SANCTIONS  1987

MARCH - APRIL
SA sanctions are hurting Mozambique
— Chissano

President Joaquim Chissano of Mozambique has accused South Africa of applying sanctions against his country by cutting back on Mozambique's two major sources of hard currency — labour and use of its railways and harbours.

In an interview with Leadership magazine's publisher and editor Hugh Murray and former Opposition leader Dr Frederick van Zyl Slabbert, President Chissano blamed South Africa for jeopardising good relations between the two countries.

He said Mozambique had maintained relations with South Africa in spite of the military and material help it was giving to the Mozambique resistance movement, MNR.

President Chissano said South Africa had already decreased its exports through Maputo to 800,000 to 900,000 tons.

"We already have sanctions, but we are surviving," he said.

"They will cut our workers in South Africa down to 30,000 (from 150,000), but we are surviving."

President Chissano admitted that his country was "hurting" as a result, but added that the hurt experienced by the Frontline states was "not the issue".

"The issue is whether they are going to hurt the economy of South Africa."

He said Mozambique had not yet decided about imposing sanctions against South Africa and said that action was more likely to come from Zimbabwe.

"In Mozambique we are only dependent on South Africa."

Commenting on Nkomati, President Chissano said the agreement prevented direct South African military action against his country.

"They do not dare to attack Mozambique directly using their forces, although they are constantly looking for pretexts on which they could justify such an attack."

From the Mozambique side the Nkomati agreement continued to prevent his country from allowing the ANC to launch any military offensive against South Africa.

He said Mozambique would continue to support the ANC politically and diplomatically.
Swedes plan trade boycott of SA

STOCKHOLM: Sweden's new leaders this week plan to propose a trade boycott of South Africa to contribute towards assassinated Prime Minister Mr Olof Palme's prophecy that apartheid is destined for the "trash can of history."

Mr Palme's successors marked the first anniversary of his death yesterday with solemn pledges to carry on his fight against violence and injustices all over the world. In particular, they promised action to increase South Africa's isolation.

The ruling Social Democratic Party is to debate sanctions today. Tomorrow the government will outline the results to the policy-making Foreign Affairs Council.

On Saturday, Foreign Minister Mr Sten Andersson quoted Mr Palme as saying in his last speech that apartheid was an "affront to human dignity, that is doomed to end up in the trash can of history," and promised that Sweden would contribute to this.

DEPENDENT ON SA MINERALS

Mr Andersson told a torchlight rally in honour of Mr Palme's memory that Sweden would have to put Pretoria under new pressure, despite the failure of the United Nations Security Council last month to recommend sanctions.

Of all the political parties in Parliament, only the Conservatives are opposed to unilateral trade sanctions. They argue that Swedish companies in South Africa will be unfairly penalised.

Sweden stands to suffer economically from any trade boycott. The Swedish special steels industry is highly dependent on imports of South African minerals such as chrome, manganese and ferro-manganese. — Sapa-Reuters.
NAIROBI — Kenya would not unilaterally ban international airlines from using Nairobi as a stopover for flights to and from SA, President Daniel Arap Moi said at the weekend.

He said his government would halt the overflights only if all 50 member states of the OAU enforced the ban.

Moi's announcement ended months of speculation that Kenya might implement a proposal by the 49-member Commonwealth to cut air links with SA.

Moi's statement underscored the dilemma of black African states which support sanctions but stand to lose from them. Many black African states try to hide their collective billion-dollar annual trade with Pretoria, while clamouring loudly for international embargoes.

Moi said: "If we do not want planes to use facilities on the continent on their way to or from SA, we (the OAU) must pass a unanimous resolution and we will be bound by it.

"We should not be asked to do this alone as Kenya."

At least seven international airlines fly 16 round trips a week to Johannesburg with transit stops in Nairobi. The services earn Kenya Sh25m.

Tourist agents here fear fewer travelers will come to Kenya if international air links with SA are banned. — Sapa-AP.
LONDON — The Anti-Apartheid Movement (AAM) yesterday launched an all-out campaign against Shell for its links with SA.

Elated by what it sees as its “success” with Barclays Bank, the AAM is now turning its attention to Shell, and intends to make it target No 1 in its boycott programme.

Shell is concerned at this move in the UK, for it is already under fire in Holland, Scandinavia and the US.

As part of the “anti-Shell” launch yesterday, 10 Shell garages in London and 12 others in centres throughout the UK were picketed.

There have been nasty scenes at some of the international protests and Shell suppliers have already disclosed their fear of action from anarchist groups who might go beyond peaceful picketing.

The AAM’s attitude is that Shell helps provide oil to SA, bolstering the economy and therefore “shoring up apartheid.”

About 1% of Shell’s £3bn income came from SA in 1985, where it had a turnover of £470m.

Shell claims that if it withdraws, its SA assets would be taken over by local interests — possibly the government — and SA would carry on getting its oil as before.

Disinvestment, Shell argues, is a one-shot policy and would not hasten the end of apartheid. Their policy has always been to stay and campaign for change.

Shell’s views have been publicised recently in a booklet in which it condemns apartheid and sets out its general political and social principles.
Israel discourages official visits to SA — report

By Peter Allen-Frost
The Star's Foreign News Service

TEL AVIV — Israel now firmly discourages official visits to South Africa, in spite of a strong denial by the Foreign Ministry.

A recent report on the front page of the mass circulation Jerusalem newspaper, Yediot Aheronot, claimed the government had issued new instructions that "groups representing the State (of Israel) will not be permitted to visit South Africa".

It said the ruling included theatre groups, sports teams and cultural bodies.

That report has never been denied by the Government.

Sources here see the move as a tightening up of existing policy which, despite Foreign Ministry rebuttals, has sought to discourage high profile links with South Africa.

An example involved a folklore group which planned to tour South Africa to coincide with Johannesburg's centenary celebrations.

A Tel Aviv City Hall official stated quite categorically that the Foreign Ministry had voiced "strong objections".

The ministry said it had merely "recommended" the tour should not take place.

But the City Hall spokesman said: "A 'recommendation' of this nature carries a lot of weight. We could not ignore it."
Sweden acts alone on SA sanctions

STOCKHOLM — Sweden's ruling Social Democratic Party yesterday voted to impose unilateral trade sanctions on South Africa, the Prime Minister, Mr Ingvart Carlson, said.

The need to fight apartheid had earned a higher priority than Sweden's traditional policy of only joining in sanctions voted by the UN Security Council, he said.

The full extent of the trade boycott and its commencement date will be decided later.

Industrial sources said the main impact was expected to be felt by the Swedish steel industry, heavily dependent on South African mineral imports, and by a handful of companies which supplied the SA mining industry.

Last year Sweden ordered a licensing system for all exports to SA, but it has been under strong political pressure to cut all trade ties after Denmark voted for full economic sanctions last year.

Norway is preparing similar legislation.

Sweden's steel industry is an important consumer of SA nickel, manganese, ferro-chrome and ferro-manganese. Its foundries and nuclear industries rely almost completely on zirconium as a capping for steel tubes containing uranium fuel.

Swedish companies increased their mineral purchases heavily during 1985, apparently to build up stocks. Alternative sources would mean buying from the Eastern bloc.

Some 2,500 Swedish workers provide goods for the SA market and half are expected to lose their jobs. — Sapa-Reuters
Swedish party votes for trade boycott

The Star's Foreign News Service

STOCKHOLM — The Swedish Social Democrat Party's executive has voted unanimously to boycott trade with South Africa.

The Foreign Affairs Advisory Council, which represents all the parties except the Communists, meets today to discuss the decision and the Government is expected to present a Bill to Parliament within a few weeks.

Only the Conservative Party opposes the boycott.

Prime Minister Ingvar Carlsson would not say yesterday what form the boycott would take, or whether Swedish subsidiaries would be forced to leave South Africa. But the implication is that the boycott will be fairly extensive.

Sweden was prepared to wait for the UN Security Council to recommend sanctions against South Africa, but the proposal was vetoed by Britain and the United States 10 days ago. An independent trade boycott represents a significant break with Sweden's traditional foreign policy.

The value of Swedish imports from South Africa decreased by about 70 percent in the first nine months of last year to about R33 million, while exports fell by about 30 percent.

Swedish companies which have sales and production subsidiaries in South Africa are mostly in the mining sector and include Atlas Copco, SKF, Secoroc, Sandvik, Skega, and Alfa-Laval.
Cape Verde as a threat to the world bank

The world bank, due to its massive portfolio of loans and credits, holds a significant influence in global financial decisions. However, recent developments in Cape Verde have raised concerns about potential negative impacts on the world bank's operations. The country's economic troubles, including high debt levels and insufficient fiscal management, pose risks to the world bank's stability. If these issues persist, the world bank may face pressure to rein in its lending to Cape Verde, potentially affecting its ability to support other countries in need. This could in turn lead to broader economic implications, highlighting the importance of addressing these challenges in Cape Verde.
STOCKHOLM—Sweden's ruling Social Democratic Party yesterday gave the go-ahead for unilateral trade sanctions against South Africa, Prime Minister Ingvar Carlsson said.

Mr Carlsson told a news conference his party had decided the need to fight apartheid took priority over Sweden's traditional policy of only voting in sanctions voted by the UN Security Council.

The full extent of the trade-boycott and when it would come into force was to be decided by the Government later, Mr Carlsson said.

Industrial sources said the main impact was expected to be felt by the Swedish steel industry, which relies heavily on South African mineral imports, and a handful of companies which supply the South African mining industry.

What the party has unanimously given us is a yes to isolated Swedish action, Mr Carlsson said.

Sweden has been at the forefront of attempts to isolate South Africa economically, having frozen investments in South Africa in the late 1970s.

Last year it ordered a banning system for all exports to South Africa, but it has been under strong political pressure to cut all trade after neighbouring Denmark last year voted for full economic sanctions.

Norway is preparing similar legislation.

**Strategic importance**

In the first nine months of 1986, Swedish exports to South Africa were 29% down on the same period in 1985 at R179 million. Imports fell 71% to R25 million over the same period.

Observers say South African trade is still of considerable strategic importance to key sectors of Swedish industry.

Sweden's steel industry is an important consumer of South African nickel, manganese, ferro-chrome and ferro-manganese.

Swedish foundries and nuclear industries are also almost completely reliant on zirconium sand. Zirconium is a capping element used in steel tubes to contain uranium fuel.

Swedish companies increased their mineral purchases heavily during 1985, apparently to build up stocks. Alternative sources of supply would mean turning to the Eastern Bloc, according to Government studies.

The ten remaining Swedish companies established in South Africa had combined assets of R176 million in 1985 and an annual turnover of R310 million. They employ 2,400 people.

In Sweden, some 2,500 workers provide goods for the South African market. Half are expected to lose their jobs, according to Government figures, although private estimates put the figure much higher.

The three biggest Swedish companies in South Africa are Aktiebolaget AB, Sandvik AB and Secoroc AB. All supply drilling equipment for the mining industry.

A Government study has warned that if they are forced to withdraw, the main beneficiary will be their South African rival, Hort. — (Sapa-Reuters)
Swedish move will hurt few

TOTAL anti-SA sanctions being prepared by Stockholm are not expected to start a Swedish corporate run from the country.

Sapa-Reuter reports Swedish opposition parties yesterday backed the government Bill banning trade with SA.

And Prime Minister Ingvar Carlsson promised it would become law next week.

Swedish companies in SA believe their network of foreign suppliers will render harmless the cutting of all bilateral trade ties.

But their business would be paralysed if a trade ban covered the foreign holdings of parent companies with SA subsidiaries.

While no details of the proposed sanctions have been disclosed, Swedish companies in SA are openly sceptical that this will happen.
Govt denies opposition claims

Competition probe is ‘not a witch hunt’

GOVERNMENT has denied conducting a “witch hunt” of major SA companies by approving an inquiry into conglomerates, saying it is simply safeguarding competition in the face of disinvestment.

Economic Affairs and Technology Minister Danie Steyn said yesterday it was unlikely the Competition Board (CB) investigation, launched in December, would result in the dismantling of financial giants.

"With disinvestment there are bound to be buyouts and after Anglo’s takeover of Barclays last year, we need a clear pattern as to how this should be handled in future," said Steyn.

He said it would not be possible to conduct such an investigation without talking to Anglo American, Old Mutual, Sanlam and Rembrandt.

Steyn dismissed opposition party suggestions that the timing of the investigation was an election ploy.

"The Conservative Party should not try and climb on a bandwagon they did not create. They have never approached me requesting such an investigation," he said.

DOMINIQUE GILBERT reports that the CP has welcomed the inquiry.

National secretary Frans van Staden said: "We have always been against big monopolies."

"Government has allowed monopolies to develop without interfering. Now suddenly, just before the election, and with all the bankruptcies, they want to give the impression they are against monopolies."

CB chairman Steph Naudé said the investigation had been planned since 1984 and it was misleading to believe the inquiry had been launched as a result of disinvestment.

Under the Maintenance and Promotion of Competition Act, the CB was given the go-ahead to investigate the "practical and policy implications" of the concentration in the financial sector.

Gazetted on December 12, 1986, the CB approached every registered financial institution, as well as Associations, the Afrikaanse Handelsinstituut and all SA universities for comment.

Other opposition parties have also welcomed the inquiry.

PPP trade and industry spokesman

KAY TURVEY

Ken Savage said: "There are dangers of prices always moving up and compensating for reduced turnover. This can happen only where there is massive power, like we have with huge financial conglomerates or parastatals. It is necessary that the Competition Board keeps an eye on this."

The present situation was aggravated by the "hostile export market", he said.

In cases where conglomerates or parastatals had "too much control of the market" local prices were being forced up to compensate for reductions in total turnover, Savage said.

Savage does not see the announcement as an election ploy.
MD sees positive side of disinvestment

Pullouts 'have aided entrepreneurship'

DISINVESTMENT of multinationals from SA had created a new breed of entrepreneurs, Information Trust Corporation (previously Dun & Bradstreet) MD Paul Edwards said.

"Managements of affected companies have, in most instances, leaped at the opportunity to purchase productive assets at a fair value," he said in Johannesburg yesterday at the official launch of the new company.

SA ownership of foreign subsidiaries would result in foreign-currency savings because dividends and management fees would not be repatriated.

Many deals had also been structured to allow employees to participate in ownership.

Edwards said: "Our employees will receive 25% of the company, based on their length of service and their level of grading.

"This has already had a positive impact on motivation and productivity, and will, in turn, create new wealth among employees who might never have had such an opportunity."

On the SA economy, Edwards said: "The present upturn might just run out of steam unless government is prepared to act quickly and imaginatively.

"Bold action is required by government to rectify the imbalance between corporate and individual tax contributions.

"Bracket creep has ensured that contribution by personal income taxes, franked dividends and GST has increased from 24% in 1980 to more than 50% of the total contribution to State revenue."

Government's expansionary fiscal policies, excessive pay hikes for civil servants and lack of control on spending in 1983 and 1984 had led to government applying the brakes too firmly in August 1984. Government now had to get the economy moving again without pushing inflation through the roof.

Sats unions in debate on new deal

A REVOLUTIONARY wage-bargaining system for Sats' 11 unions will be discussed by the Federal Council of Sats Trade Unions at a meeting in Johannesburg today.

Until now, Sats unions have had to accept the same deal as the rest of the public sector. The recommendation that a labour council be established for railway workers has been made by a committee headed by labour expert Mr Wihan.

The council would consist of representatives of the 11 unions and of Sats' management. Federal Council chairman Jimmy Zurich said yesterday it would have powers similar to those granted to industrial councils. If the recommendation is accepted, the labour council would have final authority to determine the extent of pay rises and improvements to other service conditions, without reference to the Minister of Transport.
Economist's warning on sanctions lobby:

Pressure on SA will spread wide

By Claire Robertson, Pretoria Bureau

Political and economic pressure on South Africa will grow stronger and spread from the United States and Britain to Europe and eventually Japan, says economics expert Mr Jesmond Blumenthal.

Mr Blumenthal, who lives in Britain, where he lectures at Brunel University in west London, was addressing a luncheon meeting of the South African Institute of International Affairs (SAIIC) in Pretoria yesterday.

He has published widely and co-authored a book titled "The West and South Africa".

Speaking on "Sanctions and Western economic policy towards South Africa", Mr Blumenthal — the SAIIC's Brador Fellow for 1987 — said the pro-sanctions lobby abroad was "very well organised". It had taken a long-term view and used increasingly sophisticated and persuasive arguments.

"I place relatively little faith in the expressed commitment of some major Western firms operating here of their intention of remaining in South Africa," said Mr Blumenthal.

The pro-sanctions lobby was concentrating its efforts not so much on demonstrations — such as those at Shell service stations in London recently — but on pressure on local and regional authorities to have them change their procurement policies.

"It requires only one major local authority to refuse to buy from a firm to make that firm change its mind about staying in South Africa," said Mr Blumenthal. "Some rough times are envisaged ahead. I see the range of official sanctions being extended.

"The focus on South Africa would be shifted to the broader Southern African region, he said. "This would have already begun, and Western aid to the Frontline states has increased substantially in the past few years."

This was coupled with military aid — those Western countries having recognised the importance of securing countries into which they were pouring resources.

Mr Blumenthal described the situation between the West, the Frontline states and South Africa as a "vicious circle."

The policy South Africa pursued towards the Frontline states was destructive of their infrastructure. Those states pressured the West to apply sanctions on South Africa.

Favourable trade balance

South Africa in turn tried to stop this by applying more pressure on those states.

South Africa also enjoyed a very favourable balance of trade with those states, he said. This surplus offsets the deficit South Africa had on its current account with the rest of the world.

"In the final analysis, the argument is about raising living standards. There is only one way to do this — by a vast injection of new resources, both domestic and foreign."

He added: "There is an increasing realisation that there is relatively little the West can do to influence things in South Africa."

"But the West will be driven by domestic political considerations, and not by consideration of
Blacks voice disinvestment doubts on TV

The Star Bureau

LONDON — Just 24 hours after the Anti-Apartheid Movement launched its campaign in Britain to get Shell out of South Africa, BBC Television yesterday broadcast a programme in which leading black South Africans expressed doubts about disinvestment.

Mr Chris Dhlamini, vice-president of Cosatu (Congress of South African Trade Unions), said in an interview that his organisation had never called for foreign companies to pull out of South Africa.

What black South Africans wanted, he said, was a major international programme of biting sanctions against South Africa to force the Government to change its policies.

Dr Allan Boesak, patron of the United Democratic Front, also said that withdrawal of foreign countries was low on his list of objectives. He also said it would be preferable if foreign governments could agree on effective sanctions.

The programme made strong play of the determined way in which Kelloggs, the cereal manufacturers, were promoting enlightened social policies within their own workforce and refusing to quit South Africa.

The programme also drew attention to the self-defeating consequences of foreign companies withdrawing, as exemplified in the motor industry.

Hard on the heels of General Motors' withdrawal, the company — under local management — announced the launch of a new model. And free of overseas restraint, it was now able to supply its products to the South African Defence Force.
Shell, activists differ over BBC report on SA

The Argus Foreign Service

LONDON. — Anti-apartheid activists have attacked a BBC television report which casts doubt on the support for disinvestment among blacks in South Africa.

However, Shell, which is the target in a tough disinvestment campaign, has welcomed it.

Shell hailed the programme as well balanced and fair, and as showing "that not all people think companies should pull out".

The Anti-Apartheid Movement (AAM) said the programme suggested that Shell had an "unhealthy influence" over the BBC. The BBC has rejected this accusation.

In an interview on Newsnight programme yesterday, Mr Chris Dhlamini, vice-president of Cosatu, said his organisation had never called for foreign companies to pull out, but did support sanctions.

Dr Allan Boesak said withdrawal of foreign interests was low on his list of objectives, and that effective sanctions would be preferable.

But AAM, which has made March a Month of Action for People's Sanctions, and strongly supports disinvestment, decried the programme as "a very dishonest piece of journalism".

A BBC spokesman said: "We reject those criticisms totally. The report reflected a cross-section of views on the impact of disinvestment in South Africa and is only one of a series of programmes examining the problems there as far as Government restrictions will allow.

"It included interviews with notable leaders, such as Allan Boesak, Chris Dhlamini, a Wits student as well as John Wilson, chairman of Shell."
Lack of progress 'dangerous' but ...

Con Gold will not disinvest from SA

LONDON — The lack of progress in SA was disappointing and dangerous, but Consolidated Goldfields (Con Gold) had no plans to disinvest, chairman Rudolph Agnew said yesterday.

Speaking at a Press conference to release the company's half-year results, Agnew said he was worried about the campaign for disinvestment. It was evil and totally misguided.

He said waging economic warfare against SA was not the answer to the country's problems.

Black people in SA were rethinking the wisdom of waging warfare on the poorest section of people in a desperate situation. Commenting on the forthcoming round of wage negotiations with the National Union of Mineworkers (NUM), Agnew said there was room to negotiate but NUM's initial demand of 55% was excessive.

There was a need to strike a balance between a sensible progression at the low end of the wage scale and excessive demands which would result in unemployment.

Agnew said there was no evidence to support claims by the Anti-Apartheid Movement that Con Gold-controlled Gold Fields SA was the employer with the worst track record in the mining industry.

