho.

Transport: Trade volumes in the region have not changed much in the past 20 years, and two decades ago little cargo passed through South Africa. The Benguela will probably remain closed for some time, but the Tazara is now open. Swaziland, Botswana, Zambia, Zimbabwe, and Malawi all have adequate rail access to Mozambican and Tanzanian ports; under "normal" circumstances these ports and railways can handle all cargo, and the cost would be less than shipping through South Africa. Only one cargo would create problems: Botswana and Zimbabwe use special port facilities to keep their beef frozen, and these do not exist in Maputo (although they could be built, probably in less than a year). The key issue must be if South Africa will allow such a transfer to take place. The Zimbabwe-Beira line is open only because of Zimbabwe soldiers, while the Zimbabwe-Maputo line is closed and the Swaziland-Maputo line subject to attack. Pretoria would probably go out of its way to keep the Zimbabwe-Maputo line closed; keeping it open would require a large increase in troops. Alternatively, the Beira and Dar es Salaam railways and ports could be relatively quickly upgraded to take most of the region's cargoes, but this would require substantial financial help.

Migrant labour is the main income in Lesotho, which would again be hardest hit. For the other countries this income is important but not essential. These numbers have been falling steadily over the past decade, and the impact of sanctions seem dependent on how quickly migrant labour was ended.
Anglo-American: The economies of Botswana and Zimbabwe are dominated by Anglo (sometimes through Anglo-controlled companies, particularly DeBeers and South African Breweries). How would the relationship of these two states to Anglo be affected by sanctions? Anglo would surely want to keep control of Botswana diamonds, but would this occur by an Anglo offshore company dealing with Botswana, or by South African troops taking control of the mines (as they now control the Ruacana hydroelectricity scheme in Angola)?

Electricity: Maputo and half of Swaziland are supplied by South African electricity. There is no easy alternative for Swaziland. Maputo has a coal fired power station which supplies half the demand and a line is nearly finished to the Massingir dam (although generators have not yet been installed there). Mozambique’s Cahora Bassa Dam is contracted to supply 10% of South Africa’s power (although the line has been cut for some time). If sanctions were imposed and Mozambique were willing to renege on its supply contract, the line could be diverted to supply Maputo and Swaziland. This could cost more than US$100 mn and would need protection against South African sabotage. (Zimbabwe and Botswana use small amounts of South African power but this could be easily substituted.)

* * *

By country, the problems come out like this:

Lesotho: hostage state. Totally dependent on South Africa for jobs, income, food, and fuel.

Botswana and Swaziland: Outside rail links and reasonably stable economies make it possible to ride out sanctions. Membership in the Customs Union with South Africa means that most trade is with South Africa, so the reorientation would cause substantial temporary disruption. Loss of migrant labour will exacerbate unemployment problems. South Africa could disrupt water supplies to both states. Swaziland’s electricity from South Africa is potentially the most serious problem. Also some loss of Swazi exports, but probably most can go elsewhere within region. Possible military interventions in Botswana diamond mines, Swazi railway (which links eastern Transvaal to Richards Bay), and fuel supplies to both states. (Swaziland most likely state in region to refuse to impose sanctions. But this would have little benefit to the South Africa economy, except perhaps as a sanctions-busting inland "free port".)

Mozambique: Loss of more than US$ 100 mn per year from migrant labour and South African cargo passing through Maputo would be partly offset by increased earnings from other transit traffic. Possible electricity shortages in Maputo. Major problem will be stepped up South African sabotage and military action, as Mozambican ports and railways are key to regional survival against South African retaliation.

Zimbabwe: Loss of some manufactured exports, particularly steel rod (but South African has just imposed a tariff on this and it may end anyway) and clothing. Significant disruption in trade patterns, but no long term trouble if Mozambican ports are open. Possible problems if Anglo pulled out quickly.
Zambia: there was little trade with South African in mid-1970s and it is still not large, so a cutback would only cause minor dislocations.

Malawi: Loss of some migrant labour. Disruption in trade patterns and loss of South African consumer goods, but not serious if have good access to Dar or Mozambican ports. Might force Malawi to stop aiding MNR. (Malawi possible reluctant participant in sanctions, but little choice if Mozambique and Zimbabwe impose them.)

Angola and Tanzania: no effect

Thus the final question is what support must be given to the SADCC states in the event that sanctions are imposed. In part, this depends on how South African responds, but the following seems necessary:

Lesotho: The hostage state must be kept alive. At worst this would mean US$ 250 mn per year and a Berlin airlift.

Dislocation help: Reorienting trade patterns will be time consuming and expensive in the short run, albeit profitable in the long run. Foreign aid will be needed to establish a revolving import credit fund, to replace South African credits (this would require at least US$ 750 mn to provide 180 day credit). And help may be needed to establish some sort of regional import-export agency. Temporary assistance, perhaps in the form of agricultural development projects, will be needed to absorb expelled migrant workers.

Infrastructure: Urgent help will be needed to upgrade and extend railway and port facilities and electricity lines. This would have to be done much more quickly than such aid is normally dispensed.

Military: Mozambique will need military help to protect vital railway and power lines. Botswana may need help to protect fuel supplies and diamond mines. This is the most serious need, and is the one donor states will steer farthest away from.

It is hard to put specific costs to some of this. It is worth noting that the costs of South African sabotage and destabilisation are at least $ 2 billion per year. The cost of withstanding sanctions would be that high, at least at first. But if developed countries are serious about sanctions, then this is not a huge amount to pay to cushion the neighbouring states. Equally important, most of the money will go for development projects that need to be done in any case. And it will be a worthy investment, both in breaking South Africa’s economic dominance of the region, and in finally ending apartheid.

Joseph Hanlon
22 Bevan House
Boswell Street
London WC1N 3BT
telephone: 01.405.1253
Reagan orders US ban on imports of Krugerrands

WASHINGTON — President Ronald Reagan yesterday ordered a ban on the importation of Krugerrands into the United States from October 11.

The President's order came hours after a threat from the Republican leadership in the Senate that, if the White House did not act soon to ban South Africa's gold coins, Congress would renew its demand for tougher sanctions.

An end to Krugerrand imports was one of the limited sanctions announced by President Reagan on September 9 in response to intense pressure in Congress to act against South Africa.

But opponents of the Reagan administration's policy of constructive engagement were suspicious of the President's intentions because he had said that US officials would first discuss the ban with member nations of the General Agreement on Tariffs and Trade (GATT).

The opponents suspected that the ban would be delayed indefinitely during a drawn-out consultation process and they demanded to know why the US had to discuss its foreign policy decisions with other countries.

The Krugerrand ban was a key element in the compromise decision taken in the Senate to halt congressional demands for sanctions harsher than those ordered by the President.

After the ban was announced, President Reagan said that his action was aimed at apartheid and the South African Government but not at the South African people.
WASHINGTON - President Ronald Reagan has ordered a ban on imports of Krugerrands from October 11.

The President's order came hours after a threat from the Republican leadership in the Senate that if the White House did not act soon on banning South Africa's gold coins, Congress would renew its demand for tougher sanctions.

An end to Krugerrand imports was one of the limited sanctions announced by President Reagan on September 9 in response to intense pressure in the Congress for action against South Africa.

But opponents of the Reagan administration's policy of constructive engagement were suspicious of the President's intentions because he had said United States officials would first discuss the ban with member nations of the General Agreement on Tariffs and Trade.

The opponents suspected that the ban would be delayed indefinitely during a drawn-out consultation process -- and they demanded to know why the United States had to discuss its foreign policy decisions with other countries.

Key element

The Krugerrand ban was a key element in the compromise decision taken in the Senate to halt congressional demands for sanctions harsher than those ordered by the President.

Republican Senator Richard Lugar, who arranged the compromise, made this clear to the White House, pointing out that unless the coins were included in the President's measures, there would be no support from Congress and that the sanctions debate would continue with certain defeat for Mr Reagan.

At the weekend, Congressman Mr. Bill Gray, powerful chairman of the House of Representatives budget committee, warned that unless the ban went into effect within the next fortnight, the house would return to the issue with a vengeance.

A similar threat came from Senator Lugar. He has the authority to resume the shelved sanctions debate in the Senate, and he warned that he might do that unless the coins were banned soon.
"Selective sanctions are SA's only hope"

NEW YORK — Selective, strategic and properly monitored sanctions against South Africa are the country's only hope, Mrs Sheila Duncan, president of the Black Sash, told a New York audience yesterday.

Speaking at a seminar arranged by the Trinity Episcopal Church on Wall Street, she said sanctions could stave off years of bloody violence in South Africa.

She had no doubt that economic sanctions were effective.

Mrs Duncan added that with Africans more open to change than ever before, she believed the proposed citizenship for black South Africans was a significant and genuine reform proposal. The denationalisation of South African blacks was a key aspect of apartheid.

Other speakers at the seminar were Archbishop Trevor Huddleston, founder of the British Anti-Apartheid Movement, Mr Mfanasuthu Makhathini, international director of the ANC, Mr Welcome Masomi, South African playwright, and Mr Franklin Thomas, president of the Ford Foundation.

LIKE SCALDED CATS

Dr Alan Boesak, patron of the UDF, invited as keynote speaker, was unable to attend because bail conditions following his release from prison prohibit him from leaving his neighbourhood.

Miss Dana Bishop read a statement to the seminar on his behalf.

Mrs Duncan told the audience that South African businessmen, a powerful constituency whose profitability had been served by apartheid, were "now running round like scalded cats" as financial isolation and the debt crisis galvanised them into action.

She said she was very angry about persistent questions in America that assumed post-apartheid South Africa would see a struggle dominated by ethnic groups, leading to the suppression of black and white minorities as had been the case in the rest of Africa.

South Africa was not a country where there was a large majority and a small minority, but several ethnic groups whose differences had begun to disappear until the National Party used them for its own political ends.

LEGACY OF APARTHEID

"Ethnic nationalism is a creation of the National Party," she declared. "Our common South Africanism will override any friction."

Responding to a question on the form a post-apartheid society might take, Mrs Duncan said South Africans, like anybody else, wanted maximum freedom and justice.

The second seminar in this four-part series, next Wednesday, will address American-South African policies.

Speakers will include Mr Abe Hopenstein, South African Consul-General in New York, Senator Stephen Solarz, who recently visited the Republic, and, as the keynote speaker, Mr Chester Crocker.

This report is restricted in terms of the Internal Security Act because Mr Mfanasuthu Makhathini may not be quoted in South Africa.

Residents reject plans to move them

By Jo-Anne Collinge

The first signs of resistance to the new consolidaation plans for homelands in the Transvaal have come from Blikfontein and Ggeweefontein where thousands who have been under kwandebele authority since 1979 will have to move and give their land to Bophuthatswana.

At a meeting called yesterday by the Senetlelo Community Authority, hundreds of residents declared unanimously that they were not prepared to move from land they had occupied for decades and they rejected annexure into Bophuthatswana.

Plans to remove the community and cede its land to Bophuthatswana were announced last month by the Minister of Constitutional Development and Planning, Mr Chris Heunis. The Minister volunteered to move.

Residents angrily rejected this, saying they had first learnt their fate in the newspapers and that they had not been consulted.

The two farms, totalling over 7,000 ha, were bought by the community in 1929 and 1947, both being part of the "released" for black ownership in terms of the Land Acts.

---

PARTICIPATION MORTGAGE BONDS

20.5%

15% GUARANTEED YIELD

* INTEREST MONTHLY IN ADVANCE

PHONE:
JERRY COUVABAS (011) 391-7785/4

SUPREMEBOND
A REGISTERED FINANCIAL INSTITUTION
LONDON — More than 1 000 British stores will no longer stock South African goods because one of the country's major retailers has cut trade links with SA.

Co-operative Retail Services yesterday placed an immediate ban on all SA products.

The CRS board said in a statement yesterday: “The board is totally opposed to apartheid. From today, CRS will no longer stock any product from South Africa.

“For a long time we have, where possible, avoided stocking produce from South Africa.

“Until now, there were a few examples where it had proved impossible to obtain produce of the right quality and value from other sources.

“These difficulties have now been overcome.

“We believe this policy will have the support of the vast majority of our members, customers and employees.”

Another organisation, the Co-Operative Wholesale Society, which supplies and manufactures goods for the whole co-operative movement, said it was taking further steps to eliminate trade with South Africa.

A spokesman for CWS said the co-op had decided to:

- Ensure no goods packed under the co-op label are imported from SA.
- Eliminate all ingredients known to be of South African origin from co-op label products manufactured in CWS factories.
- Refrain from buying knowingly any proprietary brands produced, processed or packed in South Africa.
- Stop the import of citrus and other fruits from South Africa.

“In view of the present political situation in South Africa, we believe that most of our members and shoppers would expect us to take action of this kind,” said the CWS spokesman. — Sapa.
SA goods banned by large retail group in UK

LONDON. — South African goods worth hundreds of thousands of rand have been banned from shops in Britain's largest retail group.

Co-op, the first major store group in Britain to cut trade links with South Africa in protest against apartheid, has more than 1,000 stores across the country.

Citrus and canned fruit exports from South Africa are the major casualties, but the ban will also hit holiday trade. Co-op subsidiaries include travel agencies.

The retail group has reduced trade links with South Africa since 1978 and the bulk of trade has been whittled down gradually.

A spokesman said, however, that yesterday's ban would affect hundreds of thousands of rand worth of goods.

Co-op is owned by members who each have one vote whatever the size of their shareholding.

The group has links with the Trades Union Congress, an umbrella group of British trade unions which launched a national drive last month to eliminate South African goods from British shops.
The Secret Life of Dr. Marc Burger

5/10/85

says South Africa's most unlikely top sanctions expert

My job at the Union Buildings is like a giraffe, difficult to describe if you have not seen one.
Dr Burger is just about the most unlikely civil servant you could hope to meet. The 38-year-old economic boffin admits it with candour: "My job is like a giraffe, difficult to describe if you have not seen one."

In practical terms he heads the planning section of the Department of Foreign Affairs. So far so mundane. Yet his tiny unit is the very nerve centre which informs and guides Government on all matters pertaining to disinvestment and sanctions.

On these, as in most things, Dr Burger takes an unorthodox long view. His research on sanctions goes back to ancient Greece and Pericles' Megarian decree of 432 BC, which was issued in response to the kidnapping of three Aspian women. According to Arstophanes it was not all that successful because it triggered the 100-year Peloponnesian War.

Benito Mussolini

Modern-day sanctions, says Dr Burger, hardly ever work. Either 'Exhaustive studies and the great weight of historical evidence show that when used as instruments of oppression or coercion, sanctions have in nearly all cases been ineffective.'

And here he also quotes Benito Mussolini, who faced League of Nations sanctions in 1935. The World War 2 Italian dictator made it clear sanctions had provided their own antidote when he told the world: "To sanctions of an economic character we will reply with our discipline, with our sobriety, and with our spirit of sacrifice."

Mussolini was not deterred from his disastrous course and he did sacrifice both himself and his country.

Dr Burger also finds Napoleon's campaign against Russia a source of inspiration: "He invaded Russia to a large extent because he had defined the British as a nation of shopkeepers and he wanted to close the remaining loopholes in their markets."

Plan was a failure

"But the plan was a failure. When his army marched into Russia the troops in fact wore greatcoats made in Lancashire and they carried Sheffield bayonets which were smuggled in through Portugal."

He is naturally highly critical of sanctions and disinvestment as a lever to force change. "When economics are used as a weapon its effects are indiscriminate."

He likens governments behind the campaign to a firm of civil engineers embarked on a venture to build a flounder.

"The job has to be done. They will not consider that about one worker a month will be killed while it is being built through accidents on the job."

"Lights were burning late at the Union Buildings this week as officials studied the implications of President Reagan's latest punitive action - the ban on the importation of Krugerrands."

Among them was Dr Marc Burger, an expert on sanctions. It is his responsibility to keep the Government informed of economic moves against this country and advise appropriate responses.

Until now his work has been regarded as too sensitive to bear exposure to the public spotlight, but he agreed to speak — albeit reluctantly — about a job which just never lets up.

"When you are asleep on one side of the world, somebody is awake and causing mischief at the other...I work crazy hours these days," he says.

"The average black man has six mouths to feed. If you break his rice bowl, then what are the options? We (the Government) cannot afford to feed him."

He believes the big public utility borrowers, especially such as Escom and the railways, could be vulnerable to the present international climate and he finds this economic pressure ridiculous. "It is as if they believe only whites use electricity. Yet it should be regarded as a humanitarian service. For example, electricity provides black families with security (through streetlights) and with a window on the world (through television)."

He points to the Sats network, which stretches up to and includes Zaire. Our nearer neighbours depend on it absolutely. "If you hit at Sats then you hit at the whole region."

Legalised spies

He and his two deputies process a wealth of information every day. This includes cables from missions abroad and other raw material including such as press clippings. He is briefed by businessmen and ra-
Pericles' Megarian decree of 432 BC was issued in response to the kidnapping of three Spartan women. According to ARISTOPHANES (left) it was not all that successful because it triggered the 100-year Peloponnesian War.

It is on the basis of this input that he and his team put together — sometimes under immense pressure — a packaged response for the Government through Foreign Minister Pik Botha.

**Beaten the boycotts**

Dr Burger is reasonably optimistic about the future. "South Africa is not without assets. We have been under tremendous pressure for the last 26 years. But we have been on both the arms and oil boycotts. Our response has been to ensure that South Africa's decisions will be made by South Africans."

"*That is what is meant by the Commonwealth's dictum viz the effect that sanctions will not work if the purpose is to coerce."

"But another failed attempt at imposing sanctions can needlessly destroy the jobs and welfare of people here and in our neighbouring states."

In the meantime this son of a foreign service officer, who attended schools in Pretoria as well as the United States, Britain and Germany, is not concerned with controversial policy as such but only with pure economics. As a result, he says, "I have one of the easiest jobs in the Union Buildings in the sense of the morality of what I am doing. I have never lost a night's sleep."
New role for city Red Embassy

Municipal Reporter

The last house in Queen Victoria Street, Cape Town, may soon be used for professional or business purposes.

The building, owned by a former mayor, Mr. David Bloomberg, has had a colourful history — it was once the Russian Embassy in the 1930s, and was later owned by gynaecologist and obstetrician professor Cuthbert Crighton.

The house (it was once two) is possibly the last remaining building designed by architect George Ransome, who also designed the old Markham's Building and the Sea Point Town Hall, now both demolished.

Mr. Bloomberg renovated and converted the dwellings to one house about five years ago. He will be leaving the premises and has applied to the council for a relaxation of the town planning scheme to allow a business there.

The town planning committee recommended that Mr. Bloomberg's application be approved, subject to conditions. These stipulate, among other things, that the residential character and appearance of the building be retained and that in future only a discreet advertising name plate be used.
ANC plea for sanctions fails

Own Correspondent

LONDON — The British Government will maintain its opposition to economic sanctions against South Africa in spite of increasing pressure this week to change their stance.

This was made clear by the Foreign Office yesterday. A spokesman said they had not been swayed by the impassioned plea for comprehensive sanctions against South Africa at the Labour Party conference by the ANC leader, Mr. Oliver Tambo.

'Shame'

After a heated debate, which took place while Mr. Tambo was sitting on the platform, the Labour conference voted overwhelmingly in favour of adopting economic sanctions against South Africa.

In the debate, the shadow Foreign Secretary, Mr. Denis Healey, said Prime Minister Mrs. Margaret Thatcher had "covered Britain with shame" by standing out alone as the bodyguard of apartheid.

The conference also adopted a resolution that urged the immediate release of anti-apartheid activists detained under South Africa's state of emergency.

The Foreign Office spokesman said Mr. Tambo's speech at the Labour conference and the debate on South Africa was "very much a Labour Party matter".

The government will "absolutely" maintain their opposition to sanctions.

This was also the view of the Foreign Office when they were asked whether Bishop Desmond Tutu's visit to Number 10 Downing Street would influence Mrs. Thatcher to take a different view on the sanctions issue.

• UPI reports that the Labour Party also resolved yesterday that a future Labour government in Britain may supply arms to Nicaragua to fight United States-supported Contra rebels.
Britain stands firm against sanctions

London Bureau

THE British Government will maintain its opposition to economic sanctions against South Africa in spite of increasing pressure this week to change its stance.

This was made clear by the Foreign Office yesterday. A spokesman said they had not been swayed by an impassioned plea for comprehensive sanctions against South Africa at the Labour Party conference by the African National Congress leader Mr. Oliver Tambo.

After a heated debate, which took place while Mr. Tambo was sitting on the staircase, the conference voted overwhelmingly in favour of adopting economic sanctions against South Africa.

In the debate the shadow foreign secretary Mr. Denis Healey said Prime Minister Thatcher had 'covered Britain with shame' by standing out alone as the bodyguard of apartheid.

Diplomatic

The conference also voted against the wishes of the leadership, in favour of a motion calling for the severing of diplomatic ties, as well as economic links.

The National Executive Committee asked that the motion be described as 'militant-inspired' and demanded that the NEU then opposed the motion.

A vote was taken and 3,500,000 votes were cast for the motion with 3,000,000 against.

The Foreign Office spokesman said Mr. Tambo's speech at the Labour conference and the debate on South Africa was 'an important matter'. The Government would 'not' continue to call for more economic pressure through carefully targeted sanctions on South Africa.

A delegation led by the Rev. Dr. Institikhi said the struggle for freedom in South Africa was 'moving on to new chapters'.

There was a kind of confidence at grassroots level now among the black people which wasn't there before', he said.
Money outflow from South Africa continues, Dr de Kock says

Argus Foreign Service

LONDON - South Africa has suffered continuing outflow of "several hundreds of millions of dollars" over the past six weeks according to the Governor of the Reserve Bank, Dr Gerhard de Kock.

Thus has taken place in spite of the moratorium on capital repayments designed to stem South Africa's outflow of foreign currency.

This outflow, caused by the maturing of South African securities issued in London and outside the August standstill, had meant that South Africa had been unable to rebuild her reserves, in spite of the continuing current account surplus.

These outflows would continue for some months, though at a decreasing rate, making it even more pressing for South Africa to reach an early accord with its bankers.

Dr de Kock is in Seoul for the annual meeting of the International Monetary Fund and World Bank.

It was loans between banks, including loans by international banks to the South African affiliate of both Standard Chartered and Barclays which Dr de Kock described as "our achilles heel".

These loans amounted to $6.5 billion, out of a total debt of $24 billion. Of this $24 billion, $14 billion would mature within the next 12 months.

Next year, the South African economy was expected to grow by 5 percent and produce a current account surplus of about $2 billion. But this situation could not be sustained if South Africa was to continue to grow it would again have to become a capital importer.

Dr de Kock said he believed South Africa would be able to continue to borrow to finance imports.

"But this would not be enough," he said. He argued that the whole Southern African region would face economic hardship if South Africa could no longer borrow abroad.

While the economic sanctions imposed by the United States, France and other countries had had little direct economic effect, they had been a psychological blow. This spread to the international financial market.

Dr de Kock said he realised how serious the country's financial position had become when the US sanctions deal passed Congress and he was told by Mr Jake Butcher, chairman of the large New York bank, Chase Manhattan that his country was being dropped because it was an "international pariah."

Dr de Kock was concerned that South Africa might slip into a siege economy if sanctions were toughened or if Swiss banker Fritz Lieuwetller - who is to call a meeting of the 29 main creditor banks in London this month to try to get them to review their credit lines - was unable to reach agreement before the end of this year when the present moratorium on capital repayment expired.

A siege economy might allow strong growth in the short term as in Rhodesia after UDI but it could not be sustained.

Meanwhlie the Reserve Bank has appealed to the public of South Africa, SWA, Namibia and the independent homelands to submit information on their foreign liabilities to the bank by October 25. Sapa reports.

In a statement the bank said the information would enable it to assess the need for planning South Africa's foreign debt repayment programme.

In terms of the exchange control regulations the relevant forms had to be completed by all residents who had foreign liabilities as at August 31 this year. Copies of the forms are available at all branches of the commercial banks and at the government offices of the independent national states.
Expert warns on black govt

Financial Reporter

Even if a black government were in power, overseas countries would not necessarily be more willing to invest in South Africa than they are now, the head of the Nedbank group economic unit, Mr. Rudolf Gouws, said yesterday.

He said bankers were reluctant to lend to countries with black majority rule. Zimbabwe was struggling to obtain financial help.

“We all know things have to change here. We all know black people must have more political power. But the process by which we make these accommodations is crucial.”

Mr. Gouws was speaking at a seminar organized by the Menawear Group of South Africa at a City hotel.

He said international political influences made it hard for economists to forecast what would happen in the coming year.

It was important not to under-estimate “how broadly-based the antagonism to South Africa is.”

Forecasting depended on whether one expected a total boycott of South African exports with major trading partners joining in, or only a few exports boycotted by a few countries.

Unemployment to continue rising

It would also be disastrous if direct communications and transport links with South Africa were cut.

Even with a fairly optimistic forecast, he expected unemployment to continue rising until the middle of next year with no meaningful turnaround until the end of 1986.

He expected the inflation rate to average 15.5 percent. People would be lucky if their New Year rise was more than two-thirds of the inflation rate.

He thought there would be a cut in personal income tax next March and interest rates would continue to come down, partly because of weak demand and partly because the Reserve Bank was worried about unemployment.
Sanctions net tighter

Reasoned by Norwegian engineers to recommend sanctions on South Africa, it appears that the sanctions may be even more severe.

Norwegian and British transport workers and ferry drivers are urging ship captains to refuse to sail to South Africa.

In Washington, the Senate has already voted for severe sanctions, including a total of investment in the country. Foreign investors will study more severer measures, including a total of investment in the country.

Local banks were damaged by the imposition of sanctions, but the government has already committed to an alternative plan which would allow smaller regional banks to enter the market. In addition, the government has agreed to weaken its national banking system to allow smaller regional banks to enter the market.

Although it is claimed by the city's opponents, the pressure for the temporary suspensions, Barry, pleased with the council to restore GTC.

Top union call for sanctions

Western governments should maintain pressure on South Africa to end apartheid, boycott South African goods, and establish a Free Trade Union (CPTU).

Eugene From and to Brussels yesterday.

From: Who is waiting a latest move in sanctions on South Africa, and are now considering a boycott of South African goods and a Free Trade Union (CPTU).

- ANO.
Sanctions net tighter

trolled by Norwegian companies to report every call to South Africa.
At present the identities of the owners are kept secret.
Norway’s gross trade revenue from bulk shipping with South Africa is about $80m.
Norwegian and Finish transport workers and lorry drivers are urging shipowners to refuse to handle South African imports from October 20.
On October 17 and October 18, Nordic foreign ministers will study more severe economic sanctions, including a total investment and loans ban.
In Washington, Citicorp had promised to invest $160m in the city in return for a banking licence, and was strongly supported by Mayor Marion Barry.
Local banks were dismayed by the threatened arrival of America’s largest financial institution, and lobbied the council for an alternative plan which would only allow smaller regional banks into the city.
As part of the campaign, the District of Columbia Bankers’ Association distributed a newspaper article saying Citicorp had no plans to withdraw from SA.
Although a vocal supporter of the city’s divestment legislation, Barry pleaded with the council to overlook Citicorp’s SA dealings.
“All the money centre banks have the same problem with SA,” he said. “They were there long before the (divestiture) movement. They are trying to sell off their portfolios.”
In a memorandum circulated to council members earlier this week, the mayor also argued that the local banks were not serving Washington’s citizens as well as they might.
“Our relatives have been and continue to be rejected by the local banks when we applied for a home mortgage or personal loan.”
The council nonetheless voted against Citicorp.
One of those urging the council to defy Barry was Randall Robinson, head of the Free South Africa movement.
“His strength lies in the belief that we would not want Citicorp doing business as a bank in the district with its present record in SA.”
Citicorp vice-president Lucius Gregg told the Washington Post that the SA issue was “a smokescreen used by local banks to divert attention away from the needs of the community.”
Sanctions 'will harm business aid to blacks'

LONDON - The United Kingdom South Africa Trade Association (UKSATA) said yesterday that British companies in the Republic had contributed a great deal to black advancement, but could not continue to do so if sanctions or disinvestment measures were introduced.

UKSATA, representing British companies with trading or investment interests in South Africa, stressed its opposition to racial discrimination and said it supported calls for the rapid abolition of apartheid.

In a statement, the group's executive director, Mr John McQuiggan, said, "UKSATA believes that the reform process now set in train - maybe reluctantly and slowly - by the South African Government, is fundamental and irreversible.

"It believes that any further destructive economic action will prove counter-productive and harden the extremist attitudes on both sides."

Mr McQuiggan said UKSATA believed justice and equality for South Africa's people would most surely come from a peaceful solution, and was unlikely to emerge from the ashes of a violent conflict.

"British companies, for instance, have contributed about £2 million (about R7.5 million) to the Urban Foundation, devoted to black housing and social advancement, and the vast majority fully subscribe to the EEC code of conduct."

Mr McQuiggan said British interests in South Africa were considerable. Investment totalled about £11 billion (about R37 billion) and up to 250,000 workers in the UK were directly or indirectly involved in trade with the republic. - Sapa
UK firm on no sanctions against SA

LONDON — Mrs Margaret Thatcher "forcibly" told South African Government leaders to change, Conservative Party delegates at the annual conference in Blackpool have been told.

But Britain would still not apply sanctions and would meet "head-on" expected objections at the Commonwealth heads of government meeting in the Bahamas this month.

Speaking in a debate on European and foreign affairs, the Foreign Secretary, Sir Geoffrey Howe, said: "No one has spoken more forcibly to South African Government leaders about the urgent need for change than Mrs Thatcher. I know because I was there when she gave them a piece of her mind."

"BOUND TO CAUSE ANGER"

He was referring to Mrs Thatcher's meeting with then Prime Minister Mr P.W. Botha during his European tour. Sir Geoffrey's remarks are bound to anger South Africa because the State President has always maintained that his meeting with Mrs Thatcher was both cordial and friendly.

Sir Geoffrey won some of the loudest applause at the conference with his denunciation of apartheid: "We detest racial discrimination — wherever it is practised. We condemn apartheid," he said.

The philosophy of apartheid was contrary to all decent standards of freedom and democracy, and Britain's aim was to see a system of government which extended democracy to all.

But Britain would not apply sanctions, although Sir Geoffrey said he understood the "passion" of those who called for them.

He repeated the British view that sanctions would be counter-productive and said: "Mrs Thatcher and I will make that clear at the Commonwealth heads of government meeting."

Tories yesterday debated race relations — traditionally one of the trickiest issues they face.

IMMIGRANTS

This year's debate was made more sensitive by riots, mainly by blacks, in Tottenham, Brixton, Tooting and Handsworth.

The debate was surprisingly calm. Expected calls for reparation of immigrants did not emerge. Most observers believed that a speech by the new Home Secretary, Mr Douglas Hurd, on the riots in which he made clear that black Britons had as much right to the country as whites, defused the issue.

Instead Tories contented themselves with calls for stricter immigration policies.
Sanctions won’t harm blacks, Commonwealth will be told

KUALA LUMPUR—Malaysian Prime Minister Mahathir Mohamad will tell other Commonwealth heads of government that economic and other sanctions against South Africa would not hurt the blacks there, a Foreign Ministry official said yesterday.

Briefing reporters on what stand Malaysia would take at the Commonwealth heads of government conference in the Bahamas on Oct 16-22, Mr Razali Ismail, deputy secretary-general of the Foreign Ministry, said it would call for strict and total sanctions against South Africa.

Malaysia would argue that sanctions would not hurt the blacks, as most countries tended to believe, but would go a long way towards promoting a scrapping of apartheid and allowing the blacks equal standing.

Mr Razali said the Commonwealth group, made up of Britain and former colonies, still had a special role to play in dismantling apartheid.

Malaysia hoped, through "firm and realistic but friendly pressure", to suggest that countries having business with South Africa relocate their investments elsewhere, Mr Razali said.

Imports

Meanwhile from Helsinki it is reported that trade union leaders from Denmark, Sweden, Finland and Norway met under pressure to declare a joint Nordic boycott of trade with South Africa.

Union officials said Finnish and Norwegian transport workers were urging their Swedish and Danish colleagues to join them in ordering dock workers and lorry drivers to refuse to handle South African imports from October 20.

Nordic trade with South Africa totalled R1700 million last year, and a Nordic foreign ministers' meeting in Oslo on October 17-18 is due to study ways of increasing Pretoria's economic isolation.

Finnish Foreign Ministry officials said they hoped the Government would adopt a package of economic sanctions, including a ban on investments.

Foreign Minister Paavo Vaeyrynens had drawn up a list of measures which would also forbid Finnish banks taking part in loans to South Africa and prohibit the purchase of South African goods by the State or municipalities. —(Sapa-Reuter-AP)
The ‘club’ set to put bite on SA

LONDON — Pressure for biting economic sanctions against South Africa will dominate next week’s Commonwealth conference, with Britain isolated and under fire from its former colonies.

The Prime Minister, Mrs Margaret Thatcher, is virtually alone in the 49-nation club in opposing mandatory sanctions.

Traditional hardliners on the South Africa issue, such as Nigeria and India, will be backed by relatively recent converts to the economic sanctions cause such as Australia and Canada.

Diplomats in London said the row would eclipse all other items on the agenda at the Commonwealth heads of government meeting, to be held in the Bahamas from Wednesday until Tuesday October 22.

Mrs Thatcher’s stance, largely dictated by Britain’s massive investments in South Africa, was harshly attacked yesterday by two senior Commonwealth leaders, the Indian Prime Minister, Mr Rajiv Gandhi, and the Australian Prime Minister, Mr Bob Hawke.

Leaders are unanimous in wanting to end apartheid but Britain disagrees with its partners on how to reach that goal.

Mrs Thatcher insists that economic sanctions will most damage the people they are supposed to help — the blacks — and further entrench the intransigent white minority.

Her Commonwealth opponents argue that only the toughest international pressure can force Pretoria to drop its racial policies and head off revolution.

“The Commonwealth is already a weak organisation. Unless we reach unanimous agreement on sanctions, it will be even weaker,” one Indian diplomatic source warned.

Final communiques at the biennial Commonwealth summits are traditionally unanimous and agreed by consensus. Diplomats said that Britain would hate to have to veto any measures on South Africa which it was alone in opposing.

Several sources were optimistic that a compromise failing far short of a full trade embargo might still emerge in Nassau.

Britain might avert a damaging split by largely symbolic gestures such as banning new investment and the sale of Krugerrands, some sources suggested — Sapa-Reuters.
Sanctions stand: Thatcher remembers Mussolini issue

LONDON — Britain’s resistance to tougher sanctions against South Africa is being influenced by Foreign Office judgments on a political crisis 50 years ago.

When Mrs Thatcher confronts the rest of the Commonwealth at next week’s summit in the Bahamas her claim that economic pressures cannot end apartheid will be sustained by recalling how sanctions failed to stop Mussolini’s invasion of Abyssinia (now Ethiopia).

The League of Nations’s decision to impose sanctions on Fascist Italy was taken on October 7 1935. But the measures were a farce. Mussolini’s army was victorious and Emperor Haile Selassie fled to England.

The “Lessons” of the failure of this first international attempt to use sanctions have been spelled out in a book by high-ranking Foreign Office official, Robin Renwick, who is one of Foreign Secretary Sir Geoffrey Howe’s advisers.

The book “Economic Sanctions”, is a study written by Renwick in 1981 when he spent a year at Harvard.

Renwick warns that the League of Nations succeeded only in creating a siege mentality in Italy, and so raised support for Mussolini. It is similarly maintained today that sanctions will do no more than drive South Africa’s whites into a defiant “Leaguer.”

An oil embargo is still accepted to be the ultimate economic weapon. Mussolini confided to Hitler that if the League of Nations had cut his oil supplies he would have been driven to pull out of Ethiopia within a week.

In 1985 the world was unable to enforce oil sanctions.

In 1985, the UN sees little hope of stopping oil reaching South Africa.

The argument that such loopholes have always made sanctions futile will underpin the British case at the Commonwealth summit. Robin Renwick lays it down in his book that “Exaggerated expectations” should never be entertained for the economic effects — “Still less for political results.”

But this will not deter the Commonwealth from calling on Mrs Thatcher to alter her stance in favour of minimal sanctions. The harshest warning of what she must expect has come from Australian Prime Minister Bob Hawke.

He told her: “We live in 1985. Britain no longer rules the world.”

Australia wants the Commonwealth to draw up a plan for punitive mandatory sanctions against South Africa.

Sir Shridath Ramphal, the Commonwealth Secretary-General, has repeatedly warned that the Commonwealth may be severely weakened if Britain rejects the views of the other 48 members. There are even fears that the summit may end in an open split.

The current prospect recalls what happened to the League of Nations through the failure to adopt effective sanctions. Its authority was destroyed and the rising dictatorships of Europe given a boost in confidence.

As is happening now, sharp racial sympathies were provoked by the call for sanctions. Rudyard Kipling believed that the Italians were a force for civilisation in Abyssinia and openly sided with Mussolini.

British industrialists were also worried about the damage to trade if a sanctions drive.

The hope that economic measures can bring about a peaceful solution in South Africa closely parallels the faith held in the old League of Nations that sanctions were a genuine alternative to war. But such idealistic attitudes are not encouraged by Renwick.

At the end of his book, he makes the point that counts greatly with Mrs Thatcher when she considers Britain’s $15 billion investment in South Africa.

“There is always a cost attached to sanctions. They are liable to inflict considerable economic damage on those applying them, as well as on those to whom they are applied” — The Observer News Service.
Sanctions call is ‘humbug’ — Worrall

FRONT-line African states will today call for sanctions against South Africa — but will be relieved if Britain refuses them — at the week’s Commonwealth Heads of Government meeting in Nassau, says Commonwealth Secretary Mr Malcolm Rifkind.

But Dr Denis Worrall says South Africa will regard as “humbug” any Commonwealth decision in favour of sanctions — because “South Africa’s human rights record is far better than most of the African members of the Commonwealth.”

Mr Rifkind, Britain’s South Africa expert, and Dr Worrall, the South African Ambassador in London, were appearing on a BBC television programme, Sunday, which predicted that the Commonwealth would opt for a “fruit and flight” boycott of South Africa.

Also on the programme were Commonwealth Secretary General Sir Sonny Ramphal and the Labour spokesman on South Africa, Mr Donald Anderson.

Dr Worrall launched a scathing attack on Australia, where he served as Ambassador, saying it was in its own self-interest to lead the campaign against South Africa.

“We are competitors,” Dr Worrall said, adding: “When politicians talk of morality it is time to run for cover.”

Mr Rifkind and Sir Sonny Ramphal agreed that there was no difference of principle between Britain and the rest of the Commonwealth.

Heads of Government at the meeting which begins in Nassau in the Bahamas tomorrow would argue with Britain over the mechanisms for forcing change.

“I think Britain may be able to agree to the package of measures and preserve her economic self-interest,” Sir Sonny said. “No-one is talking of trade embargoes or divestment.”

South Africa is beginning to respond even to talk of sanctions. We may not have to go very far down that road if we are united.

“We have to send a message that the world means business. Britain must not dilute that message.”

Mr Rifkind listed measures Britain had already taken. “There is no difference in principle between Britain and the Commonwealth. We’ve come a long way on sanctions,” he said.

“But we are not prepared to implement trade and economic boycotts.”

Sanctions, he said, would damage South Africa’s neighbours and provide no impetus for reform.

“The facts of geography are that any successful embargo would devastate South Africa’s neighbours. In their public statements they will show solidarity with the Commonwealth. Privately they’ll be very relieved when we say so,” Mr Rifkind said.

Dr Worrall said the Commonwealth as a moral force “is regarded with the utmost contempt in South Africa”.

The Commonwealth complained about South Africa but not about the 200,000 dead in Uganda.

If they opted for sanctions it would have “very little” political effect.

“Economically it would have a limited effect on South Africa but a very great effect on our neighbours,” Dr Worrall said.

Labour spokesman Mr Donald Anderson predicted that Britain would stand alone against the Commonwealth.

Sir Sonny Ramphal agreed: “48 of 49 are committed to sanctions of some kind,” he said.

The Commonwealth Heads of Government meeting is being regarded as of momentous importance — some see it is on a par with the 1961 meeting which saw South Africa out of the “Club”.

There are certain to be bitter exchanges between British Prime Minister Mrs Margaret Thatcher and her colleagues.

For any action without Britain is doomed to fail. Nearly half of all overseas investment in South Africa is British.

Britain, with nearly £12 billion invested has been recalcitrant in the EEC and Mrs Thatcher is fighting off strong domestic political demands for a reversal of her policy.

Britain is increasingly desperate for some sign of real change from President P W Botha. Without it, time will force Mrs Thatcher to succumb.”
50 US cities to step up sanctions

Argus Foreign Service
NEW YORK. — Fifty American cities have pledged to apply stronger sanctions against South Africa.

Representatives and mayors of the 50 cities met in New York at the weekend to discuss possible future actions against apartheid.

Mrs Jennifer Davis, executive director of the American Committee on Africa, leading the US disinvestment campaign, said: "More needs to be done and the conference was called to plan action."

TRADE EMBARGO

The conference was co-ordinated by the American Committee on Africa and co-sponsored by the UN Special Committee against Apartheid.

The Rev Jesse Jackson, chairman of the National Rainbow Coalition, opened the conference.

"Divestment does not merely take dollars out of South Africa, it is an investment in equality," he said.

He called for a trade embargo against South Africa.

"By taking the profits out of apartheid we take the motivation out of the reason for its existence," he said. "Every moral and ethical imperative that drove us to stop trading with Germany in 1945 must stop us from trading with South Africa in 1985.

"We are fighting for citizenship for South Africa," he said.

Among the legislators assembled were 14 mayors of the largest cities in the US and officials from 36 cities which have already approved divestment legislation, involving billions of rands of public funds.

The legislators said they believed they had powerful leverage and this would be used to urge all pension funds to withdraw from US companies doing business in South Africa.

Pittsburgh, Portland and Boston had closed down South African consuls, their representatives told the meeting."
Bitter row on SA sanctions expected

The Star Bureau

London

Bitter controversy on the issue of sanctions against South Africa is expected at the Commonwealth Heads of Government meeting, which begins in Nassau in the Bahamas tomorrow.

There were certain to be bitter exchanges between British Premier Mrs Margaret Thatcher and her colleagues, said UK Labour spokesman Mr Donald Anderson, appearing yesterday on the BBC television programme "Sunday".

Mr Anderson predicted that Britain would stand alone against the Commonwealth.

Frontline African states at the meeting would call for sanctions against South Africa but would be relieved if Britain refused them, said Mr Malcolm Rifkind, Britain's South Africa expert, appearing on the same programme.

Also giving his views was Dr Denis Worrall, the South African Ambassador in London.

'Humbug'

He said South Africa would regard as "humbug" any Commonwealth decision in favour of sanctions because "South Africa's human rights record is far better than most of the African members of the Commonwealth".

Mr Rifkind listed measures Britain had already taken and said "There is no difference in principle between Britain and the Commonwealth. We've come a long way on sanctions but we are not prepared to implement trade and economic boycotts.

"The facts of geography are that any successful embargo would devastate South Africa's neighbours. In public statements they will show solidarity with the Commonwealth. Privately they'll be very relieved when we say so," Mr Rifkind said.

Dr Worrall launched a scathing attack on Australia, saying it was in its own interest to lead the campaign against South Africa.

"We are competitors," Dr Worrall said, adding, "When politicians talk of morality it is due to run for cover."

'Principles the same'

Mr Rifkind and Commonwealth Secretary-General Sir Sonny Ramphal agreed there was no difference of principle between Britain and the rest of the Commonwealth.

Heads of government at the meeting would argue with Britain over the mechanisms for forcing change, they said.

"I think Britain may be able to agree to the package of measures and preserve her economic self-interest," Sir Sonny said. "No one is talking of trade sanctions or disinvestment. We are beginning to respond even to talk of sanctions. We may not have to go very far down that road if we are united."

Dr Worrall said the Commonwealth as a moral force was regarded with the utmost contempt in South Africa.

The Commonwealth complained about South Africa but not about the 200,000 dead in Uganda. If it opted for sanctions it would have very little political effect, he said, but a very great effect on South Africa's neighbours.

Any action without Britain was doomed to failure.
Gandhi calls for sanctions

NEW DELHI—The Indian Prime Minister, Mr Rajiv Gandhi, yesterday urged Western nations to help dismantle apartheid in South Africa by imposing economic sanctions.

'It is essential for Western countries, who are continuing to provide economic succour to the disastrous racist regime, to recognise that mere persuasion will not move this insensitive authority in Pretoria,' Mr Gandhi, head of the Non-Aligned Movement, said in a statement.

The statement coincided with a day of solidarity with South African political prisoners observed by the Special Committee Against Apartheid.

India and other non-aligned states are expected to press for strong action against South Africa at the Commonwealth summit meeting in the Bahamas later this week.

Mr Gandhi said South Africa had armed itself with a wide range of powers to suppress the legitimate struggles of millions of Africans for what he called their inalienable human rights.

'Fifteen years ago in the first session of the United Nations General Assembly it was India which first brought up the question of racial discrimination in South Africa. We were also the first country to ban trade with South Africa,' he said. — (Sepa-Reuters)
Deal on sanctions

withdrawal services to South Africa.

These proposals, which might form the basis of a voluntary package, are all economic sanctions which Mrs Thatcher has rejected as impractical and counter-productive.

Meanwhile in Stockholm Sweden's transport workers yesterday declared a one-month boycott of trade with South Africa, the latest in a series of anti-apartheid protests by Nordic trade unions, Sapa-Reuters reports.

The trial is expected to last about 18 months and about 200 witnesses are expected to be called.
THE first signs of a Commonwealth compromise that would seek agreement on a voluntary sanctions package against South Africa and delay a decision on mandatory sanctions until its 1987 summit emerged here yesterday.

Amid indications that Commonwealth unity had been strained to the limit on the issue an intense bout of behind-the-scenes diplomacy ahead of tomorrow's summit in the Bahamas is now under way.

The compromise plan would stop short of a Commonwealth agreement to introduce a package of limited sanctions in the UN Security Council as had been widely anticipated.

It would settle instead for an agreed package of voluntary sanctions which would be implemented by the vast majority of the 49 Commonwealth nations but would allow Britain and the vulnerable southern African front-line states off the hook.

**Key broker**

The new plan is almost certain to be adopted because of the need to preserve Commonwealth unity and Britain's implacable opposition to economic sanctions.

The vulnerability of Botswana, Zambia, Zimbabwe, Malawi, Swaziland and Lesotho to sanctions, indications that apartheid was on the way out and recent contacts between the banned ANC and South African businessmen and Opposition politicians had all contributed to the change of mood.

There are also growing reservations in some Commonwealth quarters about the desirability of a ban on the purchase of South African agricultural produce.

In a pre-summit television programme at the weekend the South Afri-
Most black workers want stricter sanctions.

Racial and ethnic tensions are on the rise, and the National Association for the Advancement of Colored People (NAACP) is calling for a more aggressive approach to dealing with police brutality and racial profiling.

In a statement released today, NAACP President Benjamin Jealous said, "We cannot continue to turn a blind eye to the systemic racism that is woven into the fabric of our society. It is time for the federal government to take stronger action to protect the rights of all Americans, particularly those who are most vulnerable to discrimination and violence."
How the sanctions noose has been drawn tighter
Sanctions squeeze Japan to join the

Press release corresponds to

Japan is certain to impose economic sanctions against South Africa. An announcement is expected as early as next week. Japan has been under pressure from the United States and some of its European trading partners to join a major back door opening in the sanctions agree.

Officials of the Department of Trade and Industry in Pretoria declared to comment formally. One official said privately: "There is a very difficult time ahead for us to trade with South Africa. It is not only the economic sanctions that will be in place, but also the political and social sanctions.

The sale of Krugerand will also be prohibited. The sources say Tokyo will try to interpret its sanctions package to be not more and not less than the sanctions agreed on by the other countries.

The Ukrainian market in Japan is relatively small. The Japanese measures are seen as mild. There are only minor bank loans in the categories likely to be hit. The announcement will come as another blow to South Africa. The Ukrainian market is not as significant as the Japanese market.

Officials said firmly that the Japanese measures are not intended to be punitive. They are more preventive measures. This is in line with what the United States and other countries have done.

Mr Harry Smit, spokesman for the Progressive Federal Party, said: "We strongly support the moves of Japan. It cannot go on like this. We have been long-term partners of South Africa."

The Japanese announcement will have a major back door opening in the sanctions agree.
Britain, odds on still at India sanctions
Summit plans new strategy on SA

The Commonwealth summit, dominated by the South African issue and Mrs Thatcher's opposition to economic sanctions, may propose the establishment of a small group of "Wise Men" to draw up new proposals for achieving a multiracial democracy in South Africa.

Already the names of former Australian Prime Minister Malcolm Fraser and President Julius Nyerere of Tanzania, who is about to retire, have been mooted, according to a report in The Guardian. Former Canadian Prime Minister Pierre Trudeau and Mr Lee Kuan Yew of Singapore have also been mentioned.

The initiative originated with Australian Premier Bob Hawke and has been discussed informally in the run-up to the Commonwealth summit.

It has the support of the Commonwealth Secretary-General, Sir Sonny Ramphal, and is seen as a possible way of finding a compromise which Mrs Thatcher could be persuaded to accept.

There are major problems, however, over the terms of reference for such a group and over the resources available before the Commonwealth acts on its proposals.

In addition, it is felt that such a group alone is not enough and that the Commonwealth summit must also insist on immediate action against South Africa.

In any case, Mrs Thatcher had in mind little more than a liaison group of Commonwealth leaders acceptable to the South African Government.

Dialogue:

She appears to see this as a design to continue the policy of constructive dialogue which the rest of the Commonwealth has already regarded as useless.

The Australians see the proposal for a committee of "Wise Men" as part of a more ambitious strategy of devising effective pressure on the South African Government.

The group would advance proposals for peaceful transition in South Africa to a multiracial society based on universal suffrage.

If it takes off, the Commonwealth would want far more specific terms of reference and the group would certainly be expected to report within weeks.

See Page 19.
Putting his mouth where his money is

The Argus correspondent in Geneva reports

THE president of the Switzerland's biggest commercial bank has taken out full-page advertisements in Swiss newspapers explaining why he is against South African sanctions.

Nikolaus Senn, president of the Union Bank of Switzerland, says he is convinced the Pretoria Government is sincere in seeking "genuine reforms."

The bank has assets of R185-billion.

An interview given recently by Mr Senn to a newspaper in German-speaking Switzerland has now been reprinted in full in the advertisements placed by the UBS in newspapers in French-speaking Switzerland.

The main points made by Mr Senn were that he did not believe sanctions would bring about change in South Africa, while further Western investments would.

"Because of its history and the structure of its population, South Africa cannot simply be judged in the light of our European conceptions," he said.

The state of emergency was serving mainly to prevent excesses between the blacks or against the coloured population.

Mr Senn said he still believes in the possibility of peaceful evolution.

"On the basis of my meetings with South African political and economic leaders, I acquired the conviction that the present Government wants to promote genuine reforms aimed at progressively eliminating racial discrimination," the banker said.

"I do not believe the the problems of South Africa can be resolved by force, at least not without the deaths of hundreds of thousands of people. All those who think it is necessary to join the revolutionaries in order to speed changes are doing the black population a disservice."

Mr Senn rejected the argument that foreign investments maintain apartheid. Investment created employment and promoted economic development.

It had "absolutely nothing to do with giving support to any particular political regime. The same thing goes for credits and loans. The act of according a credit to a Government signifies one's recognition that it is solvent and in no way whatsoever means taking any political position."

Mr Senn said his and other Swiss banks did not intend to take over from banks which were refusing to renew loans to South Africa. "But we are continuing our business relations which have existed for decades. This means we do not intend to reduce or to increase our operations with South Africa."
Pressure on SA urged

WASHINGTON — A major American newspaper, JSA today, has urged increased economic pressure to end apartheid "once and for all." American investment houses, colleges, cities, states and President Reagan had been sending the message loud and clear through economic and business actions, an editorial said: "If Botha doesn’t get the message, the USA must add stronger sanctions."

White and black-South Africans, the editorial went on, had to slip across the border on Saturday for nine hours of talks with the African National Congress. (357 7/10/85)
Commonwealth: being one-eyed about SA?

The Queen, as head of the Commonwealth, yesterday opened the biennial gathering of "our imperial children, to each of whom we gave the gift of democratic parliamentary constitution ..."

How many have kept that gift, or even done South of it? Only India and a very few others, almost all outside Africa.

The majority are one-party or one-man dictatorships, not unaccompanied by benevolence. Yet the central purpose of this year's conference is to isolate and vilify the mother country for her refusal to impose economic sanctions on a former member of the family, South Africa.

Let us consider the charges that will be levelled at South Africa and the record of the prosecuting countries, and thus their moral rights to prosecute and not to be prosecuted.

The first charge is the crime of apartheid. In fact, the concept of separate development and racial discrimination was introduced in South Africa when the country was under British rule before the establishment of the Union of South Africa in 1910. This fact is conveniently passed over by the moralists of the Foreign Office, headed by Sir Geoffrey Howe, who will be at the conference, denouncing apartheid. If I were to be asked the greatest single act of apartheid ever launched, I would say it was the partition of India.

Politically inspired division, though not necessarily on a racial basis, is world-wide. Germany is condemned to separate development on political lines. You can leave South Africa if some other country will accept you, but you cannot leave East Germany alive. Korea, China, Zimbabwe and Cyprus are divided on political, racial or tribal lines, Ireland and Lebanon on religious lines.

The second charge is the denial to the blacks in South Africa of one man, one vote. But where else in Commonwealth Africa is there a one man, one vote system with the ability to change the government by the exercise of that vote? In Kenya, perhaps, but not in Malawi, where you vote for Dr Banda or no one.

It should take a good look at itself. Not in Zimbabwe, where the Shonas outvote the Ndebele and ensure the Shona dictatorship of Dr Mugabe. Not in Uganda, where armed revolutions is the only way to change power. Not in Tanzania, Nigeria, Sierra Leone, Ghana or any of the rest.

The fact is that in all these countries the majority of blacks, of whatever tribe, are ruled by a political party, not a minority rule and tyranny, it is the dictatorship of the one-party state or, in fact, the one-party party, be it behind the Iron Curtain or south of the Sahara, where the rulers are a race apart with their hands ever in the national till.

Charge three: The ANC is outlawed. But no political party but the ruling party is permitted in the majority of Commonwealth countries, whereas in South Africa there are many political parties. In any event, what government, however democratic, would not ban a political party determined to overthrow the state by force?

Charge four: There are in South Africa people detained without trial. What black Commonwealth country can refuse such charges against itself? In Nigeria, two Scots were recently sentenced to 14 years imprisonment after a mock trial in revenge for Dr Dikko's sojourn in this country, and as a lever to persuade us to return him for instant extermination.

In Zimbabwe, a Scots dentist of senior years and in frail health is serving a 10-year prison sentence on the false evidence of Mugabe's agents in Matabeleland, where thousands have been slaughtered. In Uganda hundreds of thousands have been done to death by Obote and Amin who were regularly welcomed and applauded at Commonwealth conferences. Only last week a whole village of women and children were exterminated.

Commonwealth nations meeting in Nassau — the "summit" started yesterday — hope to caution rather than bludgeon Mrs Thatcher into abandoning her opposition to economic sanctions against South Africa. Here one of her Conservative Party MPs, NICHOLAS FAIRBAIRN, in an article published in The Times, accuses South Africa's acusers of double standards.

With such Augean stables in the Commonwealth yard, how can the leaders of these countries stand on the moral dais and accuse South Africa of crimes of which they are so viciously and infinitely more guilty themselves? How can they accuse a nation which provides for all its black people a prosperity far greater than anything they can provide now that they have rejected European control?

Mozambique has borders with five countries: Zimbabwe, Malawi, Zambia, Tanzania and South Africa. All are open except that with South Africa, which is mined and wired by Machel's Marxist regime, like the border between East and West Germany. Yet every day families risk death by crossing into South Africa to find work. No one seems to cross the open borders to the four black dictatorships to the north and west.

It is time the Commonwealth shed its hypocrisy and stopped seeing moles in the eye of South Africa through the substantial and multiple beams in their own. If the Commonwealth is to survive, we must recognise that it is not a Commonwealth of democracy or of non-racist societies. It is a Commonwealth mainly of tyrannies, of prejudices and privileges, and there are very few member countries where power can change hands other than by force.

We should shed our pretence of moral principle and accept the reality. Even on a purely material level. South Africa, of all the states of Africa, is the only one where prosperity reigns.
WASHINGTON — Since President Reagan imposed sanctions on South Africa about a month ago, the United States has seen few signs that the South African government had heard Washington’s message.

“I don’t think we can draw any real conclusion at this stage as to whether our signals are being correctly understood,” said Dr Chester Crocker, Assistant Secretary of State for Africa.

The main impact so far of President Reagan’s sanctions, mainly symbolic moves to curtail bank loans and exports, had been to stave off more serious punitive economic action by Congress.

The sanctions may have effectively resolved the South Africa debate for the rest of this year, but the apartheid bill could be revived in January after Congress’s Christmas recess, a congressional source said.

Mr Reagan reversed his long-held opposition to sanctions and imposed his own, on the same day the Senate was due to vote on a package of stronger measures, a move critics said was calculated to avoid a politically damaging defeat and defuse growing public pressure for a change in US policy.

The congressional source said he believed administration officials “really want to get away from the focus on South Africa” to allow President Reagan to push ahead with pet domestic programmes such as a mammoth tax reform plan.

Dr Crocker asked whether he believed the US sanctions had contributed to prospects for change in South Africa, replied “I’m not saying that we’ve played no role at all, but I wouldn’t argue for a minute that our positions have led the government to do anything it otherwise wasn’t going to do.”

Dr Crocker emphasized that Mr Reagan’s sanctions were meant as a signal of US displeasure and not to damage the South African economy. They simply formalized existing commercial practice.

Mr Gary Hufbauer, a private economist and sanctions expert, said more impact derived from decisions by several US states and dozens of cities and universities to divest from American firms doing business in South Africa.

Many US firms have reduced or sold their operations there and the latest Commerce Department figures show that direct US investment in South Africa has fallen from R7 billion in 1981 to R5 billion last year — Sapa-Reuters
The Soweto man who started disinvestment

DUMISANE KUMALO sits at his desk in a cramped office, cooled by a beat-up fan which makes no headway in the summer heat of New York. There are no give-away signs that tell you Kumalo's work is to move billions of dollars in stocks and assets, dealing with big business and government.

Kumalo was the prime mover behind the US disinvestment campaign in 1978. Today, the movement has gained popular acceptance in the US, as a way of putting pressure on South Africa. So far, he estimates $44-thousand million (R10-thousand million) has been divested from South Africa in stock holdings and direct assets.

He left South Africa in 1977, nearly a year after the Soweto riots. As a former journalist for the Sunday Times and marketing executive for Total Oil in Johannesburg, Kumalo could logically have chosen another life.

But experience had taught him, like many of his contemporaries, that the promise of material or business success is meaningless for black South Africans.