See Page 11
Norton sells SA subsidiary for R1.5bn

Alan Sendzul

US Abrasives giant Norton yesterday

Norton sells SA subsidiary for R1.5bn

Norton's chairman Donald Melville said: "Societal pressure in the US and the South African government have put pressure on us to sell the holding company of Norton Abrasives global Mining & Industrial Corporation sold off its SA subsidiary for R1.5bn."
Go Home, French tell SA rugby players

Editorial: They made a brave effort to make sure the French rugby team didn’t lose their reputation here in South Africa. However, despite their best efforts, they were unable to overcome the strong South African team. The French went down to a heavy defeat, losing by a margin of 30-10. This result was not unexpected, considering the strong performance of the South African team in recent matches. Despite the loss, the French can take pride in their efforts and the way they played the game. They showed great spirit and fighting spirit, which is a positive sign for their future matches. The South African team, on the other hand, can be proud of their performance, which was outstanding. They played with great intensity and determination, and their victory was well deserved. We congratulate both teams on their efforts and look forward to their next matches.
ABC Programme on Disinvestment angers AM

By Michael White
The new principal of the University of Transkei, Professor Wiseman Nkuhlu, is robed by the chancellor of the university, Paramount Chief Kaiser Matanzima, with the assistance of the chairman of the university council, Mr. A. T. Sigcau.

Sanctions hit T'kei — prof

By LAWRENCE NGOZI

UMTATA — Non-acceptance by the international community remained a major stumbling block to the efforts of independent states including Transkei, the new principal of the University of Transkei, Professor Wiseman Nkuhlu, said yesterday.

Professor Nkuhlu said the legitimacy of a number of governments and institutions was still in question while Southern Africa ranked as one of the most troubled regions of the world.

He said while two African countries, Angola and Mozambique, had been embroiled in civil wars for more than 10 years, South Africa continued to experience political protests, boycotts and the undermining of its authority on an unprecedented scale.

The independent states of Transkei, Bo- phuthatswana, Venda and Ciskei have also not escaped unscathed.

"In spite of courageous efforts by the governments of some of these countries to dissociate themselves from the repugnant apartheid system and to introduce progressive socio-political reforms, the perception that they are nothing but an extension of the RSA apartheid system persists internationally as well as to a certain extent in Southern Africa.

"The consequence of these perceptions is that the independent states including Transkei find themselves faced with the reality of economic sanctions and political isolation directed by the international community as a result of the apartheid policies of the RSA Government as well as with the spill-over of political action by groups fighting for the dismantling of the system in that country.

"Non-acceptance by the international community remains a major stumbling block to the efforts of these states to evolve their identities independently of the RSA Government and in playing a mediating role in resolving conflict in the region, the professor said.

See also page 3
Foreigners pour cash into SA

MILLIONS of rands are pouring into South Africa as an increasing number of foreign investors take advantage of the weak financial rand to buy property, listed securities and businesses.

Staff Reporter

In the Western Cape historic districts are proving the big attraction and several near Paarl and Stellenbosch have been sold to foreign buyers for R1-million and

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Bargain' Cape farms snapped up as buyers exploit weak financial
NINETY-THREE US companies have withdrawn from SA because of disinvestment pressure since the anti-apartheid lobby gained momentum in 1985.


Larger US corporates that have signalled their intention to quit, but have not finalised buyouts, include Black & Decker, Dun & Bradstreet, IBM, McGraw Hill, Revlon, Tam Brands, PepsiCo, Emhart and Bundy Corp.

Despite the number of US withdrawals, American Chamber of Commerce (Amcham) president Frank Lubke says there has been a net drop in Amcham membership of only one company.

He says 37 companies (18 with US parents) terminated membership last year, while 36 new companies joined. Amcham's books reflect 190 US companies out of total membership of 310.

The IRRC says it is not able to put a figure to the value of disinvestment since 1985. It is also difficult to quantify jobs lost from shut down US operations.

However, with the exception of Eastman Kodak, US companies that pulled out entirely have scarcely had an effect on employment. The biggest US employer in SA was GM, with a staff of 3,056 at the time of its withdrawal.

"Inside South Africa" magazine says Amcham is likely to run and administer the Sullivan principles if Rev Leon Sullivan cuts ties with SA later this year.

Sullivan has set May as a deadline to withdraw his code — established to improve blacks employees' working lives — if apartheid is not eliminated.

Amcham executive director Ken Mason was yesterday reluctant to discuss the matter but "Inside South Africa" says it has reliable information that Amcham will take over the running of the code.
Canadian nods to ANC

BY BRIAN OSTROFF in Montreal

CANADA is set on a course which makes the severance of diplomatic and economic ties with South Africa and recognition of the ANC appear inevitable.

This emerged at a major conference in Montreal last weekend, when 500 delegates representing 150 anti-apartheid, church and union groups from across Canada met with officials from the Canadian and frontline state governments under the theme “Taking sides in Southern Africa”.

Although external affairs minister Joe Clark told the conference his government would continue its policy of imposing sanctions gradually, he reaffirmed Canada’s willingness — first set out in a speech by Prime Minister Brian Mulroney to the United Nations General Assembly in 1985 — to break relations and impose total sanctions if there continues to be no movement towards fundamental change in South Africa.

Canada, which was instrumental in South Africa leaving the Commonwealth in 1961, has radically stepped up measures against the Republic and assistance to victims of apartheid since the Progressive Conservative Party took power in 1984.

While such measures were praised by the Rev Allan Boesak, UDF patron and president of the World Alliance of Reformed Churches, and Thabo Mbeki, director of the ANC’s department of information — two of the keynote speakers at the conference — they joined with the rest of the delegates in urging comprehensive, mandatory sanctions and a downgrading of diplomatic ties immediately.

Since Canada is hosting the next conference of Commonwealth leaders, as well as of the Francophone nations, later this year, further sanctions can in any case be expected in coming months.

The three-day conference also heard an endorsement by foreign aid organisations and representatives of major Canadian churches, including the president of the Canadian Catholic Bishops’ Conference, of the use of violence to end white rule.

The most concrete sign of action is likely to be increased aid and investment from Canada to the frontline states, particularly Mozambique.

Although Clark ruled out the possibility of military aid, negotiations are understood to be underway to supply Tanzania with spare parts for Canadian- made Buffalo aircraft, which would allow that country’s troops to be stationed along the Beira corridor.

Key organiser of the event, held under the auspices of the Canadian Council for International cooperation, was author Dan O’Meara, a former South African academic, now research director of a Montreal-based information centre on Mozambique and South Africa.

“There is no possibility of reforming this apartheid monster,” he said. “Sanctions are not a moral issue. They are not about sending messages to Mr Botha. They are about making Mr Botha an offer he can’t refuse.”
'No sanctions' senators are targets

Ads mark new anti-apartheid tactic in US

By Neil Lursen, The Star Bureau

Anti-apartheid activists in Washington have introduced a new tactic in their efforts to pressure the United States Congress into even tougher action against South Africa.

They are placing full-page advertisements in newspapers in the home districts of congressmen who voted against sanctions, associating them with repression in South Africa.

Their first two targets are Senator Robert Dole of Kansas and Senator Jesse Helms of North Carolina — both key allies of President Reagan in his unsuccessful bid last year to veto the sanctions Bill that is now part of the law.

The ads, which began appearing this week, show the senators against the background of a black funeral in South Africa.

The one depicting Senator Dole says: "Robert Dole is one of the faces behind apartheid. It's time to hold him accountable."

The man behind the campaign is Mr Randall Robinson, head of the TransAfrica lobby and its offshoot, the Free South Africa

Movement.

Mr Robinson said in Washington that both senators had greatly endangered lives in South Africa by opposing sanctions.

Senator Dole said yesterday that black leaders were aware of his record on civil rights in the US.

"TransAfrica can do whatever it likes," he added, "but they are being "on"-righted. They may need my help on some other Bill in the future."

Senator Helms said that South Africa's apartheid laws, which he had never supported, were being dismantled.

'Executions'

The real issue, however, was that black and white South Africans faced having to live under the dictatorship of the African National Congress, a communist-supported organisation responsible for brutal necklace executions of blacks.

Michael Morris, of The Star Bureau in London, reports that appeals for a "constructive, moderate" approach to South Africa's political future will form the basis of a new anti-apartheid campaign to be launched in Britain soon.

The International Society for Human Rights (ISHR) — presently running a campaign to free 100 people being detained by Swapo in camps in Zambia and Angola — will launch its new campaign in about a fortnight to 'extend as much support as we can, both materially and politically, to groups who are in the centrist, pro-democracy mould."

...
Artists boycott: ANC to speak soon

By ANDREW DONALDSON

The African National Congress is expected to release a major statement in London next week on South Africa’s cultural and academic boycott, which may reverse the “double apartheid” stranglehold on local culture.

This is believed to be the organization’s first detailed statement on the matter.

This follows the ban this week of Guguletu percussion group Amampondo from two major arts festivals in Scotland and the debate surrounding the recent Paul Simon “Gracelands” album and world tour with South African musicians.

The “Gracelands” venture has left local musicians with hope of going overseas in the next two years — although dampened somewhat by the Amampondo banning.

The group postponed a six-month tour after a ruling by the ANC that it should be subject to the United Nations Committee on Apartheid boycott.

It is understood that since the ruling, following approaches to the ANC by the organizers of Glasgow’s Mayfest and the Edinburgh Festival, the band have had discussions with the ANC in the hope of reversing the decision.

While their manager, Mr Martino Zini, could not be approached by the Cape Times for comment, it was learnt from a band member that a decision about the tour going ahead as planned might be available by next week.

No other comment from the band, which is currently in Johannesburg, was available.

Meanwhile, a steering committee member of the South African Musicians’ Alliance, Johnny Clegg, said this week that the alliance would soon enter the boycott debate and would form its own policy on the issue.

The former Juluka star is on tour in Cape Town with his band Savuka. They leave for Europe on March 22 for the first of three international tours.

Clegg said it was time local artists had some effective control in the matter and he was puzzled by the Amampondo banning “mainly because there have been so few facts reported about it”.

He did, however, speculate that it was possible that the group had been “naughty”. “They did, for example, tour Taiwan at a time when they (Taiwan) were issuing all sorts of extraordinary anti-ANC statements. They can’t pretend to be that naive.”

Explaining the background to the boycott campaign, he said the three major players were the UN, the international anti-apartheid movements — particularly Britain’s AAM — and the ANC.

While the UN were active about international artists visiting South Africa, the AAM was particularly steadfast in its calls for a blanket boycott:

“I’ve always felt a bit resentful about visiting Britain. It’s as if because we’re not throwing bombs, then, according to the AAM, we — as musicians — have no role to play. We have no voice,” he said.

The ANC, on the other hand, appeared to have no clear policy on the cultural boycott — possibly because they were not keen to “alienate their friends” in the UN and the AAM, he added.

“Because SAMA have been recognized by both the United Democratic Front and the Azanian Peoples Organization, we feel that whatever statement or policy we come up with, will be taken note of or considered by the outside players.”
Chance to own Coke

By LEN MASEKO

COKE customers in South Africa are to be offered shares formerly held by the Coca-Cola Export Corporation, which has disinvested.

The multinational company's 30 percent stake in Amalgamated Beverage Industries (ABI) has been sold, and thousands of Coke customers and ABI staff will be offered some of the shares.

The 30 million, two-phase deal was announced yesterday by the SA Breweries, Cadbury Schweppes and National Beverages Services—a local company formed last year to service local Coca-Cola bottlers.

The deal means that SAB will now own 70 percent ABI shares, Cadbury (19 percent) and the remaining 11 percent will be offered to customers and staff. A total of R10 million of the 11 percent stake will be offered to about 8,000 small ABI customers while R1 million will be offered to about 3,500 ABI employees.

Details of the share scheme are still to be worked out and will be announced later.

Mr Fred Meyer, former head of Coca-Cola's South African operations, said most ABI customers were black small traders who could now own the company.

ABI bottles and distributes more than 40 million cases of soft drinks a year, worth about R440 million. It employs more than 3,000 people.

RAND WATER

DY
PUBLIC ANNOUNCE
WATER TARIFFS
Cosatu did not back SA pullout call says official

London Bureau
LONDON — The Congress of Trade Unions (Cosatu) had never called for companies to pull out of South Africa, the vice-president, Mr Chris Dlamini, told a BBC Newsnight programme this week.

Mr Dlamini was interviewed along with other disgruntled South African workers on a programme which showed increasing black disenchantment with disinvestment.

He said companies and people were confusing divestment and disinvestment. “We have never called for companies to pull out but we do support sanctions.”

If companies were coming under increasing pressure to pull out they should sit down and discuss the matter with Cosatu and arrive at a solution, he said.

Mr Dlamini, who was interviewed at his place of employment with the US multi-national Kellogg, said the company was doing something to offset apartheid by challenging detentions and providing blacks with education bursaries.

However, that in itself was not enough. Employers, he said, should stop paying taxes.

Kellogg’s managing-director, Mr John John-son, said this was a short-sighted approach which would result in companies going out of business.

The president of the World Alliance of Reformed Churches, Dr Al-Ian Boesak, said on the programme that disinvestment was part of the package he and others had been calling for but was fairly low on the list of priorities.

“What we asked for was sanctions that would hit hard and impact on the South African economy so that the government would have no choice but to change.”

Disinvestment, Dr Boesak said, should be seen as a last resort.

A situation where companies were withdrawing from South Africa resulting in job losses was not something he and his supporters wanted.

“What we want is quick sanctions,” he said.
Bouncing baby blue

Free of the restraints of former US parent IBM, the new Information Management Services (ISM) is taking an aggressive stance.

Plans to gain market share include participation in the local electronics industry, sales of non-IBM products and entry into the second-user market. The company will also review its support and education services with an eye to turning them into profit makers.

One of the most important developments for the all-South African company is the end of the restriction on selling non-IBM products. Indeed, ISM’s first outside deal, concluded this week, was to tie up exclusive local rights to software from the UK’s Hogan Systems.

Hogan, the leading supplier of integrated application software to the banking and financial services industry, already has a base with several institutions in SA.

Another major area of immediate endeavour is likely to be the manufacture and marketing of personal computers.

When IBM announced its pull-out last October, microcomputer retailers predicted the new local company would seek gains in this area (Business October 31). It had already rationalised its dealer network and made it plain it would seek big new clients itself, even if it meant competing directly with dealers.

Like its former US parent, the local company lost out heavily to clones from the Far East and to retailers with local manufacturing contracts. It seems clear that ISM itself must look at the local manufacture of micro hardware, even if only to supply its dealers at competitive prices. Although ISM is the sole supplier of IBM products in SA it is free, as MD Jack Clarke points out, to market other products.

In addition, market operations director Tony Dry says ISM is examining the possibility of “participating in the local electronics industry, which is fully tooted up for the manufacture of terminals and workstations.”

The effect on the R250m-a-year micro sector would be enormous. As one dealer has it: “If ISM put its financial muscle behind the development of a local micro and sold it at a price to compete with Taiwanese machines, it would wipe out much of the competition. And even if it was more expensive, buyers would still have the feeling that it came with an IBM pedigree.”

It is also widely held that ISM is looking at developing and manufacturing telecommunications equipment locally. Certainly, the sector is open. As Postmaster General William Ridgward recently warned, an inadequate telecommunications infrastructure could be a major obstacle to progress in SA.

On support and education services, Dry says: “There’s nothing to prevent us from marketing our skills and resources in these areas, and no reason why we should not make more profit directly from them.” This means the traditional added-value for which IBM buyers paid a premium will be further exploited, possibly by developing separate training and maintenance facilities.

Meanwhile, ISM has the task of rebuilding customer confidence which was, despite denials, severely shaken by IBM’s decision to go. Clarke has made much of supply and spares guarantees obtained from IBM, and has also quashed rumours of his impending resignation by revealing that he has given IBM a guarantee to stay with the new company for at least three years. In addition, ISM staff will still have access to all IBM educational facilities.

One of the most important demonstrations to assuage customer doubts may be ISM’s entry into the second-user market. Buyers of this equipment would then be assured of the maintenance “pedigree” with which all IBM systems come. What’s more, Clarke says ISM will not necessarily honour maintenance contracts concluded between third-party sellers and their customers which were previously honoured by IBM in SA — a move which will put further pressure on competitors.

For now, ISM is already trading profitably on sales of R600m-R700m a year. Its debt to the former parent remains undisclosed, but Clarke is confident it can be repaid in 10 years or less. And a listing? It’s something to be considered but, wisely, Clarke says the new company will first have to be bedded down.
**Rumour of MWU split is denied**

ALAN FINE

THE president of the whites-only Mineworkers' Union (MWU) Cor de Jager has denied talk of a split in the union's ranks precipitated by the general election contest in the Carletonville constituency.

Speculation of problems in the MWU leadership arose when De Jager addressed an election meeting in support of HNP candidate Joseph Chole last week. Chole is opposing MWU general secretary and CP candidate Arrie Paulus.

Carletonville is predominantly a mining constituency and Paulus's personal popularity appears to make him a powerful contender.

But his appeal could be severely undercut by De Jager's stand.

De Jager predicts that the right will win Carletonville only if the CP and HNP come to an electoral arrangement.

But he denies any ill-feeling between him and Paulus.

"We are still friends. And the fact that we can support different parties only proves that we have a democratic union where every man is entitled to his own views," he adds.

He appealed for unity between the right wing parties, saying the priority was for as many people as possible representing the views of the white worker to be elected.

The white worker, he says, has been deserted by government as evidenced by the implementation of the findings of the Wieland Commission, and the pending abolition of job reservation in the mining industry.

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**Blacks disenchanted with pullouts**

**Cosatu denies its support of disinvestment**

LONDON — The Congress of South African Trade Unions (Cosatu) had never called for companies to pull out of SA, its vice-president Chris Dlamini said on a BBC "Newsnight" programme this week.

Dlamini was among other disgruntled SA workers interviewed on a programme highlighting increasing black disenchantment with disinvestment.

"We have never called for companies to pull out, but we do support sanctions," he added.

If companies were under pressure to pull out, they should discuss the matter with Cosatu and arrive at a solution, he said.

Dlamini, interviewed at his place of employment with the US multinational Kellogg's, said the company was doing something to offset apartheid by challenging detentions and providing blacks with education bursaries.

But that was not enough. Employers should stop paying taxes, he said.

The president of the World Alliance of Reformed Churches, the Rev Allan Boesak, said disinvestment was part of the package he and others had been calling for but was fairly low on the list of priorities.

"What we asked for were sanctions that would hit hard and impact on the South African economy so that the government would have no choice but to change," he said.

Disinvestment should be seen as a last resort, Boesak said.

A situation where companies were withdrawing from SA resulting in job losses was not something he and his supporters wanted.

"What we want is quick sanctions. We want to see if we can get the international community to move on sanctions to minimize disinvestment," he said.

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**Duracell back on the shelves**

ALAN SENDZIUL

DURACELL batteries are once more freely available in SA as their distribution has been taken over by Manel Distributors.

The shortage on retailer shelves recently was a result of the closure of the South African agency — then owned by Duracell UK — in October for economic reasons.

But Manel GM Milton Strydom says an advertising campaign has been launched to reassure the wholesale trade as well as consumers.

Importation of the batteries from Britain and Belgium will continue.
Fears that supply-lines will be cut

Swedish firms in SA say sanctions will have no bite

SWEDISH companies operating in SA believe Stockholm’s proposed trade ban will have a negligible effect.

Banning bilateral trade is unlikely to start a corporate run from SA and it will probably ricochet onto Sweden’s steel industry, which uses SA minerals.

What Swedish companies fear is a widening of the ban to stop the foreign subsidiaries of parent companies from supplying their SA holdings.

On paper, they would be paralysed and about 2,000 jobs could be lost unless local buyouts or a switch to 100% local content can be arranged.

Some of the six Swedish industrial companies operating in SA are already heavily sourcing from foreign subsidiaries. Diversified engineering firm Alfa Laval imports most of its equipment used in SA’s dairy, beverage and food industries from its parent’s subsidiaries in several European countries and Japan. It will divest only if its foreign supply network is cut. MD Haydn Thompson said: “We’ll stay here as long as we are legally able to do so.”

Some Swedish companies — including Alfa Laval — are openly sceptical that Stockholm could legally — or effectively — break this supply network.

Not so Swedish government officials in SA, who say companies are oblivious to the political realities in Stockholm.

First Secretary at the Swedish Legation in Pretoria, Bengt Herrström, said: “I have not heard that clamps on the foreign subsidiaries of Swedish multinationals are actually being written into measures.”

The possibility that Swedish firms will not be allowed to repatriate their profits is not seriously being entertained by companies at this stage and Herrström does not believe such a proposal is being considered in Stockholm.

Latest trade figures show the level of SA’s exports to Sweden slumped by 70% to R33m in the nine months to last October against the same period in 1985, while SA imports from Sweden fell by 29% to R107m in this period.

Most visible casualty from bringing trade levels down to zero is Transatlantic Shipping Agency’s (TSA) 83-year-old dedicated sailing schedule to Sweden. TSA will not comment on the ban until its contents are known, possibly by July 1.

Tougher Swedish sanctions follow the failed attempt in the UN Security Council to impose binding anti-SA measures on its members. This would automatically have stopped most foreign subsidiaries of Swedish parent companies from supplying their SA holdings.
Heunis appeal to rebel academics

NATIONAL PARTY Cape leader Chris Heunis has urged the 29 rebel Stellenbosch University academics who issued a statement at the weekend sharply criticising the cornerstones of apartheid to talk to government again.

The academics criticised the way the government was running the country and said it "ought to adopt a style of rhetoric and action which will alleviate the tensions of polarisation of our country".

They said the Group Areas Act, arbitrary race classification and the Separate Amenities Act — all laws introduced by the NP — would have to go.

They said the Group Areas Act was "the symbol of injustice" and the Separate Amenities Act was "discriminatory".

They also said the tricameral Parliament could not survive indefinitely and would have to be replaced "by a central Parliament in which all South Africans, including blacks, are effectively represented".

The academics were critical of the way the government was handling the state of emergency and said security must "under all circumstances, including a state of emergency, be submitted to legal control by the courts".

Report by Barry Street, St George's Street, Cape Town.
Zim puts sanctions on hold

Sowetan Africa News Service

ZAMBIA and Zimbabwe have decided to indefinitely postpone implementing sanctions against South Africa, says Mr Sam Kongwa, a researcher with the Pretoria-based Africa Institute.

In an article published by the institute's Africa Bulletin, Mr Kongwa said the decision to postpone the implementation of sanctions was taken at a meeting between President Kenneth Kaunda of Zambia and Prime Minister Robert Mugabe of Zimbabwe at Kariba on December 31 last year.

"Contingency plans had already been made to cut off air links by December 31, 1986," said Mr Kongwa who added: "A reliable source has indicated that the postponement was initiated by President Kaunda who could not afford the domestic consequences of the sanctions".

In his article Mr Kongwa said that because of Zambia's internal situation, where widespread riots erupted in December, it would appear that "the Zambian Government would now be more amenable to overtures from the South African Government for a political dialogue in Southern Africa".

President Kaunda will not, however, abandon the threat of sanctions because the rhetoric against South Africa is the most potent weapon available to the Government in its efforts to unite the people in the face of a perceived foreign threat, he said.

**Frontline states**

"As the leader of the frontline states, President Kaunda would, at the same time, not like to be seen as abandoning the sanctions issue which he so ardently promoted at the Commonwealth and Non-Aligned Movement conferences. Such a move would affect his credibility and honour".

Mr Kongwa said that when riots erupted in December the ordinary Zambian felt that Government policies had only benefitted the ruling elite, favoured by a patronage system, which had not been adversely affected by inflation and other shortcomings of the Zambian economy.

"The overall result of the Government's economic policy and political system has been the steady erosion of the legitimacy of the ruling elite in the eyes of the ordinary Zambian," he said.

Mr Kongwa said that the December riots, sparked by the abolition of government subsidies on maize meal, had a clear message to the Zambian Government.

"The message to the ruling elite was that the present policies must be changed to bring them in line with the needs and interest of the nation — that too much emphasis has been placed on foreign policy, especially the confrontation with South Africa and support for the liberation movements in Southern Africa as a whole — that the present political setup in the form of a one party political system should be changed and replaced by a democratic set-up which would be more responsive to the needs of the nation and be able to accommodate other views and ideas about nation-building," he said.
R4bn is on offer from CEF

Pullout firms spurn MosSEL Bay tenders

Disinvesting chemical engineering companies are turning down the chance to profit from the next stage of the Mossel Bay offshore oil development.

Industry sources say at least three foreign companies have turned down offers from the Central Energy Fund (CEF) to apply for future tenders.

If final go-ahead for the project is given, the CEF is expected to provide about R4bn over the next four years for the first stage.

There has been speculation that with 70% local content the remaining 30% does not make it profitable enough for foreign companies.

One company, however, says that having joined the disinvestment bandwagon, foreign firms cannot be seen becoming involved again in SA.

Foster Wheeler, a British affiliate of the American chemical engineering firm, announced last month it had sold its SA operation to a local management consortium.

The company recently completed a study commissioned by the CEF while Foster Wheeler was still foreign-owned.

Tim Evans, company secretary of Foster Wheeler in the UK, said yesterday: "We recently received a telex asking us if we were interested in future work in connection with the Mossel Bay project.

"As part of the requirement, we were expected to form a joint venture with a South African operating company. Since we've just left the country, it was hardly the time to do so.

"The 70% local content requirement didn't come into it."

Two American companies, Bechtel and Kellogg, are also understood to have turned down work at Mossel Bay. Officials of the two companies could not be reached for comment.

Meanwhile, Engineering Management Offshore Services (EMSO) MD Steve Hrabar insisted yesterday that 70% local content was achievable.
Primary school athletes day today.

Terry Thornton — the Port Elizabeth athlete who returned

UK banning back after Thornton is

Thornby, the Bouwies' son, has been

proved against the British

Thornton, who contested the

123
LONDON. — South Africa's debt mediator Mr Fritz Leutwiler says President F W Botha let him down by not pushing ahead with promised reforms.

In an interview with the London Financial Times (FT), Mr Leutwiler said that while he was strongly opposed to apartheid, he was less than happy about the policy of Western countries to Pretoria.

Mr Leutwiler told the FT that sanctions, to the extent that they take effect, hurt the wrong people, blacks, coloureds and "also the banks".

While Western countries have sought greater contact with the ANC, Mr Leutwiler told the FT he believed the ANC should be shunned because "it has a communist face".

Mr Leutwiler, chairman of electrical engineering group Brown Boveri, insists it will not pull out of SA.

Nor, he told the FT, would it be an honest approach to sell its factories to local interests.

Commenting on his role as debt mediator, Mr Leutwiler said the banks needed some pressure to accept the 18-month interim settlement.

In effect he had to give them a take-it-or-leave-it ultimatum.

Mr Leutwiler said Dr Chris Stals had come to Switzerland in January to consult him, but with the banks talking directly to Pretoria he no longer had a direct role to play in the debt negotiations.
Sanctions postponed indefinitely — Researc...
LONDON — The British newspaper *Today* has claimed South African institutions are actively encouraging foreign firms to pull out of the country.

The national morning newspaper says in an article on its business pages that Sanlam, headed by Fred du Plessis, is at the forefront of moves to buy foreign investments on the cheap and aggrandise itself in the process.

The article says a number of British companies with South African subsidiaries have confirmed they have been approached by South Africans who are keen to buy.

British Industry Committee on South Africa (Bicsa) director-general Nick Mitchell says the article reminds him of conversations he has had in SA, particularly with the Afrikaanse Handelsinstituut (AHI).

"It does link up with the idea of minimising the likely impact of disinvestment and sanctions being pushed by the AHI and one or two others."

Mitchell has just returned to Britain from a visit to SA.

"It would appear to be a deliberate attempt to say there is a positive side to disinvestment — acquiring assets at knock-down prices."

However, Mitchell says, this view is not widely held.

On the contrary, most people he has spoken to, including government, have expressed a need for massive injections of foreign capital to finance expansion and enable the country to cope with its growing population.

Mitchell says Bicsa's viewpoint, while not wishing to embarrass the British government by ignoring calls for voluntary restraint on investment in SA, is that the interests of SA as a whole would be served best by increased foreign investment.
"Folly to weaken SA’s economy"

DURBAN — It was the height of folly for the West to weaken South Africa’s economy in any way, the president of the South Africa Foundation, Dr Fred du Plessis, said today.

Addressing the annual meeting of the foundation, Dr Du Plessis said it should be the foundation’s single-minded objective to persuade Western leaders that mutual interest dictated that SA should be re-absorbed into the Western system.

"If they have a 10-year vision of Southern Africa as they would like to see it, one would presume that it would in essence be the same as our own — a region already consisting of some 100 million people that will have developed economically on the Western pattern to the stage of at least being able to feed all its people and to have become firmly committed to the free world camp in the process," he said.

"This desirable situation can come about only if economic growth in the region consistently stays ahead of the population increase and it is hard to see that happening in any of our eight neighbouring states without the economic engine that only SA can provide.

"Fortunately there are already signs in official circles abroad of second thoughts about the wisdom of sanctions."

If the objective of sanctions was to nudge the SA Government closer to power-sharing with blacks, then sanctions have had the reverse effect, he said.

"To use an economic weapon as a means of politically persuading the SA Government was always ill-informed.

"The Government has traditionally thought in political and social terms rather than in economic ones. Sanctions have therefore had predictable consequences. — Sapa"
Kodak to stop slide processing in SA

By Pat Devereaux

Kodak slide film will not be processed in South Africa from the end of this month.

This was disclosed by company employees and notices to this effect are being displayed at film outlets.

Although some outlets have stopped accepting Kodak colour slide film, they still develop colour prints.

Mr Richard Krohn, credit manager at Kodak, confirmed this. He said only Kodachrome could not be processed in South Africa but other film processing would continue as normal.

He said Kodachrome could not be processed in South Africa because one plant was closing. He would not give more details, and said an official statement would be released soon.

Another Kodak employee said colour slides would now be processed in Europe.

Last month some Kodak colour laboratories in major centres were taken over by Trimark Agencies.
In UK Govt for change: Tunt hopes
Sanctions

The Times 11/3/87 (280 a)

City of Durham today

Archbishop Desmond Tutu is introduced to Queen Elizabeth at a Commonwealth
Reception in London, yesterday. In the picture is the Secretary-General of
the Commonwealth, Sir Sony Harman. Archbishop Tutu is a foremost
figure in the South African anti-apartheid movement. He addressed the
Reception and called for an international boycott of South Africa.

Immanuel England - Archbishop Desmond Tutu
Hoechst sells Cassella-Med

DAVID FURLONGER

German-controlled chemicals group Hoechst SA has sold its Cassella-Med pharmaceuticals operation to a South African company for an undisclosed sum.

East London-based Pharmador has bought rights to all Cassella-Med's products and brand names. These include such well-known brands as Fibre Trim, Yogurtrim, Histalix, Cold Stop, Tensolve, Cough Med, Vita Fiber and Fat Off.

Hoechst SA stressed yesterday the sale should not be seen as a disinvest-
Ridding ourselves of US sanctions

P/C 280

B/P

[Image]
Canadian nods towards ANC

BY BRIAN OSTROFF in Montreal

CANADA is set on a course which makes the severance of diplomatic and economic ties with South Africa and recognition of the ANC appear inevitable.

This emerged at a major conference in Montreal last weekend, when 300 delegates representing 150 anti-apartheid, church and union groups from across Canada met with officials from the Canadian and Frontline state governments under the theme "Taking sides in Southern Africa".

Although external affairs minister Joe Clark told the conference his government would continue its policy of imposing sanctions gradually, he reaffirmed Canada's willingness — first set out in a speech by Prime Minister Brian Mulroney to the United Nations General Assembly in 1985 — to break relations and impose total sanctions if there continues to be no movement towards fundamental change in South Africa.

Canada, which was instrumental in South Africa leaving the Commonwealth in 1961, has radically stepped up measures against the Republic and assistance to victims of apartheid since the Progressive Conservative Party took power in 1984.

Since Canada is hosting the next conference of Commonwealth leaders, as well as of the Francophone nations, later this year, further sanctions can in any case be expected in coming months.

The three-day conference also heard an endorsement by foreign aid organisations and representatives of major Canadian churches, including the president of the Canadian Catholic Bishops' Conference, of the use of violence to end white rule.
Disinvestment hurting blacks, says Buthelezi

ULUNDI—The KwaZulu Chief Minister, Chief Mangosuthu Buthelezi, said in a statement yesterday that disinvestment was hurting blacks who were losing their jobs ‘in droves’.

‘Black workers who were politically duped into supporting a tactic they barely understood, are now facing the brunt of another failed ANC strategy,’ he said.

‘Now we all are being faced with the facts of what was obvious to me a long time ago: disinvestment is hurting black workers. Black workers are losing their jobs and their homes. It is the families of black workers who are now starving.

‘Yet the very people who travelled the world campaigning for disinvestment and sanctions still have their jobs.’

He accused leaders such as Dr Allan Boesak, president of the World Alliance of Reformed Churches, of turning their backs on the ‘ripples’ of disinvestment.

‘In the past week I have been amazed at the hypocritical manner in which vociferous proponents of disinvestment have been attempting to disassociate themselves from something which, clearly, is turning sour on them,’ he said.

‘It is sickening to read the statements of people like Dr Boesak and Mr Chris Dlamini (vice-president of the Congress of South African Trade Unions) who seem to be trying to squirm out of their former stances.’ — (Sapa)
Five more South African companies have succeeded in getting themselves removed from the United States sanctions “hit-list” — that of parastatal corporations whose exports to America are totally banned.

The successful applicants are KKW, the South African Sugar Association, Andromeda Electronic Systems, Transvaal Copper Rod Company, and Thames Wire and Cable.

But five other corporations had their appeals against listing turned down. They were the South West Africa Broadcasting Corporation, Wool Board, Bophuthatswana National Development Corporation, CSIR, and Rand Water Board.

This means that there are now 155 South Africa corporations still on the hit-list from the original 166. Six earlier appeals have already succeeded. Removal from the list does not mean the successful applicants can automatically start exporting to the US again. Some of them, such as the Sugar Association, are covered by other clauses in last year’s congressional sanctions Bill, which called for the list.

South Africa lost its American sugar quota in the sanctions Bill, and a ban on all South African agricultural products remains in effect — which means the Sugar Association has survived only one of the three knock-out blows aimed by Congress at its exports to the US.

Advantages

But sources in Washington say there are advantages in getting off the list. One is that other countries may use the US hit-list if they decide to impose similar sanctions on South Africa.

According to the sources, the KKW should not have been on the list in the first place, and was included only because of a gamble by the South African Department of Agriculture.

When the sanctions Bill was first drafted, there was an indication that parastatal companies exporting agricultural products to the US would get a 12-month exemption.

So the Department of Agriculture submitted a list of parastatals, in the hopes they would get the exemption. The KKW was on it.

The Wool Board’s appeal was rejected because the South African Government has veto power over its decisions.

US officials say that the Bophuthatswana Development Corporation’s appeal was futile because the US does not recognise homelands governments, and views the corporation as being under the control of the South African Government.

The CSIR applied for removal on the grounds that it was moving toward privatisation. But US officials noted that CSIR’s representatives are accredited to South African diplomatic missions abroad as science attaches.
Disinvestment seen as economic timebomb

Magnus Heystek, Finance Editor

The South African business community should not become complacent about the effects of sanctions and disinvestment as this will ultimately have on the economy, warn several businessmen and economists.

They were reacting to recent reports that disinvestment and sanctions have had only minimal effect on local growth prospects.

An American business magazine, Forbes, recently published a report that disinvestment was achieving very little and that local management was buying up assets at a great discount to their true worth. “All that is happening is that local managers are becoming rich,” the article quoted as saying.

Understandably, Nationalist politicians argue that sanctions will lead to greater import-substitution and a lesser reliance on imported goods, and even businessmen have been heard supporting this view.

“Disinvestment is an insidious process which eventually must affect the economy,” says Mr Peter Grobbelaar, chairman of Conshu and Litcoco, two companies coming to the Johannesburg Stock Exchange soon.

“Many people think that disinvestment is a new trend, but as far back as 1966 I was involved in what was one of the first disinvestment moves by a British company. I can recall a shareholder’s meeting in London where the issue of continued participation in South Africa was discussed.

“The South African economy needs links with the rest of the world. There is a limit to the amount of capital the country can generate internally to finance growth. Also, the economy needs the technological links with the rest of the industrialized world. Without these links, the economy will very soon lose much of its competitiveness,” he said.

His views are supported by many economists, including the Econometrix team of Dr Azar Jammie and Mr Tony Twine. “A clear distinction must be drawn between sanctions and disinvestment. If ever sanctions are instituted on a large scale — which they haven’t — they could actually stand to benefit certain industries. But ultimately, the net effect on the economy as a whole is difficult to predict.”

“The effect of disinvestment, on the other hand, tends to filter through the economy with a cascading gradualism. The sale of assets by foreigners is in itself not immediately harmful to the economy. It merely transfers assets owned by foreigners to local owners, often at bargain prices. The real adverse effects are far more indirect and work their way through the economy over time. “

Econometrix sees disinvestment taking the following course:

• As foreigners repatriate the proceeds of the sale of assets, the financial rand rate tends to fall.
• The psychological impact of this tends to depress the commercial rand rate as well.
• By raising the cost of imports, the fall in the commercial rand rate contributes towards raising the inflation rate.
• This in turn further impairs confidence in the economy.
• Over time, a vicious circle of falling exchange rates, higher inflation and increased unemployment ensues.

However, the loss of access to the foreign technology of the multinational parent companies would be the most harmful result.

While in the short term this problem can be overcome, in the longer term it can lead to a gradual erosion in the quality of goods manufactured locally and the economy is likely to assume increasingly antiquated Third World characteristics.

Oil prices push

NEW YORK — Oil prices pierced the $30 mark last week, helped by US oil inventories and statements from OPEC members that raised confidence in the oil production-cutting pact.

In its weekly stock report, the American Petroleum Institute reported US oil refineries cut output stocks for the first week in March were 26.7 million barrels.

Before the average, a report of three OPEC members reiterated the group’s desire to end the oil production-cutting pact.

Prices for April crude oil contracts on the Mercantile Exchange soared to $38.61 up 38c a barrel.

Late-day profit-taking trimmed the price from the April crude oil contract settling the day. This was still the highest level.
Five SA firms off US ‘hit list’

OWN CORRESPONDENT
JOHANNESBURG -- Five more SA companies were yesterday removed from Washington’s “hit list” which prohibits local firms trading with the United States.

The original list of 166 “parastatals” said to have ties with government is now believed to have been whittled down to 156 with more appeals still to be heard by the US State Department.

One of the companies, Vereniging-based Thames Wire and Cable (TWC), was informed yesterday of the US decision.

A spokesman for the US Information Service (USIS) in Pretoria confirmed that TWC had been removed from the blacklist and said four more companies, as yet unnamed, also had their US trading rights restored.

The USIS spokesman said the companies involved had appealed to the State Department.

“The State Department reviewed the material which was supplied by the companies as evidence and rescinded its earlier decision,”

The original 166 companies were banned from trading with the US under the Comprehensive Anti-Apartheid Act, which was enacted by Congress in November last year as part of its sanctions legislation.

Any company was presumed to be government-subsidized if it was receiving any financial assistance in preferential terms from the SA government, other than that generally available to the public.

At the time US export/import agencies were warned to ascertain whether or not the SA organizations with which they were dealing were not classified as parastatals by the State Department.
Schwarz appeals to Israel on sanctions

Mr Harry Schwarz, the Progressive Federal Party's spokesman on Finance, appealed yesterday to the Israeli Government not to impose sanctions or disinvest from South Africa.

Mr Schwarz said in a statement that the pressure on Israel appeared likely to come to a head on April 1 when a report was to be submitted to the US Congress on the supply of military equipment to South Africa by countries other than the United States.

The United States can cut its arms and economic supplies to countries found supplying arms to South Africa in terms of the Comprehensive Anti-Apartheid Act of 1986.

Press reports on the arms embargo indicated Israel would be mentioned in the Congress report, Mr Schwarz said.

Israel would find itself unable to repel other international threats if its financial and military aid from the US were cut off.

Although Israel functioned sovereignly and independently formulated foreign policy, the factor to be borne in mind, Mr Schwarz said, was that it was the West's only Middle East ally.

Considering that Israel had itself been the victim of sanctions and boycotts it was reasonable to expect it would be reluctant to indulge in such actions against others.

Sanctions and boycotts caused hardships for people who could least afford them, assisted the process of violence and were counter-productive to achieving a Western-type democracy or economy.

Mr Schwarz said he opposed apartheid, sanctions and disinvestment because they posed threats to peaceful change and created oppressive systems.

He said Israel's government should make its own decisions as an independent sovereign State and, rather than impose sanctions on South Africa, it should help create employment and economic development to assist peaceful change. — Sapa.
From NEIL LURSEN
The Argus Foreign Service
WASHINGTON. — The
KWW and four other South
African companies have got
themselves off the United
States sanctions "hit list" —
the list of SA parastatal
corporations whose exports
to the US are banned.

The other successful appli-
cants are the South African
Sugar Association, Andromeda
Electronics Systems, Transvaal
Copper Rod Company and
Thames Wire and Cable.

But five other corporations
had*their appeals turned down.
They are the SWA Broadcast-
ing Corporation, the South Afri-
can Wool Board, the Bophuth-
atswana National Development
Corporation, the CSIR and the
Rand Water Board.

Decisions on the appeals
were made in Washington this
week by Dr Chester Crocker,
Assistant Secretary of State for
Africa, on recommendations
made by a four-member inter-
agency group in the US Gov-
ernment.

Remain

It means that 155 South Afri-
can corporations remain on
the hit list from the original 166.
Six appeals succeeded earlier.

Removal from the list does
not mean the successful appli-
cants can automatically start
exporting to the US again.
Some, such as the Sugar Asso-
ciation, are covered by other
classes in last year's congres-
sional sanctions Bill which
called for the list.

The KWW appealed against
its listing on the grounds that it
was a private farmers' co-
operative,

But the Wool Board's similar
appeal was rejected because
the South African Government
has veto power over its deci-
sions.