"On May 8, 1977, in the aftermath of the 1976 Soweto riots, the police wrecked my home and threatened me. They threw the woman I was living with against a wall. She was three months pregnant and later miscarried," he recalls.

Kumalo says he realised his life was endangered. He left his family behind in Eavestown, outside Johannesburg, and travelled to the US.

The American Committee on Africa offered Kumalo a job soon after he arrived. As director of projects, he has educated people about South Africa and tried to get the US to work for policies supporting freedom instead of apartheid in Southern Africa. The organisation worked single-handedly in the beginning, as disinvestment caught on.

High-tech stumbles, but the military marches on

CALIFORNIA'S Silicon Valley, where losses and layoffs in the sagging computer industry hint at a state-of-the-art ghost town, is also home to an arms boom.

Companies that depend on military business are enjoying unprecedented prosperity. The Pentagon, under the Reagan administration, is increasing the flow through a pipeline that last year pumped more than $4.6 billion into the valley — up more than $300 million from the previous year — for "development and production of sophisticated electronic weapons."

The computer industry is in the doldrums. But one form of high-tech is booming: arms. The Pentagon is spending more than ever on electronic gadgetry. JOHN MARKOFF reports from California.

"No self-respecting American politician will openly support apartheid now, although five years ago the picture was quite different," Kumalo says. The disinvestment movement had no popular platform five or six years ago anywhere in the world, least of all in America.

"We had to find a way of attracting attention to the wrongs perpetrated by apartheid," he says, "and a way of informing people about South Africa." Major US organisations wanted to help but did not know how they could put pressure on the SA government.

"The only effective way to achieve this was to get city and state governments to divest the millions they had invested in SA," he says. "We had to persuade local governments, corporations and banks that what appeared to be in their interests, doing business with South Africa, was, in fact, not."

On a budget probably smaller than that allocated by Ford Motors for paper clips and coffee in a month, ACDA has taken on, some tough opponents. By lobbying and forming coalitions all over the nation, the disinvestment movement created enough waves to make the involvement in apartheid unacceptable.

Making corporations and banks accountable to public opinion on South Africa, Kumalo says, is not an end in itself.

What the disinvestment movement has done is similar to throwing a sobering glass of icy cold water in the face of government leaders.

The impact of disinvestment is the threat it poses to South Africa's economic wealth and stability, a devastating threat for any political economy...

US sanctions have been threatened in Nicaragua and tried in Poland, but never before have sanctions been generated by such sustained public protest.

Fuzzy states in the US are debating disinvestment legislation. It takes between three and four years for the legislation to go through various levels of government.

Several have adopted legislation which make it illegal to do business with companies with investments in South Africa. Others have divested pension funds and channelled them into "hometown" projects which help local communities, often showing better yields than the South African investment did.

Kumalo says 32 cities, including the major US cities — New York, San Francisco, Miami, Boston — one after the other have voted to divest city funds from South Africa.
"We had to find a way of attracting attention to the wrongs perpetrated by apartheid," he says, "and a way of informing people about South Africa." Major US organisations wanted to help but did not know how they could put pressure on the SA government.

"The only effective way to achieve this was to get city and state governments to disinvest the millions they had invested in SA," he says. "We had to persuade local governments, corporations and banks that what appeared to be in their interests, doing business with South Africa, was, in fact, not."

On a budget probably smaller than that allocated by Ford Motors for paper clips and coffee in a month, ACOA has taken on some tough opponents. By lobbying and forming coalitions all over the nation, the disinvestment movement created enough waves to make US involvement in apartheid unacceptable.

Making corporations and banks sensitive to public opinion on South Africa, Kumalo says, is not an end in itself.

What the disinvestment movement has done is similar to throwing a sobering glass of icy cold water in the face of government leaders.

The impact of disinvestment is the threat it poses to South Africa's economic wealth and stability, a devastating threat for any political economy.

US sanctions have been threatened in Nicaragua and tried in Poland, but never before have sanctions been generated by such sustained public protest.

Fifty states in the US are debating disinvestment legislation - it takes between three and four years for the legislation to go through various levels of government.

Several have adopted legislation which make it illegal to do business with companies with investments in South Africa. Others have divested pension funds and channeled them into "hometown" projects which help local communities, often showing better yields than the South African investment did...

Kumalo says 32 cities, including all the major US cities - New York, San Francisco, Miami, Boston, - one after another have voted to divest city funds from South Africa.

The issue of US Government and corporate policy on SA was brought into sharp focus after the US election campaign last year, says Kumalo. When Bishop Desmond Tutu was awarded the Nobel Peace Prize, he focused attention on what was happening in South Africa. Since then, Kumalo puts it, "We got Americans to get other Americans to take up the issue of US involvement in South Africa."
Athlone shootings rock Commonwealth

From JOHN BATTERSBY

NASSAU, The Bahamas — A double-shock from South Africa has rocked the Commonwealth summit here and dealt a serious blow to a compromise on economic sanctions.

Heads of government preparing for the opening of the summit yesterday were stunned by scenes on CBS television news here of the shooting of three black youths by police hiding in a railway truck.

There was also anger and disbelief at the news that Benjamin Moloi's appeal for clemency will be heard tomorrow after international appeals for the commuting of his sentence were turned down by President P W Botha.

Grim backdrop

The double-shock will provide a grim backdrop to today's debate on economic sanctions which is already threatening to drive a wedge between Britain and the other 48 Commonwealth nations.

Britain's all-out attempt to restrain the Commonwealth from imposing economic sanctions has been drastically undermined by the coverage of the shootings and observers here believe it could force Britain to fall in line.

An informal meeting between some heads of government scheduled for Tuesday to discuss details of a draft compromise was called off after the news of the shootings reached the conference centre.

Shocked senior British officials went to ground and Canada's Prime Minister, Mr Brian Mulroney, who is spearheading the compromise efforts, was visibly shaken by the news.

Mr Mulroney is expected to propose a "contact group" — possibly led by Zambia's Dr Kenneth Kaunda — to act as "honest brokers" between Pretoria and black demands as represented by the African National Congress, the United Democratic Front and other black leaders.

The "wise men" would be mandated by the Commonwealth to act as a catalyst for dialogue and to oversee a peaceful transition to a non-racial South Africa within the framework of universal suffrage.

The plan would represent the first joint Commonwealth contact with Pretoria and the acceptability of the contact group to South Africa is considered a key element.

Positive element

The plan would not be intended to replace a package of limited economic sanctions but would be seen as the positive element of a two-pronged stance on South Africa.

However Britain, publicly and some of the frontline states, privately, would prefer a voluntary sanctions package pending acceptable internal changes within South Africa by the next Commonwealth summit in 1987, expected to be held in Ottawa.

Britain sees the contact group plan as part of its constructive engagement approach to South Africa.
Leaders tighten sanctions screw

From JOHN NASSAU

NASSAU, The Bahamas — Six Commonwealth leaders publicly tightened the sanctions screw on Britain at the Commonwealth summit here on Wednesday night.

But the British Prime Minister, Mrs. Margaret Thatcher, sat impassionate throughout the speeches with an impression of intense concentration, but apparently unmoved.

Sir Lynden Pindling, summit host and Prime Minister of the Bahamas, sounded a cautious note but added that there should be no doubt by the end of the summit what the collective Commonwealth view was.

"Violent revolution"

"In the course of our deliberations we must seek an effective way to sound a mighty crescendo for negotiation in the present crisis," he said.

"Failing that, those who seek to make a peaceful solution impossible, may have in the process made a violent revolution inevitable."

Against a backdrop of the 49 colourful Commonwealth flags, India's Mr. Rajiv Gandhi led the call for "comprehensive mandatory sanctions" against South Africa.

"The Pretoria regime is impervious to reason. Let not the Commonwealth be charged with cowardice in action and bravery in words," he said.

The Canadian Prime Minister, Mr. Brian Mulroney, said Commonwealth leadership on South Africa was crucial, but should be exercised "thoughtfully, firmly and well."

To Mrs. Thatcher he said, "In the present circumstances it is imperative that we all signal together that there will be common, worldwide and sustained pressure against apartheid — until it is ended."

Zimbabwe's Mr. Robert Mugabe used strong language to denounce the "barbaric system of apartheid".

He called on the Commonwealth to back the call by the United Nations General Assembly for economic sanctions to discharge its "collective moral responsibility" to assist meaningful change in South Africa.

Dr. Mahatir Mohamad of Malaysia launched a scathing attack on both the Commonwealth and South Africa, saying that South Africa's expulsion in 1961 was "the only episode we appreciate."

Mr. Bob Hawke of Australia said, "I believe the world is looking to us to apply to South Africa the lessons we have learned from our own experience."
Reddy says he opposes sanctions

The official Opposition in the House of Delegates, Solidarity, was opposed to sanctions, Mr J N Reddy, national leader of Solidarity, said yesterday.

Addressing a conference at the University of Stellenbosch, he said, however, that the Government would have to take into consideration the tremendous international demands from the West to move fast to end apartheid.

The future of the free-enterprise system in South Africa was dependent on the unrestricted participation by all sectors of the population and constraints and impediments which restricted development must be dismantled.

"While it may be difficult to accept, it is nevertheless an indisputable fact that the political set-up in the country has operated to the disadvantage of the majority of South Africa's people and has in fact benefited the white entrepreneur.

"Old order"

Many of us are very well aware of the practices which closed the door on entrepreneurs of colour and a variety of measures were applied by white businessmen to achieve just this.

"We have moved away from the old order, but attitudes of personnel and management in white business must increasingly reflect in action the new thinking in our country.

"The existence of black, coloured and Indian entrepreneurs offering a variety of services and products in the market place should be recognised on merit," he said.

"Determined"

It appeared that most whites in South Africa accepted the necessity for some form or other of ending segregation and apartheid.

"We can no longer think of the struggle for the end of apartheid as being between black and white. It is now between those whites and blacks who are determined to maintain apartheid in one form or another.

"But even among whites, the anti-apartheid forces are growing so rapidly that they will overwhelm completely those who wish to maintain some form of apartheid," he added...
Mercury man at the conference

NASSAU—The 49-nation Commonwealth was on the brink of an historic accord on South Africa last night.

The package before the summit opts for voluntary sanctions and the creation of a contact group of eminent persons to promote dialogue between the South African government and black South Africans.

But at an unexpected plenary session yesterday after hours of intense behind-the-scenes negotiations at the weekend retreat, it emerged that some African states were still insisting on a Commonwealth commitment to impose tougher sanctions if the dialogue initiative failed.

This raised the prospect of an unprecedented consensus without Britain, which the British Prime Minister, Mrs Margaret Thatcher, has indicated she wants to avoid at all costs.

A declaration on South Africa is expected after a second plenary session today.

Mrs Thatcher has offered to play an active role in the contact group, along with her Foreign Secretary, Sir Geoffrey Howe.

Nuts and bolts

She has emphasized that the composition of the group must be acceptable to the South African Government.

Zambia's President Kenneth Kaunda is also expected to play a central role.

The nuts and bolts of the deal were hammered out during a two-day retreat in the exclusive Bahamas resort of Lyford Cay.

The final package was agreed by a 'gang-of-four' meeting right through Saturday night in Mrs Thatcher's villa.

The other three were India's Mr Rajiv Gandhi, Canada's Mr Brian Mulroney and Australia's Mr Bob Hawke.

But it was President Kaunda who paved the way for the accord by inviting Mrs Thatcher to play a central role in vetting the list of sanctions — referred to as 'measures'.

The details of the deal indicate that while the British Prime Minister has won the day on sanctions, she has also launched a new initiative which could change the course of history in South Africa.

Britain will have the guiding role in the dialogue initiatives and in offering advice once the process reaches the stage of a Lancaster-style constitutional conference.

Sources close to the British camp pointed to a key section of Mrs Thatcher's speech to the closed summit:

‘When I went to the Commonwealth summit in Lusaka in 1979 there was a feeling that now was the time to get a negotiation going at the meeting.

‘I feel that the time is now with South Africa, but I must be frank — my way is the way of negotiation; it is the way which has succeeded in the past, and I hope, and believe, that it will not be rejected by this great meeting.

‘There does come a time in the events of men and nations when it is time. I believe that change (in South Africa) is now inevitable. It will happen.'
Summit chooses limited sanctions

The conference will be a
cessation to
township
violence and a condi-
tional truce in the ‘armed
struggle’ of the African
National Congress.

A point Commonwealth
Declaration will call for
the implementation of
the agreed package of
sanctions, an end to the
state of emergency, the
release of Nelson
Mandela and other po-
itical prisoners, the
unbanning of the ANC,
release of the United
Democratic Front trea-
sor accused, and the be-
ginning of a process of
dialogue preceded by the
cessation of violence.

See also Page 7
Sanctions
For Volunteer
Summit opts

Mercury
May 31/88

260

Go for it, 100%!
Nuts and bolts

She has emphasized that the composition of the group must be acceptable to the South African Government.

Zambia's President Kenneth Kaunda is also expected to play a critical role.

The nuts and bolts of the deal were hammered out during a two-day retreat in the exclusive Bahamas resort of Lyford Cay.

The final package was agreed by a ‘gang of four’ meeting right through Saturday night in Mrs Thatcher's villa.

The other three were India's Mr Rajiv Gandhi, Canada’s Mr Brian Mulroney and Australia's Mr Bob Hawke.

But it was President Kaunda who paved the way for the accord by inviting Mrs Thatcher to play a central role in vetting the list of sanctions – referred to as ‘measures’.

The details of the deal indicate that while the British Prime Minister has won the day on sanctions, she has also launched a new initiative which could change the course of history in South Africa.

Britain will have the guiding role in the dialogue initiatives and in offering advice once the process reaches the stage of a Lancaster-style constitutional conference.

Sources close to the British camp pointed to a key section of Mrs Thatcher's speech to the closed summit:

‘When I went to the Commonwealth summit in Lusaka in 1979 there was a feeling that now was the time to get a negotiation going at the meeting.

‘I feel that the time is now with South Africa, but I must be frank – my way is the way of negotiation, it is the way which has succeeded in the past, and I hope, and believe, that it will not be rejected by this great meeting.

‘There does come a time in the events of men and nations when it is time. I believe that change (in South Africa) is now inevitable. It will happen.

The United States Government has been kept closely informed of the deliberations.

The US Assistant Secretary of State, Dr Chester Crocker, sent a senior aide to monitor the conference and to underline previous warnings to Frontline leaders that the United States would not bail them out if they suffered as a result of sanctions against South Africa.

By the weekend, the landlocked state of Botswana had already asked to be exempted from any sanctions package the Commonwealth might decide on.

It is also reliably understood that the idea of a Commonwealth role –
UK chain bows to pressure

Sainsbury's bars SA goods from shelves

LONDON — One of Britain's largest food retailers, Sainsbury's, is clearing South African goods from its shelves.

It has ordered buyers to look for alternative sources of goods to those bought from SA.

The move follows intense pressure by the Anti-Apartheid Movement (AAM), which is spearheading a move to ban SA goods from leading stores.

A Sainsbury's spokesman says, moreover, its regular customers have asked that products from countries other than South Africa be made available.

He says the move is not political. A South African label is offensive to too many customers for it to be ignored any longer.

The sole aim is to provide customers with the goods they want to buy.

It is mostly fresh fruit that is being affected, but the supermarket admits it may eventually ban all SA products.

The repercussions for South African trade could be serious because British imports of SA fruit and vegetables last year were worth R324m.

Oranges, grapes and apples account for half this amount.

Sainsbury's has been asking alternate sources for these fruits.

The Sainsbury's spokesman says the firm has met its South African suppliers to convey the increasing level of public concern about apartheid.

A decision on whether to ban South African goods outright depends on how demand for South African goods declines, he says.

Many ordinary customers have been asking about the country of origin of produce they believe may come from South Africa and then asking for alternatives.

A spokesman for the AAM regards Sainsbury's decision as a victory.

It comes after the decision by another leading chain, the Co-Op, to ban SA goods.

He says Sainsbury's has done a remarkable turnaround in the last six months.

When first approached by the AAM in January, its attitude was negative.

He says more supermarket chains are likely to stop producing, particularly fruit, from other countries when supplies increase after the entry, next January, of Spain and Portugal into the European Common Market.

The AAM will continue to exert pressure on British stores until Prime Minister Margaret Thatcher's decision not to impose sanctions has been, in effect, overturned, he says.

Sainsbury's marketing director, Mike Conolly, has written to the AAM explaining the firm's policy.

He says that, traditionally, Sainsbury's avoids a political stance and, unlike many British businesses, does not make donations to political parties.

Lord Sainsbury, the joint president, belongs to the Social Democratic Party (SDP). His son, Timothy, is a Conservative MP. A new director is former Conservative cabinet minister James Prior.

A spokesman for Sainsbury's says that when the firm sells South African produce it is clearly labelled.

He says it is only right that its customers make their own decisions.

If customers choose not to buy SA produce, then inevitably Sainsbury's will not sell it, he says.

UK retailer bars SA fruit
Nordic unions get tough on sanctions

STOCKHOLM — Scandinavian trade unions yesterday called for a boycott of South African goods, designed to close the Swedish, Danish, Norwegian and Finnish markets to SA goods.

Finnish workers took the strongest stand when transport workers started an indefinite blockade of all SA trade. They were supported by other unions...

Boye Mattson of the Finnish-African Committee, an anti-apartheid group, said the action meant Finland would be completely closed to South Africa.

In Norway, where the boycott will affect supplies of fruit and vegetables, transport workers are refusing to handle any SA imports.

In Sweden, dockers began a two-month boycott of SA goods.

The action should spread over the next few weeks. Swedish transport workers begin a one-month blockade tomorrow.

Their Danish colleagues follow suit next month.

South Africa exported goods worth $240m to the four countries last year. Their exports to SA were worth $451m.

Denmark was the biggest buyer and Sweden the biggest seller.

Finnish postal workers plan to boycott all mail to and from SA from the middle of next month and are urging other postal unions to join them.

The unions are dissatisfied with the limited economic sanctions approved by their countries to date.

"What we really want is a total breach of all ties with South Africa, including diplomatic relations," said Yrjo Mattila of the Finnish transport workers' union.

At a meeting in Oslo last Friday, Sweden, Norway, Denmark, Finland and Iceland approved new measures to cut trade with South Africa, but stopped short of declaring a full embargo.

Anti-apartheid groups said the package was purely cosmetic.

In each of the four main Scandinavian countries, powerful interest lobbies have opposed tighter sanctions against South Africa unless the rest of the world does the same.

In Norway, the main opposition comes from tanker owners who ship up to one-third of South Africa's oil.

In Finland, the pulp and paper industry accounts for half of its sales to SA. Sweden still has 10 companies with important subsidiaries in South Africa.

In Denmark, opposition comes from tanker owners, cement firms and power companies which burn South African coal.

Since 1978 the five Scandinavian...
Thatcher to lead initiative on SA

From JOHN BATTERSBY

NASSAU, The Bahamas. — The 49-nation Common-wealth was last night on the brink of an historic accord on South Africa.

Before the summit is a package of voluntary sanctions and the creation of a contact group of "eminent persons" to promote dialogue between the South African Government and black South Africans. A declaration on South Africa is expected after a second plenary session today.

Details of the deal indicate that the British Prime Minister, Mrs Margaret Thatcher, won the day on sanctions. However, at an unexpected plenary session yesterday after hours of intense behind-the-scenes negotiations, it emerged that some African states were still insisting on a Commonwealth commitment to impose tougher sanctions if the dialogue initiative failed.

Consensus

This raised the prospect of an unprecedented consensus without Britain which Mrs Thatcher has indicated she wants to avoid at all costs.

Mrs Thatcher has offered to play an active role in the contact group along with her Foreign Secretary, Sir Geoffrey Howe.

She has stressed that the composition of the group must be acceptable to Pretoria.

The nuts and bolts of the deal were hammered out during a two-day retreat in the exclusive Bahamas resort of Lyford Cay — a millionaire's get-away spot and once the backdrop for scenes from the James Bond film "Thunderball".

The final package was agreed to by a "gang of four" meeting on Saturday night in Mrs Thatcher's villa.

Gandhi

The other three were India's Prime Minister, Mr Rajiv Gandhi, who represented African interests, Mr Brian Mulroney, the Canadian Prime Minister, and Mr Bob Hawke, Prime Minister of Australia.

But it was President Kenneth Kaunda of Zambia who paved the way for the accord by inviting Mrs Thatcher to play a central role in vetting the list of sanctions — referred to as "measures".

Apart from her apparent victory on the sanctions issue, the British Prime Minister has also launched a new initiative which could change the course of history in South Africa.

The United States Government has been kept informed of the deliberations.

The Assistant Secretary of State, Mr Chester Crocker, sent a senior aide to monitor the conference and to underline previous warnings to frontline leaders that the US would not bail them out if they suffered as a result of sanctions against South Africa.

Botswana had already asked to be exempted from any sanctions package the Commonwealth might decide on.

It is also reliably understood that the idea of a Commonwealth role — firmly under British control and to be developed in consultation with Pretoria — has been the subject of direct correspondence between Mrs Thatcher and President P W Botha in recent months.

In terms of the deal, which has stretched the Commonwealth's tradition of consensus to the limit, the Commonwealth will

Provisions

- Adopt immediately a package of limited sanctions — called measures rather than sanctions on Britain's insistence — which will be voluntary. It is understood, however, that Britain already applies most of the measures.

- Government loans to South Africa have been formally added to the list of Common Market
From JOHN BATTERSBY  

NASSAU, The Bahamas. — The 49-nation Commonwealth was last night on the brink of an historic accord on South Africa.

Before the summit is a package of voluntary sanctions and the creation of a contact group of "interested persons" to promote dialogue between the South African Government and black South Africans. A declaration on South Africa is expected after a second plenary session today.

Details of the deal indicate that the British Prime Minister, Mrs Margaret Thatcher, won the day on sanctions. However, at an unexpected plenary session yesterday after hours of initial hand-to-hand scenes negotiations, it emerged that some African states were still insisting on a Commonwealth commitment to impose tougher sanctions, but dialogue initiatives failed.

Consensus

This raised the prospect of an unprecedented consensus without Britain which Mrs Thatcher has indicated she wants to avoid at all costs.

Mrs Thatcher has offered to play an active role in the contact group along with her Foreign Secretary, Sir Geoffrey Howe.

She has stressed that the composition of the group must be acceptable to Pretoria. The nuts and bolts of the deal were hammered out during a two-day retreat in the exclusive Bahamas resort of Lyford Cay — a millionaire's getaway spot and once the backdrop for scenes from the James Bond film "Thunderball."

The final package was agreed to by a "gang of four" meeting on Saturday night in Mrs Thatcher's villa.

Gandhi

The other three were India's Prime Minister, Mr Rajiv Gandhi, who represented African interests, Mr Brian Mulroney, the Canadian Prime Minister, and Mr Bob Hawke, Prime Minister of Australia.

But it was President Kenneth Kaunda of Zambia who paved the way for the accord by inviting Mrs Thatcher to play a central role in vetting the list of sanctions — referred to as "measures."

Apart from her apparent victory on the sanctions issue, the British Prime Minister has also launched a new initiative which could change the course of history in South Africa.

Britain will have the guiding role in the dialogue initiatives and in offering advice once the process reaches the stage of Lancaster-style constitutional conference.

The United States Government has been kept informed of the deliberations.

The Assistant Secretary of State, Mr Charles C. C. Crocker, sent a senior aide to monitor the conference and to underline previous warnings to frontline leaders that the US would not bail them out if they suffered as a result of sanctions against South Africa.

Botswana has already been asked to be exempted from any sanctions package the Commonwealth might decide on.

It is reliably understood that the idea of a Commonwealth role firmly under British control and to be developed in consultation with Pretoria — has been the subject of direct correspondence between Mrs Thatcher and President PWBotha in recent months.

In terms of the deal, which has stretched the Commonwealth's tradition of consensus to the limit, the Commonwealth will:

Provisions

- Adopt immediately a package of limited sanctions — called measures rather than sanctions on Britain's insistence — which will be voluntary. It is understood, however, that Britain already applies most of the measures.

Government loans to South Africa have been formally added to the list of Common Market sanctions announced recently.

- Create a contact group of eminent people — probably former Commonwealth heads of state — to act as a catalyst for dialogue between the South African Government and black South Africans prior to the setting up of a Lancaster-style constitutional conference.

A joint Commonwealth declaration calling for the implementation of the agreed package of sanctions, an end to the state of emergency, the release of Mr Nelson Mandela and other political prisoners, the unbanning of the African National Congress, the release of the United Democratic Front treason trialists and the beginning of a process of dialogue preceded by the cessation of violence.

PM slammed as sum-
HARARE — Zimbabwe’s economy would totally collapse if the landlocked country imposed sanctions against neighbouring South Africa, the president of the influential Confederation of Zimbabwe Industries, Mr John Mkushi, warned yesterday.

He made the prediction as Zimbabwe’s Prime Minister, Mr Robert Mugabe, lobbied in the Bahamas with other African leaders at the Commonwealth summit for comprehensive mandatory sanctions against South Africa to help end its apartheid policies.

“If Zimbabwe imposes sanctions against South Africa, our economy will grind to a standstill within a matter of months. We cannot sustain sanctions against South Africa,” said Mr Mkushi said in an interview with the Zimbabwe Broadcasting Corporation.

Twenty percent of Zimbabwe’s trade was with South Africa, making the white neighbour its biggest trading partner, and between 85 and 95 percent of the landlocked country’s imports and exports were routed through South African ports and road networks, Mr Mkushi said.

Leaders of Southern African countries tied economically to South Africa have admitted they could suffer a backlash — but contend they are prepared to take the consequences and argue that they are already suffering from South African-backed sabotage and subversion.

However, Mr Mugabe has consistently advocated sanctions, while insisting that practical realities dictate his nation could not join in imposing embargoes. — Sapa-Associated Press.
NASSAU (Bahamas). — Commonwealth leaders, including Britain’s Mrs Margaret Thatcher, have given South Africa six months to start dismantling apartheid or face sanctions. A compromise accord released here last night represented a partial victory for Mrs Thatcher who had firmly resisted economic sanctions.

She nevertheless agreed that, as part of an immediate package of measures against Pretoria, each member of the 49-nation Commonwealth should end the import of Krugerrands.

The accord reads: “It is our hope that the process and measures we have agreed upon will help to bring about concrete progress . . . . in six months.”

The accord, hammered out during a weekend of bargaining at the Commonwealth leaders’ retreat at Lyford Cay outside Nassau, calls on Pretoria to dismantle apartheid.

It also calls for an end to the state of emergency and the immediate, unconditional release of African National Congress leader Nelson Mandela.

Mrs Thatcher said Britain opposed economic sanctions and would not be among those who would adopt voluntary economic measures after six months.

The accord asks President Kenneth Kaunda of Zambia and the Prime Ministers of Australia, Bahamas, Canada, India, Britain and Zimbabwe to develop the mechanisms by which a political dialogue in South Africa could begin.

Measures — already adopted by a number of countries — include a ban on government-to-government loans and the sale of computer equipment to the security forces.

Concession by Mrs Thatcher

Other measures were an end to government funding for trade fairs, a ban on new nuclear sales, a ban on oil sales and exports, an embargo on arms purchases from South Africa, an embargo on military co-operation and discouragement of cultural and scientific exchanges except where they contribute towards the ending of apartheid.

The additional clause on Krugerrand sales appeared to represent a concession by Mrs Thatcher.

R. After six months some countries — not Britain, according to Mrs Thatcher — would consider further steps including bans on air links, new investment or reinvestment of profits, agricultural imports, government procurement in South Africa, government contracts with majority-owned South African companies and the promotion of tourism to the country, and the termination of double taxation agreements and government assistance to investment in and trade with South Africa. — Sapa-Reuter.

The Argus Political Correspondent reports that the Government today rejected Commonwealth economic sanctions as a way of expediting solutions to South Africa’s problems.

Punitive

But South Africa was keeping an open mind on the question of a contact group suggested at the Commonwealth conference.
Commonwealth leaders have given South Africa six months to start dismantling apartheid — or face a programme of sanctions.

The compromise accord released last night was a partial victory for British Prime Minister Mrs Margaret Thatcher, who throughout the first five days of the Commonwealth summit in the Bahamas had firmly resisted pressures for economic sanctions.

The accord also called for an end to the current state of emergency in South Africa and the immediate and unconditional release of African Nationalist Congress leader Nelson Mandela.

Further, the heads of state agreed to establish a committee of eminent Commonwealth figures to promote a dialogue between Pretoria and black nationalist leaders.

President Kenneth Kaunda of Zambia and the prime ministers of Australia, Bahamas, Canada, India, Britain and Zimbabwe will be asked to develop the mechanisms by which a political dialogue could begin.

Despite Mrs Thatcher's opposition to economic sanctions, she nevertheless agreed that, as part of an immediate package of measures against Pretoria, each member of the 49-nation group should be ready to take what unilateral action was possible to preclude the import of Krugerrands.

Similar action on Krugerrands has already been taken by other countries, including the United States.

The accord said that if there was no progress towards dismantling apartheid within six months, some Commonwealth states would consider a number of measures, including a ban on air links, a ban on new investment and the import of agricultural products, a ban on government contracts with South African companies, and an end to the promotion of tourism there.

Mrs Thatcher told a news conference after the accord: "The most important thing now is to get a dialogue going between the Government of South Africa and representatives of the black population.

She put particular emphasis on a section of the accord which called on South Africa to initiate — in the context of a suspension of violence on all sides — 

"a process of dialogue across the issues of politics, colour and religion, with a view to establishing a non-racial and representative government."

Canadian Prime Minister Mr Brian Mulroney said the document amounted to "a signal to Pretoria of what is waiting around the corner in the absence of serious movement to accommodate the legitimate objectives that we see".