US officials said the Bo-
phuthatswana Development
Corporation's appeal was futile
because the US does not recog-
nise homeland governments
and views the corporation as
being under the control of the
South African Government.

Similarly, the SWABC was
left on the list because SWA/N-
amibia is fully covered by the
sanctions measures in the Bill
which are aimed at Pretoria.

Andromeda Electronics and
Transvaal Copper and Rod
were removed because they
proved that 50 percent or more
of their control was in private
hands, with the rest owned by
Union Steel, which continues to
be on the hit list.

The CSIR (Council for Sci-
cific and Industrial Research)
applied for removal on the
grounds that it was moving to-
ward privatization. But offi-
cials here said that CSIR rep-
resentatives were accredited to
SA diplomatic missions as sci-
ence attaches.
Buthelezi slams disinvestment

Pull-out hurting black workers

ULUNDI — The KwaZulu Chief Minister, Chief Mangosuthu Buthelezi, said yesterday disinvestment was hurting blacks who were losing their jobs "in droves".

"Black workers, who were politically duped into supporting a tactic they barely understood, are now facing the brunt of yet another failed ANC (African National Congress) strategy," Chief Buthelezi said in a statement.

"Now we are all being faced with the facts of what was obvious to me a long time ago: disinvestment is hurting black workers. Black workers are losing their jobs. Black workers are losing their homes. It is the families of black workers who are now starving.

"The very people who travelled the world campaigning for disinvestment and sanctions still have their jobs, while the victims of disinvestment and sanctions are losing theirs in droves."

He accused leaders such as the president of the World Alliance of Reformed Churches, Dr Allan Boesak, of turning their backs on the "ripples" of disinvestment.

"In the past week I have been amazed at the hypocritical manner in which vociferous proponents of disinvestment have been attempting to disassociate themselves from something which, clearly, is turning sour on them," the Inkatha leader said.

"It is truly sickening to read the statements of people like Dr Boesak and Mr Chris Dlamini (vice-president of Congress of South African Trade Unions) who now appear to be trying to squirm out of their former stances."

Chief Buthelezi, who has persistently opposed economic pressure against South Africa, reiterated his stand, saying:

"I oppose disinvestment and sanctions as vehemently as I oppose the South African Government. I despise apartheid and all that the racist government stands for, but in all conscience I cannot call for tactics and strategies which will further economically enslave my people."

"I have been pilloried over many years for opposing sanctions and disinvestment."

— Sapa
Joy hits a sour note

THE Central Transvaal branch of the Azanian Peoples' Organisation yesterday condemned American opera singer Joy Simpson for her "sanctions-busting tour" of the country.

The singer arrived in South Africa on March 3 with a leading United States symphony orchestra and will tour Johannesburg, Cape Town, Pretoria and Atteridgeville. Her message on arrival was "to promote love, goodwill and peace".

Mr Oupa Mpe, Azapo's branch publicity secretary, said in a statement that "in so casually dismissing the United Nations blacklist, Ms Simpson has undone much of the good that has been achieved by the campaign to culturally isolate South Africa in the international arena".

Bitter

He said that the field of classical music in the country has had a long and bitter history of discrimination with black pupils being discriminated against the pretext that it was not part of their culture.

He said those who have managed to fulfill ambitions or potentialities in that area have done so at a great cost to their families and without aid from Government departments.

Mr Mpe added that the organisation viewed it as "a grave insult" that the soloist has offered to donate a portion of her "fat takings" to an Atteridgeville charity organisation.

He said people would not be flattered by donations but that Ms Simpson's presence in South Africa is undermining one of the few effective weapons left in the hands of the black people to redress their situation.
Sweden slaps ban on all trade with South Africa

The Star's Foreign News Service

STOCKHOLM - Sweden is to impose a total boycott on trade with South Africa, a move that marks a unique departure from its traditional policies.

Swedish neutrality has previously ruled out the country's participation in any trade sanctions except those agreed by the UN Security Council. Following the failure of the Security Council last month to agree on binding sanctions for the role of nations from the US and the UK, Sweden has decided to take unilateral action.

The decision came even though Mr. Sten Anderson, Swedish Foreign Minister, accepted that the boycott was a breach of the international trade law embodied in the General Agreement on Tariffs and Trade. The embargo will come into force in October.

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The Swedish Foreign Ministry said yesterday that the government had decided to act because of the "unique" circumstances in South Africa...

VIOLATION

In no other country was the "systematic violation of a majority of people's fundamental rights...constitutionally entrenched as in South Africa".

Initially, the embargo covers goods and not services, and the government is for the moment not taking any direct action to force Swedish companies with subsidiaries in South Africa to dispose of their local operations, although continuing links will now be circumcised.

Under previous measures, it is already forbidden for Swedish companies to invest in South Africa.

Mrs. Anita Gradin, Sweden's Foreign Trade Minister, admitted yesterday that any moves to pull out of South Africa would raise "considerable legal problems and could give rise to substantial damages claims from the Swedish corporations".

South Africa accounts for only 0.3 percent of Sweden's total exports, which have comprised chiefly machinery, pulp and paper, vehicles and office equipment.
5 more firms taken off US blacklist

Dispatch Correspondent
JOHANNESBURG — Five more South African companies have been
removed from the Washington "hit list" that prohibits local firms trad-
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were dealing were not
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ment.
Chamber warns on sanctions sell-outs

Exporters and importers must ‘pull together’

By Chris Moerdyk

One of the more serious problems of sanctions was local businesses ‘selling each other out’.

Pat Corbin, President

The Star’s October 13 story warning of sanctions “sell outs”.

Sell-out firm ignored Chamber’s warning

By Chris Moerdyk

A warning six months ago by the Johannesburg Chamber of Commerce that one of the more serious problems of sanctions was “local businesses selling each other out”, has gone unheeded by at least one South African company.

According to reports from Washington yesterday, a South African company, angered by its inability to get off the US sanctions “hit list”, has told the US Government that several other South African companies should also be on the list.

In October last year, The Star quoted Mr Pat Corbin, president of the JCC, as saying “sanctions spawn self-interest and competing exporters could resort to leaking information on competitors”.

Mr Corbin told The Star yesterday: “It is a pity businesses tend to look at their own interests rather than those of their country.

“This particular company has obviously reacted to its inclusion on the US list by saying ‘it’s not fair’ and refuses to stand by while its competitors have an unfair advantage.”

He added that businesses could also be expected to “sell out” their competitors for no other reason than their own private gain.

“This kind of thing is most unfortunate, but moral or strategic issues aside, the bottom line is human nature.”
Sweden imposes sanctions on SA

Own Correspondent

JOHANNESBURG. — Total sanctions imposed by Stockholm yesterday may force some Swedish companies to pull out of SA.

The first secretary at the Swedish Legation in Pretoria, Bengt Herrstrom, says Stockholm has decided to activate a 1971 sanctions law that will cut bilateral trade and stop the foreign subsidiaries of parent companies supplying their SA holdings.

The ban excludes publications and goods that might be needed on humanitarian or medical grounds. A full report, "Sweden may soon ban all SA trade", is on page 4.

The ban takes effect from July 1 but Herrstrom says companies will have until October 1 to "fulfil their obligations".

The 1971 law — "Concerning Certain International Sanctions" — was used to boycott Rhodesia.

The law means unless the six Swedish companies operating in SA can switch to 100% local content they may have to withdraw.

Ball bearing manufacturer SKF has indicated it could do this — "at a push" — so has Atlas Copco.

Engineering group Afa Laval imports most of its equipment used in the dairy and food industries — but mines supplier Skega imports nothing.

Some companies were openly sceptical that Swedish sanctions legislation would cover the international supply network of their parent subsidiaries.

It is estimated that a total Swedish corporate pullout would cost about 2,000 jobs.

Affiliations: South African Confederation of Labour
Sanctions dilemma for Highveld

Telgie Payne

Sanctions imposed on South African steel products by the European Economic Community and the United States late last year are apparently an important factor in the expectation of Mr Leslie Boyd of Highveld Steel and Vanadium that group earnings in 1987 will be lower than the record levels achieved in 1986.

Boyd says in his chairman's statement that the loss of these important markets "presents a challenge to management to place the steel in other areas".

In the year ending December 31, earnings per share increased 46 percent to 90 cents (58 cents in 1985). Group turnover was a record R816 million, and attributable profit was R50 million after providing for finance charges of R35.4 million, depreciation of R34.9 million and deferred tax of R33 million.

Mr Boyd says world steel consumption is expected to remain constant this year, with increase in consumption of developing and communist countries being offset by decrease in consumption of Western industrialised countries - a trend expected to continue for the foreseeable future.

There was a slackening in demand for vanadium in the second half, he says. Prices for ferrovanadium declined in the second half, but sales volumes were reasonable. Demand for siliconvanadium was firm, but prices weakened towards the end of the year.

Mr Boyd says calls for sanctions are shortsighted and extremely harmful to the South African economy in the immediate and long term. The actions result in unemployment and suffering. Markets lost will be difficult to recover when the situation is normalised; the companies which disinvest are unlikely to return and their contribution will be lost forever, and the reform process is apparently retarded by the actions.
Disinvestment in SA will ultimately hurt competitiveness

By Magass Heystek, Finance Editor

The South African business community should not become complacent about the effects sanctions and disinvestment will ultimately have on the economy, warn several businessmen and economists.

They were reacting to recent reports that disinvestment and sanctions have had only minimal effect on local growth prospects.

An American business magazine, Forbes, recently published a report that disinvestment was achieving very little and that local management was paying up assets at a great discount to their true worth. "All that is happening is that local managers are becoming rich," the article was quoted as saying.

Understandably, Nationalist politicians argue that sanctions will lead to greater import-substitution and a lesser reliance on imported goods, and even businessmen have been heard supporting this view.

"Disinvestment is an insidious process which eventually must affect the economy," says Mr Peter Grobbelaar, chairman of Consil and Litecor, two companies coming to the Johannesburg Stock Exchange.

"Many people think that disinvestment is a new trend, but as far back as 1968 I was involved in what was one of the first disinvestment moves by a British company. I can recall a shareholder's meeting in London where the issue of continued participation in South Africa was discussed.

"The South African economy needs links with the rest of the world. There is a limit to the amount of capital the country can generate internally to finance growth. Also, the economy needs the technological links with the rest of the industrialised world. Without these links, the economy will very soon lose much of its competitiveness," he said.

His views are supported by many economists, including the Econometrix team of Dr Azar Jammie and Mr Tony Twine. "A clear distinction must be drawn between sanctions and disinvestment. If ever sanctions are instituted on a large scale — which they haven't — they could actually stand to benefit certain industries. But ultimately, the net effect on the economy as a whole is difficult to predict."

"The effect of disinvestment, on the other hand, tends to filter through the economy with a cancerous gradualism. The sale of assets by foreigners is of itself not immediately harmful to the economy. It merely transfers those assets from foreign to local owners, often at bargain prices. The real adverse effects are far more indirect and work their way through the economy over time," Econometrix sees disinvestment taking the following course:

- As foreigners repatriate the proceeds of the sale of assets, the financial rand rate tends to fall.
- The psychological impact of this tends to depress the commercial rand rate as well.
- By raising the cost of imports, the fall in the commercial rand rate contributes towards raising the inflation rate.
- This in turn further impairs confidence in the economy.
- Over time, a vicious circle of falling exchange rates, higher inflation and increased unemployment ensues.
- However, the loss of access to the foreign technology of the multinational parent companies would be the most harmful result.

While in the short term this problem can be overcome, in the longer term it can lead to a gradual erosion in the quality of goods manufactured locally and the economy is likely to assume increasingly antiquated Third World characteristics.

And without these multinationals pumping money into their South African subsidiaries a major source of foreign trade would be closed off.

South Africa's inability to gain access to overseas finance is one of the primary bottlenecks to any sustained economic recovery.
Five companies beat sanctions list

...
Sweden slaps a total trade boycott on SA

STOCKHOLM — Sweden is to impose a total boycott on trade with South Africa in a move that marks a unique departure from its traditional policies.

Swedish neutrality has previously ruled out the country's participation in any trade sanctions except those agreed to by the UN Security Council.

But following the failure of the Security Council last month to agree on binding sanctions in the face of vetoes from the US and the UK, Sweden has decided to take unilateral action.

The decision came even though Mr Sten Andersson, Swedish Foreign Minister, accepted that the boycott was a breach of the international trade law embodied in the General Agreement on Tariffs and Trade.

The embargo will come into force in October.

The Swedish Foreign Ministry said this week that the government had decided to act because of the "unique" circumstances in South Africa.

In no other country was the "systematic violation of a majority people's fundamental rights constitutionally entrenched as in South Africa."

Initially, the embargo covers goods and not services.

The government is for the moment not taking any direct action to force Swedish companies with subsidiaries in South Africa to dispose of their local operations, although continuing links will now be circumscribed.

Under previous measures, it is already forbidden for Swedish companies to invest in South Africa.
Manuals 'for SA': US man charged

LOS ANGELES. — The owner of an aircraft parts store has been charged with breaking the Anti-Apartheid Act, which bans the export of military-related items to South Africa.

Mr. George MacArthur Posey, 38, is thought to be the first person in the US to be charged under the law.

He also faces a second count of breaking the Arms Export Control Act, which requires a licence to export military-related material.

Mr. Posey claims all necessary licences were obtained for sales he arranged.

The charge sheet alleges he took orders for manuals from several people, including Capt. Nicolas Vorster, a naval attaché at SA's embassy in Washington.

Captain Vorster, as a foreign diplomat, is immune from prosecution.

Mr. Posey was arrested on February 20 and freed on bail the next day.

His arrest came about two weeks after investigators at Los Angeles International Airport seized more than 200 aircraft manuals and arrested Mr. Edward James Bush, 51.

Mr. Bush, who was preparing to leave for Argentina, said Mr. Posey paid for his ticket to Argentina and then SA, the charge sheet said. It added that Mr. Bush was to deliver manuals for Mr. Posey.

Mr. Bush has agreed to plead guilty to a single charge involving the attempted export of material to SA and co-operate with investigators.

In Pretoria SA Naval Headquarters yesterday dismissed reports in Washington that said Captain Vorster had been recalled to SA. — Sapa-AP
STOCKHOLM — Sweden’s proposed trade ban on South Africa was criticised by the left yesterday as having too many loopholes and by the right as risking Swedish unemployment.

The conservative Svenska Dagbladet charged that internal party politics were behind the measures announced after a cabinet meeting on Thursday. It said the ban would do nothing to help end apartheid.

"Seldom before has Swedish foreign policy been as hollow and badly motivated," the paper said.

"If anyone is getting hurt it will be the Swedish worker," it said, warning that as many as 800 Swedish jobs could be lost.

Sweden’s parties criticise SA ban

The ban takes effect on July 1 and imposes an October 41 deadline for Swedish companies to stop trading goods with South Africa, said the Trade Minister, Mrs Anita Gradin.

But the measures leave room for the continuation of services and stop short of divestment, which Mrs Gradin said would involve costly compensation payments.

The ban goes beyond the limited sanctions endorsed by the European Economic Community, and brings Sweden in line with the harsher measures adopted by Denmark and those being studied in Norway.

The liberal daily, Dagens Nyheter, welcomed the trade ban but cautioned that the government had allowed so many exceptions that it may have trouble enforcing the boycott. The bill says companies may apply for exemptions.

Meanwhile in Kentucky Archbishop Desmond Tutu has praised Sweden’s promise of a trade ban with South Africa and said the world was now realising pressure was the last chance for a non-violent solution to his country’s ills. — Sapa-RNS
'Disinvestment enslaves'

KWAZULU Chief Minister Mangosuthu Buthelezi said this week disinvestment was hurting blacks who were losing their jobs "in droves".

"Now we all are being faced with the facts of what was obvious to me a long time ago - disinvestment is hurting black workers. Blacks workers are losing their jobs. Black workers are losing their homes. It is the families of black workers who are now starving," he said.

He accused leaders such as Dr Allan Boesak, president of the World Alliance of Reformed Churches, of turning their backs on the "ripples" of disinvestment.

"It is sickening to read the statements of people like Dr Boesak and Chris Dlamini (vice-president of Cosatu) who now appear to be trying to squirm out of their former stances."

Buthelezi, who has persistently opposed economic pressure against South Africa, reiterated his stand, saying, "I despise apartheid and all that the racist government stands for, but in all conscience, I cannot call for tactics and strategies which will further economically enslave my people." – Sapa
Swedes may bar Frank Sinatra

STOCKHOLM — An entertainment arena was considering cancellation of a Frank Sinatra concert as a protest against South Africa's apartheid system, officials said on Saturday.

"If Sinatra is on such a list... he should not come here," Gunnar Larson, board chairman of the sports and entertainment arena, told the national news agency Tidningararna Telegrambyra.

Sweden last Thursday pledged one of the harshest packages of sanctions ever imposed by an industrialised nation against South Africa's white-rulled government. — Sapa-AP.
WASHINGTON — The US State Department has been notified that the Swiss company in question has failed to reappear on its list. This should be noted in the official record.

The Swiss company, listed under the category of "parastatal," is exempt from the sanctions imposed by the US government.

Moreover, the company's failure to reappear on the list indicates a significant development in the ongoing negotiations between the US and Switzerland.

The following are the relevant points:

1. The company, SWABC, has been removed from the list of sanctioned entities.
2. The company's assets in the US have been frozen.
3. Additional sanctions may be imposed.

These points highlight the importance of maintaining a transparent and effective approach to dealing with foreign entities.

The US government is committed to enforcing its sanctions in a fair and consistent manner, ensuring that all entities involved are held accountable.

[End of document]
LONDON — The Anti-Apartheid Movement (AAM) here, after years of "making do" with mainly unqualified voluntary help, has hired a London advertising agency to handle its launch into "big-time" anti-SA advertising campaigns.

The firm is T Richard Johnson of Bond Street, and it predicts it will make the AAM's "Boycott SA" campaign 10 times more effective.

Initially, the aim will be to raise funds and increase the 23,000 membership. After that, it plans to concentrate on promoting the banning of SA products.

Agency chairman Terry Johnson said yesterday he realised he had taken on a controversial account.

But, he said, there was considerable interest in SA and the agency intended to see that was harnessed to further the boycott campaign.

Johnson said the agency did not expect immediate results but was nevertheless optimistic. The withdrawal of Barclays had taken 15 years of pressure, but AAM intended to speed up the process with other companies operating in SA.

As well as trying to spur individuals and organisations into supporting AAM boycott plans, the agency also intends to talk to opinion leaders and corporation heads, to see if they too "would question their investment in SA."

Authorities say this could lend the AAM sharp new professional teeth, and bring it to a wider audience than the committed activists who have mainly made up its membership in the past.

Johnson said the AAM was aiming to have a dramatic effect on the SA economy. It wanted to stop people buying the large number of SA products coming into the UK.

Asked how its existing clients felt about this new account, Johnson said none of his agency clients had links with SA. Had they done so, the firm could not have taken on the AAM account.

Housewives will be the first target of the new campaign. But, the AAM has already run into a stumbling block.

Women's magazines approached by it to take the "Ban SA" advertisement would not do so. The publishers, National Magazines and IPC, refused to accept it saying they did not take political advertisements.
By Don Robertson

In a deal reminiscent of Louis Luyt's winning of farmers by allowing them to buy a stake in his fertiliser company, Amalgamated Beverage Industries (ABI) will offer thousands of cacf

owners a share of its Coca-Cola bottling operation. The deal became possible after the acquisition by National Beverage Services (NBS) of the 38% interest of America's Coca-Cola Export Corporation in ABI for R100-million. Coca-Cola has quit South Africa.

The deal puts an effective value on ABI of R100-million.

**Turnover**

Of this 38%, South African Breweries will acquire an additional 13% to take its stake in ABI to 70% and Cadbury-Schweppes SA will add 4% to its interest, giving it 19%.

Of the 11% balance worth R11-million, shares costing R10-million will be offered to 8,000 cacf owners and wholesalers. A total of R1-million will be offered to the 3,500 staff members of ABI.

ABI has an annual turnover of R400-million in a R1-billion soft-drink market. It operates on the KwaZulu Natal coast and in Durban where it has five bottling plants and in Durban where it has one and a second under construction.

ABI managing director Alex Reid says the issue of shares to traders and wholesalers will "present a communications challenge".

"Potential shareholders will include traders who have a turnover ranging from R15,000 to R20,000 a month, some of whom have small shops with only one till."

"Of the R11-million worth of shares, between 58% and 60% will be offered to non-whites who operate in the poorer areas and who probably have little knowledge of investments of this sort."

About 80% of Cokes sold in ABI's operating area are consumed by this sector.

Mr Reid says the possibility of an ABI listing on the Johannesburg Stock Exchange is being considered, but will not take place this year.

**Widespread**

It is expected that the communication programme will take about six months to complete, at which stage a prospectus will be issued. However, ABI will arrange a buy-back deal for those who wish to sell their shares before the listing.

Mr Reid indicates that the issue price will be kept as low as possible to enable a wide spread of shareholders.

A TOTAL ban on Israeli coal imports would affect only 2% of SA's exports, an industry spokesman said last night.

Reacting to reports that Israel would allow its coal contracts with SA suppliers to run out, the spokesman said Israeli merchants had not notified their SA suppliers they would drop their one-million ton annual contracts.

It was reported yesterday that Israeli Foreign Minister Shimon Peres had told American Zionist fund-raisers that alternative coal suppliers such as China and Australia were possibilities.

Peres was reported as saying Israel was not bound to SA as a coal source. The spokesman would not dismiss outright speculation that Israel would not renew imports.

He said the industry was treating the speculation cautiously. It was not overly concerned because reports had been confined to politicians and no contact with SA suppliers had been made by Israeli coal buyers.

Israel faces mounting pressure to sever its links with SA before April 1, when it will report to the US Congress on its supply of military equipment to SA.
Lobby tries deceit over SA issue

SIMON BARBER

WASHINGTON — Anti-apartheid leaders tried to trick a major US trade union into publicly backing a ban on all SA uranium imports, even though the ban could put hundreds of the union's members out of work.

But outraged officials of the 100 000-member Oil, Chemical and Atomic Workers union (OCAW) refused to be taken in by the manoeuvre and have embarrassed the sanctions lobby instead.

Last February a coalition including TransAfrica lobbying group director Randall Robinson, Congressman Ron

US union nearly tricked over SA ban issue

Delums and House Africa sub-committee chairman Howard Wolpe, petitioned the US Nuclear Regulatory Commission to revoke all existing import licences involving SA uranium.

This was to pre-empt a Treasury Department decision on the Comprehensive Anti-Apartheid Act's SA uranium and uranium oxide ban, since made formal, which states third countries may provisionally continue importing SA uranium under bond for processing in the US and immediate re-export.

This represents more than 80% of the SA material entering the US.

OCAW was included in the petition, giving it a weight it would otherwise not have had. However, the union neither saw nor approved the final document and promptly demanded that its name be removed.

Attorneys who drafted the petition, including Gay McDougall of the Lawyers' Committee for Civil Rights Under Law, certified under oath they had "consulted with petitioners".

OCAW has more than 7 000 members in the nuclear industry, which is highly dependent on contracts to enrich uranium for overseas customers.

There are fears those customers could take their business — worth an estimated $500m/year — elsewhere if the US unilaterally restricts where they may buy uranium feedstock.
The Star's Foreign News Service

THE HAGUE — Holland is planning tougher measures to discourage Dutch companies from investing in South Africa.

This has emerged after a weekend meeting between Foreign Minister Mr Hans van den Broek and a Dutch parliamentary foreign affairs committee.

Mr van den Broek is understood to have announced confidentially that he was considering bypassing the "legal puzzle" that would confront Parliament if it attempted to legislate against investment in South Africa.

The Foreign Minister plans to issue a decree to discourage Dutch companies from investing in SA and he also intends to table proposals to impose Ministerial sanctions on Dutch firms which fail to meet the EC Code of Conduct.

Under this code, European companies are obliged to account for the treatment of the employees of their South African subsidiaries. The code is meant to improve the working and living conditions of black workers.

Mr van den Broek has also criticised left-wing municipalities for pursuing a foreign policy of their own by staging boycotts against South African-linked companies.

The Foreign Minister is believed to have told MPs that the embassy fugitive Mr Klaas de Jonge had hampered negotiations over his future by writing to Dutch newspapers complaining about the way he was being treated by Dutch diplomats in Pretoria.

Mr van den Broek said he had issued stricter instructions to limit Mr de Jonge's overseas telephone calls. Two of his friends, both women — one in Zimbabwe and the other in Brazil — were being denied telephone access to him.
Sanctions flashback hits anti-SA trade lobby

THE word of the day in Washington is "competitiveness". It is being used by everyone, from the most liberal Democrat to the most unreconstructed Republican. It is used by policymakers to justify any policy you can imagine, however contradictory.

Protectionism, free trade, increased foreign aid, less even arms control and stepped-up military spending. The only context in which it has not been heard is South African sanctions. Nobody has said that the Comprehensive Anti-Apartheid Act (CAAA) will enable America to "compete again" in world markets.

This is likely only a temporary oversight. At some point, the connection will be made between attempting to destroy Africa's strongest economy, thus removing a "competitor", and helping restore America's economic might.

Sanctions will be dubbed a "competitive" policy. So far we have happily been spared such speciousness, though speciousness has nothing to do with our being spared.

The truth, an ipso facto irrelevance in what passes for political debate here, is that the CAAA is hurting America more than it is hurting the white South African establishment at which it was aimed. It is difficult to enunciate much damage to the target economy.

Trade and investment are up, the rand has strengthened. The act's restrictions, as such restrictions often do, appear to have spurred rather than dampened the victim's economic activity and resourcefulness. The US, on the other hand, has decreased its market share and narrowed the range of choices available to the producers upon whom its "competitiveness" rests.

The self-inflicted wound is nowhere more evident than in the US nuclear processing industry, already weakened by exorbitant enrichment interventionization, gratuitously Byantine regulation and unrealistic pricing policies. The US has reduced its enrichment services from a free world monopoly in the early seventies to just 40% today. Since 1974, customers have terminated contracts worth $5 billion. If implemented as its sponsors angrily insist it must be, the CAAA's ban on South African uranium and uranium oxide will ram yet another nail into the coffin.

The ban's supporters, chiefly Senator Edward Kennedy and Congressman Ron Dellums, have exploited the issue's complexity — and the fact that anything nuclear means many otherwise rational minds to mush — by arguing that there are plentiful alternative suppliers to feed Department of Energy's (DOE) enrichment plants and that buying South African uranium can only bolster apartheid but also contributes to the manufacture of an "apartheid bomb".

The logic in the last point is indecipherable, the second is dubious because the US is not the only purchaser and the first, accidentally or deliberately, plain misses the point.

Between 1981 and 1985, 64% of the South African uranium imported into the US was owned by third parties (electric utilities in Japan, Taiwan and Spain, for example) who sent it here to be converted into uranium hexafluoride, enriched and fabricated into fuel rods. According to the Oil, Chemical and Atomic Workers Union (OCAW), processing for foreign clients has been earning the US about $500 million a year.

The Nuclear Regulatory Commission (NRC), which oversees US nuclear commerce, reports that last year DOE's enrichment contracts involving South African uranium were valued at $200 million.

The foreign customers presumably have good economic reasons for buying from South Africa. Increasingly, however, economics are not what keeps them coming to the US for processing. Were it not for contractual obligations, and heavy breach of contract penalties, they would almost certainly turn elsewhere.

As assistant Secretary of Energy David Rossin told Senate panel last week: "High operating, power, demand, research and construction costs, and the strength of the US dollar have combined to make the Department of Energy the world's highest-priced supplier of enrichment services."

Whether unilateral restrictions on where a customer may obtain his uranium constitute a breach of contract is a question for the courts. Following passage of the Nuclear Non-Proliferation Act in 1975, Escom still had to fulfill its side of the DOE enrichment contract even though it was barred from receiving the product. Japan and the rest could now be caught in a similar bind: break their enrichment contracts and get sued by the DOE or break their supply contracts and get sued by their South African suppliers. This is a dispputious way to treat clients, as, in slightly more diplomatic terms, DOE's Rossin explains. "Our customers have expressed concern that they can no longer depend upon US as a stable, reliable supplier of enrichment services. The majority would like to see institutional changes that would insulate the enrichment business from non-business factors. Their uncertainty will have a major impact on the estimated $5 billion worth of uncommitted sales opportunities through the end of the century. These are now being aggressively pursued by our foreign competitors who are structured more flexibly to capture this market." If there is any good news, it is that the ban has yet to go into full effect. The Treasury Department, which is charged with drawing up the implementing rules, is allowing foreign-owned South African uranium to be processed at least until July 1 pending further Congressional "clarification" of the law.

The department's formal explanation noted that "foreign electric utilities might divert their South African-origin uranium ore and oxide to other countries, including the Soviet Union, for processing. Uranium processing is normally done under long-term contract, so that trade lost due to an erroneous interpretation of the law would be funneled into the domestic industry well into the future."

The ban's proponents, who have lately been joined by the anti-nuclear lobby, seem undeterred, however, and are seeking to end run the treasury by appealing to the NRC. The commission has already ruled that all South African uranium imports be specifically licensed — a change from the earlier of granting blanket licenses that applications are likely to be rejected. It is now being petitioned to revoke existing licences and reject several that are pending.

The petitioners, who include Dellums, house Africa Sub-committee chairman Howard Wolpe and Transscafrica's Randall Robinson, are contemptuous of warnings that their persistence could put hundreds, if not thousands of workers on the street, contemptuous of the point of mendacity.

In their formal application to the NRC, they claimed they were being joined by OCAW, which represents employees at DOE's Paducah, Kentucky, and Portsmouth, Ohio, enrichment plants. This added a certain punch to their plea, except for one small detail. The union had never seen the petition, much less signed off on it. OCAW promptly ordered its name withdrawn.

Its place has been taken by Henry Iseas, an exiled member of the PAC.

According to the amended petition, he seeks the NRC's "intervention to protect his interest in effecting changes in South Africa that would permit him to return home." There is a certain short circuit in the logic here and it remains to be seen whether the NRC accepts it. If it does, or is compelled to do so by Congress, it will round out a perfect case history of why the US is uncompetitive.
‘One stroke’ could rid SA of all sanctions

By ROGER WILLIAMS
Chief Reporter

THE four overseas directors of the South Africa Foundation said at Stellenbosch yesterday that attitudes abroad towards this country could change almost overnight with “really impressive and imaginative” steps to reform.

Mr John Chettle, outgoing Washington director, said SA could immediately regain nearly R3 billion in exports to the US alone by aiming at the “goal-posts” the Americans had, for the first time, put in place.

He was speaking at the directors’ annual report-back meeting to Cape trustees of the foundation. It was attended by the new president of the organization, Mr Len Abrahamse, and the recently appointed director-general, Mr Kurt von Schirnding.

Mr Chettle, who is leaving the SA Foundation at the end of this month to join a law firm in Washington, said: “We could take advantage of one fundamental mistake made by those proposing sanctions. In fact, we could get rid of all the sanctions dramatically — at one stroke.

“And we could do so by taking the initiative to make reforms which we know are necessary if we are ever to build a peaceful, just and prosperous society.

“The mistake our opponents made was to lay down the conditions which would end sanctions. For the first time, they have the goal-posts in place.

“They said sanctions could be totally scrapped if we did five things:

□ “Repeal the state of emergency
□ “Release Mr Nelson Mandela and other political detainees.
□ “Scrap the Group Areas Act and the Population Registration Act.
□ “Unban the ANC and other political parties.
□ “Begin good-faith negotiations with black leaders, for a new constitution.”

Mr Chettle said “Now most of this is old hat. South Africans have thought more deeply about these points than anyone else, and most would agree that these steps are necessary.

“If you examine those requirements item by item, you may well be struck by how many of them are agreed on — even by senior members of the government.

“The State President himself has on one occasion ended the state of emergency, and has said it is his objective to end it altogether.”

Mr Chettle said “a substantial number” of cabinet ministers probably supported Mr Mandela’s release, and a President’s Council committee had recommended major changes to the Group Areas Act.

“There is absolutely nothing in this programme which we cannot do — nothing indeed that is not already supported, often at a high level.”

Mr Chettle added that by meeting these five requirements “we would provide so important a sign of our goodwill that it would be almost impossible for our opponents to set new goal-posts.”

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It's 'business as usual' for Kodak items

Post Reporter

THE full range of products and services supplied by Eastman Kodak before the company divested its South African interests recently, will continue to be available in South Africa, SA Druggists announced today.

Mr Sid Hurwitz, head of the Wholesale Division of SAD, said his company had bought the entire stock of Kodak consumer and professional films, printing papers and chemicals and had set up a new photographic department to handle Kodak business in future.

"In spite of the American company's decision to withdraw totally from the South African market, all these products will continue to be freely available in South Africa," Mr Hurwitz said.

"Although Eastman Kodak in the United States will not supply South Africa, we are completely confident that with our world-wide connections we will continue to obtain all the Kodak products South Africa needs, as well as the latest technological developments."

SA Druggists would also be able to supply Kodak materials to all the mini-labs currently processing film, Mr Hurwitz said. "In fact, it will be very much business as usual."

The only film that cannot be processed in South Africa is Kodachrome, a market which is rapidly being overtaken by Kodak's Ektachrome, which can be processed here, he pointed out.

A Kodak team of 12 has joined the SA Druggists photographic department, which will be managed by former senior Kodak executive Mr Oscar Abramowitz. He will be assisted by marketing manager Mr Tim Sanders, formerly Kodak's national sales manager.

"We fully expect that Kodak will gain an even bigger market share in this country, since the SA Druggists wholesale division's national infrastructure has 10 outlets as opposed to Kodak's two."

"This obviously will enable us to give a much faster and a broader countrywide service to customers," Mr Hurwitz said.

The continuing availability of Kodak solved a potential supply problem for SA.

"We were having to face the problem of pressure from the Japanese manufacturers on the supply of film to this country and without Kodak, there could have been on-going shortages."

SA Druggists is a member of the Federale Volksbeleggings group.
Zambia halts copper exports through SA

Mercury Correspondent
JOHANNESBURG—Zambia has stepped redacting its strategic copper exports to South Africa’s harbours and is diverting them along alternative routes in an attempt to reduce the country’s reliance on South Africa for exports. The move has aroused fears that poor facilities and bottlenecks at front-line states harbours could disrupt the international copper market.

No Zambian copper has been received at the ports since last November, when a 925-ton load was sent to East London for export.

This was confirmed by a South African Transport Services spokesman yesterday, who said the railways’ “doors would still be open to Zambia if it wanted to use South Africa’s again.”

Zaire is still using South Africa for its copper exports.

Zambia yesterday confirmed that it had ended copper shipments through South Africa and announced that its State-run mining company had closed down its Lusaka office in South Africa.

Minister of Mines Patrick Chitambala told the official Times of Zambia newspaper in an interview that the Government was diverting all mineral exports along rail routes to Dar-es-Salaam in Tanzania and Beira in Mozambique instead.

Mr Chitambala declined to say what volume of copper and other minerals were being shipped through these two ports, but he said there had not been any problem with the new arrangements.

“So far our copper has been reaching its destination without hindrance,” he told The Times.

The newspaper quoted unnamed sources as saying Zambia exported 100,000 tons of copper through Dar-es-Salaam and 17,000 tons through Beira in the last quarter of 1988.

Altogether, Zambia produced 460,000 tons of copper last year — about 7.5% of the world’s supply.

Mr Chitambala said Zambia’s decision to stop shipping copper along the southern route “is just our way of reducing dependency on South Africa.”

Opinion

WE believe that increasing numbers of whites are coming to realise that lasting security lies outside Nationalism’s chamber of horrors in a South Africa where black and white share, neither making unreasonable demands on the other.

— See Page 10

Soldier killed

PRETORIA—Rfn Craig Douglas Wetton, 20, was killed in action in northern South West Africa yesterday. He is survived by his parents, Mr and Mrs I. B. Wetton, who live in Margate. — (Sapa)
Rank Xerox set to pull out

By Gareth Costa

Rank Xerox, under pressure from disinvestment lobbies in the United States, looks poised to be the 16th US company to sell its South African interests this year, and the 87th since the exodus started in January 1985.

An announcement is expected within the next few days.

The asking price is believed to be about R75 million.

Fintech, part of the Altech electronic empire, is rumoured to be negotiating the take-over, to supplement the group's aggressive advances into the high technology arena.

Rumours of the pull-out have been circulating for several weeks. *See Page 18.*

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Fintech poised to buy Rank Xerox

By Gareth Costa

Rank Xerox appears set to join the growing number of US companies being pressurised to sell their South African interests, with Fintech, the investment arm of electronic group Altech, poised to buy the photo-coper and facsimile machine manufacturer.

Speculation that the deal was on has been around for a number of weeks, and the London Financial Times confirmed this in a story this week.

Sources report that the deal has not yet been finalised, but it is expected that negotiations should come to a head in favour of Altech before next week.

It is believed that Fintech will pay about R75 million for Rank Xerox. The Financial Times values the deal at around R100 million.

Rank Xerox MD, Mr David English was reported in February as saying that the company would meet its commitments here for "at least the next five years", but he could not guarantee that "Team Xerox will be here forever."

He was not available this morning for comment.

Share price rise

The acquisition of the multi-million rand company will result in a meaningful injection of profits into Fintech and should more than vindicate the meteoric rise in the company's share price from around R12 at the beginning of the year to the current R22.

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Bill Venter...a strong social conscience

At the current level, Fintech is one of the most highly rated shares on the Johannesburg Stock Exchange, since it was earmarked as the base from which the group would diversify into the computer industry.

On the product side, Altech has recently developed its own facsimile machine, but is strongly diversifying into all aspects of high technology electronic equipment and computers.

Rank Xerox is regarded as one of leading "affirmative action groups" in the US and it should fit in well with the rest of the Altech stable which has a strong social responsibility programme, such as the Bill Venter Black Management Foundation which trains black managers.

As a company with a strong moral conscience, it was natural that Rank Xerox should seek a liaison with Bill Venter, executive chairman and majority shareholder of Altech who has committed R2 million for the training of black workers and personally funded the building of a school for the dispossessed Bushmen of Angola.
Concern over US aid cuts

Israel to talk on anti-SA sanctions

The Star's Foreign Service

Tel Aviv

Israel's top Cabinet Ministers are meeting today to discuss possible sanctions against South Africa.

Reports in Tel Aviv say Israel is expected to impose at least limited sanctions, in line with European countries.

One report said Foreign Minister Mr Shimon Peres would ask for such sanctions to be decided upon as soon as possible - perhaps within a week. But another source said they would be implemented only after the South African general election.

The "Inner Cabinet", which is meeting today, is a forum of the top 10 Ministers, who make most of the real government decisions.
Anti-SA drive for UK shops

The Star Bureau

LONDON — South African fruit, vegetable and clothing exports to Britain, which have fallen by millions of rands in the past year, will come under further pressure this weekend when an intensified anti-apartheid campaign begins in stores and supermarkets.

Anti-Apartheid Movement activists have made March a "month of action for people's sanctions".

Trade statistics show the value of fruit and vegetable exports to the United Kingdom from 1985 to 1986 dropped from about R399 million to R368 million.
Demand in S America for goods

SA's export trade thriving

By AUDREY D'ANGELO
Financial Editor

SOUTH AFRICA'S export trade is still thriving, and new markets are opening up for locally-produced goods.

This emerged at a seminar attended by executives from 30 city firms and organized by the Cape Town Chamber of Commerce. At the seminar representatives from a South American country explained its advantages as a trading partner.

A chamber official said an increasing number of local manufacturers were exporting to the Far East and to countries in South and Central America.

"There used to be comparatively little demand for our manufactured goods in Far Eastern countries but the situation is changing. We are sending quite a lot now and one market which used to be difficult is opening up."

The SA Foreign Trade Organization (Safto), which has an office in Cape Town where export education programmes are run, plans to stimulate overseas trade further still by running a new diploma course in export management.

University courses

It has already registered a SA Institute of Export which, as well as running the course, hopes to have export subjects included in some university courses.

The current issue of its bulletin, Safto Exporter, urges local manufacturers to take part in the Hanover industrial fair next month and says additional space has been reserved for SA firms at the Chicago hardware show this year.

It says experience at the Chicago Fair last year "confirmed that international sanctions and adverse media coverage has not affected buyers at grassroots level".

"The buyer's principle objective of obtaining the right product at the right price still remains his prime concern."

"Safto therefore encourages SA companies who manufacture hardware products to participate in the largest and most important hardware exhibition in North America."

As well as giving basic information about other overseas markets, it announces the start of a Latin American trade consultancy and recommends participating in a major international trade exhibition in Chile later this year.

Few political obstacles

Listing the advantages of trading with Latin America, it says there are few political obstacles and new trade sanctions are unlikely.

"All export to Latin America is in US dollars, hence our prices should be very acceptable."

"Shipping opportunities cover the whole region, with the exception of a few Caribbean islands, and range from good to adequate."

"Similar socio-economic circumstances to our own enable us to understand the needs of the market better than do highly industrialized countries."

"Many of our engineering products, adapted from European and US technology, are suitable to Third World conditions like ours and those prevailing in Latin America."
ALTRON group's Fintec is to buy out Rank Xerox SA's equity for about R85m in a straight purchase deal to be confirmed at the weekend.

It is understood from industry sources abroad that Xerox will meet long-term commitments for customer services and spares. There will be no change in product name and no retrenchments are envisaged.

Speculation on Rank Xerox's disinvestment has been rife for weeks, but the official announcement will be made on Saturday after approval is received from the JSE and Reserve Bank.

It is believed Fintec, with its strong commitment to minority advancement, was seen as an attractive local buyer by Xerox, which has ongoing social responsibility programmes in SA.

Rank Xerox SA is a wholly owned subsidiary of Britain's Rank Xerox which, in turn, is 51%-owned by the US-based Xerox Corporation. Rank Xerox SA reported a loss of R9m last year after foreign exchange losses in 1984 and 1985.

A source says: "After dramatic profit turnaround, it would be unwise for Fintec to now retrench staff."

The pullout of the R139m-turnover Rank Xerox, seen as one of the largest disinvestment moves yet in the computer and electronics sector, follows increasing pressure from disinvestment lobbies in the US.