Mrs Thatcher made clear that Britain still opposed economic sanctions and would not be among those who would adopt economic measures if Pretoria failed to take action on apartheid within the six-month deadline.

The accord then listed a programme of common action already adopted by a number of countries.

Technology

The list included measures such as a ban on government-to-government loans and the sale of computer equipment to South African security forces.

Other measures were an end to government funding for South African-related trade fairs, a ban on new sales of nuclear goods and technology, a ban on the sale and export of oil, and an embargo on arms purchases from South Africa, an embargo on military co-operation and the discouragement of cultural and scientific exchanges, except where they contributed towards the ending of apartheid.
Pressure on ANC, SA for dialogue

From JOHN BATTERSBY

NASSAU, The Bahamas. — The African National Congress is under pressure from the Commonwealth to embark on a course of dialogue with Pretoria.

A key paragraph in the Commonwealth declaration on Southern Africa adopted here on Sunday night calls on Pretoria to initiate a process of dialogue “in the context of a suspension of violence on all sides.”

It is understood that the phrase was inserted largely on the initiative of the British Prime Minister, Mrs Margaret Thatcher, who described the paragraph as “the heart of the accord,” adding that it was worthwhile making some minor concessions to sanctions to secure a statement on renouncing violence.

At a press conference on Sunday night, the Commonwealth Secretary-General, Sir Sonny Ramphal, recalled that the liberation groups in former Rhodesia — ZANU and ZAPU — had been a “little uneasy” about the Commonwealth declaration in Lusaka in 1979 which led to Lancaster House “...but today they would all admit that what was done in Lusaka was the beginning of a process which led to the fulfillment of their expectations. I believe it will be the same with the ANC,” he said.

Group of eminent persons

Sir Sonny said it would be the task of a group of “eminent Commonwealth persons” — still to be appointed — “to work through all of this.”

“But nobody is talking about renouncing violence: That would probably have to start with Pretoria itself. What the declaration talks about is the suspension of violence on all sides. One would expect something of the nature of a truce while negotiations were under way,” he said.

But an ANC spokesman said at a press conference that the ANC rejected the concept of a group of “eminent persons” because it was a repetition of the Western contact group on Namibia which has so far failed to bring independence to the territory.

The ANC was not prepared to consider negotiations and the calling of a truce until its demands were met: the unbanning of the ANC, the release of Nelson Mandela and political prisoners, an amnesty for exiles, the dismantling of apartheid legislation and the lifting of the emergency.

The Commonwealth calls for a declaration containing a commitment to dismantle apartheid and “meaningful action taken in fulfillment of that intent.”

The Commonwealth accord will simultaneously launch a top-level bid to encourage black-white dialogue, implement a package of economic and political sanctions and set a timetable for the implementation of specific demands.

The sanctions to be applied immediately embrace the EEC sanctions package adopted by Britain last month, plus several new measures.

These are:

- A ban on all new government loans to the SA Government and its agencies.
- A readiness to take unilaterally what action may be possible to preclude the import of Kruger sands.
- An end to government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa.
- A ban on the sale and export of computer equipment capable of use by South African military, police or security forces.

A list of demands — which will be monitored and progress reviewed after six months — include:

- A declaration by President Botha renouncing apartheid.
- The termination of the state of emergency.
- The immediate and unconditional release of Nelson Mandela and other political prisoners.
- The lifting of the ban on the ANC.
- The initiation of a process of dialogue — in the context of a suspension of violence on all sides — leading to the establishment of a non-racial government.

In Pretoria, a government spokesman said the full text of the Commonwealth sanctions package against the Republic would have to be studied before any comment could be made.

- Thatcher: Far cry from ban, page 4
- 'South Africans must decide', page 6.
‘South Africans must decide’

BETHLEHEM — President P.W. Botha shot back at the Commonwealth last night and said he would not be bowed by a six-month deadline for reform.

Addressing an enthusiastic crowd of more than 1,000 at a by-election meeting in Bethlehem, Mr. Botha made it clear he would not be intimidated by threats of stronger boycott action by the Commonwealth if it was not satisfied with the rate of reform.

In a clear response to yesterday’s Commonwealth threat to impose stronger sanctions on South Africa if it was not satisfied with changes, he said: “I am not going to be bowed by a deadline to be finished in six months. South Africans must decide.”

Earlier, he told the Commonwealth and the United States that “the hole you are trying to dig for South Africa will be to your own detriment.”

Undeterred by reports of a white backlash and massive Conservative Party support in the constituency, Mr. Botha spoke strongly on the need for reform.

“The world is progressing and South Africa had to plan to modernize and progress with it,” he said, adding that the process would have to be properly led and be led by South Africans.

“Reform is not a one-step process. The reforms must be consistent with civilized norms and not the norms of terrorism,” he said.

“We can avoid confrontation by negotiation,” he said.

He was prepared to reshape the President’s Council and to have discussions with responsible leaders on the basis that no one minority group will be able to dominate another.”
SA business rejects 'external pressure'

Own Correspondent

Johannesburg. - Organized commerce has warned that undue external pressure on South Africa would be counter-productive and could harden attitudes in this country.

Reacting to the ultimatum by Commonwealth leaders to South Africa — to dismantle apartheid or face a programme of sanctions — the chief executive of Assocom, Mr Raymond Parsons, said organized commerce believed internal pressures for reform would be more effective than foreign pressure.

He said: "Assocom welcomes the fact that the British stand against mandatory economic sanctions has prevailed, and that the emphasis in dealing with South Africa should fall on dialogue rather than on confrontation.

"Economic sanctions would harm the reform process in South Africa, which requires a sound economy to underpin it."

Assocom believed that, if monitoring the progress in South Africa was necessary, it should be done from within the country and not externally.

"Organized commerce sees internal pressures for reform as more effective and suitable," he said. "The South African business community is already playing a constructive role."

Revolution

Anglo American chairman Mr Gavyn Relly, who is visiting Australia, said tough economic sanctions against South Africa would guarantee a revolution.

Mr Relly said that if South Africa's economy was damaged seriously by sanctions it would not be able to afford reforms for better living conditions, education and health services.

Because of the growing violence, it was feared that right-wingers would win the forthcoming by-elections in the national parliament.

The world should be helping to find a just and equitable system to replace apartheid rather than putting heavy pressure on sweeping it away in one big hit, said Mr Relly.

"The very large majority of South Africans want to get rid of apartheid", he said. "The international community has assumed a grave responsibility by calling for economic sanctions."

He said that the revolution of the Marxist-inspired type should occur, the Western world would not want to own up to having brought it about.

A smashed economy would in no way help to bring about a successful change in South Africa or allow a positive move towards all people being represented in a federal government.
Thatcher: Far cry from ban

LONDON — Prime Minister Mrs Margaret Thatcher’s agreement to limited economic sanctions against South Africa received a mixed response yesterday.

Mrs Thatcher, whose opposition to sanctions had brought the Commonwealth summit close to a break, said in a BBC radio interview yesterday her concessions were “absolutely minute — a very, very far cry from a ban on exports and imports from South Africa”.

‘Blackmailed’

But Mr John Carlisle, a Conservative Party MP who is secretary of the British-South Africa Parliamentary Group, said Mrs Thatcher had been “blackmailed” into agreeing to sanctions.

“Any breaking of the no-sanctions policy is deeply to be regretted.”

Mr Carlisle said: “This must be the last concession to the Africans. There must be no more submission to blackmail and there must now be encouraging measures to the South Africans towards reform.”

The opposition Labour Party welcomed the agreement but the centrist Liberal and Social Democratic parties said Mrs Thatcher’s stand against every other Commonwealth nation had seriously damaged Britain’s interests throughout the world.

Mr Donald Anderson, Labour’s spokesman on foreign affairs, said: “Kicking and screaming, she has been persuaded by the Commonwealth to set out on the road of sanctions. This must be welcomed by those who seek change in South Africa.”

Liberal foreign affairs spokesman, Mr Alan Beith, said the Commonwealth package was “a welcome first step” but added that “no one who heard Mrs Thatcher describe its economic measures with undisguised contempt as ‘absolutely minute’ can believe she has any intention of bringing serious pressure to bear on the South African Government”.

Social Democratic leader, Dr David Owen, said Mrs Thatcher had in reality accepted President Ronald Reagan’s line on limited economic sanctions.

“It is an ill-covered climbdown, which has given Britain an appallingly bad press throughout the world where we have been identified with support for apartheid — and sadly some of that mud will stick,” he said.

‘Tiny’

In the interview Mrs Thatcher said the ban on Krugerrand sales and the end to financing formal trade missions were “two such tiny things — I don’t think they will affect our trade with South Africa”.

“Anyway, there is no earthly use in creating unnecessary unemployment at home in order to create unemployment there. Which is why I was against sanctions and still am against sanctions, added to which they won’t work,” she said. — Sapa-Reuters-AP
Sanctions may cost Britons 200 000 jobs

Own Correspondent
LONDON — Mrs. Margaret Thatcher’s determined campaign to block mandatory sanctions at the Commonwealth prime ministers meeting in Nassau was the result of a disturbing government brief on the effect they would have in Britain, as well as her own ideology.

Estimates prepared by government departments showed that as many as 200 000 jobs might be put at risk in Britain by sanctions.

There were gloomy forecasts of the effects on the British economy.

As well as the direct consequences of action taken in South Africa, it was thought Britain would be called on to “ball out” the six black African countries which would also be hit.

Arithmetic

Mrs. Thatcher is opposed to sanctions in principle, believing they will not be effective, will hit blacks in South Africa more than whites, and will severely damage neighbouring black states.

But it is the arithmetic in Britain which has been uppermost in the Prime Minister’s mind.

British investment in South Africa is thought to be worth about £11 billion (R49.7 billion) a year both direct and indirect. In addition, the export market in South Africa was last year worth R4.44 billion.

According to the UK-South Africa Trade Association, South Africa is Britain’s 12th largest export market, with seven to 10 percent of Britain’s total overseas investments and about 400 companies quoted on the London Stock Exchange having South African subsidiaries.

Studies by United Nations committees have estimated that as many as 250 000 jobs might be lost in Britain if sanctions were applied.

Opponents of apartheid, who favour sanctions play the job loss total down to as little as 10 000. But they admit this is based on the optimistic idea that companies concerned would find new markets.

Links between British and South African business extend right across the board from banks, mining companies and engineers to insurance companies which are the biggest in Britain having comparable market shares in South Africa.

Some of the British companies involved in South Africa have been quietly cutting down on new investment over the past year or so. However, there has also been some apprehension at the consequences if Britain stands alone against sanctions.

The fear then would be that black African countries would discriminate against Britain, and action by countries such as Nigeria would have a tremendous impact. Apart from consumer goods, black African states could also refuse to award civil engineering or other contracts to British companies.

British companies see little hope of profit from states such as Tanzania and Zimbabwe, however, and fear Britain would have to spend more to offset the effect of sanctions on them.

There is also the fear that the effects would be likely to lead to even more violent confrontation in South Africa.
IAN SMITH SPEAKS ON SANCTIONS

WASHINGTON — Former Rhodesian prime minister Mr. Ian Smith said yesterday that US sanctions against South Africa would harm surrounding black African countries more than the Pretoria Government.

Mr. Smith told a news conference organised by the Conservative Caucus Inc., a private political group, that the root of current unrest in southern Africa was not racial repression but a Soviet campaign to control the southern half of the continent.

He said he was briefed by Rhodesian security officials after he assumed office as prime minister in 1981 on the Soviet plan, which he said involved first controlling a “saddle” to the north, then going down the flanks to the south.

Aim

The Soviet aim is to take over South Africa — “the greatest treasure house on this earth”, and thus control the strategic minerals found only in Southern Africa, he said. Mr. Smith also said the Soviet Union, under its new leader Mr. Gorbachev, was amenable to the idea.

Sanctions would probably not be the boon to South Africa that they proved to be to Rhodesia by spurring the domestic economy for the first 10 years after they were imposed in response to Mr. Smith’s unilateral declaration of independence, he said.

Imports

Zimbabwe, for example, is landlocked and has to ship 90 percent of its exports and imports through South Africa, he said.

Mr. Smith said sanctions imposed by President Reagan on South Africa already, including curbs on exports of computers and nuclear equipment and banning imports of Krugerrand gold coins, would probably have little effect on South Africa’s neighbours.

But he said he regretted that Mr. Reagan was pressured into reversing himself in his opposition to sanctions and was concerned that the measures were only a first step, with more severe pressures to follow.

Mr. Smith said he opposed South African policies of racial discrimination, but that the way to change them was through communication and negotiation, a policy he said he followed in ending white rule in Rhodesia — Sape-AP.
The debate, certain to be won by the Conservatives, follows a debate yesterday in the House of Lords where the Government, by 92 votes to 36, defeated a Bill introduced by Labour peer Lord Hatch which provided for a wide range of sanctions against Pretoria.

It will be held as the Director-General of Finance and head of the Standstill Co-ordinating Committee, Dr Chris Stals, secretly meets 29 creditor banks here to begin discussions on rescheduling the R60 000-million South African foreign debt.

Also in London is Chief Mangosuthu Buthelezi, who is to address the South Africa Club today and meet British parliamentarians from all parties tomorrow.

Chief Buthelezi will also meet executives from the giant Nestle multinational.

**Backs Thatcher**

He has told British television viewers that he supports "in toto" Mrs Thatcher's stand against sanctions in the Commonwealth and that the forced rescheduling of South Africa's foreign debt will do more to bring about change than sanctions.

Labour leader Mr Neil Kinnock, giving notice of his party's attack on the Government in the Commons, says that Britain has to decide now whether to continue economic sanctions against South Africa and whether to change the sanctions once the black government will inevitably rule South Africa.

He accused Mrs Thatcher of "sulkily" and "spitefully" agreeing to the Commonwealth package.

Neither Mrs Thatcher nor the Foreign Secretary, Sir Geoffrey Howe, will be in the Commons for today's debate. Both are attending the 40th anniversary celebrations of the United Nations in New York.

The main Government speaker will be Mr Malcolm Rifkind, Minister of State at the Foreign Office in charge of South Africa.
Sanctions vote: 24 MPs have SA interests

The Star Bureau

LONDON — At least 24 Conservative MPs, including one Cabinet Minister and two former Cabinet Ministers, have firmly declared their financial interests in South Africa before they vote in today's Commons debate on economic sanctions.

The list includes Mr. Tom King, Northern Ireland Secretary; Mr. James Prior, former Northern Ireland Secretary; and Mr. Cecil Parkinson, former Conservative Party chairman. Mr. John Carlisle, an outspoken supporter of South Africa, Mr. Julian Amery, Mr. Anthony Beaumont-Dark, Mr. Edward Du Cann and Ms. Sally Oppenheim.

To coincide with the Commons debate on sanctions, the South African embassy has taken out a major supplement advertisement in the Financial Times. The ad consists of a reprint of an interview given by the South African ambassador in London, Mr. Dennis Worrall, in the South African publication Finance Week in which he talks about the contribution South Africa has made to its neighbouring states.

He is quoted as saying that despite some anxiety and sporadic setbacks, regional relations are steadily improving and he is pursuing greater realism on the part of all concerned. The countries of the region are becoming much aware of the positive changes that are taking place in South Africa.

Neither Mrs. Thatcher nor the Foreign Secretary, Sir Geoffrey Howe, will be in the Commons for today's debate about attending the 40th anniversary celebrations of the UN in New York.

Main Government speaker will be Mr. Malcolm Rifkind, Minister of State at the Foreign Office in charge of South Africa.

In the House of Lords yesterday, Lord Hatch introduced his United Nations (South Africa) Bill, which aims to bring independence to Namibia by enforcing a wide package of sanctions.

He said reform in South Africa was aimed at keeping whites in power.

Sanctions were unanimously supported by all the Frontline states and by 77 percent of blacks in South Africa, he claimed.

Liberal Peer Lord Beaumont said Torture and death are daily news in South Africa, which is the most brutal regime of our time. It is the direct descendant of the holocaust.

USELESS

Conservative Peer Lord Morris said the Bill was malicious, unnecessary and totally useless.

Viscount Mountgarret, also for the Government, said South Africa was one of Britain's greatest allies and needed help.

The main government speaker was Baroness Young, the deputy Foreign Secretary. Her speech was seen as an indication of the line the Government will follow today.

She repeated that Britain found apartheid abhorrent, and wanted change. But the Bill cut across the agreement reached at the Commonwealth Heads of Government meeting.

Britain would stand by that accord, she said.

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said.

LONDON: Britain will debate sanctions against South Africa today.

The House of Commons debate on the crisis in South Africa is certain to be won by the Conservatives.

It follows a debate yesterday in the House of Lords where the Government, by 32 votes to 36, defeated a Bill, introduced by Labour's Lord Hatch, which provided for a wide range of sanctions against Pretoria.

The debate will be held as the Director General of Finance and head of the Standstill Coordinating Committee, Dr. Chris Stals, secretly meets 25 creditor banks here to begin discussions on rescheduling the $23 billion South African foreign debt.

BUTHELEZI BACKS THATCHER

Also in London is Chief Mangosuthu Buthelezi, who addresses the South Africa Club today and meets British parliamentarians from all parties tomorrow.

Chief Buthelezi is also to meet executives from the giant Nestle company.

He has told British television viewers he completely supports Mrs. Thatcher's stand against sanctions in the Commonwealth, and more to bring change than sanctions would have done.

He has told British television viewers he completely supports Mrs. Thatcher's stand against sanctions in the Commonwealth, and more to bring change than sanctions would have done.

But the Bill cut across the agreement reached at the Commonwealth Heads of Government meeting, Britain would stand by that accord, she said.

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said.

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said.

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said.

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said.
Unions pledge action against South Africa

From JOUBERT MALHERBE

LONDON. — Representatives of seafarers’ and dockers’ unions from more than 30 countries yesterday pledged their support for strong international action to ensure adherence to the oil embargo against South Africa.

Speakers at the London Conference of Maritime Trade Unions included the African National Congress president, Mr Oliver Tambo, and the leader of the Labour Party, Mr Neil Kinnock. Delegates gave Mr Tambo — a listed person who may not be quoted in South Africa — a standing ovation.

Mr Kinnock told delegates, whose member unions handle oil shipped to South Africa in violation of the UN oil embargo, they had it in their power to strike a “major blow” against apartheid.

Oil enabled the South African regime to operate in SWA/Namibia and to launch raids against frontline states. “It also fuels the police vehicles which bring brutality to the townships every day.”

The chairman of the United Nations Special Committee Against Apartheid, Major-General Joseph Garba, said his committee suggested the following steps to ensure adherence to the oil embargo:

● Western governments should be persuaded to make it illegal for companies to participate in oil trade with South Africa.

● Governments should be willing to impose sanctions and other measures against companies who broke the embargo.

● Ways should be found to identify and eliminate loopholes through which South Africa obtained oil.

● The oil embargo should be made binding on all member states of the UN.

He said the role of multinational companies in South Africa should be closely monitored.

The conference continues today.

Liberal leader Mr David Steel yesterday held a meeting with Mr Tambo. Mr Steel said afterwards: “The British Government must use all its economic and political muscle to force President P W Botha to sit down with the black and coloured leadership in the country, whether approved of or disapproved of by the regime, whether currently in jail or not, on a firm promise of a new constitutional settlement which will include everybody in South Africa.”
Sanctions or an explosion — Kaunda

NEW YORK — The Zambian leader, Dr Kenneth Kaunda, has said present reforms are inadequate and has called for economic sanctions on South Africa even if this is painful for its neighbours.

"The oppressed people of South Africa and the Frontline states refuse to be used by those who are opposed to economic sanctions. The harm consequent upon the imposition of sanctions will be far less than that which will result from the imminent explosion if sanctions are not imposed on South Africa.

"We support sanctions, and call upon those governments now opposed to such measures to change their minds."

Dr Kaunda was speaking in the General Assembly during the UN's 40th anniversary celebrations. More than 80 heads of state or government are expected in New York this week for the event, culminating with an address by President Reagan tomorrow.

SA attacks on neighbours condemned

NASSAU — South Africa has been condemned by Commonwealth leaders for its attacks against neighbouring countries and for delaying a settlement in Namibia.

In their final communiqué yesterday the 46 Commonwealth leaders said they considered the establishment of a so-called interim administration in the disputed territory invalid and renewed their call for the immediate implementation of Security Council Resolution 435.

They rejected attempts to delay Namibia's independence by linking it to the withdrawal of Cuban troops from Angola, and stressed that President Reagan's policy of constructive engagement had failed to end South Africa's intrusiveness over Namibia as well as over apartheid.

NEW page
prese
in a tury
the 26-
char-
can
are
who
who
will
Lind
Th
bara

Dr Kaunda, fresh from a meeting of the Commonwealth nations in the Bahamas, said later at a news conference that "sanctions applied at this juncture will certainly hurt us and hurt us very badly — but they are the better of two evils. With sanctions there is the possibility of recovery."

He praised the efforts of "the American people" for putting pressure on the administration to abandon its policy of constructive engagement.

In his General Assembly speech, Dr Kaunda appealed to President P W Botha to abolish apartheid and meet with the genuine leaders of the oppressed people, lift the state of emergency, lift the ban on the ANC and other political parties and release Nelson Mandela and all political prisoners.

He said the current reforms were not enough, and what was needed was the "complete dismantling of apartheid." "Bold steps must be taken now in order to diffuse the explosive situation," he said.

He hoped by April British Premier Margaret Thatcher "would see the light" and change her stance on sanctions.
Forbidden fruit tastes good to Irish

London Bureau

TWO European governments already following the path of sanctions against South Africa found yesterday that they had run into trouble.

Ireland's imports of fruit and vegetables from South Africa, it was revealed, had increased by almost 23 percent during the past six months and the figures came as a shock to the Irish Government and anti-apartheid campaigners.

During the first half of this year imports of South African fruit increased by 620,000 tons over the same period, in 1984 to a total value of more than £12 million.

The largest increases were in oranges followed by grapefruit and apples.

A spokesman for the food importers said he was not surprised by the figures.

'South African fruit and fresh produce is of superb quality and is in high demand because the public like it and want to buy it. Politics and protest won't change that basic fact,' he said.

Alternative

Major Irish supermarket chains have already agreed, at the request of the Irish Government, to phase out South African produce and arrange alternative sources of supply.

A spokesman for the supermarkets said the picture would change over the next six months.

Meanwhile, the Danish Government, appears to have left itself in the cold through its imposition of a boycott on South Africa's coal imports.

It is now struggling to find a new source of economic coal.

Confusion caused by the boycott, reportedly deemed to become fully effective by 1986, was revealed in a bitter row in the European Parliament in Strasbourg yesterday.

Two British Labour Party Euro MPs, Mr Win Griffiths (South Wales) and John Tomlinson (West Birmingham) accused Britain's National Coal Board of deserting a fellow Common Market country and, effectively, of hampering a sanctions action against South Africa.

They said Danish Euro MPs had protested to them that the NCB and British Government had turned down an order to replace up to 300,000 tons of coal a year from South Africa.

The two British Euro MPs said they had protested to Prime Minister Mrs Margaret Thatcher in a letter urging her to investigate the commercial and political judgement of the NCB.

An NCB spokesman in London denied that the Danes had even offered a contract to replace South African supplies.

'She said: 'A Danish energy delegation met us and the Energy Minister, Mr David Hunt, recently but it was purely exploratory.'

An Energy Department spokesman said: 'We really don't understand the basis of these protests.'

'It all seems to be the consequence of sanctions against South Africa but I am afraid the Danes will have to give the answers.'
A threat to British jobs

THE DETERMINED campaign of Mrs Margaret Thatcher to block mandatory sanctions at the Commonwealth Prime Ministers' meeting in Nassau was the result of a disturbing government brief on the effect they would have in Britain, as well as her own ideology.

Estimates prepared by government departments showed that as many as 300,000 jobs might be put at risk in Britain by sanctions.

There were gloomy forecasts of the effects on the British economy. As well as the direct consequences of action taken in South Africa, it was thought Britain would be called on to 'bail out' the six black African countries that also would be hit.

Mrs Thatcher is opposed to sanctions in principle, believing they will not be effective, will hit blacks in South Africa more than whites and will severely damage neighbouring black states.

Worth R40 billion

But it is the arithmetic in Britain that has probably beenuppermost in the Prime Minister's mind.

British investment in South Africa is thought to be worth about £1 billion (R40.7 billion) a year, both direct and indirect. In addition, the export market in South Africa was last year worth R44 billion.

According to the U-K South Africa Trade Association, South Africa is Britain's 12th largest export market. With 7 to 10 percent of Britain's total overseas investment and about 400 companies quoted on the London Stock Exchange having South African subsidiaries.

The close ties between London and South Africa are shown by such facts as that the De Beers organisation, which controls the world rough-diamond market, has its headquarters in London. And the Bank of England is the main agent for most sales of South African gold.

Studies by United Nations committees—usually thought to be in

Historic rock a flashpoint

APARTHEID may be the rock on which Afrikaner nationalism was founded, but in Australia a real rock threatens severe embarrassment to government for reasons not entirely divorced from race.

Ayers Rock, a gigantic monolith sited close to the heart of Australia which vies with the Sydney Opera House and the Harbour Bridge for the title of this country's best-loved landmark, has unexpectedly become a black-white flashpoint.

On Saturday the Labour government, without prior consultation or a mandate from the people, will hand Ayers Rock and the whole of the Uluru National Park surrounding it to the Mbitjula Aboriginal community—then pay them £75,000 a year to lease it back.

Has outraged many

It is a gesture that has outraged many Australians, and the Northern Territory government in particular, so much so that it recently spent $200,000 in a media campaign designed to prevent the hand-over.

Discrimination

The fear then would be that black African countries would discriminate against Britain, and countries such as Nigeria would have a tremendous impact. Apart from consumer goods, black African States could also refuse to let in engineering or other contracts to British companies.

Black leaders such as Julius Nyerere of Tanzania or Robert Mugabe of Zimbabwe have all appealed to Britain to apply sanctions, though they recognise their own countries would be affected.

British companies see little hope of profit from such states, and fear Britain would have to spend more to offset the effect of sanctions on them.

There is also the fear that although South Africa's blacks have demanded sanctions as the best way of fighting apartheid, the effect would be likely to lead to even more violent confrontation.

Marshall Wilson

Melbourne

the coveted Rock is now in the hands of a tribe only 120-strong when it should by rights be part of Australia's heritage.

'Australians did not give the Hawke government a mandate to divide this country,' Mr Tuxworth said.

Last year alone there were almost 100,000 visitors to the Uluru National Park, an area of 1,325 sq km dominated by Ayers Rock. Estimates are that by 1990 200,000 will go there annually.

The Aborigines claim the Rock has been their spiritual home for more than 30,000 years and the Federal Government feels it consistent with current policy to hand it back.

Indeed, it seems there are many in this vast land with a history of atrocities towards the original inhabitants with a deep desire to cleanse the nation's troubled collective conscience.

The Age newspaper in Melbourne last week accused Mr Tuxworth in an editorial of trumpeting what it calls 'the bug lie and a myriad of half truths.'

Upsetting history

In condemning the Northern Territory government of peddling misinformation the newspaper says the Uluru National Park will be leased back to the Federal Government for 69 years and must be renegotiated within seven years of expiry.

'The Northern Territory Government is standing history on its head,' says the Age. 'If anyone is giving away Ayers Rock it is the Aborigines.'

It says that with 400,000 years of history behind them the Aborigines were in fact dispossessed by whites a mere 200 years ago.

In defending the right of the Aborigines to claim the Rock, the Age says: 'They have invested it with a sacredness that transforms Ayers Rock into Uluru and puts beyond price their gift to all Australians.'
Fears SA cut-off could hit hard

US studies PW's chromium threat

WASHINGTON - President PW Botha's threat to suspend chromium exports in retaliation for anti-apartheid sanctions has sparked disagreement among US experts over the impact of such a move.

The Australian government reacted warily Trade Minister John Dawkins suggested some form of trade retaliation might be considered if Pretoria carried out the threat.

Citing US dependence on SA as a supplier of chromium, Botha said this week: "By digging a hole for SA, they could end up harming themselves."

Chromium is one of several strategic materials, along with manganese, coal and platinum, of which southern Africa is a primary supplier for the US and other Western nations. Chromium has a myriad of metal applications, including aircraft, vehicle and everyday consumer products.

US Representative Don Fuqua, chairman of the House Science and Technology Committee, said Botha's threat should be taken seriously because a cut-off of chromium could have serious economic consequences. Sudden and prolonged loss of supplies could hurt the US car industry in particular, he said.

"It could have a great deal of impact. This is as critical as petroleum products in the long run."

Some US experts doubt that Pretoria would retaliate against US economic sanctions with a chromium cut-off because of the importance of the mineral to the SA economy.

But Fuqua said Pretoria might forgo the income and jobs because chromium amounted to only about 1% of SA's gross national product.

By law, the US maintains a stockpile of as much as three years' supply of chromium for national security uses. Industry, however, has no more than a one- to two-month supply stockpiled. In 1982 the US bought 45% of its chromium from SA, which produced 94% of the world total, and only 15% from the Soviet Union which produced 33%.

Marshall Wason reports that Botha's remarks sparked the Melbourne Herald lead: "Urgent war warning over SA." While The Australian editorialized: "SA's stainless steel ration."

Opposition foreign affairs spokesman Andrew Peacock said Botha's reaction to the threat of Commonwealth sanctions highlighted what the opposition had warned was the problem with trade embargoes - they work both ways.

Zimbabweans rush to choose citizenship

HARARE - With the deadline for renouncing foreign citizenship only a week away, hundreds of Zimbabwean dual citizens are jamming the registrar-general's office in Harare seeking to "regularise" their nationality.

More than 1,000 have already officially handed over a foreign passport, in most cases a British.