In February this year, Rank Xerox SA MD David English was reported as saying the office automation group would meet its commitment in SA for the next five years, but would not give an unconditional guarantee it would be here forever.

However, in the light of the pending deal, sources say Xerox has a long-term commitment to support its customer base through Fintec. The source says: "There is no way the Altron group, through its subsidiary Fintec, would be prepared to jeopardise its annual turnover of R1,4bn through lack of backup."

MD Jacques Moolman of Nashua, Xerox's major competitor, has criticised Xerox for its tardiness in making a decision to either remain in SA or quit.

Rank Xerox SA MD David English was unavailable for comment yesterday. Fintec executive chairman Bill Venter said any comment would be premature.
JERUSALEM—Israel was under mounting pressure yesterday to cut its trading links with South Africa to avoid causing a further rift in its relations with the United States.

Israel's powerful 10-man 'inner Cabinet' for the first time yesterday seriously discussed imposing sanctions in an attempt to pre-empt publication of an American presidential report to Congress into countries maintaining military ties with Pretoria which is due out on April 1.

Israel condemns apartheid as racist but is reluctant to take steps that could provoke a backlash against South Africa's estimated 15,000 Jews or cause South Africa to cancel an arrangement that allows South African Jews to invest in Israel.

Israel is likely to be singled out as one of South Africa's main arms suppliers in the US report and, under a law passed last October, Congress is threatening to cut off American military assistance to countries that violate the United Nations arms embargo against South Africa.

**Contracts**

State Television reported late yesterday that the inner Cabinet had decided that Israel would not sign any new military contracts with South Africa.

The Cabinet also agreed to appoint a special committee to determine ways of downgrading relations in non-military areas.

However, there was no official announcement from the Cabinet indicating what steps it planned to take against South Africa.

Among the measures discussed by the inner Cabinet were a series of proposals for reducing Israel's official arms contacts with South Africa which amount to several million rand a year.

In spite of Jerusalem's constant denouncements of apartheid, Israel and South Africa have built up a complex and secretive relationship of mutual assistance over a period of many years. Israeli ministers have been lobbied extensively by American Congressmen friendly to Israel and leaders of the Jew-
Zimbabwe whites urged to take a stand

HARARE -- The white community in Zimbabwe has been challenged to stand up and be counted over the issue of sanctions on South Africa.

The Leader of the Senate and Deputy Minister of Education, Senator Joseph Culverwell, told the Upper House yesterday that Mr Ian Smith and members of his Conservative Alliance of Zimbabwe party were still living in colonial Rhodesia and were acting as "apologists" for South Africa, reports Ziana, Zimbabwe’s semi-official news agency.

The Senator urged the Government to detain Mr Smith for questioning "for at least a year" for his recent remarks in South Africa, saying they amounted to consorting "with the enemy".

"Why should we leave this man alone?" the Senator asked. He introduced a motion asking the Senate to "strongly deplore the pro-apartheid position" taken by Mr Smith in advocating opposition to sanctions on South Africa by the international community.

PRO-APARTEID VIEWS

Senator Culverwell said there were some whites in Zimbabwe and in the Senate who subscribed to the views expressed by Mr Smith, which could only be construed as pro-apartheid.

"I wonder why they are still here," he said. "Stand up and be counted. Tell us if you oppose apartheid."

Senator Culverwell was supported by the Governor of Manicaland, Bishop Joshua Dhube, who said a person of Mr Smith’s political stature should be made to see that he could not go around the world saying things that were contrary to the aspirations of the people.

"Why cannot the Government take him in for a little bit of questioning and put him in a cell for a few days while they find out what he is up to?" said the Bishop. -- Sapa.
Jerusalem. — Israel's "inner cabinet" decided yesterday that the Jewish state would not sign any new military contracts with South Africa in response to mounting United States pressure to reduce ties with Pretoria, the state television said.

In a day-long session, the 10-member cabinet also agreed to appoint a special committee to determine ways of downgrading relations in non-military areas, the report said.

Israeli officials have insisted for months that Israel is not signing new military contracts with South Africa, but they do not deny it is supplying Pretoria with arms technology under existing agreements.

Israel is anxious not further to strain relations with Washington over South Africa at a time when tension with the United States is already high over the role of Israelis in the Jonathan Pollard spy scandal and the Iran-Contras affair.

Pollard, 32, an American Jew and former US Navy intelligence analyst, was arrested in Washington in November 1980 and charged with selling US secrets to Israel. He confessed and was sentenced to life imprisonment on March 4. His wife Anne received a five-year sentence as his accomplice.

The Israeli Prime Minister, Mr Yitzhak Shamir, has apologized to the United States for the episode, which Israel maintains was a "rogue operation" undertaken without the knowledge of its political leaders.

Despite Jerusalem's constant denouncements of apartheid, Israel and South Africa have built up a complex and secretive relationship of mutual assistance over many years.

Israel condemns apartheid as racist, but is reluctant to take steps that could provoke a backlash against South Africa's estimated 115,000 Jews or cause Pretoria to cancel an arrangement that allows South African Jews to invest in Israel.

Israeli ministers have been lobbied intensively by US congressmen friendly to Israel and leaders of the Jewish community not to ignore the threat of a cut in US military aid and there have already been intensive behind-the-scenes diplomatic moves to prepare the ground for sanctions. Israel is believed to receive $1.8 billion of military aid from Washington this year and another $1.2 billion in civilian aid.

Defence Minister Mr Yitzhak Rabin told the cabinet he was deeply concerned that an end to military ties with South Africa would harm Israel's arms industry and increase unemployment, state radio reported. — Sapa-Reuters, UPI and Own Correspondent
JERUSALEM — Israel's inner cabinet decided yesterday that the Jewish state would not sign any new military contracts with South Africa in response to mounting US pressure to reduce ties with Pretoria, State Television said.

In a day-long session, the 10-member cabinet also agreed to appoint a special committee to determine ways of "down-grading" relations in non-military areas.

A government spokesman said earlier that the Foreign Minister, Mr. Shimon Peres, would tell parliament today of cabinet decisions on sanctions against South Africa.

There was no official announcement from the cabinet indicating what steps it planned to take against Pretoria over its policy of racial segregation.

Israeli officials have insisted for months that Israel is not signing new military contracts with South Africa, but they have not denied it is supplying Pretoria with arms technology under existing agreements.

Israel is concerned it could lose military aid from Washington over a US State Department report to be submitted to Congress by April 1 that is expected to castigate Israel for violating an international arms embargo on South Africa.

A US law enacted last year authorises Congress to cut military aid to countries listed by the State Department as maintaining military ties with Pretoria.

"We have to take into account the voice of the West and various acts of legislation. We're discussing ways to handle this (State Department) report," the Israeli Prime Minister, Mr. Yitzhak Shamir, was quoted by American Jewish leaders as telling them in a close-door session.

Israel is to receive $1.8 billion of military aid from Washington this year. — Sapa-RNS
Kodak confirms sale

EASTMAN KODAK in the US has confirmed the sale of part of its inventory to SA Druggists (SAD), but insists no Kodak product will be shipped to SA after April 30.

However, SAD executive director Sid Hurwitz was equally insistent that Kodak products would be on sale and “it will be business as usual”.

In a statement late last night from the Eastman Kodak headquarters in Rochester, the company said Kodak SA MD Clayt Liljequist was its official spokesman and authorised him to make the announcement to Business Day.

“There appears to be some misunderstanding of the recent transaction between Kodak and SAD and we want to offer clarification. Consistent with its policy of total withdrawal from SA, Kodak has sold part of its inventory to SAD — consumer, professional and photo-finisher products are involved.

“Similar transactions are under way with other businesses to reduce or eliminate inventory in other product areas. These inventory transactions are part of the process of winding down Kodak’s business in an orderly manner.

“As previously stated, Kodak will ship no product to SA after April 30, 1997, and the company will totally withdraw as of June 30, 1997.

“The company has not made, nor will it make, any arrangement to supply or facilitate the supply of products to SAD.

Kodak to halt all sales to SA

or any other entity in SA after April 30.”

In a SAPA report released earlier yesterday, Kodak SA denied reports of a row with SA Druggists (SAD). In its denial, it said the two companies had reached agreement worth “many millions” for the purchase by SAD of Kodak’s entire stock of consumer, professional and other stocks.

However, senior executive Rob Court- ney told Business Day the previous day the deal had not been finalised. The SAPA report quoted Liljequist as saying any impression given that Kodak spokesmen had denied the deal with SAD was incorrect.

Liljequist was quoted as saying: “Of course this is not so. SAD already holds a large portion of our assets in the form of stock, but the assets represented by the laboratories is going to the Premier group’s Trimark Agencies.”

In a telephone interview yesterday, Courtney said the deal with Trimark had not been finalised.

SAD’s Hurwitz said the companies’ relationship had grown to the stage where “in effect, we are simply replacing Kodak with Kodak.”
sanctions are great (if they don’t hurt)
'Immoral apartheid' is Israel's enemy

JERUSALEM—Foreign Minister Shimon Peres said yesterday that Israel had decided to sign no new defence contracts with South Africa and to reduce ties with Pretoria because of its policy of racial discrimination.

He announced the decision of the 10-man inner Cabinet to Parliament, saying Israel had to take into account the opinion of the United States, its chief supplier of military aid.

A new U.S. law authorises Congress to cut military aid to countries that maintain military ties with South Africa.

'Israel is not fighting the whites or blacks,' Mr Peres told Parliament, 'Israel fights discrimination. Our enemy is not people. Our enemy is an immoral policy called apartheid.'

He said the inner Cabinet decision yesterday called for reduced ties with South Africa, a halt to new military contracts and creation of a small team of officials who would submit further recommendations within two months.

It was unclear whether the decision would have an impact on the existing military relationship, since Foreign Ministry officials have said previously that Israel had signed no new military contracts since 1977.

Mr Peres refused to answer questions on how long current contracts would continue. — (Sapa-Reuter)

See Editorial Opinion
Now Dutch bank cuts S A ties

AMSTERDAM—The prominent Dutch investment bank of Pierson, Heldring and Pierson has halted its dealings with South African concerns because it fears terrorist action against its own offices, says a company spokesman.

The spokesman emphasised yesterday that Pierson was not withdrawing from South Africa because it felt its dealings in the white-rulled nation were wrong, but only because of fear of violence against Pierson offices in the Netherlands.

The Amsterdam-Rotterdam Bank, one of the nation's largest and Pierson's parent company, halted its South African operations last year, citing opposition to the South African Government's apartheid policy.

It was not announced when Pierson had officially halted its dealings with South African clients, and the spokesman asked not to be named.

Pierson is the third major Dutch firm to pull out of South Africa in two months.

On January 19, the SHV trading multinational announced it would halt its South African operations because of a series of firebomb attacks against its Makro supermarkets in the Netherlands.

Three days later a major Dutch floor covering company, Forbo Krommenie, announced that it was cutting all business ties with a former subsidiary in South Africa, Krommenie Limited, in order to guarantee the safety of the Dutch firm's 700 employees. — (Sapa-AP)
Sanctions cost 400 jobs at coal mine

ULUNDI—The Welgedacht Colliery at Utrecht in Northern Natal has been forced to cut its labour force by 400 immediately, as a result of sanctions.

This information is contained in a telex sent to Chief Minister of KwaZulu, by Mr David Morgan, group labour consultant of Rand Mines.

Chief Buthelezi told members of the KwaZulu Legislative Assembly yesterday that the group was trying to re-employ the workers in other spheres.

Full retrenchment benefits would be paid to those affected, he said.

Chief Buthelezi said the chickens had come home to roost as far as those advocating disinvestment and sanctions were concerned.

Those who had recommended that overseas countries should not buy South African coal should be happy that the evangelical campaign was now bearing fruit.

Chief Buthelezi said such people were in possession of a lot of money. He hoped they would now share their largesse with those who had lost their jobs.
Suitors sniffing

In one of the largest disinvestment moves yet seen in the computer and electronics sector, the R120m-turnover Rank Xerox may soon announce a deal with a local buyer. Sources say that within a few days the Altron group's Fintec will announce that it has bought all — or almost all — of the British-owned group.

Fintec is one of a number of local firms which have been cited as suitors to Rank Xerox. Others that have been mentioned include Mathieson and Ashley, the Eureka group's Computermatic, and Barlow Rand's Reunert. Reunert MD Richard Savage states categorically “we are not looking at them at all,” and the FMA understands that, though C-Matic is interested, it was a late starter. Mathieson and Ashley MD Lionel Jossel says he knows nothing about Rank Xerox.

One option of a direct sale to a South African company was probably chosen after other alternatives were considered and rejected. Rank Xerox SA is a wholly-owned subsidiary of the British Rank Xerox, which is 51%-owned by the US-based Xerox Corporation. MD of Rank Xerox SA, David English, confirms that, in response to US pressure, the company has looked at a range of options to enable effective disinvestment by its British parent.

“The Kodak option has been categorically dismissed and a management buy-out has been discarded,” he says. “We don’t believe that such arrangements would enable us to protect our social responsibility programmes, as it is very difficult for management intent upon making a profit to make a large commitment to social responsibility as well.”

A break-up of the company has also been rejected. According to English, “we did think about this, but we consider that the group is more a attractive operation as one company. We are in the business of managing documents and each division forms part of that.”

Fintec, however, meets the three criteria that Xerox has established. These relate to its obligations to its employees; that Xerox should fit strategically into the operation and not be added to an unrelated existing operation; and, thirdly, that the two groups should be culturally compatible, including attitudes to social responsibility.

English emphasises that “we are a very professional, ethical company with a high regard for staff, taking into account every aspect of the employee’s life. Rank Xerox has always been a pioneer and a leader in social responsibility programmes and these programmes must be maintained. This is the single most important criterion.”

The Altron group has long been involved in social programmes, has an integrated workforce and is a supporter of black management advancement. With Fintec designated as Altron’s vehicle in high technology, particularly computers and data communications, and with some investments already made in mail handling and computers, this should be a logical fit.

Rank Xerox will cost, industry sources guess, about R100m. Here, too, Altron seems to have an edge, with considerable borrowing powers available and R100m cash in the group balance sheets at end-September.

What would Fintec be getting? Rank Xerox’s turnover is about R120m and taxes profits were about R8m. Its markets cover copiers, laser printing, micro-computers, typewriters, facsimiles, desk-top publishing, and network communications products. The largest seller is copiers, which accounts for about two-thirds of turnover. Assets are estimated at about R70m at book value.

Fintec’s price has soared from 450c to 2 400c in less than a year, but investors’ faith must now be vindicated. Roneo Alcatel has been bought, plus a 50% interest in South Continental Devices and the Punchline investment has increased four-fold, making a book profit of around R12m.

Present market capitalisation of Fintec is R98m, so this deal more than doubles its size. Based on the estimated R8m profit, EPS for Fintec, excluding profits from recent acquisitions, will rise from 23c to 213c. This doesn’t take financing costs into account, but these could be offset by earnings from other investments. At the current price Fintec would be on a dividend yield of 9% — extremely high for a hi-tech stock. So there is still steam in Fintec if this deal comes through — as it probably will.

Pat Kenny

Full steam

After uncertain beginnings since the 1984 merger of Rennies and Safmarine, Safren is firing on all cylinders. The group has followed the 88% surge in its attributable income for the 1986 financial year with a 60% advance in the six months to end-December.

Although the growth rate has slowed, Safren looks structurally stronger than was the case when the accounts were published last October. Among the main factors behind the rise in attributable income are: better margins and efficiencies were achieved in all of the operating divisions, both Renfreight and the diversified interests showed good growth after their profits had fallen in the 1986 year, and not interest payable was slashed by 57.6%.

Reflecting the widening margins, group operating profit grew by 18% on an increase of only 6% in turnover (excluding associated companies.)

Safren’s Macmillen expansion going ahead

The most consistent growth since the merger has come from 78%-held Kersaf, which has again provided about 40% of total operating profits after lifting its own contribution by 23%. Shipping group Safmarine
The Israeli decision to impose sanctions, announced on Thursday by Mr Peres, followed pressure from the United States to end military trade with the South African Government because of its policy of apartheid.

Ormande Pollock reports from Cape Town that Foreign Minister Pik Botha has blamed America for Israel's decision to reduce links with South Africa and end military involvement.

The Israeli inner Cabinet's decision still has to be ratified tomorrow but there appears to be little chance of the measure not going through.

Measure of understanding

The two countries have had strong links since 1976 when the then Prime Minister, Mr John Vorster, visited Israel but there appears to be a measure of understanding in the S A Government for the Israeli position.

Mr Botha said: 'The decision is clearly a direct result of pressure by the United States.'

'However, the measures do not go further than those adopted by the European Community.'

A Defence spokesman in Pretoria said the department did not comment on sanctions or boycotts or threats thereof.

Israel has come under pressure to take some action against South Africa because America is its largest supplier of military aid which amounted to R1,6 billion last year.

In terms of America's own sanctions law, a report on countries still co-operating on a military level with South Africa is to be submitted to the Senate.

Mr Botha's low-key reaction and blaming America is being interpreted as indicating a measure of understanding for Israel's predicament.

Our London Bureau reports that military analysts believe the Israeli arms sanctions could result in South Africa being denied access to sophisticated electronic equipment used in avionics and by naval strike craft.

An analyst at the Institute for Strategic Studies said that because of the extreme secrecy surrounding military operations in both countries it was difficult to assess the implications of the new ban.

Contingency plans

South Africa, he said, produced almost all its military hardware and should not be severely affected.

However, an area that would be affected was the sophisticated computer-based equipment used in advanced avionics.

He pointed out that it would be some months before the ban was implemented so there was enough time for South Africa to make contingency plans.

Another military analyst agreed South Africa could lose access to this kind of sophisticated equipment, but argued that the country did not need it for the kind of war it was fighting.

'The air force and navy will argue that they do, but I don't agree.'

Sanctions don't work and South Africa could buy the night sights, intrusion alarm devices and infantry radar equipment that is of most use to their forces quite easily.'

Meanwhile, London's Financial Times reported yesterday that explanations of the arms ban and reassurances were being given to President Botha by Abraham Burg, an adviser to Mr Peres.
Israel forced into ‘heads we win, tails you lose’ over SA

IT WAS the Washington spy scandal, in which an American Jew was convicted of supplying secrets to Israel, that almost certainly shaped the changing character of Israeli-South African relations.

The spy incident gave the US a strong lever to exert in influencing Israel’s bimodal — pro-South African stance. As a result, Israel’s senior decision-making body, the Inner Cabinet, this week decided, in the spirit of the ‘policy (towards SA) adopted by the free world’ on a course of ‘graduated’ sanctions against Pretoria.

The senior Ministers, led by the ruling Trichva of Prime Minister Yitzhak Shamir (Le- ruki), Foreign Minister Shimon Peres and Defence Min-
ister Yitzhak Rabin (both Labour), resolved to refrain from signing any new defence contracts with South Africa and, more generally — and vaguely — to minim-ise Israeli-South African ties.

The three, all of whom over the past few years have consistently opposed sanctions, were primarily motiv-ated by anxiety about the future of the Israeli-American alliance, which is recog- nised by all parties in Jerusa-
lem as the cornerstone of Israel’s security and foreign policy.

Anger

Israel has the year re-
ceived 4 billion dollars from the US in economic and milita-
ary aid, and relies on Ameri-
can manufacturers for most of its major weaponry.

The spy scandal erupted last year when the FBI swooped on US Naval Intelligence analyst Jonathan Jay Pollard and arrested him for spying for Israel.

He had sent to Israel’s De-
fence Ministry thousands of US intelligence documents, including some dealing with Syrian and Iraqi chemical warfare capabilities.

While denying that the af-
fair had seriously damaged American-Israeli relations, American officials — espe-
cially in the defence estab-
ishment — were clearly angry.

Israel’s vulnerability, after being caught red-handed spying on a close ally (al-
though they have denied that the operation was officially sanctioned and claim it was being run as a “rogue operation”) put the US Congress into a position to exert extra-
ordinary pressure on the Israelis to impose sanctions against SA.

Earlier this month Pollard was jailed for life by a Wash-
ington court.

His alleged controller, Israeli Air Force Colonel

Aviem Selli, was promoted to a key job a fortnight ago by Mr. Rabin.

The spy scandal brought matters to a head and cast a dark cloud over Israeli-
American relations.

Israeli leaders over the past few months have moved vi-
erosely and sincerely to try to repair relations with the United States.

They have in part been prompted by the outrage of leaders of American Jewry, under the banner of the Con-
ference of Major Jewish Or-
ganisations which, fearful of the charges of the dual loyalty of US Jews, convened on Jerusalem last week de-
manding action — a show of public repentance and an apology to the US — from the Israeli government.

The problem of Israeli-
South African relations un-
fortunately coincided with the Pollard affair.

A presidential report on relations maintaining military ties with Pretoria is due to be submites to the American Congress on April 1.

Congress is expected to con-
cern these countries and, say observers, possibly im-
pose sanctions against them.

Mainstay

If Israel figures prominently in the April report, as sources believe will happen, then a new and potentially damaging area of Israel-
American congressional discord will emerge.

Until now Congress has been the mainstay of Ameri-
can support for Jerusalem.

Some observers have sug-
gested that the sanctions now adopted are not particularly significant.