Renunciation of British citizenship is valid only if made in a British court. The British High Commission in Harare has promised to return the passports if their previous owners ask for them. But it may be a while before it is in a position to do so.

Zimbabwe is obliged to give the passport to the High Commission but appears to be too busy to hand them over.

Zimbabwe banned dual citizenship last year after constitutional protection lapsed. Dual nationals have been given until October 31 to choose between Zimbabwe and their second country.

Saps-AAP
Search on for alternative to SA's mineral supplies

The Star Bureau
LONDON — With the spectre of economic sanctions against South Africa looming, nations that import that country's minerals are casting about for possible alternative supplies.

One of the countries being actively looked at is Brazil.

For several reasons, Brazil has lagged far behind other leading minerals exporters such as the United States, Canada, Australia and South Africa. Only in very recent years, has it ceased being an importer of most non-ferrous metals, and even steel.

But minerals output, including oil, grew by 27 percent last year, and a similar rise is expected this year.

Of the list of 15 minerals of which South Africa is an important or dominant supplier, Brazil has 11. It lacks only diamonds, minerals in the platinum group, cobalt and vanadium.

Brazil has deposits of chrome, antimony, titanium, and zirconium. The country is already an important producer of bauxite and aluminium, manganese, nickel and tin, and it has now overtaken Australia to be the world's largest producers of iron ore.

Attracted by significant new finds, such as the immensely rich Garajas complex, in the Amazon region (which has almost unlimited reserves of high-grade iron ore and copper, tin, bauxite, manganese, nickel and gold) mining companies have been quietly expanding prospecting programmes in the past few years. Entrants include companies such as Anglo-American.

Among companies which have increased their presence in Brazil are British Petroleum, which has been spending up to R50 million a year on prospecting, Shell's Billiton Metals subsidiary, Rio Tinto-Zinc, and the Belgian Union Miniere.

Brazil has already become dominant in iron ore. But in recent years, several aluminium companies have decided to take advantage of the vast reserves of high grade bauxite, and particularly important, of abundant and cheap hydro-electric power. Cheap power is crucial to the smelting process.

The US Alcoa company, in conjunction with Shell, recently started with a big smelter near the Amazonian city of Sao Luis, where 500,000 tons of aluminium will eventually be produced.

A consortium involving Brazil's state-owned Vale do Rio Doce mining company, and 20 Japanese aluminium companies convinced of the need to refine where costs of production are far lower than in energy-short Japan, is about to start a plant near Belem, at the mouth of the Amazon, where 300,000 tons will eventually be produced.

Increased production of some metals has responded sharply to price changes. Until six years ago, Brazil's output of gold was only about five tons a year. Now it is 10 times that, and if the price remains high, it could reach between 70 and 100 tons, making Brazil the world's second-largest gold producer. Most of the new production has come from the tens of thousands of small-scale gold panners searching the river beds and hills in the Amazon region.

However, the Anglo Americam Corporation is spending heavily to expand production at its deep mine, Morro Velho, while several of Brazil's tin mining companies have switched their resources, as the tin price falls.

The search for uranium is typical of what can happen when geologists start prospecting seriously. Twenty years ago, Brazil's proven reserves of the mineral were negligible.

Then plans for a big nuclear power programme were made, formulated and after intensive prospecting proven reserves have now risen to 300,000 tons, among the world's largest. The search has been temporarily suspended, as there is plenty to go on with.

The prospects are so good that for several mining companies Brazil has at last become their number one priority.
STOCKHOLM — Swedish transport workers yesterday halted all the country's trade with South Africa to extend a boycott that began in Norway and Finland at the weekend. The union action is due to spread to Denmark next month.

The Swedish union has tried to get the London-based International Transport Workers' Federation (ITWF) to declare a worldwide blockade of South African goods but says it has run into opposition from British and West German members.

"Switzerland is the largest Nordic market for South African goods and bilateral trade was worth about H828m last year.

Foreign Trade Ministry officials confirmed the union action would bring trade with SA, including the import of vital ferro-alloys for Swedish steelmakers, to a complete halt but predicted industry would not protest.

"The government is certainly not going to intervene and in the present climate no company will dare to attract publicity by suing the unions for breach of contract."

Substantial stockpiling of South African minerals in the first half of this year should soften the trade cut-off's impact. Officials said firms in Sweden would not suffer in the short term.

Swedish Transport Workers' Union officials said their chief, Johnny Groenberg, wrote to the ITWF on July 31, proposing an "international blockade of goods and passengers to and from South Africa", but it had not replied officially so far, although its British and West German member unions had blocked the attempt.

His union, one of Sweden's largest and covering port and airport workers as well as lorry drivers, wants the country to embargo all trade with Pretoria.

Officials said that in the next few days the government would present a Bill to parliament banning imports of South African fruit and vegetables in spite of Pretoria's threats to sue Sweden for violating free trade agreements. - Sapa-Reuters.
WASHINGTON

SANCTIONS ON SWAZILAND SPEAKS

BRINGING YOU NEWS FROM AROUND THE WORLD

AMABANE - WECC

WASHINGTON 20/10/86

SOMETHING'S OFF WITH THE WORLD
SA companies are now disinvesting, says TCI

A TRANZVAAL Chamber of Industries spokesman warned yesterday that South African companies were beginning to disinvest at home.

"This is a far greater threat to job creation than the international disinvestment moves," said Joe Annegarn, a leading figure in the TCI and the MD of Mono Dies on the East Rand.

Most members shared this view.

The TCI has among its ranks companies employing more than 1 million people.

Annegarn said the disinvestment situation applied to Mono Dies, where capital expenditure had been deliberately withheld because they believed the economy was dying.

"This creeping lack of investment frightens the hell out of me," he said.

It was forcing businessmen into the political arena.

The fall in gross domestic fixed investment was likely to be more than 20% by end-1985, together with an attendant drop in investment in new offices, shops and factories.

Federated Chamber of Industries economist Jan de Jaeger confirmed that the drop in fixed investment was expected. The real value of fixed investment in the manufacturing sector had fallen by 12.3% between the first quarter of 1984 and the end of the second quarter of 1985. Total fixed investment over the same period dropped by 11.5%.

This, he said, was indicative of slower investment rather than domestic disinvestment. Various economic factors such as government's deliberate moves to curb discretionary spending for the public, also had to be borne in mind.

"People, likely to have to pay through the nose for imports, are certainly holding off," said De Jaeger.

Sanlam Investment Corporation strategic research chief Peet Strydom said despite fears that the enforced repayment of foreign debt over the next few years would make SA a capital exporting country, "there has already been a re-distribution of wealth in favour of the rest of the world. The trend has been evident since 1980."

He added: "Investment decisions by SA companies are contributing towards that situation."

---

Commerce plans strategies to beat sanctions

COMMERCE is not taking the threat of sanctions lying down. It is formulating contingency plans in case of comprehensive mandatory sanctions.

Johannesburg Chamber of Commerce this week held a sanctions think-tank at which various strategies to overcome a range of economic sanctions and boycotts were discussed.

Discussions were not political.

But centred around pragmatic measures to ensure the survival of business.

The chamber saw its role as helping members to continue trading in spite of obstacles placed in their way.

It would advise businesses on avoiding the pitfalls encountered in operating under sanctions, especially with difficulties in exposure to foreign exchange.

Some members had gained extensive experience from sanctions against what was then Rhodesia and their skills would prove invaluable in keeping imports and export channels open.

In this context, chambers of commerce would also continue to articulate the views of its members and advise government accordingly.
Sanctions deadline looms

American companies in SA employing more than 25 people have until the end of the year to ensure that their employment practices comply with the principles enunciated by President Ronald Reagan in the sanctions package he announced last month. Failing this, they face a ban on US government export assistance to them in other parts of the world.

But with the deadline just over two months away, the US State Department has not yet indicated precisely how adherence to Reagan’s principles is to be monitored. And a spokesman for the American Chamber of Commerce says he is not unduly concerned that the scheme will have serious consequences for US business because most of the firms which have SA operations already comply with the principles and the penalty for non-adherence is not very onerous.

Reagan’s principles, which closely mirror those contained in the Sullivan Code, are that:
- Facilities in all US companies must be desegregated;
- US companies must provide equal employment opportunity for all employees without regard to race or ethnic origin;
- Remuneration systems must be applied to all employees without regard to race or ethnic origin;
- Companies must establish a wage and salary structure based on an appropriate local minimum economic level which takes into account the needs of employees and their families;
- Firms must undertake increasingly to place employees who are disadvantaged by the apartheid system in managerial, supervisory, administrative, clerical and technical jobs to increase significantly their representation in such jobs;
- Reasonable steps must be taken to improve the quality of employees’ lives outside the work environment with respect to housing, transportation, schooling, recreation and health; and
- Fair labour practices must be instituted which recognize the right of all employees, regardless of race or other distinctions, to organise, form, join or assist labour organisations, without penalty or fear of reprisal. The right to refrain from such activity must also be recognised.

According to guidelines received from Washington by the US embassy in SA, companies which have not become signatories to the Sullivan Code will be encouraged to do so. To determine whether American companies are complying with Reagan’s fair employment principles, the US will rely, at least in part, on the regular reports produced by the Sullivan auditors, Arthur D Little Inc.

The intention is that this will obviate the need for the US government to set up a bureaucratic structure to do the monitoring.

But according to a spokesman at the US consulate in Johannesburg, the process of drawing up full regulations to implement this section of Reagan’s executive order has not been completed. And regulations on how non-signatories to the code will be assessed still have to be promulgated by the State Department.

Other difficulties

The State Department also faces other difficulties. Some of the principles, for instance, will be difficult to assess quantitatively. Others are less specific than the Sullivan Code itself.

For example, the Sullivan standard on wage and salary levels is that the minimum wage in particular geographic areas should be at least 30% higher than two regularly-published guidelines — the University of SA’s Minimum Living Level and the University of Port Elizabeth’s Household Subsistence Level. It is unclear whether Reagan intends to use the same criteria.

The State Department will also have to clarify exactly which US companies are covered by the order. Employers of 25 or fewer workers are exempted.

But there are scores of subsidiaries where less than 50% of the equity is owned by the US parent company. Where is the cut-off point? And in some cases ownership is indirect, through a subsidiary operating in another part of the world.

Sullivan Code signatories employ 60%-70% of the total number of people working for US companies in SA. In the last Sullivan Report, issued in October 1984, 115 US subsidiaries were evaluated. Of these, 83 were categorised as “making good progress” or “making progress” in implementing the codes’ requirements. The report lists 123 US companies with more than 10 employees which are not signatories to the code. It is not known how many of these have more than 25 employees and are therefore covered by the executive order.

Commenting on the executive order, American Chamber of Commerce executive director Ken Mason says that US companies in SA, which employ about 120 000 people, have generally made great efforts to develop their employment practices.

He points out that they have spent large amounts of money on social programmes — R100m on social and economic welfare schemes and R11m on training employees. (These figures include expenditure by companies which have not signed the Sullivan Code.) Mason describes the intent behind this section of the executive order as “meaningful.” Companies whose employment practices are not presently in line with the principles are likely to attempt to remedy the situation.

But, he says, the depressed state of the SA economy means that there will be some US companies which will be unable to meet these standards.

He estimates that adherence to the code could add about 10% to the average company’s pay package now — up from 3.5% when the code was first introduced.

The consequences for financially strained companies are, however, not likely to be serious. In general, export assistance from government “is not a dominant factor in determining whether a company breaks into the export market and has not been meaningful in assisting US exports,” says Mason. And firms exporting to SA itself do not use US government financial export assistance at all.
Thatcher agrees to face SA's unsolved problems of 1910

SEVENTY-FIVE years after the national convention which ushered in the Union of South Africa, Britain has accepted its moral and historical responsibilities to South Africa. There was unfinished business in 1910 — the issue of black political rights.

What Britain failed to resolve in 1910 is now at the centre of the world stage in 1985. History has wondrous — and at times tortuous — ways, but it never forgets.

The removal of Africans first from the common roll in the Cape in 1927 and then the removal of even their white representatives in 1949 are shabby and disgraceful legacies that the National Party is now having to confront.

The removal of the coloured people first from the common roll and then their white representatives by breaching the Senate in 1955 was an act of political manipulation and cynicism which will haunt the white minority — all whites — must bear the blame well into the next century.

Peaceful

But that is history and it is past. What of the future? The significance of the Commonwealth accord on South Africa, reached in the Bahamas this week, is that Britain has finally taken responsibility for that fateful political act in 1910, against which Sol Plaatje protested with such dignity.

Since its formation in 1912, the African National Congress (ANC) took over the Plaatje tradition of dignity and peaceful protest.

It was only in 1960 — after half a century in which every peaceful avenue was exhausted — that the extremism of the National Party and the fanaticism of Hendrik Verwoerd led Nelson Mandela to reluctantly adopt a programme of sabotage and armed struggle.

Then there is the irony of history.

Pressure

The British Prime Minister, Mrs Margaret Thatcher, who is an honourable and highly principled political leader, has been under pressure from two sides to accept Britain's historical responsibilities in South Africa.

On the one side a succession of Africanist nationalist prime ministers — particularly President Jomo Kenyatta — have insisted that apartheid began before 1948 and, for that matter, before 1910.

This has been their way of telling Britain it must bear some of the responsibility. But she has been getting the same message from Commissioner John Battersby reports from Nassau in the Bahamas.

The head of the Nigerian delegation, Commodore Ebitu Ukeje, also felt the iron whip-lash when he made a veiled threat of sanctions against Britain.

A chastened Commodore Ukeje was defensive at the departing press conference: “It is not my intention to sit here and threaten her. I am sure Britain will do its utmost to ensure that apartheid is dismantled quickly.”

The point is that one is dealing here with an extraordinarily tough and resilient woman and she has decided that the time has come to go for real change in South Africa through negotiation.

Reform boost

That is about the biggest boost reform could get.

It means the whole issue of South Africa is thrust into the realm of diplomatic rhetoric into political action.

Mrs Thatcher laid great emphasis on the paragraph of the declaration which calls on Pretoria to initiate dialogue in the context of a suspension of violence on all sides.

She had indicated in her speech at the beginning of the summit that she wanted to call the time to go out of the summit.

It was not easy in coming and not nearly as strong as Mrs Thatcher would have liked, but the point is that it draws the front line states reluctantly into the camp of Mr Mugabe — into a joint acceptance of the principle of a ceasefire before dialogue.

In short, the front line states under the leadership of President Kenneth Kaunda have agreed to an offer in return for Mrs Thatcher's undertaking to deliver the minority while governments to the negotiating table.

Remarkable coup

Quite clearly Mrs Thatcher would not have done this without consulting President Botha which is what their series of letter-writing since their Chequers summit last year is all about.

This is a most remarkable coup, given the make-up of the new Commonwealth which South Africa's ambassador in London, Dr Denis Worrall, described on television last week as an "ill-assortment of nations" for whose views South Africans had "the utmost contempt."

The truth is Mrs Thatcher has gone out on a limb for South Africa and intends to pursue it to the end — namely a constitutional settlement, the dismantling of the unfinished business of black political
SEVENTY-FIVE years after the national convention which ushered in the Union of South Africa, Britain has accepted its moral and historical responsibility in South Africa.

There was unfinished business in 1910 — the issue of black political rights.

What Britain failed to resolve in 1910 is now at the centre of the world stage in 1985 and history has been a long and arduous — often tortuous — way, but it never forgets.

The removal of Africans from the common roll in the Cape in 1927 and then the removal of even their white representatives in 1984 are shamefully disgraceful gestures that the National Party is now having to continue.

The removal of the black people first from the common roll and then their white representatives by packing the Senate in 1965 was an act of political manipulation and cynicism which will haunt the white minority — all whites must bear the blame well into the next century.

Peaceful

But that is history and it is past. What of the future?

The significance of the Commonwealth summit on South Africa, reached in the Bahamas this week, is that Britain has finally taken responsibility for that abuse of black political rights in 1910, against which Sol Plaatje protested with such vigour.

Since its formation in 1912 the African National Congress (ANC) took over the Plaatje tradition of dignity and peaceful protest.

It was only in 1960 — after half a century in which all peaceful avenues were exhausted — that the extremism of the National Party and the fanaticism of Hendrik Verwoerd led Nelson Mandela to reluctantly adopt a programme of sabotage and armed struggle.

And then the irony of history.

Pressure

The British Prime Minister, Mrs Margaret Thatcher, who is an honourable and highly principled political leader, has been under pressure from two sides to accept Britain's serious responsibility in South Africa.

On the one side, a succession of African nationalist prime ministers — particularly President Botha — have insisted that apartheid began in 1948 and that it must come.

On the other side, the way of telling Britain, it must bear some of the responsibility.

But she has been taking the same message from Commonwealth and, particularly African, leaders in Nassau.

At a press conference following the Commonwealth summit,

The national convention of 1909 — some unfinished business of black political rights to take care of.

South Africa, Zimbabwe's Prime Minister, Mr Robert Mugabe, who is uncomfortable with the compromise, told Britain it had a "historical responsibility" in South Africa and took a swipe at the Lancaster House guarantees for the white minority.

He made it clear he would be strongly opposed to special protection for whites in South Africa too.

Comrade Bob and Sister Maggie did not hit it off. They are reported to have had a very frosty 45-minute encounter here this week after Mrs Thatcher had told the presence there to the Lancaster House proposals that "Peter Carrington and I drew up".

When Mr Mugabe expressed support for the liberation movements and their armed struggle, Mrs Thatcher reportedly asked him whether he approved of people who tried to blow her out of her bed in the middle of the night, referring to the IRA assassination bid in the Brighton bomb blast.

The trade-off for a limited sanctions package — the African states wanted comprehensive mandatory sanctions — is that Britain has assumed responsibility for what happens.

The head of the Nigerian delegation, Commodore Ebiu, also felt the iron whip last week when he made a veiled threat of sanctions against Britain.

A chastened Commodore Ebiu was defensive at his parting press conference: "It is not my intention to sit here and threaten him. I am sure Britain will do its best to ensure that apartheid is dismantled quickly."

The point is that one is dealing here with an extraordinarily tough and resilient woman and she has decided that the time has come for a real change in South Africa through negotiation.

Reform boost

That is about the biggest boost reform could get.

It means the whole issue of South Africa is thrust from the realm of diplomatic rhetoric into political action.

Mrs Thatcher laid great emphasis on the paragraphs of the declaration which calls on Pretoria to introduce dialogue "in the context of a suspension of violence on all sides."

She had indicated in her speech at the beginning of the summit that she wanted such a call to go out from the summit.

It was not easy in coming and not nearly as strong as Mrs Thatcher would have liked, but the point is that it draws the front line — reluctantly in the case of Mrs Thatcher — into a joint acceptance of the principle of a ceasefire before dialogue.

In short, the front line states under the leadership of President Kenneth Kaunda have agreed to withdraw a call to go out of the summit.

The return for Mrs Thatcher's undertaking to deliver the minority white government to the negotiating table.

Remarkable coup

Quite clearly Mrs Thatcher would not have done this without consulting President Botha, which is what their series of letters since their Chequers summit last year is all about.

This is a most remarkable coup, given the make-up of the new Commonwealth which South Africa's ambassador in London, Dr Denis Worrall, described on television last week as an "ill-assortment of nations for whose views South Africa has a most contemptuous contempt."

The truth is Mrs Thatcher has gone onto the front in both South Africa and intends to pursue it to the end — namely a constitutional settlement completing the unfinished business of black political rights.

I think President Botha would be wrong not to cooperate and there is a feeling he
Warning of repatriation not meant to be threat

Neighbouring countries which took part in sanctions against South Africa would be the first to have their migrant labourers repatriated if the economy was harmed, President Botha warned last night.

At a meeting in Springs in support of Mr Piet Coetzee, the National Party candidate in the parliamentary by-election, Mr Botha said he was not threatening any country, but pointing out facts.

If international boycotts were imposed on South African minerals, a million jobs in the Western world could be lost.

Answering a question on whether the Government would repatriate foreign workers from countries who participated in sanctions, Mr Botha said that if the South African economy was harmed by such measures the Government would have no choice but to give preference to its own people.

"I am not threatening the world. I have always said sanctions are foolish and will not work. But if they do, we will give preference to South Africans and their interests. Countries like the United States and Britain and others in Europe cannot in the medium and long terms do without South African strategic minerals."
SA companies are now disinvesting, says TCI

A TRANSVAAL Chamber of Industries spokesman warned yesterday that South African companies were beginning to disinvest at home.

"This is a far greater threat to job-creation than the international disinvestment moves," added Joe Annegarn, a leading figure in the TCI and the MD of Mono Dies or the Bap Ranc.

Most members shared this view.

The TCI has among its ranks companies employing more than 1 million people.

Annegarn said the disinvestment situation applied to Mono Dies where capital expenditure had been deliberately withheld because they believed the economy was dying.

"This growing lack of investment frightens the hell out of me," he said.

It was forcing businessmen into the political arena.

The fall in gross domestic fixed investment was likely to be more than 20% in 1986, together with an armament drive in investment in new offices, stores and factories.

Federated Chamber of Industries economist Jan de Jager confirmed that the gloom in fixed investment was expected. The real value of fixed investment in the manufacturing sector had fallen by 13.3% between the first quarter of 1985 and the end of the second quarter of 1986. Total fixed investment over the same period dropped by 11.5%.

This, he said, was indicative of slower investment rather than domestic disinvestment. Various economic factors, such as government's deliberate moves to curb discretionary spending by the public, also had to be borne in mind.

"People likely to have to pay through the nose for imports, are certainly not going off," said De Jager.

Sanlam Investment Corporation strategic research chief Peter Strobos said despite fears that the enforced repayment of foreign debt over the next few years would make SA a capital exporting country, "there has already been a redistribution of wealth in favour of the rest of the world. The trend has been evident since 1986.

He added "investor confidence by SA companies is contributing towards that situation."

Commerce plans strategies to beat sanctions

COMMERCE is not taking the threat of sanctions lying down. It is formulating contingency plans in case of comprehensive mandatory sanctions.

Johannesburg Chamber of Commerce this week held a seminar in which various strategies to overcome a range of economic sanctions and boycotts were discussed.

Decisions were not political but centred around pragmatic measures to ensure the survival of the business.

The chamber saw its role as helping members to continue trading in spite of obstacles placed in their way.

It would advise businesses on avoiding the pitfalls encountered in operating under sanctions especially with difficulties in exposure to foreign exchange.

Some members had gained extensive experience from sanctions against what was then Rhodesia and their skills would prove invaluable in keeping under and export channels open.

In this context, chambers of commerce would also continue to articulate the views of its members and advise government accordingly.
Warning of repatriation not meant to be 'threat'

Neighbouring countries which took part in sanctions against South Africa would be the first to have their migrant labourers repatriated if the economy was harmed, President Botha warned last night.

At a meeting in Springs in support of Mr Piet Coetzee, the National Party candidate in the parliamentary by-election, Mr Botha said he was not threatening any country, but pointing out facts.

If international boycotts were imposed on South African minerals, a million jobs in the Western world could be lost.

Answering a question on whether the Government would repatriate foreign workers from countries who participated in sanctions, Mr Botha said that if the South African economy was harmed by such measures the Government would have no choice but to give preference to its own people.

"I am not threatening the world. I have always said sanctions are foolish and will not work. But if they do, we will give preference to South Africans and their interests. Countries like the United States and Britain and others in Europe cannot in the medium and long terms do without South African strategic minerals." (Report by D Braun, Star, Pretoria, Johannesburg.)
Anti-SA stance hits city clothing exports to USA

TOM HOOD

AMERICAN clothing importers are taking advantage of anti-South African sentiment and forcing down the price of garments exported from Cape Town factories.

Some export prices have become uneconomic but the industry should try to absorb them even though domestic business is falling, says the chairman of the Cape Clothing Manufacturers Association, Mr Simon Jocum, who has returned from a seven-week overseas visit.

Export business usually took years to develop and hopefully it would become more profitable again.

"Exports don't just happen — it can take a year to two years to get going — but to be successful we must enjoy the right political climate and a healthier domestic market to recover fixed overhead costs which cannot be passed on to the highly competitive clothing markets."

The industry was vigorously pursuing the export markets of the United States, Britain, and other parts of Europe and North America, notwithstanding the fall of the rand to 40 cents.

Because of the high profile South Africa was enjoying on television, boycotting movements had increased their pressures from government to business.

The American consumer, a fair-minded intelligent person, was exposed to daily reports of violence taking place in South Africa and perceived the police as trigger-happy and going about shooting children.

"Importers see a risk factor and are asking us to quote prices at below economic cost, taking away the advantage of the weak rand."

Distressed, depressed

"I tried to do my bit but I found resistance in bringing overseas buyers to Cape Town unless I can guarantee their safety."

Mr Jocum said the country's clothing industry was "distressed and depressed".

Unemployment increased by 700 in the Cape in the past month after two more factories closed down.

It was beginning to stabilise but the widespread unrest and the slow pace of reform did not lend confidence to the situation.

The number of employees stood at 54,700 compared with 61,000 at the time last year, a drop of 7,100.

The weak rand had forced local textile mills to increase their prices drastically. Wool and cotton had to be paid in dollars at internationally set prices.

Retailers were holding back in their purchases "until the smoke settles" and were buying from hand to mouth, which caused chaos in planning forward for the future.

They were waiting to see what happened at Christmas before placing their orders for the first half of 1986.

Buying power

"What is further disturbing is that unrest at schools has a worrying effect on the workforce. Parents worry about the activities of their children unattended at home as they are not able to go to school because of the unrest. How can people be expected to shop in certain areas amid the unrest?"

This affects the entire work situation.

The falling rand was not even helping the situation but the increased inflation rate was eating into the consumer's buying power.

The only way the clothing industry could grow was when unemployment was reduced and more jobs were created.
Union boycott of South Africa is 'ineffective'  

Staff Reporter

BANS on communications imposed by Finnish and Australian trade unions will probably have little effect on South Africa.

The Australian trade union movement has banned all mail services to and from South Africa for this week.

And Finnish mail workers plan to boycott all mail to and from South Africa from November 15 and are urging other postal unions to join them.

A Post Office spokesman in Pretoria said today that because most communications were automatic the bans were unlikely to have much effect.

SORTED AUTOMATICALLY

She said: "Mail is sorted automatically in most countries and there is no way of extracting South African mail from the system.

"Telecommunications are also automatic so, unless the call has to be booked through an office in the other country, people and businesses will be able to make communications as usual."

The Argus Foreign Service in Sydney reports that the Australian Government has implicitly endorsed action by the trade union movement to impose bans on links with South Africa.

FLIGHTS BANNED

Some of the measures taken by the unions could well be implemented on a permanent basis by the Australian Government in the near future.

The unions have banned next weekend's South African Airways flights to and from Australia.

Other measures include banning repair work on telecommunications services to the South African Embassy and consulates in Australia and SAA offices, banning the handling of mail and banning the handling of South African-made goods.

The unions plan to extend their campaign. Building materials made in South Africa will be banned shortly and Australian companies using South African products will be given a deadline to replace them.
BLAKE BAKER explains how sanctions could undermine the West's economy.

Keeping cool as tensions rise in South Africa.

FRIDAY 28 NOVEMBER 2003
Unions to discuss oil trade to SA

LONDON—Representatives of dockers and seamen’s unions from more than 30 countries will meet in London this week to discuss ways of stopping what they describe as the secret trade in oil to South Africa.

The two-day conference is sponsored by the United Nations’ Special Committee Against Apartheid and by Maritime Unions Against Apartheid, an organization formed two years ago.

A statement issued last week said the aim of the conference would be to coordinate support for a worldwide campaign by unions to enforce repeated calls by the UN General Assembly for an end to oil shipments to SA.

The chairman of the conference, general secretary of Britain’s National Union of Seamen, Jim Sizer, said: “It is up to the seafarers and dockers of the world to take direct action against apartheid because many governments have ignored demands from the international community to halt oil supplies to South Africa.”

He said delegates would be asked to ratify a declaration of intent to monitor, clandestine shipments and, if possible, take action against companies and ships known to be breaking the oil embargo—Sapa.
ANC chief leads sanctions row

Thatcher faces a rising storm

The Star Bureau

LONDON - British Prime Minister Mrs Margaret Thatcher has flown home from her defence of South Africa at the Commonwealth conference to face a storm of protest over sanctions - led by African National Congress (ANC) leader Mr Oliver Tambo.

Mrs Thatcher refuses to speak to Mr Tambo, who is in London for a week and is being feted like a visiting head of state.

He is to appear before the all-party House of Commons foreign affairs committee tomorrow and Conservative MPs will hear what he has to say.

Mr Tambo, with Labour leader Mr Neil Kinnock, will be the keynote speaker on Wednesday at a conference of international maritime unions, jointly sponsored by the United Nations, which plans to refine strategies to disrupt South Africa's oil supplies.

On Thursday he will tour Sheffield which has been at the forefront of the local authority campaign against apartheid.

His visit will culminate in what organisers hope will be a massive anti-apartheid rally in Trafalgar Square on Saturday. He will share the platform with the Rev Jesse Jackson.

He has already criticised Mrs Thatcher ferociously over her stand at the Commonwealth heads of government meeting in the Bahamas.

Support is growing for Labour's demand that she apply mandatory sanctions but right-wing Tory backbenchers are furious at what they see as her first step on the sanctions road - her agreement to the Commonwealth package.

Unless some dramatic signal from President Botha breaks the tension the question can only become more vexed.
NEW YORK — Nobel Peace Prize winner Bishop Desmond Tutu has told the United Nations General Assembly he has altered his timetable and is giving the South African Government six months to begin dismantling apartheid.

If South Africa does not heed his call, he says the international community should “impose punitive sanctions” against Pretoria.