But this view fails to take into account the almost inev-
table direction and mo-
momentum of events that could follow as the denouement signals that Israel has now seriously embarked on a policy of sanctions, in tandem with those recently adopted by most of Western Europe.
Sanctions may cause retrenchments — claim

ULUNDI. — Four hundred workers at the Welgedacht Colliery, Utrecht, are in danger of being retrenched as a result of sanctions.

This was disclosed to the KwaZulu Legislative Assembly by the Chief Minister, Chief Mangosuthu Buthelezi.

He was reading a telex from the Rand Mines Group Labour Consultant, Mr David Morgan.

The telex read: “I regret to inform you that as a result of overseas sanctions, we have had to reduce our labour force at the Welgedacht Colliery in Utrecht by 400 employees with immediate effect.”

It said efforts were being made by the mines for re-employment of workers in other spheres.
sanctions not the answer!
COPENHAGEN — Several Royal Dutch Shell filling stations in Copenhagen were damaged early on Saturday morning during protests against the Dutch-British-owned company's trade with South Africa, police said.

The demonstrations occurred on the 27th anniversary of a protest in Sharpeville in which 68 people were shot and killed by police while demonstrating against pass laws restricting blacks' freedom of movement.

At one Shell station in eastern Copenhagen, police were pelted with rocks as they intervened to stop a group of hooded activists attacking the buildings with stones and paint.

At the company's headquarters in the southern part of the city, windows were broken and paint was thrown at the walls. There were no arrests.

Later during the day, about 200 people gathered for a peaceful demonstration outside the headquarters, handing out leaflets protesting at the company's South African connections.

There were several similar demonstrations around the country, police said. — Sapa-AP.
No political pressure on airline to withdraw from SA - official

JOHANNESBURG — British Airways is not being pressed politically to withdraw from South Africa, airline officials say.

The new BA manager for Southern Africa, Mr Tim Stevens, said British Airways' Johannesburg-London route was economically viable and the airline intended flying to South Africa "as long as we can".

Commenting on the airline's decision to discontinue its flights between Zimbabwe and Durban, Mr Stevens said: "Traditionally, our Durban flight has flown via Harare to London.

"From March 31 it will be re-routed via Johannesburg, offering a more convenient service to South African travellers."

The airline had wanted to increase the frequency of its flights to Zimbabwe to three a week, but Zimbabwean authorities would not permit this.

From next month, BA would introduce another non-stop flight from Johannesburg to London, leaving Jan Smuts at 6.40pm on Tuesdays, touching down 11 hours and 20 minutes later.
Sanctions spark anti-Israeli threats

JERUSALEM — Swastikas have been drawn on mail from SA to Israel and the Israeli Embassy in Pretoria has received telephone threats after Israel's decision to impose limited sanctions.

The Nazi symbols were drawn on several airmail packages mailed via Israel's El Al airlines to private individuals and which reached Israel on Sunday, an Israeli official said yesterday.

Telephone callers have cursed, shouted anti-Israeli slogans and made threats to the embassy in Pretoria for the past few days.

The Haaretz daily said some of the callers claimed Israel had "betrayed its allies" by imposing the sanctions.

The Israeli March 19 decision effectively banned the signing of more military contracts with Pretoria and ordered a gradual reduction of trade and cultural ties with SA.

But the measures fall far short of a boycott and do not affect ongoing military contracts which are worth between $300m and $500m annually.

Israel, which has had ties with SA for 38 years, delayed imposing sanctions out of concern for the country's Jewish community of 120 000.

Israeli officials acknowledged the decision came mainly in anticipation of an April 1 report by the US government which was likely to censure Israel's military trade with Pretoria.

The US Congress has threatened to sever military aid to countries selling arms to SA. US military aid to Israel totals $1.8bn this year.

The Rabbinical Assembly of America says the sanctions put SA Jews in a "sensitive position". — Sapa-AP.
Still valid for years,

Israel-S. A. arms deals

Israel's arms deals with South Africa continue to be a matter of concern and controversy. The country has been accused of violating international law by supplying weapons to apartheid South Africa. The Israeli government has denied these accusations, stating that the arms deals were conducted with the knowledge and consent of the South African government. The deals have been the subject of numerous disputes and legal challenges, with some countries calling for a boycott of Israeli arms exports. Despite these challenges, the arms deals remain a significant aspect of Israel's外交 policy.
IN THE run-up to the white election the National Party is receiving far more SABC television coverage than any other opposition party, indicates a study by the Rhodes University journalism department.

Senior students monitoring "Network" between March 16 and March 22 found that black opposition groups like the United Democratic Front received no coverage at all.

The study showed the NP received 1,500 seconds of TV time while government spokesmen were given 4,625 seconds. The PFP and the NNP combined were given 1,442 seconds and the CP and HNP featured for 0.012 seconds.

Independent candidates were on the air for 677 seconds.

Note was made of the "Goldilocks Effect"—a tendency for discussions to be concluded with NP comment, leaving viewers with the impression that the NP view was "just right".

(Report by Patrick Bulger, 11 Oliphant Street, Johannesburg)

WASHINGTON — In a sure sign that Washington is losing interest in SA, the State Department is quietly shelving its SA Working Group (SAWG), an inter-agency body formed in 1985 as the sanctions debate moved into high gear.

The SAWG is down to 12 members from more than 20 last year, and according to one recently laid-off member, could be gone entirely by November.

Though its mandate was always fuzzy, its main mission was to demonstrate that the Reagan administration placed SA high in its foreign policy priorities.

Its chief, former White House domestic policy adviser Douglas Holiday, had hopes of using it to co-ordinate a series of bold private sector aid initiatives for black South Africans.

Mainly, however, it has been an information clearing-house, advising state and local governments on disinvestment and similar measures, lobbying Congress against sanctions and providing speakers.

Since its inception in July 1985 at least 13 states have passed new anti-apartheid laws and Congress has enacted the Comprehensive Anti-apartheid Act.

NBS tender offer strikes R3 minimum

A MINIMUM price of 300c has been struck in NBS Holdings' tender offer which was 41.8% oversubscribed.

Analysis of the applications indicates that about 7.8-million shares of the total 11.55-million on offer were subscribed for at prices above the 300c minimum striking price, while the remaining 8-million shares were subscribed for at 300c.

Applications at prices above 300c were allotted in full and applications at the striking price were allocated 41.4% of the number of shares applied for, rounded off to the nearest hundred.

The NBS was satisfied with the result which, it said, indicated that the underwriting price of 300c was "very finely pitched." The NBS, the second building society to go for a listing, is scheduled to join the UBS on the JSE boards on April 18.
South Africans clawing their way out of debt

SOUTH AFRICANS seem slowly to be clawing their way out of massive debt that piled up during three years of recession.

Economists say this is a reasonable conclusion to draw from the latest debt figures released in Pretoria yesterday by Central Statistical Services.

They show that in the three months to end-January, the number of summonses for debt decreased by 12.4% to 139,304, compared with 215,075 for the November-January period in 1986-87.

Civil summonses for debt also declined by 10.5% to 92,866, against 103,767 in the previous November-January period.

Amounts involved in civil default and consent judgments for debt on business enterprises and private persons in January this year decreased by R5,347m to R53,210m, compared with January last year.

Amounts involved in judgments on private persons decreased by R11,125m to R46,730m.

Sanctions attack

ULUNDI - kwazulu leader Chief Mangosuthu Buthelezi yesterday criticised the UDF and the Congress of South African Trade Unions (Cosatu) over the sanctions issue.

He accused UDF patron Allan Boesak and Cosatu vice-president Chris Dlamini of first promoting disinvestment and then back-tracking when it became clear that most blacks were disenchanted with the policy.

Buthelezi said: "The victims of apartheid had never clamoured for disinvestment and it was tragic that they had to continue paying the price for it while time matured in their favour.

"Cosatu and the UDF knew this, but they had had the liberty of saying what they wanted to without referring to the people. They were basically affiliate organisations and were not dependent on endorsement by individual membership.

"Dlamini's political shallowness was revealed when he said Cosatu had never called for companies to pull out, but that it did support sanctions," said Buthelezi. — Sapa.
CSIR gears up to counter isolation

Staff Reporter

SWEEPING changes in the structure of the Council for Scientific and Industrial Research (CSIR) are to be made to counter the economic effects of "a South Africa in greater isolation," CSIR president Dr C F Garbers has announced.

A "change of heart" in international industry supplying new technology to South Africa meant future demands would have to be met from within the country, he said.

Speaking at the University of Cape Town last night, Professor Garbers said challenges to the scientific and technological communities were "almost overwhelming" following deteriorating relations between South Africa and other countries.

"Export drives based on high technology products" were increasingly dominating world markets and South Africa had to be able to offer "extensive advantages either in price or quality."

All functions of the CSIR would be market-orientated to further enhance the full development of South Africa as an industrialised country.

"Generally, the present climate favours the use of funds for supporting practical, utilitarian development."

"Future basic research will be directed towards the acquisition of new know-how needed for directed research programmes."

The changes, to be formally instituted on April 1 next year, will see the CSIR divided into four groups — the research, development and implementation group (RDI), the foundation for research development (FRD), the corporate financial management group and the corporate services group.

Each management would be a largely independent authority with a high level of autonomy.

The posts of chairman of the council and president of the CSIR, formerly one appointment, would be separated and a non-executive chairman appointed.

The RDI group would investigate research demands from a broad range of market areas.

Among the tasks of the FRD would be the management of the main research support programmes for universities, museums and technikons.
PW admits sanctions are hurting S Africa

By David Braun, Political Correspondent

LICHTENBURG — President Botha last night admitted sanctions were hurting South Africa by increasing black unemployment and fanning violence.

"It is a tragedy that the US, the leading power of the free world, under a president dedicated to resisting Soviet expansionism, should have declared economic war on South Africa," he told a National Party election rally in Lichtenburg.

Sanctions imposed on South Africa last year by the US Congress went further than the US had ever gone in restricting trade with any country, he said:

"America trades with Russia and with dictatorships in Africa and totalitarian regimes all over the world without compunction but restricts economic contact with South Africa."

FANNING VIOLENCE

Mr Botha said that the action taken by the US Congress in restricting trade between the US and South Africa had the direct result of fanning violence.

It certainly had not encouraged responsible and peaceful leaders to come forward to negotiate a new constitutional order.

Radical elements and politicians in America were not only blind to reality but would be satisfied with nothing less than total capitulation to revolutionary forces in South Africa "and we are not prepared to surrender", he said.

Mr Botha said British Prime Minister Mrs Margaret Thatcher had assured him that her government would not have anything to do with an organisation committed to violence.

"She agreed with me that people who do not want to relinquish violence cannot be in the group with which you should have discussions."

Mr Botha said the international sanctions campaign was a diabolically conceived strategy. It was hurting those it was intended to help. Rising black unemployment was proof of that.

He said he felt sorry for Israel which had no choice but also to impose sanctions on South Africa. Israel was being victimised.

(Report by D Braun, 184 Vereenigde Street, Pretoria)
'Commonwealth no longer under threat'

The Star Africa
News Service

LUSAKA — Zambia's Dr Kenneth Kaunda has reported a "softening" in attitudes over the sanctions issue which last year was threatening the Commonwealth.

He said the threat had receded because the British public had made it clear that it did not support the view of the Thatcher Government on sanctions against South Africa.

"In view of what countries like Australia, Canada and New Zealand, the white Commonwealth, have done and, above all, what the people of Britain have been doing, that danger has receded," he said.

In Britain, as in the US, the labour movement, churches, and students had all clearly demonstrated their support for the black Commonwealth countries.

"I thank the British people who have made Barclays Bank withdraw from South Africa," President Kaunda said. "I hope many more are going to withdraw."

Dr Kaunda criticised the attitude of the British and US governments which, he said, in trying to postpone action against apartheid, risked a much more violent result when South Africa eventually exploded.

"They say: 'We want platinum and gold and we don't want to get this from the Soviet Union.' What short-sightedness. It's incredible that governments cannot see the danger of this approach.

"I'm saying that we don't want to destroy the economy of South Africa. We want it. We need it. But it will not be there. Nothing will come out of South Africa if we allow this explosion to take place. If they do not move, they will live to regret their inaction," he said.

Gibson rejects poll

Political Reporter

The Progressive Federal Party's candidate in Bezuidenhout, Mr Douglas Gibson, has rejected an opinion poll commissioned by The Star, saying he is confident of victory.

A survey conducted by Marketing & Media Research showed that the National Party was likely to win in Bezuidenhout.

Mr Gibson, who is PFP leader in the Transvaal, said he expected to increase the PFP's majority.

His statement added: "The Star's figures directly contradict Rapport's Mark en Menigopnames poll.

"Having been a candidate on eight previous occasions, I am one of the most experienced politicians in South Africa. During this campaign, my workers and I have visited and spoken to thousands of voters in Bezuidenhout. We are convinced that the climate in the constituency is better for the PFP than it has ever been."
Workers pop the lid on Coke

THE fizz has gone out of Coca-Cola’s plans to disinvest. Its employees are now demanding details of how it intends to leave, and intend approaching the international beverage workers’ organisation for support.

Go-slow strikes — involving more than 2,500 Coke workers — were staged at five production and distribution plants in Pretoria and on the Reef a week ago in protest against the way Coke is disinvesting.

Management considers the dispute resolved. Company representative Gert Robertse said the strike ended on Tuesday, when the company agreed to give all workers a 13th cheque to celebrate its 100th anniversary.

However, Food and Allied Workers’ Union (Fawu) representative George Nene said the matter was far from being resolved.

“There is a lot to be investigated as far as Coca-Cola’s pull-out is concerned,” he said.
WASHINGTON — The State Department does not plan to delay its potentially explosive report to Congress on countries that have violated the SA arms embargo, says a well-placed official.

Reports from Jerusalem had earlier indicated that the study, due to be delivered by next Wednesday, might be postponed to give Israel time to clarify its SA policy.

"We are still shooting for next week," says the official, who has been closely involved with the report's preparation.

The document will be classified secret. The Reagan administration is leaning towards releasing a sanitised public version, but a final decision has not been taken.

Early drafts of an unclassified version have run to no more than two pages and contain little more than a list of embargo violators.

Members of the Senate Foreign Relations Committee are understood to have told the administration they would not object to a delay.

Having voted to require the report as part of the Comprehensive Anti-Apartheid Act, these Senators — most of whom are strongly pro-Israel — are now deeply troubled by what they may have unleashed in their enthusiasm to punish Pretoria.
Computers ‘hardest hit’

Exports survive sanctions

SANCTIONS may erode US computer sales to SA but other export opportunities identified by a confidential US government report released before the Anti-Apartheid Act are virtually intact.

The report, compiled by the US Foreign Commercial Services (FCS) and published in Johannesburg last July, rates SA’s export potential for US computer, telecom, medical and mining equipment.

A US government source says that if US computer sales will be “cut away” by export licensing requirements under the Act and the effect of IBM’s pullout. “But SA is still a good market for the other categories,” he says.

AECI’s computer processing division sources virtually all its import-content requirements from the US. It expects no supply disruptions.

Retailers of PC equipment have not experienced any supply shortfalls but there are strong signs of consumer resistance to US products.

Says Joffe Associates MD Joan Joffe: “More use is being made of Taiwan as a supplier – and there’s no anti-SA feeling there.”

To what extent corporate SA is putting a brave face on its prospects for an unbroken US supply-line for computers is hard to gauge.

The FCS report notes that in 1986 “important purchases were made and orders placed for large installations by previously loyal users of American computers. Hitachi was a particular beneficiary.”

It says nearly half of SA’s computer imports were sourced from the US in 1985, with IBM’s turnover estimated at R300m.

Latest US sanctions are likely to affect US telecommunications exports only if they are deemed computer equipment.

It is understood that the Department of Post and Telecommunications has not altered its buying policy since US sanctions.

While there is no specific US embargo against mining equipment, most mining houses will not comment on their foreign purchases.

Merger means bright handtool future

THE merging of Lasher and RW Tools into Lasher Tools has seen the emergence of the largest handtool manufacturer in SA.

New CE John Sherratt says the company is now a wholly-owned SA company as a division of Metkor Industries. Metkor bought out Lasher from its US parent to complement its own RW Tools.

He says: “The rationalisation brought about by the buy-out means that the Lasher factory in Germiston is moving its production activities to the RW plant in Vereeniging, while we have concentrated our sales and admin in Germiston. We have retained our Ladysmith factory.”

He says being part of the giant Metkor group now gives Lasher access to the latest steel technology.

He says: “We intend staying ahead through research and development and by incorporating the latest technology into our products.”

Sherratt feels the relatively small handtool market is over-traded.

He says: “I feel strongly that we, as manufacturers, should share our facilities where possible. It doesn’t make sense to start manufacturing a range already being produced locally, and with limited demand.”
Pressure on increasing sovereign loans to SA.

In its preliminary announcement of results for 1986, Stancha revealed sovereign lending to SA had increased from £69m in 1985 to £99m in 1986 — although total lending to SA fell from £231m to £244m.

Haslam said that tied in with rumours in December last year that Stancha had increased lending to Escom.

ELTSA members plan to raise the matter at the Stancha AGM at which the bank is expected to come under attack for its continued links with SA.
THE ECONOMY

Zim’s sanctions-foostile-foostrife

BY HOWARD BARRETT

THE WEEKLY MAIL, March 31 to April 2, 1987

3
Dutch call for tougher sanctions

AMSTERDAM — Former Dutch Prime Minister Mr Joop den Uyl urged the Dutch government yesterday to cut trade and investment links with South Africa, in line with Sweden.

Mr den Uyl, co-chairing a conference of West European socialist parties and the African National Congress (ANC), said the Netherlands was restricted by its membership of the European Community (EC).

GOLD COINS

The Netherlands has advocated sanctions broader than current EC measures, which include a ban on South African steel and gold coin imports.

Mr van den Uyl said this week's debt rescheduling agreement between South Africa and major Western banks was an infringement of EC and American bans. — Sapa-Reuter.
Swiss claim SAA beating air sanctions

The Star's Foreign News Service

ZURICH — Switzerland's South Africa Boycott Action group is claiming — and the authorities are denying — that an extra South African Airways flight to and from Zurich each week is a way of evading United States sanctions.

In April SAA will have four instead of three flights each week between Johannesburg and Zurich. Flights to Frankfurt will increase from four to five.

The anti-South Africa group chairman, Mr Mascha Madorin, said Switzerland was openly helping South Africa to evade sanctions imposed by other countries, referring specifically to America and Scandinavia, which deny landing rights to SAA.

Mr Max Neuenschwander, head of the Swiss Civil Aviation Board, said agreements between Switzerland and South Africa permitted additional flights by both sides.

He said there was no reason to re-examine the agreements as long as the Swiss government rejected official sanctions.
Kenya offers to halt European flights to SA

ADDIS ABABA — Kenya offered yesterday to stop planes landing in Nairobi on their way to and from South Africa if it could be sure other African countries would not step in to fill the gap.

A Foreign Ministry official made the offer at an Organisation of African Unity (OAU) foreign ministers’ meeting here in response to Ghanaian accusations that Kenya had failed to implement OAU resolutions on landing rights.

“We are in favour of putting an end to these European planes going to and from South Africa... (but) there will be no desired result if a certain airport is closed to European flights only to see another airport not too far away welcoming those same flights,” said a statement read by Mr Omar Fakih.

Mr Fakih, head of the Africa desk in the Foreign Ministry, read the statement on behalf of the head of the Kenyan delegation to the five-day OAU conference.

Seven airlines—KLM, El Al, Iberia, Olympic, Swissair, Lufthansa and British Airways—run a total of 16 round trips a week to Johannesburg, stopping in Nairobi on the way and bringing some $25 million a year into Kenya’s economy.

The Kenyan statement said the leaders of the states in Eastern and Central Africa had discussed the flights and agreed in principle that they should stop.

“But they decided that this should be done in the context of a global African effort if the desired results were to be obtained. This is the next stage,” it added.

The statement also asked why other African states had not banned these same airlines from overflying their territory on the way to and from South Africa.

“Some countries think they can advance their international standing by casting doubt on others,” it added, apparently in reference to Ghana, which brought up the subject yesterday.

The Ghanaian Foreign Minister Mr Obed Asamoah named Kenya along with Zaire, Malawi and the Comoros as four African countries which should clarify their positions on links with Pretoria.— Sapa-RNS
Sanctions ‘hypocritical’ — Yitzhak Unna

Israel’s former ambassador to Pretoria, Mr Yitzhak Unna, has strongly criticised his country’s imposition of sanctions on South Africa as "hypocrisy and deception".

Sanctions would lead to an "international pageant of hypocrisy, double-talk, lip service and deception".

He said the only other result would be that a "lot of people are going to get very rich setting up dummy companies in the States" to evade sanctions.

Mr Unna said Israel’s decision, made under US pressure, "will do absolutely nothing towards solving South Africa’s problems".

"My impression, talking to the man in the street (in Israel), is that he too regrets the moves by his government.

"After all, we ourselves were subjected to boycotts and embargoes by France, as a result of which we have now become more self-reliant. And I have no doubt this will be the effect on South Africa in the long run."

Commenting on the long-term political dimension, Mr Unna said he believed the South African government would realise the situation in which Israel had been placed.

"I know the South African government and the ministers involved and I think they will realise we had very little option. The United States threatened to withhold aid and that was something we could not afford to ignore.