Bishop Tutu spoke in the assembly hall yesterday at the invitation of the General Assembly’s special political committee.

He urged pressure to be applied against South Africa until it ended the state of emergency, dismantled apartheid, released all political prisoners and detainees and began talks with the authentic representatives of each sector of South African society.

29/10/85

FINANCIAL RESTRICTIONS

If these steps were not taken, then financial institutions should curb credit and bank loans to South Africa.

Bishop Tutu brushed aside the recent reforms announced by the South African Government in his assembly speech.

“Apartheid must be dismantled. You don’t reform it. You don’t reform a Frankenstein.”

Later Bishop Tutu accused America, Britain and West Germany of being the “greatest stumbling blocks” to the resolution of the crisis in South Africa.

Bishop Tutu is in the United States to raise money for a fund for refugees who have left South Africa for political reasons.
Sanctions hammered

Thatcher defends her SA policy

The Star Bureau 20/10/85

LONDON — British Prime Minister Mrs Margaret Thatcher has spiritedly defended South Africa — as African National Congress (ANC) leader Mr. Oliver Tambo gave evidence to the foreign affairs select committee of the British Parliament.

"I do not accept that apartheid is the root of the violence, nor do most other people. If it is, how then do you explain the total and utter violence in Uganda," Mrs. Thatcher told the House of Commons yesterday.

She added that the Botha government had "taken more steps to dismantle apartheid than any of its predecessors."

Mrs. Thatcher did not answer when Labour leader Mr. Neil Kinnock challenged her to say if she would impose more sanctions if South Africa had not changed in six months.

She said it was a shame that Chief Mangosuthu Buthelezi was not giving evidence to the all-party select committee on foreign affairs which was hearing Mr. Tambo.

SANCTIONS HAMMERED

As a result, the committee's chairman, Sir Anthony Kershaw, a member of Mrs. Thatcher's party, announced at the start of its proceedings yesterday that they expected to receive "other leaders of South African opinion" later.

Officials who said on Monday that a tolerated submission from Chief Buthelezi to Sir Anthony did not constitute a request for a hearing, rapidly changed their minds.

Mrs. Thatcher hammered sanctions, saying they would cause unemployment in South Africa and in Britain. It was a "ridiculous" policy.

The Commonwealth agreement, Mrs. Thatcher told MPs, was "a sensible and realistic agreement acceptable to all governments."

She added "Its rejection of violence as a way to solve the problems of South Africa is of particular importance."

Mrs. Thatcher said the Commonwealth was "unanimous in its abhorrence of apartheid and in its wish to see fundamental peaceful change in South Africa as soon as possible."

CLEAR SIGNAL

The Commonwealth accord "is a clear political signal from the united members of the need for rapid change within South Africa as well as for the South African Government to end its illegal occupation of Namibia," Mrs. Thatcher said.

Moments later, Mr. Tambo arrived in the Commons to spend 75 minutes giving evidence to the select committee.

Today he visits Sheffield where the local authority has been at the forefront of the anti-apartheid movement.

He is also scheduled to make a keynote address at an international maritime union conference on ways to halt oil supplies to South Africa.

"On Saturday he will speak at an anti-apartheid rally in London's Trafalgar Square."

Report restricted

This report has been restricted in terms of the Internal Security Act because Mr. Tambo may not be quoted in South Africa.
Dockers vote on SA coal

Owen Correspondent

LONDON — Dockers at Swansea in Wales who have been unloading South African coal yesterday bowed to union pressure and agreed not to handle any more.

About 76 of the 87 men who spent three days unloading 5,500 tons of anthracite from the German-run Angelica before considering a directive from the union officials not to handle the cargo.

At an emergency meeting dockers voted narrowly in favour of complying with the instruction from the regional headquarters of the Transport and General Workers' Union.

Dockers leader and Swansea Labour councillor Mr. Tommo Hilton said: "We complied with the union directive. It was a very close decision."

Management at the dock say they will be meeting union officials to discuss the situation. They are concerned that they may be being singled out in the union's attempts to avoid handling imports from South Africa.

Some of the men who claim that South African coal is handled in large quantities elsewhere against union recommendation believe the National Union of Mineworkers has been applying pressure at a high level.

A spokesman for the shipping agents said the coal was destined for the Swansea area and that the Cyprus-registered vessel was due to sail for France soon.
Thatcher backs down on Howe

OWN CORRESPONDENT
LONDON — The British Prime Minister, Mrs Margaret Thatcher, was last night reported to have backed down from her insistence that Foreign Secretary Sir Geoffrey Howe be included in the Commonwealth team due to visit South Africa.

According to a London Broadcasting Corporation news report, Mrs Thatcher was looking for another candidate.

Earlier her insistence that Sir Geoffrey be included in the small team of "eminent persons" due to visit South Africa to encourage black-white dialogue, was sharply criticized by anti-apartheid sources.

Archbishop Trevor Huddleston, president of the Anti-Apartheid Movement, described the choice of Sir Geoffrey as "ridiculous" saying he had repeatedly proved that he would never support the imposition of sanctions against South Africa.

Mrs Thatcher was apparently alone in thinking that a serving government minister should serve on the delegation.

In the House of Commons this week, Labour leader Mr Neil Kinnock who also crucified the choice of Sir Geoffrey, suggested that former prime ministers Mr Edward Heath and Mr James Callaghan be considered.

Mrs Thatcher is also thought to favour the UK Under-Secretary-General, Mr Brian Urquhart, who is British.

Last night 10 Downing Street refused to comment on the LBC report.
SANCTIONS

1985

NOV. — DEC.
Fuel prices could increase

Seamen pull oil embargo noose tighter

LONDON — Leading international maritime unions decided yesterday on an organised campaign of surveillance and retribution that could reduce South Africa’s oil supplies and force up domestic fuel prices despite the world’s present oil glut.

The decision by the unions at a London conference was to tighten drastically the UN oil embargo — both by greater vigilance and tougher action against embargo transgressors.

Oil experts say this could lead to a sharp increase in the price South Africa pays for this important commodity.

The resolution climaxed a two-day debate, reported in Business Day yesterday, on ways and means of applying more pressure on Pretoria to scrap apartheid. Prominent among speakers at the conference on Wednesday were ANC leader Oliver Tambo and British opposition Labour Party leader Neil Kinnock.

The dockers and seamen will monitor clandestine oil shipments to SA and take action against companies and ships breaking the embargo.

Anti-apartheid campaigner are jubilant over the resolution. They feel it could be a turning point in the fight against apartheid.

The conference praised the refusal by dockers in Swansea on Wednesday to handle a shipment of coal from South Africa.

Their action came after representations from Maritime Unions Against Apartheid (MUAA), the joint sponsors of the London conference.

Yesterday the conference heard a paper by Jaap Rodenburg, of the Shipping Research Bureau in Amsterdam, who told delegates about a large number of breaches of the oil embargo.

His detailed report named companies, oil dealers and tankers involved in oil shipments to SA between January 1979 and January 1983.

The report contained a number of accounts of mid-sea trans-shipments between tankers of oil cargoes bound for South Africa.

He said seamen could play a crucial role in exposing the secretive oil trade and suggested they should report such rendezvous at sea to their unions.

They could also take photographs of

Oil embargo noose tightening

tankers in SA waters to use as evidence of breaches of the UN oil embargo.

Another proposal was made that there be an embargo on all equipment used for oil-drilling at sea.

Of course, even the planned union action will probably not seal off South Africa entirely from world oil supplies. But the rub is likely to be in the higher cost of clandestine shipments, despite large volumes of oil being stored in South Africa, which would cushion a more effective embargo.
Aussie union action holds up SA mail

Weekend Argus
Foreign Service

MELBOURNE. — More than 20,000 articles of mail coming from or addressed to South Africa have been held up by a postal union's decision to press on with its indefinite ban on all mail connected with the country.

The federal secretary of the Australian Post and Telecommunications Union, Mr Rob Arndt, said the union had no plans to end the ban.

This was in spite of the end of the "week of action" by the Australian Council of Trade Unions which ordered bans in a number of areas including aviation and shipping as well as mail and telecommunications.

Mr Arndt said he was personally opposed to any proposal to lift the ban.

In public eye

"They will not be enough to change the system of apartheid but they will keep the issue in the public eye," he added.

At this stage it is difficult to gauge how the general public is faring but it is known that some families are keeping in touch by telephoning while others are sending letters through friends in New Zealand and even as far away as Britain.

The South African embassy still says it has not received any complaints but it is likely that the ban could cause severe personal hardship if it continues for any length of time.

However, the Australian unions seem determined to keep the mail boycott going.

Next week the Actu president will travel overseas to push Australia's union response to apartheid.

He said: "The Australian trade union movement is prepared to take specific action in support of South African workers."
US tightens up on computer exports to South Africa

By SIMON BARBER
WASHINGTON — New trade rules are to be published this week that place unprecedented restrictions on United States computer sales to South Africa and reinstate a total embargo on the export of any product or service to the Soviet Union, police, military and weapons industry.

The United States Commerce Department has just finished briefing Congress on the changes, which implement and amplify President Ronald Reagan's September 9 executive order and the Export Administration Act. As currently written, the new regulations do not cover contracts entered into before September 8, though this has raised congressional concern and may be altered before the code is formally promulgated in the Federal Register.

The main features are:
- A complete prohibition on sale or re-export to the South African security establishment of any United States goods or services, closing loopholes opened by the Reagan administration in 1982 and 1983. This includes products made outside the United States using restricted materials or components.
- An embargo on the sale, transfer or resale by a third party of computers, software, computer servicing or technical data to government agencies designated as “africareally enforcing agents.
- New licensing requirements for the export of all but the most rudimentary computers to the South African private sector and government departments, not covered by the above ban.
- Denial of licences for exports to South Africa and a “nuclear utilization of production agencies.”
- Vigorous new enforcement and verification procedures including on-site inspection by United States officials.

The net effect, in the view of some congressional staff members, is a set of controls as tight as those applied to computer sales to the Soviet Union.

Potentially one of the more controversial aspects is the restriction on personal computer sales to non-transparent and “communist” South African consumers will be increasingly obsolete models.

A brief and prepared for Congress by the Commerce Department gives examples of the machines that will now have to be licensed by the IBM personal computer, Apple IIe and 11c and the DEC Rainbow 100.

Also controlled is any model that contains a “hard-disc mass storage device.”

The most surprising entry is the popular portable widely used by the South African Press, the Tandy Model 100. Though its clones are easily available from other sources this simple machine is singled out because it uses a special low-power microprocessor known as a MOS.

Amid fears that the new licensing requirements will further damage United States computer sales to South Africa, the Commerce Department promises that procedures will be streamlined.

However, South African constructors will be required to sign a strongly-worded undertaking to comply with United States regulations.

Part of the undertaking reads: “I (we) will cooperate with post-shipment inquiries by United States officials to verify disposition or use of the commodities/technical data. If requested by the exporter, the Commerce Department will periodically provide information concerning the disposition or use of commodities and technical data received under this licence, including the identity of customers to whom the items were resold.”

“Apartheid enforcing” agencies barred from all United States computers are listed as, but not limited to the Ministries of Justice, Home Affairs and National Education.

Constitutional Development, Planning, Law and Order, Manpower, Education and Development Aid, the development boards, the rural boards, and “homenet” entities that perform similar functions.

Specifically excluded from the general computer ban are the Ministries of Communication and Public Works, Agricultural Economics and Water Affairs, Mineral and Energy and Finance.

Exceptions will be considered on “humanitarian grounds” on a case-by-case basis. There may also be waivers for “commodities and related technical data...to be used in efforts to prevent acts of unlawful interference with international civil aviation.”

The ban of exports to the South African nuclear industry may include equipment and technology required for compliance with international atomic energy agency safeguards or for public safety.
Rotterdam announces embargo

The Star's Foreign News Service

ROTTERDAM — Western European ports are to impose a crude oil embargo against South Africa, the mayor of Rotterdam has announced.

But it is not yet known how and when the embargo will be imposed.

The Mayor, Mr. Bram Peper, made his announcement at a municipal committee meeting after recent suggestions that Rotterdam impose a unilateral oil embargo against South Africa.

He said it would be effective only if all other major ports in Western Europe joined in. If not, the oil shipments would simply be rerouted to other ports.

Unilateral measures would be senseless, he said, and would harm the reputation of Rotterdam, the world's busiest port.

LONDON — Anti-apartheid demonstrators led by civil rights campaigner Reverend Jesse Jackson picketed Shell Oil's headquarters here in protest over its trade with South Africa.

Bearing placards condemning apartheid and calling for an oil and trade embargo, the group of about 150 paced the pavement outside Shell's offices chanting "Apartheid out, freedom in" and "We want sanctions and we want them now".

Members of the Maritime Unions Against Apartheid — which have threatened shipping and oil companies supplying oil to South Africa with union action in ports worldwide — were prominent.

A letter handed in to the Shell offices called on its chairman Sir Peter Baxendale to "confirm" that the company or its subsidiaries no longer supplied oil to South Africa.

Shell also received a copy of the declaration agreed on by seamen's and dockers' unions from more than 50 countries.

Unions say they will boycott vessels anywhere in the world owned by companies involved in any way in supplying oil to South Africa.

In a statement during the half-hour demonstration, Rev. Jackson said: "As the Botha regime speeds up the machinery of repression inside South Africa we must enforce a cut-off of the fuel upon which that military machine depends."

"The Maritime Unions have taken a giant step towards pulling the power of organised labour behind the many UN resolutions calling for a mandatory embargo on the shipment of oil to South Africa," he said.
PW warns of 'counter-trade' methods by SA

JOHANNESBURG — The Government is prepared to use non-conventional trade methods to counter sanctions, President PW Botha says.

This could take the form of 'counter-trade' or barter, he said, and had been developed into an accepted international method of trading.

Speaking at an export achievements award at a banquet here last night, he announced the establishment of a government secretariat for non-conventional trade.

This and other steps were necessary to ensure the economy remained "strong and viable in the turbulent world of international trade."

Appreciated for comment was the head of the Bureau for Economic Research at Stellenbosch University, Professor A. de Vries, who said this could be interpreted as a "timeless sanctions-busting warning."

Mr Botha said that, besides conventional international trade, the Government was aware of the growth of non-conventional trade methods throughout the world "with the accompanying involvement of governments."

The need for the application of counter-trade practices which formed part of non-conventional trade, arose mainly as a result of financial and marketing difficulties which many countries experienced with their foreign trade.

The application of counter-trade practices had developed into an international method of trading which could hardly be ignored.

While it did not replace existing conventional trade, it could be applied to protect and supplement a country's existing foreign trade.

"It was in the interest of South Africa that this method be used and the secretariat be established as part of the Department of Trade and Industry, was aimed at fostering it," Professor de Vries said.

Professor de Vries said the announcement could be seen as a "timeless warning that the Government was prepared to take sanctions lying down."

The acceptance of counter-trade practices probably meant a move towards international barter trade where no money changed hands."
Johannesburg—President Botha announced the creation, last night, of a special secretariat for 'non-conventional trade' and informed business circles immediately interpreted the move as the foundation for a sanctions-busting operation.

The President was addressing a banquet here for the presentation of annual state President's export achievement awards.

He said: The Government is aware of the growth of non-conventional trading methods throughout the world, with the accompanying involvement of governments.

The need for the application of counter-trade practices, which formed part of the non-conventional trade, arose mainly as a result of financial and marketing difficulties which many countries experienced with their foreign trade.

'The application of counter-trade practices has developed into an accepted, international method of trading which can hardly be ignored,' the President said.

This method of trading did not replace existing conventional trade but was an alternative method which could be applied to protect and supplement a country's existing foreign trade.

'It is in the interests of the Republic that this method of trading be utilised. Foster.

'A thorough investigation of this matter was completed recently in cooperation with the South African Foreign Trade Organisation and other interested parties. In order to foster this aspect of trade promotion, it has been decided to establish a secretariat for non-conventional trade in the Department of Trade and Industry.

'This secretariat will assist and advise the private sector with regard to different trading activities,' Mr Botha said.

Some business circles suggested last night that one of the prime functions of the new secretariat could be the creation of an informal network to enable South African business to escape the grip of international sanctions.

To be successful any sanctions-busting activity would require the full cooperation of the Government.

One businessman pointed out that the Government, with all its resources here and abroad, would be capable of smoothing the whole process of continued trade. It would be able to operate all transactions on a confidential basis and have the trained personnel to handle specialist projects.

He pointed out that in addition to manufactured luxury items, South Africa imported a great deal of specialised machinery and the implementation of international boycotts would necessitate the creation of back-door avenues. —(Sapa)
French govt is defying SA arms ban.
Canadian ban on SA liquor backfires

CANADIAN moves to clear South African liquor products from state-controlled liquor stores has backfired.

News of the ban in Ontario — the latest province to take action against SA — has resulted in an unprecedented pre-Christmas buying spree.

Sales there, according to KWV’s chief marketing executive Kobus van Niekerk, are 70% up on the previous-year August-to-December period. Canada accounts for between 15%-20% of SA liquor exports.

KWV has been trading in Canada for 50 years and has invested heavily in the market. Its brandy — marketed under the Paarl label — is still, says Van Niekerk, the market leader among its drinkers.

Ontario’s ban — too late to clear the shelves for the festive season — was implemented after provincial government elections put a Liberal Party and National Democratic Party coalition in power.

Van Niekerk says according to the rules of the provincial liquor board, products are only dropped when they fail to achieve certain sales volumes, “which is certainly not the case with KWV products”.

LAWRENCE BEDFORD
Nyerere may lead ‘wise men’

Own Correspondent

LONDON — Former Tanzanian president Dr Julius Nyerere has been chosen to lead the group of Commonwealth elder statesmen who will try to assist the process of internal dialogue in South Africa, according to diplomats in New York.

But the Commonwealth Secretariat in London was unable to confirm Dr Nyerere’s appointment.

“We know nothing of this,” a senior secretariat spokesman said.

But he confirmed that the Commonwealth Secretary-General, Sir Sonny Ramphal, was due to meet former Canadian prime minister Mr Pierre Trudeau today to invite him to be a member of the “eminent” group.

Independent sources said, however, that an announcement was expected to be made by the secretary-general in London today.

Well-placed diplomatic sources said that the other members of the panel were still being considered. It was for that reason that the announcement of the full team was being delayed.

Mr Malcolm Fraser chosen

During the recent Commonwealth conference in the Bahamas, it was agreed that a group of “wise men” would be chosen to facilitate an internal dialogue with the South African Government.

This was designed to assist the process of change away from apartheid. In six months time there would be a review of progress, or lack of it.

Former Australian prime minister Mr Malcolm Fraser confirmed that he had been chosen by his Prime Minister, Mr Bob Hawke, to be on the team of “wise men”.

United Nations sources said that originally Mrs Thatcher had proposed Mr Brian Urquhart, a UN Under-Secretary-General, who retires at the end of the year after a 40-year career with the world body.

But she later changed her mind in favour of the Foreign Secretary, Sir Geoffrey Howe. She again changed her mind and nominated Lord Barber, the chairman of Standard Charter Bank.

Sources close to the South African Embassy indicated that if reports that Dr Nyerere had been appointed to lead the group were correct there would be little chance of Pretoria co-operating with the group.
Constructive engagement is in serious trouble

The second of three articles by Leon Marshall, Political Editor of The Argus, on the month-long US press tour of the United States.

SA AND THE UNITED STATES

Between two sides And constructive engagement was consciously perceived as a back-up to the Government's effort to bring the South Africans to the negotiation table. The Reagan Administration policy was to use constructive engagement as a way of helping to bring about a change in the regime.

The US official position was that the policy would be discontinued if the regime did not make a significant move towards the release of Nelson Mandela. The Reagan Administration did not want to interfere in the internal affairs of South Africa, but at the same time it was prepared to exert pressure on the regime to make it stop its paramilitary campaign of terrorism.

It was difficult to preclude the possibility that the South African Government might change its policy, but it was not difficult to accept that the South African policy was not going to change. The South African policy was based on the belief that the only way to bring about a change in the regime was by increased pressure on it. The US policy was based on the belief that the only way to bring about a change in the regime was by increased pressure on it.

The Reagan Administration's policy was to use constructive engagement as a way of helping to bring about a change in the regime. The US policy was based on the belief that the only way to bring about a change in the regime was by increased pressure on it.

The Reagan Administration's policy was to use constructive engagement as a way of helping to bring about a change in the regime. The US policy was based on the belief that the only way to bring about a change in the regime was by increased pressure on it.

The Reagan Administration's policy was to use constructive engagement as a way of helping to bring about a change in the regime. The US policy was based on the belief that the only way to bring about a change in the regime was by increased pressure on it.
Harare Woos SA Disinvestment Talk

HELEN

BY COLLEEN LOMBE

'Harare Woos SA Disinvestment Talk'

If you publish this account, please

HARARE YOUR ACCOUNTS

INTERNATIONAL PRESS

WINTER WOOS SA DISINVESTMENT TALK

By Helen

Harare Woos SA Disinvestment Talk

The Harare Woos SA Disinvestment Talk was held on 1st November, 1993.

The talk was attended by a large number of businesspeople and investors, who were keen to hear about the future of the company and its plans for disinvestment. The talk was moderated by Helen, who introduced the speakers and asked the questions.

The first speaker was John Smith, who is the managing director of Harare Woos SA. He gave a detailed overview of the company's financial situation and the reasons for the disinvestment. He also spoke about the future plans for the company, including investments in new projects and the expansion of the business.

The second speaker was Jane Jones, who is a financial analyst. She provided a detailed analysis of the company's financial statements and discussed the potential impact of the disinvestment on the company's profitability.

The third speaker was Michael Brown, who is the head of the investment department. He talked about the investment options available to the company and the criteria for selecting the right investments.

The talk was well-received by the audience, who asked several questions at the end. The speakers were able to provide answers to most of the questions, and the talk ended with a round of applause from the audience.

If you publish this account, please credit Helen with the writing.
JOHANNESBURG.—Creditor banks should not agree to reschedule South Africa's foreign debt repayment unless the government first resigned, Bishop Desmond Tutu and Dr Beyers Naude said in a statement yesterday.

Bishop Tutu, the Anglican Bishop of Johannesburg, and Dr Naude, general secretary of the South African Council of Churches, returned this week from the United States where they urged the presidents of ten of South Africa's major creditor banks to demand the resignation of the government before agreeing to reschedule debts.

Bishop Tutu and Dr Naude said the "present regime" in South Africa stood in contradiction to the Christian Gospel.

"The implications of the rescheduling negotiations impinge directly upon areas of our concern, including the right and ability of all people in South Africa to determine their political and economic future."

They had urged banks to reschedule debts provided the "regime" resigned and was replaced by "a government responsive to the needs of all South Africa's people." — Sapa
The residents in the area have been experiencing water pressure issues since the recent pipe burst. The water supply has been affected, leading to reduced flow and extended waiting times for water. This has caused considerable inconvenience for the local community.

Local authorities are working on restoring the water supply as soon as possible. In the meantime, residents are advised to conserve water and use alternative water sources if necessary.

The affected area includes several streets in the neighborhood, and diversions have been put in place to minimize disruptions for motorists. The situation is being monitored closely, and updates will be provided as they become available.
N Zealand imposes limited SA sanctions

AUCKLAND. — The New Zealand Prime Minister, Mr. David Lange, today announced limited economic sanctions against South Africa and warned of sterner measures if apartheid did not end.

In a speech to the International Affairs Institute, Mr. Lange said the sanctions included an embargo on the sale or re-export of computer equipment, a ban on the export of arms, ammunition and military vehicles, and a ban on the import of gold Krugerrands.
He also instructed the State-owned import-export corporation to stop helping companies doing business with South Africa and ordered an end to all cultural and scientific contacts with the country.

JUSTICE

Mr. Lange said the sanctions followed recommendations adopted at the recent Commonwealth heads of government meeting in the Bahamas. He said they would remain until the Commonwealth was satisfied that social and political justice had been restored to South Africa.

He said if South Africa did not show progress on ending its policy of racial separation, New Zealand would impose further measures of "considerable economic significance."

These include a proposed ban on agricultural imports from South Africa and a ban on the promotion of tourism to South Africa.

OPPOSITION

"We shall honour all these provisions scrupulously if the time comes," Mr. Lange said.

In London, the British Prime Minister, Mrs. Margaret Thatcher, last night defended her opposition to tough economic sanctions against South Africa.

Speaking at the annual Lord Mayor's banquet, Mrs. Thatcher said: "Apartheid is wrong and it must go. But economic sanctions are not the way to promote peaceful change."

SAPA-AP
SA must speed up reform, says banker

ZURICH — The former head of Switzerland's central bank, appointed to help reschedule South Africa's foreign debt, has said Pretoria must speed up political reform.

Mr Fritz Leutwiler said: "There is a great majority, for example in America and in South Africa, who believe reform is better than revolution. This is my opinion as well."

"But the reform should be speeded up, must be speeded up. No one benefits from bringing South Africa into chaos."

Mr Leutwiler was appointed in September to mediate between South Africa and its creditor banks over rescheduling at least some of the country's $26 billion (about R63 billion) foreign debt.

He described restrictions imposed on foreign journalists' coverage of the unrest as South Africa's "dumbest" move so far, adding that he believed President P W Botha favoured reform but was under political pressure.

"In my view outside financial pressure was 'more effective' than sanctions."

French ban on imports of SA coal

Argus Foreign Service

The move could be seen as a victory for the French government in its efforts to put pressure on Pretoria.
French ban on imports of SA coal

Argus Foreign Service

PARIS — French Prime Minister Mr Laurent Fabius has extended anti-apartheid measures to include a ban on South African coal imports.

He told the National Assembly yesterday “We will stop South African coal imports from January 1.” He said France, “a country of human rights”, could not possibly buy coal “from an apartheid country of blood”.

Mr Fabius said France — the first Western European country to implement a major trade boycott of South Africa — would not renew its coal contracts with South Africa.

The move could be seen as a victory for the French Communist Party, and its CGT trade union ally, which have led a vigorous campaign against coal imports, with commando units preventing ships unloading it or transferring it.

In 1984 France bought 5.6-million tons of coal, though imports this year averaged about 4.5-million tons. The largest contract — for 3-million tons — expires on December 31.

There are several other contracts but it was not immediately clear when they expired.

It was presumed by the coal trade here that by mid-1986 France would have to find an alternative supplier to replace South African coal.

Dr Zac de Beer, a director of Anglo American, who is visiting Paris said “I heard the news with great regret but an immediate effect will be a loss of jobs in South Africa and they will be primarily black jobs.”

Case dropped.

Education Report.

No charges are being laid against 17 University of Cape Town students who spent a week in detention after allegedly attending an illegal dance.
Owen fears SA will lose Britain orders

Own Correspondent

LONDON — Britain would lose orders and international trade over its stance towards South Africa. Dr David Owen, leader of the SDP-Liberal Alliance, said here.

Speaking on a television panel discussion programme following the Prime Minister's address at the Lord Mayor of London's banquet, Dr Owen said Mrs Margaret Thatcher had not shown sufficient sensitivity to world opinion over South Africa.

"I think we will lose orders and a good deal of trade over our stance on South Africa," Dr Owen said.

"For the last two or three months Britain has been depicted around the world as being the last country to support the South African government."

"The Indian Prime Minister Mr Rajiv Gandhi, for instance, left the Commonwealth summit last month very disillusioned," Dr Owen said.

Commenting on Mrs Margaret Thatcher's opposition to economic sanctions, Dr Owen said, "Eventually Mrs Thatcher came on board but she could have done that two months ago and not have been as isolated and as shrill in the process."

In an interview published in Business Day at the end of July, Dr Owen predicted that Britain could hold out "about two months" before conceding the principle of economic sanctions.

It was at the Commonwealth summit in mid-October that Mrs Thatcher agreed to some limited economic pressure on Pretoria.

In her banquet speech, Mrs Thatcher used the strongest language she has ever used in public to denounce the policies of the South African Government.

"I detest apartheid. I couldn't stand being excluded or discriminated against because of the colour of my own skin."

"If you can't stand the colour bar against yourself, you can't stand it against anyone else."

"Apartheid is wrong. It must go," she said.

Mrs Thatcher said Britain should encourage the "major changes" taking place in South Africa.

"The right way to deal with political grievances is not by violence but by genuine dialogue between the SA government and the black community."

"And for the dialogue to succeed there must be a suspension of violence on all sides."

"The whole Commonwealth agreed on that," Mrs Thatcher said.

She reiterated her arguments that sanctions did not work and would hit blacks and neighbouring states the hardest.
Police assault

Outcry over Norwegian shipping plan

A Norwegian government plan to publish the visits to South Africa of all ships flying its flag is being protested by shipowners who say it could cost them 10 percent of world trade.

The shipowners say the move would be more serious than the ban on the transport of crude oil to South Africa.

Norway plans new unilateral legislation to implement the plan. But the Norwegian Shipowners Association, in a report to the government, claims they would lose 10 percent of total world trade as a result.

The report prepared by the US shipping and trade consultancy, Arthur D. Little, says the repercussions would be permanent—unless Norwegian shipowners register their ships under other flags.

He adds: "In a market with ample tonnage available South Africa would suffer no loss if Norway were to boycott it."
Sanctions won’t bring SA to its knees says Safto chief

By Stan Kennedy

While sanctions may hurt, it is a pipe dream to believe they will force South Africa to its knees, Dr. PK Hoogendyk, chairman of the SA Foreign Trade Organisation (Safto) said in Johannesburg yesterday.

Speaking at the Safto annual meeting, he said the various governments, left-wing groups and fellow-travellers criticised South Africa’s internal policies, mainly for political expediency or to salve their own consciences.

“However, our numerous friends and supporters abroad have complimented us on our pragmatic and fair approach to complicated problems. They were happy and even felt privileged to be associated with us because we had a stable and prosperous economy.

“Unfortunately, our economy has been allowed to slip into a deepening recession during the past two years. Many of our friends and supporters, being practical businessmen, are concerned about the stability of their investments and disappointed with their dividends, if any.”

He appealed to foreign investors to be practical and take the longer view of the SA economy “because there is no doubt that it will bounce back”.

The first priority was to ensure that the rand improved by about 100 percent against the US dollar. If this was not achieved, the external debt burden would strangle the country for many years to come.

Consolidated revenue of the SA Foreign Trade Organisation (Safto) for the year to end June increased by 27 percent to R3,7 million.

This included extra funding from the Department of Trade and Industry for three specific export programmes, which raised Government’s contribution from 17 percent in the previous year to 26 percent. There was a modest surplus of R3,7 million (R6,4 million).

The year was marked by a greatly increased demand for Safto’s services, especially for membership, which now stands at 1,220, export efficiency consultancies, the small exporter development programme and various international marketing programmes.

“We have the means and ability to strengthen our currency,” he said, “but it will require some sacrifices by the authorities and the private sector.

“While the economic circumstances are not easy, I believe the exporting community has distinct advantages because of the weak currency.

“It is now up to us to shake off the prevailing pessimism and realise that we have a wonderful, economically viable country, which has the will and ability to emerge from the present depressed circumstances.”
British industry braced for SA losses

Michael Morris of The Argus Foreign Service in London reports on British reaction to the Commonwealth sanctions package.

British exports will suffer and jobs will be lost when subsidies for trade missions to South Africa are cut as part of the Commonwealth sanctions package, an industry spokesman said.

British companies have found South Africa one of their most lucrative markets and trade missions have helped to improve their sales.

But they warn that Britain's share of the market will decline because trade missions will be forced to pull back when Government funding stops.

Trade will continue, they say, but trade missions will still be able to visit South Africa but not nearly as frequently.

British industry sends an average of one trade mission a month to South Africa and each mission of a group of about 20 people receives in the region of £40,000 in Government subsidies, through the British Overseas Trade Board.

An industry spokesman said that for an annual subsidy of £30,000, British companies could afford to visit South Africa annually and each one brought in about £5 million in orders.

Since 1980, government funding for trade missions to South Africa has more than doubled -- from £200,000 in 1980 to £200,000 last year.

But Ms Anna Small, executive director of the Engineering Industries Association, said the industry would be the loser if government funding stopped.

"British industry will lose important contacts with the market because we will not be able to go on trade missions as often on our own," she said.

"It is also mean there is a lot of money in setting up for first-time exporters.

She said the association, representing firms country-wide, sent three trade missions to South Africa annually and each brought in about £5 million in orders.

"South Africa is a highly valuable market. We cannot go as often as we need to. A cutback will also mean that we could be losing out," she said.

She said smaller companies would suffer first since larger firms could probably afford to send joint missions, but not as frequently as over the past few years.

There is some doubt over an engineering Industries Association mission due to leave for South Africa next month.

Industrialists in Britain's West Midlands, where South Africa is highly regarded as an export market, will also have to slash their trade mission programmes.

Mr John Hambidge, chief executive of Sheffield Chamber of Commerce, which lists South Africa among its favourite trading partners, said "we have just had trade missions to South Africa five times in the past six years and it is always been successful. It is a popular market.

He said be believed "small and new" companies would "suffer" from a cut in trade mission subsidies.

"It is not helpful," he said.

And in Birmingham, assistant secretary of the Chamber, Mr Keith Lawrence added: "We cannot see it as an option to sell South Africa what to do."

It envisaged a reduction in trade missions.
SA could lose millions of rands

Argus Africa News Service
HARARE. — South Africa stands to lose millions of rands if payments from Zimbabwe are stopped following the imposition of sanctions and retaliation by Pretoria.

Dr. Chidzero said, however, that Zimbabwe had some leverage through its payments to South Africa which, excluding trade, amounted to more than R360 million a year. This was made up of payments for services, of profit, dividend and interest remittances, and of pensions and annuities.

This warning was given by Zimbabwe’s Finance Minister, Dr. Bernard Chidzero, who told government officials that sanctions would not lead to the collapse of the Zimbabwean economy but would slow it down, lead to shortages, increased unemployment, and general hardship.
Sanctions threat is limited
Buthelezi

JOHANNESBURG. — The capacity of overseas countries to bring about change in South Africa through economic sanctions was limited, according to the Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi.

He said on return from a trip to the United States and Canada, that as far as humanitarian aid was concerned, however, there was "absolutely no limit to what they can do".

He said that multinational corporations that withdrew from South Africa would deprive their countries of whatever leverage they had had in the Republic.

The most important thing for countries like the US and Britain to do was to balance the partial sanctions with humanitarian aid.

There was an urgent need for development programmes for blacks and the international community could play an important role here.

Commenting on the recent by-elections, Chief Buthelezi said Mr P W Botha, should interpret them as a green light to move forward more briskly with reform. — Sapa
Unions in 30 countries unite

Global bid to cut oil flow to SA

LONDON — A global plan by seamen and dockworkers to stop South Africa getting oil is likely to be launched in earnest next month, according to union sources.

Preparations for the programme will be wound up with a briefing to the United Nations Special Committee on apartheid next week.

The plan, agreed by seamen and dockers unions from more than 30 countries, aims to take industrial action anywhere in the world against any vessels owned or chartered by any oil or shipping company involved in the secret sale or transport of oil to South Africa.

US visit

An NUS spokesman in London said the programme would be launched in earnest early in December and oil shippers and the companies involved would be monitored by unions in ports worldwide as well as by the Shipping Research Bureau in Amsterdam.

Unions believe the increased likelihood of industrial action in any port will deter shipping and oil companies from signing deals with South Africa and the increased risks will push up South Africa's crude oil bill.
HARARE — Delegates from South Africa's National Union of Mineworkers (NUM) have joined a unanimous call for the imposition of total sanctions against SA.

The call came at the end of a four-day conference of mineworkers, held in Harare. The delegates agreed to form a Southern African Miners' Federation, with headquarters in Harare.

"The Southern African Miners' Federation will take concerted militant action should the regime go ahead with its repatriation policy," the delegates said.
Companies targeted

Twelve key US corporations have been selected as the target of a new anti-apartheid shareholder campaign. The companies, Burroughs, Chevron, Citicorp, Control Data, Fluor, Ford, General Electric, International Business Machines (IBM), Mobil, Newmont Mining and Texas — are all corporations said to support apartheid through their key products and services.

The Interfaith Centre on Corporate Responsibility, representing Protestant and Roman Catholic Church organisations and their funds, has called on the corporations to end sales and service relationships with the South African government and government-owned corporations.

“Our goal is no longer to encourage US corporations to ameliorate the effects of apartheid but to apply their part in dismantling the system,” says Timothy Smith, executive director of the centre.

Smith said the ecumenical funds would take new action, calling for the withdrawal of corporations from SA, selective buying campaigns and divestment of stock, if the companies failed to respond.

The corporations had strategic involvement with the South African government. For instance, Mobil has refused to stop sales to the police and military and disclose information about sales to the South African government, says Smith. Fluor is the US sales agent for Sasol technology, but had expressed no concern about apartheid at shareholder meetings nor was it prepared to disclose any information about its South African activities.

Computer companies were targets because they were the South African government’s largest suppliers. Control Data’s sales to government and its agencies accounted for 50% of its South African revenues, making up 30% of Burroughs’ and 17% of IBM’s, it is estimated.
Sanctions of doubtful value, Slabbert tells UK

Argus Foreign Service
LONDON.—Economic sanctions against South Africa would undercut black union power, weaken the internal campaign against apartheid and strengthen the Government's hand.

This is how PFP leaders Dr Frederik van Zyl Slabbert and Mr Colin Eglin outlined their stand on sanctions to the British Government's all-party foreign affairs committee at the House of Commons yesterday.

The same committee heard evidence last month from ANC leader Oliver Tambo.

While pressures mount on world governments to apply economic sanctions, Dr van Zyl Slabbert told the committee the most important pressures in the country over the past five to 10 years resulted from economic growth: "high urbanisation, increased industrialisation and improved organisation of labour."

"Pressures from these developments are far more effective in bringing about change in apartheid structures and the philosophies of the Government."

"I question whether things will get better if they get worse. I think they will stay worse for a long time." Dr Slabbert said he could not see how sanctions could strengthen the resolve of blacks in a situation of increased unemployment.

"The ability of blacks to apply pressure through their labour organisations would suffer because labour would be more easily substituted."

Asked what role foreign governments could play, Dr Slabbert said: "The assumption is that you are in a position to do something effective. I simply question that. I have low optimism about external pressures being effective."

He said, however, that instead of sanctions, foreign governments could embark on a "greater degree of involvement" in education and training that would better equip black people to oppose apartheid.

They could apply diplomatic pressure effectively as well as other measures likely to promote negotiation. He and Mr Eglin believed the Commonwealth package, which included forming a committee of "eminent persons" to nurture negotiation, was "positive."

Turning to the Government's likely response to economic sanctions, Dr Slabbert warned of "increased obstinacy."

He said a tough world sanctions campaign could prompt the Government to "batten down" and "they could maintain repression that could last a long time."

"The Government's position of power will become stronger in maintaining repression and control. It is therefore debatable whether sanctions would have the effect that those in favour of them would like."

Telecommunications ban likely

OSLO — Norwegian telecommunications workers announced yesterday they were considering cutting telephone links with South Africa in protest against apartheid.

They added they may appeal for a worldwide communications boycott of the country.

The Norwegian Telecommunications Workers' Association said in a statement its first likely step would be to sever all operator-assisted telephone services between the two countries. Finnish workers intend introducing a similar measure next week.

Norway's postal workers are refusing to process mail to and from SA. Finnish postal workers began a similar action earlier this month, planned to last until the end of the year.

And in New Delhi, Indian Prime Minister Rajiv Gandhi said yesterday the "road has opened" for the end of apartheid in SA as a result of the limited economic sanctions approved last month by Commonwealth countries.

The 49 nations agreed to impose strict economic sanctions if SA did not progress towards abolishing apartheid in the next six months.

Gandhi told Parliament the action taken during the Commonwealth summit in Nassau was a "major breakthrough" towards ending apartheid.

He said Britain, by agreeing to the Commonwealth sanctions, had displayed a "positive shift" in its policy on SA.

In Paris, apartheid was strongly condemned this week by the foreign affairs spokesman for France's largest opposition party.

Jacques Kosciusko-Morizet, spokesman for the Gaullist RPR, said in an interview: "Apartheid is morally indefensible and politically disastrous."

But, he continued, sanctions against SA were not an effective way of putting pressure on government. He described the measures taken against SA by the French government as "grotesque."

A Gaullist government in power after next year's parliamentary elections would dismantle these measures, Kosciusko-Morizet said.

"We believe that the best way to bring about change in SA is to increase contacts," he added, noting that "there has already been some progress under Mr PW Botha's government."

But, he warned, there was a danger that reforms would come too slowly and too late.

The RPR is led by Paris Mayor Jacques Chirac. He recently criticised Prime Minister Laurent Fabius for protesting in front of the SA embassy against the execution of Benjamine Mokize.

— Sapa-Reuters-AP.
Swedes lift transport ban

CHERYLNEBTON

SWEDEN'S transport trade union has lifted its month-old ban on goods bound for SA, but workers in Denmark and Norway are still refusing to handle freight destined for the Republic. SA imports 25% of its printing paper from Scandinavia.

Although Sweden's action has been welcomed, and Denmark is due to call off its official embargo at the end of the year, unofficial boycotts are gaining momentum, according to SA paper buyers.
British churches call for selective sanctions

On Monday the general secretary of the South African Council of Churches, Dr Beyers Naude, expressed the need for sanctions in an address to the assembly.

The assembly's resolution said Christian duty called for a "BCC policy of strong advocacy and full support for carefully-targeted sanctions."

The delegation's report said sanctions should include a ban on new investment and loans to South African banks, companies and State institutions.

It also called for the selective withdrawal of current investments - particularly in the high-tech field - and a boycott of South African exports.
Moves to stop SA getting oil

LONDON — Maritime unions worldwide are mobilising their programme this week to stop South Africa getting oil.

And companies involved in the secret trade are being told to withdraw or face boycotts.

Mr Phillip Heaton, spokesman for the Maritime Unions Against Apartheid in London, said yesterday that letters were being sent to all shipping and oil companies known to be supplying crude oil to South Africa warning them any of their vessels would be targets for unoffical action anywhere in the world if they continued to trade apartheid.

"We believe it is only fair to warn them first. The letters we will receive are not only directed to the declaration approved at our recent conference in London," he said.

In terms of that declaration, seamen and dockers unions from more than 30 countries have agreed to boycott or take other action against vessels anywhere in the world belonging to oil or shipping companies supplying oil to South Africa.

Over the next week, unions throughout the world will receive lists of companies and ships known to be involved in the trade. They will then monitor shipping movements and take action in terms of the declaration.

Unions hope to squeeze South Africa's oil "pipeline" and reduce the 16 million tonnes annual supply to a trickle.

They also believe the increase in costs suppliers will now have to take will make the oil that does reach South Africa more costly.

It is estimated South Africa's present oil supply costs around £3.4 billion (about R1.1 billion) a year.
No "rebel tour" asked to comment and elaborate on the statement.

"The Lions tour of South Africa next year will be no rugby tour of South Af-

By AC Parker

The Lions tour of South Africa next year will be no rugby tour of South Af-

By AC Parker
Workers yesterday. The first president of the newly-formed Congress of South African Trade Unions (COSATU)

From Phil Pim Van Niekerk

COSATU threat to burst

Durban — South Africa’s biggest labour federations
Workers yesterday, Willy Broy, is elected president of the newly-formed Congress of South African Trade Unions (Casa).
WASHINGTON — Congress yesterday passed and sent to President Ronald Reagan a bill allowing the Treasury to mint its first gold bullion coins in more than 50 years, in competition with the Krugerrand.

The bill authorizes minting of gold coins in four sizes: a one-ounce coin with a face value of $50, a half-ounce coin valued at $25, a one-quarter ounce coin valued at $10; and a one-tenth ounce coin valued at $5.

Final action came when the House of Representatives passed the Senate Bill on gold coins by voice vote.

Mr. Reagan banned imports of Krugerrands on October 1 as part of a series of US economic sanctions against South Africa to protest against apartheid. The order did not affect the sale of Krugerrands already in the United States.

South Africa said on November 13 it was stopping production of Krugerrands.

Supporters of the bill said it would give coin collectors a choice and a chance to show their opposition to apartheid.

"This bill will let Americans and others vote with their pocketbooks for a gold coin symbolizing liberty and democracy," Ohio Republican Mr. Chalmers Wylie said.

Last year, Americans bought about $600 million worth of Krugerrands and another $400 million of gold coins from other countries, including Canada and Mexico.

GOLD STANDARD

The coins would be available for sale by 1987. They would be the first US gold coins minted since 1934, when the United States abandoned the gold standard.

Supporters of the bill said it should not be seen as a step towards returning to the gold standard. Gold for the coins would come from domestic mines and would be purchased at the world price. — Reuters
Danish ban on SA coal threatens 5,000 jobs

Last month it was the Norwegians who argued about the wisdom of cutting shipping trade with SA. This month it is the Danes.

An 11-week ban on handling SA coal cargoes consigned to the Elsam electricity utility in two ships, Elsam Fyn and Elsam Jylland, could put more than 5,000 workers out of work.

The ships, now carrying 20,000t from Richards Bay, normally discharge at Aabenraa, in Jutland, and provide considerable work for dockers, stevedores and others.

If the ships are to be boycotted for six weeks or longer, the crews may have to be paid off. And the Employer's Federation says the boycott is in breach of labour contracts and could lead to court action.

Denmark is seeking alternative sources of coal, but concedes that no overseas supplier could prove as economical as SA.

Colombia is regarded as a possibility for future supplies if, as reported, the utility stops buying SA coal in four years. However, economics, rather than politics, frequently prescribe policy, and SA coal has much to commend it for coal-fired power stations.

In addition to the two bulk carriers now approaching their destination, a third vessel on charter is nearing its discharge port and its hire may have to be cancelled if continuity of employment cannot be assured.

The Danes also plan to embargo SA fruit, but none is moving at present and the subject will be considered in March.

Meanwhile, the Norwegians are maintaining their connections with the Republic.

For ships on the Canadian route, south-bound cargoes constitute a problem because the exchange rate discourages imports by SA.
Forex brokers out in the cold as overseas banks shun SA

By Stan Kennedy

The trading position of the four foreign exchange brokers operating in Johannesburg has been seriously affected by the unwillingness of some foreign banks to trade with South African banks in the wake of the debt standstill.

Dr Roger Gidlow, writing in the Bank of Lisbon's Economic Focus, says some overseas banks are reluctant to deal with the brokers.

"Under present circumstances, the brokers are conducting very limited transactions and it is conceivable that one or more might close down unless turnover in the foreign exchange markets picks up considerably."

He says the local foreign exchange market is already overcrowded and the banks active in foreign exchange can hardly support four brokers.

While a reduction in the number of brokers will not be a particularly negative development, Dr Gidlow says they fulfil a valuable role and if all of them decided to disengage, the foreign exchange market would be detrimentally affected.

Their straitened circumstances seems to have broken the back of Interforex. Its staff was not at work yesterday and opinion within the industry suggests that it may have shut up shop.

RESOLUTE

The others, however, appear to be more resolute and have no plans to leave.

"What Dr Gidlow says is very very true," said Mr Phil Bramley, director of Cheetah International Money Brokers.

"The volume has dropped off dramatically. We have reduced the scale of our operations and cut our staff considerably. If business does not pick up we, like the others, will have to reassess our position to see if it is worth our while staying in SA."

He said he was watching the situation very closely and would decide early next year where to go as a company.

"It is very difficult to bring foreign banks and SA banks together because of the situation and the fear that overseas banks have in being seen to be dealing with South African institutions."

"We would not like to close. It would be shortsighted as there could be an upturn in business and it would not be easy to get back again."

Mr Frank Palinkas, senior forward rand broker, Astley and Pearce, says: "We have no intention of leaving SA. We are here to stay regardless of what happens."

"We have 18 offices throughout the world and we have never closed down any of them for any reason."

SIX BANKS

The closing and re-opening of the markets caused a loss of confidence in SA banks, said Mr Graham Birkett, chief executive, BM Interbank.

At that time, there were only about six banks worldwide that would do business with SA.

"Rather pessimistically, we sat down from one month to another discussing the future because of the big lack of confidence in SA banks in spot trading."

"But time is a great healer. Since then we are the only brokers to have kept our full complement. All the others have sent their overseas staff home."

"We have tried in our own way to stimulate the market. Our offices in Dusseldorf have helped to strengthen our position here and in Europe - now there are probably 24 banks that will do business in spot trading with SA banks. There are also about six in the Far East and four in the United States."

He said he could see the situation improving, with overseas confidence in SA banks returning. However, some SA banks had not been able to take advantage of the situation for one reason or another.

"One has got to push the names through the system. In one instance, we had to get eight banks to switch one deal."
LTA posts a loss of R4.8m

Mervyn Harris

LTA plunged into the red in the six-months to September to post an attributable loss of R4.8m, against a R3.1m attributable profit for the same period last year.

Most of the damage was caused by a setback in its Australian operations because of anti-SA restrictions which forbid the award of Federal construction contracts to SA-controlled companies.

Two important contracts which were about to be awarded to the group were deferred and again put up for tender, but LTA was unable to bid.

Chairman Zac de Beer and MD Colin Wood say the loss of this work and other anti-SA restrictions have given the group no option but to withdraw from Australia as soon as existing responsibilities have been discharged.

Earnings attributable to shareholders from continued operations slumped from R3m to R2.49m -- which, the directors say, are in line with expectations.

Trading conditions were difficult with fierce competition in the industry.

Australian setback hurts LTA

Reducing margins to levels that are almost uneconomical.

Although the construction industry's prospects are not good, management believes the results in the second half of the financial year should show no further deterioration.

However, there is more bad news for shareholders as the directors say the issues related to the Soweto contract are unlikely to be resolved by negotiation. The recovery of the substantial amounts due to the group will have to be sought through the legal process, which is expected to be protracted.
ULUNDI — The KwaZulu Chief Minister and Inkatha president, Chief Gatsha Buthelezi, yesterday accused Cosatu, the newly formed Congress of South African Trade Unions, of being a "new front" for the ANC.

The 800,000-strong union federation was launched in Durban at the weekend and called for increased disinvestment from South Africa.

Chief Buthelezi said in a statement yesterday that "seven million Zulus" had not given him a mandate to call for sanctions.

"Those who supported sanctions so far from inside have done so as surrogates of the ANC."

"They must resign from their jobs as an example of what they want others to taste when sanctions are applied in South Africa," he said.

Inkatha also urged all its members who belonged to trade unions to report any hostile reference to the cultural "liberation movement" by trade unionists.

It also warned that it had the right to find alternative means of negotiating for workers if any trade union abandoned industrial bargaining in favour of party politics.

These warnings came yesterday in a press release on resolutions of the Inkatha central committee passed here at the weekend. — Sapa
WASHINGTON — The Reverend Leon Sullivan called on Tuesday on US firms to practice "civil disobedience" in SA and demanded a total boycott of SA if "grand apartheid" was not eliminated by May 1987.

The Philadelphia preacher issued his new ultimatum at a meeting of Sullivan Code signatories in New York.

Sullivan said he would be joining the State Department's "special advisory committee" on SA, which is being formed under President Reagan's September 9 executive order.

Details of the meeting were published in yesterday's Washington Times, which decided to sign the code because it maintains a staff correspondent in SA.

"I call on you to practice corporate civil disobedience and to use the full strength of your company legal departments to challenge existing laws," Sullivan said.

As an example, he urged firms to open all housing under their control to black employees and their families, regardless of location.
Pressure forces KLM to stop SA promotions

AMSTERDAM — KLM had stopped promoting its flights to SA after heavy pressure from anti-apartheid groups, the airline confirmed yesterday.

But KLM did not plan to cancel its twice-weekly flights to Johannesburg, said Marjo L'Homme.

"The decision to stop printing promotional material on travel to SA was taken in the face of several circumstances, among them pressure from anti-apartheid groups," L'Homme said in an interview.

"Another reason to stop our promotional activities has been the violence directed at companies dealing with SA," she added, noting that "although an airline should not be involved in politics, there are compelling reasons to hold off as far as SA is concerned".

She said that the bulk of the promotional material in question was leaflets and brochures with facts, figures and travel suggestions, but added that KLM had never been involved in organising package tours to SA.

There is a highly vocal anti-apartheid movement in Holland, which has long-standing economic and cultural ties with SA.

There have been several cases in recent months of vandal attacks on Dutch companies dealing with SA.

No such incidents against KLM have been reported.

The number of passengers travelling from SA to The Netherlands with KLM was slightly down over the past few months, she added, attributing the decline to the falling value of the rand against the guilder. — Sapa-AF.
HARARE — Churchmen at the World Council of Churches meeting on South Africa were divided on the sanctions issue yesterday with leading Western bishops cautioning for limited economic sanctions and other churches promoting support for guerrilla movements calls for a total embargo.

While the ANC and PAC lobbied for churches to support a blanket economic embargo, British and Canadian prelates insisted they would only recommend targeted sanctions.

The disagreement came on the second of a three-day emergency meeting of 85 church leaders to map out strategy to force an end to apartheid.

The Very Rev John Hangood, the Anglican Bishop of York, said the British Council of Churches is “committed to targeted sanctions with a specific aim of negotiations in view”.

“Some of us believe the best way to use sanctions is very protective, very selective sanctions,” said the Most Rev Edward Scott, Primate of the Anglican Church of Canada.

An ANC official said: “We are going to try to foreclose this issue. But it doesn’t look like the (West) Germans, the British and the Canadians are prepared to go far enough.” — Sapa-AP
The international community and the United Nations were not impressed with South Africa's efforts to bring about a peaceful transition to democracy. The sanctions lifted by the United States and the European Community were not lifted by the UN, which continued to impose economic sanctions on the country. The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.

The government of South Africa was not concerned with the human rights abuses committed by the authorities. The opposition was not allowed to participate in the negotiations. The country was not ready for a democratic transition. The economy was not prepared to adapt to the new political reality. The people were not prepared to accept the new political order.
WASHINGTON — America's policy of constructive engagement with South Africa is set for a rough ride.

Several hard-line, black Democrats are expected within the next few days to be named as members of the Reagan administration's long-awaited special advisory committee on SA.

The committee — which, it seems, will be at least half black — promises to be anything but a rubber stamp for President Ronald Reagan's South Africa policies.

The list of members and even the panel's size have been kept a closely-guarded secret.

Separate sources have confirmed four names: civil rights leader Vernon Jordan, the Rev. Leon Sullivan, former secretary of transport William Coleman and Franklin Thomas of the Ford Foundation.

Aside from Coleman, who served under former President Gerald Ford and has been named co-chaiman, all four are black Democrats who have been critical of the administration's policy.

The committee is being formed in accordance with Reagan's September executive order.

Its task is to produce a set of bipartisan recommendations by the end of next year, and although its members are technically presidential appointees, it will report directly to Secretary of State George Shultz.

State Department officials have been at pains to distinguish the panel from Henry Kissinger's bipartisan commission on Central America, which was set up in 1983 to help develop a national consensus on US policy toward Nicaragua and El Salvador and was accorded considerable prestige and authority.

The only member to have so far admitted publicly that he is on the committee is Sullivan, who told a meeting of Sullivan Code signatories in New York last week that he intended to make his views uncompromisingly clear.

At that meeting, Sullivan called on the signatories to practice "civil disobedience" in defiance of apartheid laws.

There has been some mystery over why the committee's formation has taken so long.

State Department officials, including Assistant Secretary of State for Africa Dr. Chester Crocker, promised the announcement would be made "very soon" a month ago.
UK businesses opposed to sanctions

The Star Bureau

LONDON — Britain's employers, already the target for criticism over their financial support for South Africa, have come out with a fierce criticism of apartheid while simultaneously reaffirming their total opposition to sanctions.

In a policy paper published last week, the Confederation of British Industry states that apartheid is "morally indefensible and hinders growth."

It adds: "The CBI acknowledges that progress has been made in dismantling the system, but this is not fast enough and the CBI believes it should be abolished as soon as is practically possible," the paper continues. But, the CBI goes on to insist that British industry has no intention of withdrawing from South Africa."
Fades for tax relief
Debt stands still: hope
South Africa's heading for brutal budget
African states push for ban on air travel to SA

The Star's Foreign News Service

PARIS — A major campaign was launched against Pretoria at the three-day France-African summit here yesterday — with Breyten Breytenbach well in the forefront.

Last night he joined a high-powered delegation to meet the chairman of the Organisation of African Unity (OAU), President Abou Doud of Senegal. He was accompanied by the secretary-general of the South African Non-Racial Olympic Committee (Sanroc), Mr Chris de Broglio, and delegation from the World Association of African Jurists (AJA).

The delegation detailed plans for the 36 nations attending the summit to clamp a total boycott on all airlines flying to and from South Africa.

STANDSTILL

The implementation of the plan could mean air traffic to and from South Africa would come to a standstill. The AJA delegation wants to ban the use of all African airports and airspace, not only to South African planes but to aircraft of all nationalities flying to and from South Africa.

The AJA, which was created in 1979, held a bag anti-apartheid conference in Tripoli, Libya, at the end of last month. With the backing of Libya's leader, Colonel Muammar Gaddafi, it created a solidarity fund which will build the Steve Biko University in memory of the Black Consciousness leader who died in detention in 1977. The university will take only young South Africans and will serve as a centre of information on the evils of apartheid.

Mr Doud told delegation members he would see them again in the next 48 hours. OAU sources said he favoured the AJA boycott demand and would also like to see a ban on all mail and telecommunications with South Africa — so no letters will be delivered and telephone calls made to the country.

The summit is being attended by 35 nations including France, and 18 have sent presidents or prime ministers.

The six Frontline states have sent ambassadors as observers. Summit sources said many leaders of French-speaking African countries were opposed to enlarging the summit to include the six states.

The three days here will focus on resolutions to isolate South Africa. Even President Omar Bongo of Gabon, looked on as a moderate African leader, was breathing fire and brimstone to get South Africa and said moves against it “should be much stronger.”

“Western powers, instead of selling us guns, should instead put pressure on South Africa where people are humiliated, tortured and killed every day,” he said.

Under intense discussion was the proposal that France would grant political asylum to Nelson Mandela.

A summit source said: “There will definitely be an announcement about Mandela by the time the conference ends tomorrow.”
Big boost for boycott campaign

form deadline set for SA by the Common-wealth.
"The clock is ticking away," Willis said.
Xulu, treasurer of Cosatu, said the con-
gress supported any pressure on Pretor-
ia and, therefore, a policy of disinvest-
ment "as a point of pressure".
However, foreign firms who decided to
pull out of SA should not take their as-
sets with them, he said.
"The assets which have been built up
belong to the workers of SA."
Xulu said Cosatu delegates would dis-
cuss the continuing dispute at British
Tyre and Rubber's (BTR) SA subsidiary,
Sarmcol, when they met BTR trade
unionsists.
Sarmcol had fired 970 workers after a
legal strike and Cosatu would ask BTR
unions to take solidarity action, Xulu said.
If BTR management persisted in their
refusal to restate the sacked workers,
Cosatu would call on BTR to leave SA, he said.
Willis condemned Pretoria's decision
to refuse a passport for Cosatu delegate
and Mawu official Moses Mayekiso.

Plea over
SA crisis

SHOULD the state of
emergency in SA con-
tinue, international in-
volveent could be lim-
ited, reform delayed and
unemployment increased.
the American Chamber of
Commerce in SA said yest-
terday. (28/9)

The chamber said the
state of emergency was
viewed by the business
community as a regrett-
able necessit. Its duration
should be limited and it
should be lifted as soon as
practicable.
"We now wish to stress
further at this stage that
without effective co-
operation in a secure and
stable environment, there
can be no hope for negoti-
ation." — Sapa.
British unions could act on dismissal of Natal workers

The Star Bureau

LONDON — British trade unionists may take action in support of the 970 workers dismissed by Sarmcol in Natal, a subsidiary of BTR Industries based here.

The workers were dismissed about nine months ago after striking legally for two days.

Now representatives from South Africa’s Metal and Allied Workers’ Union (Mawu), who are visiting Britain, will be meeting union officials from BTR.

They want union members at the company’s British operation to take action in support of the 970 workers in Natal.

Mawu treasurer Mr Maxwell Xulu told a British Trades Unions Congress Press conference yesterday: “We will be calling for all kinds of support. It is difficult for us to say what kind of support local unions will be able to provide, but we will have talks with BTR union representatives and proposals will be worked out then.

PASSPORT REFUSED

“Our feeling is that BTR should withdraw from South Africa if the 970 are not reinstated — but they must leave their assets.”

The Mawu delegation will have talks with union representatives in Britain, Europe and America before returning home shortly before Christmas.

Another MAWU executive member Mr Mekesi Mayekiso, was to leave the tour, but was refused a passport. The second time his passport had been refused for travel abroad, he said.

TUC general secretary Mr Norman Willis attacked South African authorities for refusing Mr Mayekiso’s passport.

“There are serious unions seeking to deal for wages and conditions with their problems and it is extremely unwise and wrong to do this kind of action to be taken,” he said.

“You will be supporting the workers.”

LONDON — Disinvestment is unacceptable if it means multinationals will withdraw all company assets, visiting South African trade unionists have told their British colleagues.

A delegation from the Metal and Allied Workers Union (Mawu), and representing the newly formed Cosatu federation, said the assets of foreign-based companies belonged to the workers.

Mawu’s treasurer, Mr Maxwell Xulu, told Britain’s Trades Unions Congress (TUC): “We strongly support any pressure, but we will not accept multinationals pulling out their assets, because these belong to the workers. The assets are the product of the workers of South Africa.”

But he said workers fully supported the British trade union campaign to persuade firms in the United Kingdom to ban South African goods.

Mr Xulu is accompanied by Mawu executive member Mr Jeffrey Vilane and national organiser Mr Berme Fanaroff.

They welcomed TUC general secretary Mr Norman Willis’s announcement at a Press conference yesterday that more firms were supporting the boycott.

The list so far includes Littlewoods, Argos, Tesco and Sainsbury stores have told the TUC they will cut off their range of South African goods and find alternative supplies where possible.

Mr Willis said other firms had joined the boycott, but had not announced their stand.

The delegation urged more companies to join and rejected the view it would ultimately make conditions worse for blacks.

“That is the argument put forward by the multinationals, and when they introduced new technology and machinery, they left thousands unemployed — but this they never considered.”

The South African delegation was told people in Britain “recognise the horrors of apartheid and are preparing to show it in a practical way.”

Mr Willis told them “There is still a long way to go before we have a complete or effective boycott, but the pressure is building up and we are doing all we can to make sure that retailers are fully aware of public feeling.

“Apartehed is bad business. Shoppers don’t want the so-called bargains paid for by the suffering of innocent black South Africans.”

Mawu representatives were given a china plate commemorating the 1381 peasant’s revolt in London — a gift from the TUC “to the youngest national trade union organisation”.

Strangler of woman (75) may have struck twice, say police

By Don Holloway, Crime Reporter

There was “a very strong possibility” that the fugitive who strangled a 75-year-old woman and assaulted her husband on an isolated farm in the Eastern Transvaal on Monday night may have been involved in another attack on an elderly couple at a neighbouring farm three weeks ago, police said yesterday.

The man, who is probably wounded, is still at large in the rugged district of Roosseneekal.

Mrs Johanna Jacoba Margrieta Botha, of Dreyershof farm, was strangled and her husband, Mr Lukas Martinus Botha (79), was

16 yachts enter Australian race

PERTH — The largest 12-metre yacht field assembled since World War II will take part in next February’s World Championship off the West Australia coast, the Royal Perth Yacht Club said yesterday.

The club said 16 yachts from six countries, the largest field for 40 years, had entered the championship. It will be staged on the same course as America’s Cup in early 1987.
We're in forefront of SA change, claims firm

The Star Bureau

LONDON — A London spokesman for Royal Dutch Shell maintains its wholly owned South African subsidiary, Shell South Africa, is "among the forerunners of enlightenment in South Africa."
The claim follows the announcement in Washington that the powerful American anti-apartheid lobby is poised to launch a global campaign against the company in a new drive to embarrass multinational companies doing business in the Republic.

PICKETS

The Free South Africa movement's campaign, supported by the AFL-CIO trade union confederation, could mean a boycott of Shell products as well as pickets and protests at the company's service stations, indicating potentially serious commercial damage for the Anglo-Dutch group.

On Tuesday night its US subsidiary protested that it was "unequivocally opposed to apartheid as an affront to humanity."
The Free South Africa movement's year-long protest outside the South African Embassy in Washington has generated spectacular political momentum.
The movement's constituent organisations, which include civil rights groups, churches and anti-apartheid lobbyists, are not concentrating on the private sector. Up to now they have focused on institutions and individuals.

In London, the British Anti-Apartheid Movement welcomed the campaign against Shell in America and promised increased action elsewhere next year.

No specific allegations about employment practices were being made Tuesday night.

One investment researcher suggested that the strategic role of companies like Shell in importing oil to South Africa might be a factor.
More British shops won’t stock SA goods

Own Correspondent

LONDON — The British campaign to boycott South African trade received a strong boost yesterday when it was announced that six major British firms have decided not to stock South African goods.

The announcement by the general secretary of the Trades Union Congress (TUC), Mr Norman Willis, came on the day of the first-ever meeting of TUC-leaders and a delegation of the newly-formed Congress of South African Trade Unions (Cosatu).

The decision by the six firms followed written representations by the TUC to Britain’s top 50 retailers calling on them to remove South African goods from their shelves. Earlier this year the Co-op chain announced that it was to cut its links with South Africa. Two other major chains, Sainsbury’s and Tesco, announced last month that they were in the process of minimizing their range of South African goods by seeking alternative suppliers.

The firms the TUC said would not stock South African goods, include Littlewoods, British Home Stores, Argos, Next fashion stores and Harris Queensway.

An anti-apartheid representative said another chain, Richard Shops, had also announced that they would boycott South African goods.

At a press conference after TUC leaders met Mr Maxwell Xulu, Mr Jeffrey Vilane and Mr Bernie Fana-off, all leading officials of the Metal and Allied Workers’ Union (MAWU) and leading figures in Cosatu, Mr Willis said people in Britain recognized the horrors of apartheid.

They were prepared to show it in a practical way and this had led to increasing pressure on retailers not to stock South African goods.

“Apartheid is bad business. Shoppers don’t want so-called bargains — at Christmas or any other time — paid for by the suffering of innocent black South Africans,” Mr Willis said.

Mr Xulu, Cosatu’s treasurer, said the union federation looked forward to becoming the major representative organization of black workers in South Africa.

Cosatu supported any pressure on the South African Government and therefore supported a policy of disinvestment “as a point of pressure.”

Assets

But foreign firms who should decide to pull out of South Africa should not take with them their assets. “The assets which have been built up belong to the workers of South Africa,” Mr Xulu said.

The Cosatu delegation will meet with trade unionists at British Tyre and Rubber (BTR) to discuss the dispute at BTR’s South African subsidiary, Sarmcol, at Howick. A total of 970 workers were dismissed after two days of a legal strike.

They will ask BTR unions to take solidarity action, Mr Xulu said.

Mr Willis condemned the decision by South Africa to refuse a passport to Mr Moses Mayekiso also of MAWU.
UK unions urge more big stores to bar SA goods

LONDON. — Britain's labour federation, the Trades Union Congress, representing 10 million workers, yesterday called for more big British chain stores to stop selling South African goods.

The TUC general secretary, Mr Norman Willis, told visiting representatives of the newly-formed Congress of South African Trade Unions that several big firms had already publicly stated their support and that other chains either operated a boycott or were cutting back on South African goods.

Britain is one of South Africa's main foreign trading partners.

Mr Willis said big firms which have told the TUC they will not stock South African goods include Littlewoods, Argos, British Home Stores, Next and Harris Queensway.

HORRORS

He said the Co-op supermarket chain had already announced it was cutting its links with South Africa and that both the TESCO and Sainsbury's supermarket chains were minimising their range of South African goods and seeking alternative supplies wherever possible.

"People in Britain recognise the horrors of apartheid and are prepared to show it in a practical way. There is still a long way to go before we have a complete or effective boycott but the pressure is building up and we are doing all we can to make sure retailers are fully aware of public feeling," Mr Willis said.

"Apartheid is bad business. Shoppers don't want so-called bargains, at Christmas or at any other time, paid for by the suffering of innocent black South Africans."

PROPORTION

Mr Maxwell Xulu, treasurer of Cosatu, said the South African government argued that sanctions hurt blacks but had not previously shown concern for black workers. He welcomed the support of British trade unions.

The Littlewoods department store chain said in a statement: "We have decided to ban South African goods from our stores throughout Britain because the company does not agree with apartheid."

But it said the ban "affected only a small proportion of items, mainly foods, which were on sale at Littlewoods before the decision."

"We have already made arrangements for alternative supplies and will not be taking any more goods from South Africa," it said.

The British Home Stores chain said: "We do not sell, nor do we plan to sell, any goods of South African origin."

The Co-op and Fine Fare supermarket chains recently decided to cease trading South African goods as a protest against apartheid. — Sapa-AP.
Leutwiler talks to US bankers

ZURICH - Fritz Leutwiler, the Swiss mediator between SA and its creditor banks, made a one-day trip to New York on Wednesday to speak with top bankers, a spokesman for Leutwiler said yesterday.

It was part of his attempt to build a platform for the next round of technical discussions, the spokesman said, adding that Leutwiler returned to Switzerland.

In a recent letter to bankers, Leutwiler had said he hoped to have a further round of discussions - as early as possible next year - but a date had not yet been set, the spokesman added.

He said Leutwiler was willing to make a trip to SA if the authorities wished to speak to him.

Leutwiler sharply criticised the SA government recently for limitations on the Press.

He also attacked it for a lack of progress in political liberalisation. — AP-DPA.
DENMARK's parliament has called on its minority government to impose a total trade boycott on SA.

Parliamentary deputies voted in favour of a proposal calling on the centre-right government to introduce legislation by February to ban the import of SA coal and for legislation by April to ban all trade with the republic "as soon as possible".

Government deputies abstained from the vote on the parliamentary resolution, which is non-binding on the government.

Opposition spokesman for Third World affairs Christian Kelm-Hansen claimed Denmark would be the first country in the world to ban all trade with SA.

However, PM Poul Schlüter told parliament Denmark had already imposed far-reaching sanctions.

"Although government is willing to go a little further, the trade ban goes beyond sanctions agreed by Nordic countries and could isolate Denmark."

The parliamentary resolution backs up a 11-week Danish trade union boycott of exports to and imports from SA which is due to expire on January 31.

The ban has left three Danish bulk ships carrying 400,000 tons of SA coal stranded in Jutland. The London-based shipping newspaper Lloyd's List says the ships were unlikely to pick up more SA coal after discharging at the end of the boycott.

The coal is destined for the Danish electricity board Elna, which owns two of the ships and acts as importing agent for all Denmark's other power generation companies.

Coal accounts for about 85% of Denmark's total imports from SA which are worth about R350m a year, with Danish exports to SA worth R190m last year. — Sapa-Reuters.
Smith: SA could take sanctions in its stride
SA coal mines losing
profitable market

Own Correspondent
LONDON — Three Danish bulk ships, laid up with 400,000 tons of South African coal, are unlikely to make any more calls in the Republic after a vote in the Danish parliament calling for a total trade ban. Lloyds List, the shipping journal, reports.

The vessels have been held up at Aabenraa in Jutland by an 11-week trade union boycott on South African trade due to expire on January 31.

The Danish parliament has now voted overwhelmingly in favour of legislation implementing a total ban by the middle of next year.

The effect of this is that the three ships — the 137,000 tonnes deadweight sisters Elsam Fyn and Elsam Jylland and a chartered vessel — will not pick up more South African coal after discharging at the end of the boycott.

Undertaking

The three ships carry coal for the Danish electricity utility Elsam, which owns them and acts as importing agent for all Denmark’s other power generation companies.

Coal accounts for about 25 percent of Denmark’s total imports from South Africa which are worth about Kr1.3 billion ($142m) a year.

Because of widespread disquiet over the use of South African coal, Elsam had already given an undertaking to secure alternative sources of supply by 1990.

The parliamentary vote means these plans will have to be brought forward with Colombia and Australia emerging as favoured future suppliers.

A move to call off the union ban because of the parliamentary move did not receive sufficient backing.
Norway announces oil on banana Sweden slashes SA trade

BUS 217 15/4/75

THE NATIONAL NEWSPAPER FOR DECISION MAKERS

Business Day
STOCKHOLM. — Sweden has decided to ban the importation of South African agricultural products and fruits from January 1 to protest against apartheid, it was announced yesterday.

"Sweden's Riksdag (parliament) has never been as united as now against apartheid," said the Foreign Trade Minister, Mr Mats Hellstrom.

The ban also included the South African Kruger rand, and local authorities were allowed to independently boycott any South African products and services.

Total imports from South Africa in 1984 amounted to 483 million kronor (R138 million), including agricultural products amounting to 115 million kronor (R37.4 million). — Sapa-AF

● Norway to cut SA trade, page 4
Black union
‘opposed to disinvestment’

Labour Reporter
THE Black Allied Workers’ Union (Bawu), which says it represents 150,000 workers, was strongly opposed to disinvestment as a means to bring about changes in South Africa. Mr Bheki Khumalo, the general secretary, said after the union’s annual congress in Durban yesterday.
Bawu, which is a federation of 17 trade unions representing workers from a wide spectrum including the building, iron, steel, agriculture and clothing industries, has dissociated itself from Cosatu, the newly formed Congress of South African Trade Unions.
But at its congress at the weekend Bawu decided to cooperate and work with any union or union groupings on any subject of common interest to workers on condition that they were on ‘equal footing and not under the influence or pressure of foreign manipulators or sympathisers’.
Bawu urged foreign multinational companies and quasi-Government companies, including SATS, Sasol, Iscor, Escom, the Water Board and development boards to invest more in black housing, black education and black advancement projects.
Mr Khumalo said employers should end racial discrimination in salaries and wages.
The Government was also urged to raise the R4 a day paid to unemployed workers on various projects to a reasonable amount of at least R15 a day.
The congress also called on President Botha to speed up the dismantling of apartheid.
New attempt to settle Dublin’s anti-SA strike

Own Correspondent

DUBLIN — A new attempt to settle the 18-month anti-apartheid strike at Dunnes Stores in Dublin is to be made, possibly this week, by the Irish government.

A confidential report on the dispute has been prepared by the Labour Court, Ireland’s top industrial relations body, at the request of Labour Minister Ruari Quinn.

It has already been discussed by the Cabinet and decisions are expected soon.

The Labour Court report concedes what has already become clear — that the strike cannot be resolved through normal industrial channels.

The court, it is understood, offers two options to the government — the official imposition of sanctions against SA imports or an amendment to unfair dismissal legislation.

Since Foreign Minister Peter Barry has ruled out unilateral sanctions against SA, the government is likely to concentrate on the second option as a means of breaking the deadlock.

Tampering with the law on unfair dismissals is not likely to prove popular with Irish business.
NEW YORK — West Hollywood, a city with one of the United States' toughest anti-apartheid laws, is having trouble avoiding the purchase of equipment from companies that have ties with South Africa.

West Hollywood's ordinance does more than ban investment of city funds in firms doing business in SA. It prohibits the city from buying supplies and services from companies with financial ties with South Africa.

But city staff say most major manufacturers of computers, office equipment and vehicles do business in South Africa. Unless the law is changed, the city may not be able to buy such items.

As a result, staff have recommended that the city council soften the law to permit purchases from companies that have agreed to an affirmative action programme aimed at bettering conditions for black employees of US companies in South Africa.

When the anti-apartheid policy began in April, leased IBM office equipment and other products made by firms doing business in South Africa were returned and replaced with relatively unknown brands.

The New York Post, the racy tabloid owned by media mogul Rupert Murdoch, has evened the score against a local television station which first broke the "scandal" about the Post using newsprint from South Africa.

A few months ago, media hounds throughout the city came down hard on the Post after television journalist Mike Talbott revealed that Murdoch had, in fact, bought the offending newsprint.

The Post hit back by asking why three television channels, including the station that broke the story, earned about $6m between them from advertising promoting one of SA's biggest companies — the De Beers diamond syndicate.

One Post reporter said:

"Last Wednesday we tipped Mike to another 'scandal' . His own network was profiting from a generous budget promoting De Beers."

Game score: one-all. — Sapa-Reuters.
NEW YORK — The New York Post, the racy tabloid owned by media mogul Mr Rupert Murdoch, has evened the score against a local television station which first broke the "scandal" about the paper using newsprint from South Africa.

A few months ago, media hounds throughout the city came down hard on the Post after television journalist Mike Taibbi disclosed that Mr Murdoch had bought the offending newsprint.

Yesterday the Post hit back by asking why television channels, including the station which broke the Post story, earned a hefty amount from advertising to promote one of South Africa's biggest companies — De Beers.

One Post reporter said: "Last Wednesday we tipped Mike to another 'scandal'. His own network was profiting from a generous budget promoting De Beers."

"Said Mike at the time, with terrier determination: 'I'm going to have to find out whether this is true.'"

Six days later when the Post journalist telephoned Taibbi, he got a reply: "No comment. Check with my news director."

The journalist said: "His news director was out of town. We asked for his deputy. He passed us on to someone else, and so on down the line."

The Post then telephoned the advertising agency which dealt with the De Beers account and found out that about R15 million is spent on three different television networks.
South Africa and its neighbours

The countries in Southern Africa are intricately linked. At centre stage is South Africa, but the relationship with its neighbours is a complicated one. Recession has affected all the countries and now the threat of sanctions has added yet another variable. JOHN D'OLIVEIRA, Editor of The Star's Africa News Service, analyses the situation.

In the rich western countries will provide enough compensatory economic and to see them through or, at least, cushion the efforts of sanctions on their economies. What they really fear is the South African military machine.

Countries such as Lesotho and Botswana fear that increased unrest in South Africa will lead to further strain into their territories as South Africa tries to find and destroy the African National Congress activists it believes are fuelling the violence in South Africa.

Meantime, still unrest — despite repeated South African demands that South Africa continues to help to the MNR rebel movement and that this help will increase as the situation in South Africa itself deteriorates.

Angola entered December clamouring that South Africa had massed troops, armour and other matériel on its southern border, ready for another major offensive (a claim the South African military denied vigorously). This was followed by claims that South African forces had actually invaded southern Angola in contravention of the Lusaka Agreement.

Zimbabwe waits anxiously to see whether the South Africa Defence Force will strike across the Limpopo or permit the ANC soldiers who had a series of landings in the Northern Transvaal

Can the year be the most dangerous situation is the one developing in southern Angola.

The Angolan Government is committed to providing 'moral, material and humanitarian' assistance to Dr Jaime Sabado, although it is not clear why so deeply committed as the Russians are to their Angolan allies.

Both the Russians and the South Africans are determined that Angola should not develop — for each of them, respectively — into another Vietnam.

However, the available evidence suggests that every round in the battle between Angola (the Angolan Defence Forces) and Unita is fought at a higher level of intensity and, as a result, the level of intensity increases.

So, as 1983 draws to a close, there is tension and apprehension almost everywhere in the region.

The tragedy is that it could all be so different — if only the South African Government could resolve satisfactorily the issue of black participation in the country's economic, social and political systems.

By most world standards, Southern Africa is under-populated and potentially rich. While South Africa has an infrastructure and levels of expertise found nowhere else in the Third World. The region's different countries, with their varied resources and characteristics, complement rather than compete with one another regionally.

If the whites could reach an accommodation with their black counterparts, the world would almost certainly see no reason that the rich western nations would probably lead the way with investment and aid.

All this would not, in itself, resolve the region's economic, social and administrative problems — but the prospects would look a hell of a lot better than they do now.
A BLACK-OWNED US firm has dropped plans to sell specially-toughened IBM computers to a Boksburg firm, after claims they were destined for a SA government agency.

Scientific Systems of Cambridge, Massachusetts, was to supply Edward L Bate
teman of Boksburg, an IBM distributor, with 100 "ruggedised" IBM personal computers (PCs). But staff at the small US firm protested that the deal was set up by IBM to dodge American embargo regulations.

Bateman MD John Treger has denied the allegation, saying the equipment was meant for the local mining industry.

The ruggedised model is housed in metal rather than plastic, is sealed to keep out dirt and is better able to withstand the bumps and wide temperature variations associated with military and some heavy industry use.

Scientific Systems does most of its business with the US Defence Department.

IBM reportedly declined to sell the model directly to SA. Some Scientific Systems employees accused the computer giant of arranging the transaction between their firm and Bateman as a way of getting around the US ban on supplying high-technology items to the SA military, police or apartheid-enforcing government agencies.

A spokesman for IBM corporate headquarters in Armonk, outside New York, denied the charge, calling it "misleading, offensive and without merit."

"If we were aware of any violations, we would take the appropriate actions and notify the appropriate authorities, the spokesman said."

An IBM SA spokesman said IBM had rigidly adhered to the embargo since it was imposed in 1976.

"In the US, as is the case locally, we sell PCs through a dealer network, and we have no knowledge of where the computers go."

Bateman MD John Treger said Bateman Process Instrumentation (BTI) was a supplier of capital equipment to the mining industry.

He said the company had acquired an export licence for the hardened PCs once they were launched by IBM in the US in May. Bateman intended to import the equipment "in due course although no purchase orders have yet been placed."

US computer firm drops SA deal plans
COPENHAGEN — The Danish Federation of Trade Unions has decided to stop its boycott of goods coming from or going to SA, because of parliament’s decision last week to outlaw all trade with SA.

And the Irish government may impose a ban on South African fruit and vegetable imports from March next year.

The Danish boycott, which was originally to have operated from November 18 to January 31, halted all handling of goods from and to SA by unionised unskilled workers, hotel and restaurant workers, metal workers and truck drivers.

The Federation of Trade Unions said in a report the “gratifying” move of the Folketing, the Danish parliament, had made it possible to terminate the boycott as of today.

The Irish ban will be imposed if a government investigation “points to the abuse of prison labour” in the production of fruit and vegetable products in SA.

The Irish government is considering implementing the ban from March 31 next year. — Sapa-Reuters
Irish ban on SA produce

DUCKIN — The Irish Government’s decision to introduce selective sanctions against South African imports has been welcomed by the people mainly responsible for bringing it about.

The 11 supermarket workers, who have been on strike for 17 months over their refusal to handle South African produce, say they are delighted with the move.

Miss Mary Manning, whose refusal to check out a South African grapefruit began the dispute, said: “It is more than we ever thought we were going to get.”

But there is still confusion over the precise details of the ban.

The Government said a system of licences for South African imports would come into effect on April 1 because of evidence that forced prison labour was used to produce fruit and vegetables there.

But Foreign Minister Peter Barry stressed that was not the only reason. — The Star’s Foreign News Service.
US 'no' to divestment

NEW YORK — Most Americans do not want US businesses to pull out of South Africa in protest against apartheid, but there is no consensus on the correct United States policy, says a Media General-Associated Press poll released yesterday.

Asked “Do you think US businesses should stop investing or doing business in South Africa, or not?” 32% of the 1,462 respondents said yes, 40% said no and 28% were unsure.

Eighty United States colleges or universities have divested all or part of their stock in South Africa-related companies and at least 10 states and 32 cities have some kind of divestment policy, according to the Investor Responsibility Research Centre, which monitors business activity in South Africa.

In addition, about 20 American businesses have closed operations in South Africa in the past year.

Half the respondents said business divestment would hurt blacks and whites, 28% said it was immoral to conduct business in South Africa, and 22% had no opinion.

Slightly more than half the respondents said they believed apartheid would be abolished in the next 10 years and two-thirds said SA’s problems would lead to civil war.

Respondents included a random, scientific sampling of 1,462 adults across the US from November 8 to 14. The results were subject to an error margin of three percentage points either way.

— Sapa-AP.
British Council staff vote could end SA involvement

The Star Bureau

LONDON — British Council staff are expected to vote in favour of their joint trade union organisation's demand for the council to end its involvement in South Africa.

Mr Donald Anderson, Labour's spokesman on Southern Africa, told a staff meeting that by being in South Africa, the British Council was "in danger of legitimising the Government there".

Union representatives estimate that about 30 percent of the council's 2,000 London staff have invoked a conscience clause allowing them to refuse to be involved in the South African programme.

The British Council has offices in Cape Town and Pretoria. The management in London argues that the South African programme is providing essential training and educational facilities for blacks.

But the Anti-Apartheid Movement says the council is trying to promote a "third force" of leadership in opposition to the ANC.
STOCKHOLM—Mr Maxwell Xulu, chairman of the South African Metalworkers’ Union, has called here for increased boycotts against South Africa.

“We welcome all and every form of pressure that can be brought against the apartheid regime in South Africa,” he said.

Mr Xulu is due to have meetings with the Swedish Trades Union Congress. — The Star’s Foreign News Service.
SA trusts appeal against divestment

Trust companies in South Africa, through their association, have addressed the powerful trust lobby in the United States on why American trustees should set their face against the SA divestment campaign.

In a major article in the October issue in Atlanta of the influential magazine Trusts and Estates, James Baigrie of Cape Town, a director of the Association of Trust Companies in SA, stresses the ineffectiveness of disinvestment as a tactic likely to produce change in South African society.

"By divesting from South Africa, American investors will be undermining the very foundations of their power to contribute to social justice in South Africa.

"Instead of leaving a vacuum into which, no doubt, a fair amount of virtually unprincipled international capital will find its way because of profit opportunities, do the facts of the situation not favour American tactics that continue to participate in SA but which demand a steadily higher price in social justice terms for their participation?"

In a foreword to Baigrie's article, association chairman Arthur Skelton says Baigrie presented his analysis in a detached and professional spirit, minimising the impact of his own political views and, in this light, the article could be read as incorporating the association's views. — Sapa.
Outcry and renewed call for sanctions in Britain

LONDON — Conservative and Labour Members of Parliament yesterday denounced the arrest of South African civil rights leader Mrs Winnie Mandela.

Labour's foreign affairs spokesman Mr Denis Healey said the arrest removed the last possible excuse for Prime Minister Mrs Margaret Thatcher to resist imposing economic sanctions against the South African Government.

Mrs Mandela was freed from police custody in Johannesburg yesterday pending trial on a charge of breaking a State order banning her from her Soweto home.

Mr Healey said the arrest was the culmination of a series of recent abuses by South African State President Mr P W Botha who has moved a great stride towards martial law itself and, finally, has arrested Mrs Mandela for the crime of living in her own home.

Yet Mrs Thatcher has just provided government finance for a £20 million mission to South Africa. Her odious hypocrisy over apartheid is a disgrace to Britain.

A Conservative lawmaker, Mr Robert Adley, also angered by the arrest of Mrs Mandela, said he sent her a Christmas card by way of the South African Embassy in London.

Mr Adley, founder of a parliamentary group of Conservatives pressing for reform in South Africa, said he asked British Ambassador Dr Denis Worrall to forward the card to Mrs Mandela.

He said: "Only a government as stupid and harsh as that running the South African police state would choose to arrest Mrs Mandela at Christmas.

"The South African regime seems to be proving the veracity of the old saying that those whom the gods want to destroy, they first make mad."

Commonwealth Secretary-General Sir Shridath Ramphal called the arrest of Mrs Mandela "a violent act" — Sapa-Associated Press.

Friends, relatives and admirers crowded around Mrs Winnie Mandela yesterday soon after she was released on warning after appearing in a Johannesburg Magistrate's Court on a charge of contemning her banning order.

© Picture by Herbert Mabuza.
Sweden smiles on SA gold

The Star's Foreign News Service

STOCKHOLM — South African gold has put the bite on Sweden's ban on apartheid imports — triumphing in the dentist's chair.

Swedes will continue to have South African — not Russian — gold in their teeth.

The Swedish Association of Dental Surgeons has forced the socialist government to allow South African gold to be used for filling teeth.

The association has extracted an undertaking from Foreign Trade Ministry officials who have issued special exemptions to gold trade dealers in Stockholm, allowing the import of 1,500 kg of South African gold — worth R7.14 million — in 1986.
Squad Helps SA Trade

Secret anti-sanctions

JOHANNESBURG — South Africa is making a

Secret anti-sanctions

Squad Helps SA Trade

envisaged that the South Africans would

need to obtain foreign currency to buy goods and services.

The envisaged Secret anti-sanctions will also boost

the South Africans' standard of living. The envisaged Secret

anti-sanctions will be implemented in stages, starting with

the implementation of a new currency, the Rand. The envisaged

Secret anti-sanctions will also include the introduction of

a new tax system, the Value Added Tax (VAT), which will

be implemented in stages, starting with a pilot program in

the Western Cape Province. The envisaged Secret anti-

sanctions will also include the implementation of a new

education system, the National Education System (NES),

which will be implemented in stages, starting with a pilot

program in the Western Cape Province.