"Obviously Israeli/South African relations are very important to us for a number of reasons, but I want to be frank about what a lot of people might not want to hear... American/Israeli relations are even more important.

"I hope the government moves here won’t in the long term have a detrimental effect on the very strong ties Israel has with South Africa."

Israel’s giving in to pressure from Washington hurts Yitzhak Unna because it is indicative of a wider problem.

"You are touching on a painful issue — the contraction of our independence because of our dependence on the United States in many spheres, not just in the case of South Africa.

"Obviously my answer must be that we have to work harder to make ourselves economically more self-sufficient and independent of outside advice, counsel or pressure."

Asked about threats received by the Israeli embassy in South Africa about reports of swastikas daubed on outgoing mail sent by El Al to Israel, Mr Unna recalled a similar experience some years ago when he was ambassador.

"When Israel donated a meagre sum of money to the OAU liberation fund we also got calls... all sorts of crackpots telephoned us. I think it’s a marginal, irrelevant reaction from unimportant fringe elements."
Frontline consensus on sanctions has crumbled

Zambia's decision last August to stop exporting its copper through South Africa was not the start of sanctions: it was simply a sensible economic realignment, its Minister of Mines said recently.

South Africa's response to this, and to the sanctions package agreed at the same time by African leaders at the Commonwealth mini-summit in London, was to delay Zambian-bound traffic - but that was not retaliation, said Pretoria, merely the imposition of sensible customs regulations.

For all the rhetoric and posturing, South Africa's black neighbours seem decidedly reluctant to impose sanctions. It is now three months since the last of Robert Mugabe's deadlines expired. The only word from Harare is that sanctions will be implemented "very soon".

Hardliners insist that sanctions only await a strategy by the Frontline states. This will depend largely on the scheduled completion in May of the first phase of rehabilitating the railway to Beira, though only in 1990, at the end of the second phase, will it be able to handle the 3.5 million tons of Zimbabwe's annual trade.

Cold feet?

Other observers maintain that since the black nations worked out the actual cost of switching the freight that now goes through South Africa they have developed cold feet. What is certain is that the consensus on sanctions has crumbled.

On visits last month to Zambia and Zimbabwe, President Chissano of Mozambique told Kenneth Kaunda and Robert Mugabe that they could count Mozambique out of any sanctions plan. Botswana had long ago excused itself on the grounds that its economy was inextricably entwined with that of its immediate white neighbour.

Angola, at war with the South African and US-backed Unita rebels, had never been in a position to do much. Malawi, the only Frontline country to maintain full diplomatic relations with Pretoria, has long been written off as a client state. Swaziland and Lesotho, like Botswana, are economically dependent on South Africa.

That leaves only Zambia and Zimbabwe.

Despite the best endeavours of the

Paul Valley of The Times outlines the economic realities which have led to South Africa's neighbours having second thoughts.

Chissano... "Count me out."

Southern African Development Coordination Conference (SADCC), which was set up to lessen the reliance of the black states on South Africa, four have recently increased electricity purchases. Since 1980 overall trade volumes have actually increased. In 1984 Zimbabwe sent only 51 per cent of its foreign trade through South Africa; today the figure is nearer 99 per cent.

"There is no doubt that the Frontline states have played the sanctions issue rather badly," said one European diplomat in Lusaka. "If they don't set an example they will lose face, but it seems unlikely now that they can."

It is generally accepted by Western observers in the region that at the Commonwealth summit in London most of the African leaders were unprepared for the decision which they sprang upon themselves.

A Harare-based diplomat said: "They just hadn't costed it. Civil servants here were horrified when they heard what Mugabe was saying. They knew that wide-ranging sanctions would reduce Zimbabwe to a subsistence economy."

The package of measures which the African leaders accepted at the conference was, in the event, less dramatic. Even so, the agreed boycott of South African iron, steel and coal and the severance of air links would cost the black states dear. The banned materials constitute about 17 per cent of Zimbabwe's imports.

It would cost Zambia, in a relatively stronger position, an estimated $600 million more to buy elsewhere. Stopping the 120 flights which every week link seven of the SADCC countries to Johannesburg would lose the loss-making Zambia Airways, for example, about 30 per cent of its revenue and its most profitable route.

More significant than the immediate problems is the uncertainty over the possible South African response. "Continuity plans? We haven't got any," said one Zambian official in a moment of private frankness. "There are hundreds of options for South Africa. How can we prepare for them all?"

Diplomats in the Frontline states predict a three-phase reaction by Pretoria. "First they would just slow down imports and exports as a kind of warning," said one. "Then they would probably increase pressure on Mozambique and Botswana. In the final resort they would just close the border."

Mr Mugabe and Mr Kaunda, however, remain firmly committed to the notion of sanctions and it may well prove impossible now to turn them to face north by backing down entirely.

The severance of air links seems the most likely gesture. If that is what sanctions boil down to then much will depend on the timing.

"If they wait until the South African election in May there will probably be no response at all," said one South African businessman. But if they do it before, then Botha might well go off bang."

100 Years Ago

From The Eastern Star

The farmers of the Transvaal are taking all their produce to the gold fields, and make lots of money, so that they are paying up their taxes quite cheerfully.
Campaign
aimed at
fuel firm
pull-out

NEW YORK — A group of American shareholders of the Royal Dutch Petroleum company began a campaign today aimed at pulling the oil company out of South Africa.

The company is one of two parent companies that make up the Netherlands-based Royal Dutch/Shell Group, the world's second-largest oil company.

Sponsors of the campaign say they have the backing of church groups and other institutions, which collectively own 4.8 million of the approximately 286 million shares in Royal Dutch Petroleum.

The group includes four retirement funds covering various groups of New York City workers, the California State Teachers Retirement System and seven church-related groups.

KICKED OFF

Some 70 US companies including General Motors, Coca-Cola and IBM have already withdrawn their business interests from the country in protest against South Africa's apartheid policies.

The campaign to pull out Royal Dutch Petroleum was kicked off at a news conference by Harrison Goldin, New York City comptroller, and Gordon Smith, treasurer of the ministers and missionaries benefit board of the American Baptist Churches.

"We're seeking to have the company disinvest in South Africa — that means get out," Mr Goldin said.

Royal Dutch Petroleum said in a statement from Rotterdam that a special meeting sought by the shareholders to consider a pullout could be held under Dutch law only if 10 percent of shareholders agreed.

The shareholders who are seeking a pullout own less than 2 percent of the stock. — Sapa-Reuters.
THE WINNER IS... PIK BOTHA

FAULT!

—PAUL VALLELY, of The Times of London, outlines the economic realities behind what he calls the frontline states’ crumbling alliance against Pretoria.

Shy of sanctions?

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For all the rhetoric and posturing, South Africa's black neighbours seem decidedly reluctant to impose sanctions. It is now three months since the last of Robert Mugabe's deadlines expired. The only word from Harare is that sanctions will be implemented 'very soon.'

Mozambique out of sanctions plan

Hardliners insist that sanctions only await a strategy by the frontline states. This will depend largely on the schedule for a summit in May of the first phase of rehabilitating the railway to Beira.

Other observers maintain that since the black nations worked out the actual cost of switching the freight that now goes through South Africa they have developed cold feet. What is certain is that the consensus on sanctions has crumbled.

On visits this month to Zambia and Zimbabwe, President Chissano of Mozambique told Kenneth Kaunda and Robert Mugabe that they could count Mozambique out of any sanctions plan. Botswana has long ago excused itself on the grounds that its economy was inextricably entwined with that of its immediate white neighbour.

Angola, at war with the South African and US-backed Unita rebels, has never been in a position to do much. Meanwhile, the only frontline country to maintain full diplomatic relations with Pretoria, has long been written off as a client state. Swaziland and Lesotho, like Botswana, are economically dependent on South Africa.

That leaves only Zambia and Zimbabwe.

President Chissano’s decision could hardly have surprised Kaunda and Mugabe. Mozambique, which provides the only alternative route to the sea, has for the past five years been the main target of South African destabilisation and would be highly vulnerable to economic pressure.

In spite of the best endeavours of the Southern African Development Co-ordination Conference (SADCC), which was set up to lessen the reliance of the black states on South Africa, four have recently increased electricity purchases.

"There is no doubt that the frontline states have played the sanctions issue rather badly," said one European diplomat in Lusaka. "If they don't set an example they will lose face, but it seems unlikely now that they can.

It is generally accepted by Western observers in the region that at the Commonwealth summit in London most of the African leaders were unprepared for the decision which they sprang upon themselves.

The package of measures which the African leaders accepted was, in the event, less dramatic. Even so, the agreed boycott of South African iron, steel and coal and the severance of air links would dearly cost the black states.

Some Zambian businessmen have been exploring alternative sources for industrial components but are hampered by the chaotic state of the economy and the severe shortage of foreign exchange.

More significant than the immediate problems is the uncertainty over the possible South African response. Diplomats in the frontline states predict a three-phase reaction by Pretoria.

"First they would just slow down imports and exports as a kind of warning," said one. "Then they would probably increase pressure on Mozambique and Botswana. In the final resort they would just close the border.

Much will depend on the timing

Mugabe and Kaunda, however, remain firmly committed to the notion of sanctions and it may well prove impossible for them to lose face by backing down entirely, whatever the predilection of their Cabinet colleagues and economic advisers. The severance of air links seems the most likely gesture.

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"If they wait until the South African election in May there will probably be no response at all," said one South African businessman. "But if they do it before, then Botha might well go off bang."

Dotline: LONDON
SA exports: Canadian firms face charges

Two Canadian companies are facing charges in Ottawa of illegally exporting hi-tech night vision equipment to South Africa.

Royal Canadian Mounted Police raided their offices late in November and believe details of the South African customers for the equipment will emerge at the upcoming trial.

In two separate hi-tech cases apparently not linked to this one, two Californian businessmen were recently charged with exporting or trying to take technical manuals for US jet fighter engines to South Africa.

Canadian federal crown attorney Mr. Paul Gavrel yesterday confirmed that Lajal Scientifique Inc. and its subsidiary, Aero-Vue Canada Inc., both of Ottawa, would appear for plea or a trial date in an Ontario provincial court on April 14.

They face two charges, exporting "infra-red imaging equipment" without the necessary permits on or about August 7, 1984, and exporting "image-intensifying equipment" between August 6, 1984 and November 9, 1985.

The Ottawa companies are being charged in terms of the Federal Export and Import Permits Act, providing a list of goods and equipment which may not be exported without permits from Canada's Department of External Affairs.

Maximum penalties set by the law are five years imprisonment and/or a $40,000 fine.
BY MOIRA LEVY

BLACK executives at American-owned companies in the Western Cape have urged the Rev Leon Sullivan not to carry out his threat to call for disinvestment.

But their support for a US presence in South Africa if an industry in the Western Cape has been slammed by the Western Cape Traders Association who see South Africa’s continued isolation as a “peaceful method of dismantling apartheid”.

Sullivan formulated the Sullivan Code for labor practices in signatory companies in South Africa. Two years ago he threatened to call for full American sanctions if apartheid were not ended by May 31.

A group of managers calling themselves the Black Caucus has circulated a petition appealing to Sullivan “to continue to lead the Sullivan programme in South Africa, which has so meaningfully impacted on the social, economic and political order.”

The petition says: “We are sure that Sullivan’s possible withdrawal will dampen an important contribution to the great liberation/moral struggle in South Africa.”

A member of the Black Caucus, Mr Solly Keraan, a customer services manager of a Western Cape subsidiary, said it was too soon to count the signatures collected for the campaign, begun four weeks ago.

Blind eye

He said community organisations approached for their support decided to “turn a blind eye”. They neither supported nor rejected the campaign.

Mr Keraan refused to disclose which organisations were approached, except to say that contact was made with leaders in Old Crossroads and Sts C, Khayelitsha.

“The ramifications could tear up the pitch,” he said. “People may say we are opposed to sanctions because we have vested interests. And they may be right because we work for American companies.”

“They are a very sensitive thing. We have to distinguish ourselves from the South African Government which is also opposed to sanctions.”

“The risk is that we may be termed sellouts.”

Sanctions

Cape Town businessmen interviewed by SOUTH said they had not heard of the Black Caucus.

Mr A L Gafoor, a local butcher, said: “Progressive organisations and trade unions have called for sanctions. They are the people who are going to be affected by divestment.”

“I don’t see why these black managers should run counter to the cause of the people.”

“The president-elect of the Western Cape Traders Association, Mr K Alfio, reiterated his organisation’s support for international sanctions as a non-violent method of pressuring the South African government.”
Sats marks a problem for sanctions-busters

SANCTIONS-BUSTING exporters who deliberately omit Sats standards markings on packaging to disguise the SA origin of goods may have difficulties claiming against Sats for damages in transit.

However, Sats, if asked to do so, would accept altered standards markings omitting reference to SA, Andre du Rand, superintendent of packaging, said yesterday.

Sats is liable to pay the lesser of either R16.15/kg or the market value of goods damaged while transported by them, provided the packaging complies with specifications.

Normally, packaging manufacturers print a diamond-shaped Sats logo on boxes, indicating compliance with packing requirements.

Du Rand said that because of exporters' problems if goods were marked as originating from SA, Sats would agree to the use of modified certificates of compliance.

However, these could be used only for avoiding restrictions on export traffic, and not for local distribution.

Modified certificates could exclude reference to Sats or SA and could depart from the distinctive diamond shape. The alternative certificates would indicate such details as the boxmaker, lot number, and date, possibly in code.

Any wording required, such as on dangerous goods, could be in English only, Du Rand said.

Johan Blauw, Sats deputy director (claims), said before a claim for damage against Sats could be approved, Transport Services had to be sure the packaging had complied with requirements.
Negative stance on processing of film from SA

Post Reporter

SOUTH Africans will no longer be able to have specialised Kodachrome films — used for colour slides — processed abroad.

Following Kodak's disinvestment in South Africa, letters were sent to dealers this week stating that laboratories world-wide will not return processed Kodachrome films to addresses in South Africa and Namibia after April 30.

A Uitenhage pharmacist said when Kodak announced it would be disinvesting, dealers were assured that while the Kodachrome film would no longer be processed in South Africa, it could be processed in Switzerland, England, Germany and the United States.

"Now it appears that this service has been taken away as well," he said.

"We received a letter yesterday saying that Kodak had been advised that laboratories world-wide would no longer return films by post to addresses in South Africa and South West Africa."

Mr Basil Allachwag, managing director of Colour 2000 in Port Elizabeth, said he had also received a copy of the letter yesterday.

Mr Allachwag said the Kodachrome film — which was the original colour slide film — could be developed only by the proprietors themselves.

"Nobody but Kodak can process the film. Other films, which have built-in colour-couplers, merely require simple chemistry methods to process them. This we can do in 30 minutes in our own laboratories," he said.

"All the letter means is that if one is in possession of a Kodachrome film, he or she should make sure they have it processed by April 30."
France due to consider new sanctions against SA

France and Zimbabwe have indicated that they intend taking further punitive action against South Africa. At the same time the Israeli Defence Minister, Mr Yitzhak Rabin, has said the imposition of sanctions on South Africa could serve as a precedent for a similar embargo by the rest of the world against Israel.

Zimbabwe Prime Minister Mr Robert Mugabe told Parliament yesterday that the country had not dropped its plans to impose economic sanctions against South Africa.

Speaking during Prime Minister's question time, Mr Mugabe said: "Sanctions are coming."

In Paris the French Foreign Minister, Mr Jean-Bernard Raimond, will today announce a major diplomatic initiative regarding sanctions.

The initiative concerns a special French diplomatic mission to the six Frontline states over the next two months.

Mr Raimond will tell the ambassadors of the six states that France's highest-ranking ambassador, Mr Fernand Wiboux, will be sent on mission to their capitals.

His lengthy "mission of information and evaluation" will start on Monday.

Mr Wiboux does not appear to have any plans to visit Pretoria.

The sanctions Israel is imposing on South Africa could serve as a precedent for a similar embargo by the rest of the world against Israel, Defence Minister Mr Yitzhak Rabin said yesterday in Tel Aviv.

"We know what it means to be sanctioned, embargoed, when your enemies are all around you," he said.

In Harare Prime Minister Mr Robert Mugabe yesterday told Parliament that Zimbabwe has not dropped its plans to impose sanctions.

Both Zimbabwe and Zambia would impose their own package of economic embargoes, but were working on "certain arrangements", he said.

Mr Mugabe appealed to businessmen to prepare for sanctions.

And in Dar es Salaam a leading Kremlin official has announced the USSR is to increase its aid to Southern African "liberation movements."

Mr Pavel Gilashvili, vice-chairman of the Soviet parliament, made the announcement at the end of a tour of the Frontline states. — The Star's Foreign News Service.
Another Cosatu nod to 'economic pressure

THE Congress of South African Trade Unions (Cosatu) this week reaffirmed its support for economic pressure on the South African government.

Information officer Frank Meinjies also rejected the attack Chief Mangosuthu Buthelezi made on Cosatu vice-president Chris Dlamini of political shallowness by "first promoting disinvestment and then back-tracking when it became clear most blacks were disenchanted with the policy".

According to Meinjies, the full text of Dlamini's speech indicates no contradiction of Cosatu policy.

"The resolution Cosatu adopted at its inaugural congress makes it clear that we support effective and far-reaching international economic pressure to force the government to abandon apartheid and repression and to move towards democratic transformation," Meinjies said.

This position has majority support within Cosatu, he said, even among workers who are affected — as in the case of the General Motors and Coca Cola strikes which demonstrated, he added.

Meinjies said the government and bosses should bear the brunt of such punitive action because they were the ones who have created and upheld the system that caused so much conflict and generated so much revulsion.

"Our resolution makes it clear that in the case of companies considering a pull-out, our view is that social wealth should remain in South Africa.

"This wealth has been created by workers and must ultimately be distributed in the interest of the workers."

Withdrawals should be negotiated so that they take place on terms and conditions favourable to the interests of workers.

Last week union representatives within Cosatu discussed a commission report compiled by the Community Research and Information Centre (Cric) on the effects of sanctions.

The report also looked at "what every sector in the economy has been going through in the past years".

It will serve as a guideline to Cosatu's adaption of policy to changing circumstances.

Cosatu affiliates have been discussing the effects of sanctions at union level.

Cosatu adopted its initial resolution on sanctions and disinvestment at its inaugural conference in Durban in December 1985.

Since then, the sanctions and disinvestment situation has changed — for example, the "reality of pull-out" and the setting up of trusts for workers.

"We need a policy that deals with the reality of pull-outs and deals with the various options put to us by companies pulling out of the country," Meinjies said.

He stressed that the policy will have to deal with how sanctions and disinvestment take place.

"There will be instances where disinvestment in sanctions favour a company instead of the workers. We will need to intervene in this process."
DISINVESTMENT FOCUS

McGregor Research Services' (MRS) new and comprehensive analysis of disinvestment patterns since January 1984 contains some intriguing results.

Since January 1986, 172 firms have pulled out, representing 93 parent companies. But, with 3107 SA companies currently having foreign parents, MRS concludes that "the rate of disinvestment is not as serious as it appears."

Only 2% of UK companies with interests in SA have withdrawn while 20% of all US companies in SA have already left. Five percent of all foreign companies which operated here have disinvested, while 56% of all disinvestments over the past two years took place since January 1986.

Management now owns 19% of all disinvested companies while SA companies absorbed 45%. The balance either discontinued operations, were liquidated or sold to another foreign parent.

MRS suggests that the change in US tax law — effective from December 1986 — contributed significantly to the spate of withdrawals in the latter half of last year. "The losses made on disinvestment prior to that were ultimately borne by the American taxpayer."
Company sells its S African subsidiary

ENGLEWOOD CLIFFS (New Jersey) — Food products company CPC International Incorporated announced yesterday that it has sold its subsidiary in South Africa, ending its operations in the country.

The company said it sold Robertsons (Pty) Ltd. to a consortium of European and South African investors for an undisclosed price above market value.

"In recent months, operating a business in South Africa has become increasingly difficult both for companies headquartered in the United States and their subsidiaries in South Africa," said the president of CPC, Mr James R. Elsner.

He did not mention South Africa's policy of apartheid as a reason for the sale.

He said Robertsons is a racially integrated business and that about 70 per cent of its employees are black, including 68 per cent of the supervisors. — Sapa
US report shows ‘minor exceptions’ to embargo

WASHINGTON — The United States has strictly enforced the 1977 United Nations arms embargo against South Africa, and also bans all American exports to the SADF and the SA Police — with two “minor” exceptions, according to a new American Government report.

These exceptions are medical supplies and devices used in preventing unlawful interference with international civil aviation.

The report, an examination of South Africa’s international arms dealings prepared by the Reagan Administration in terms of last year’s Sanctions Bill, was partially released yesterday.

A more detailed version remains classified.

The unclassified version says the United States believes companies in France, Italy and Israel have continued to be involved in the maintenance and upgrading of major weapons systems provided to South Africa before the mandatory UN arms embargo in 1977.

It says that companies in Germany, Britain, the Netherlands and Switzerland have on occasion exported articles covered by the embargo without permission of their governments, or have sold items to South Africa in the “gray area” between civilian and military applications.

“Prior to the Israeli Government’s decision on March 18 not to sign any new military contracts and to let existing contracts expire, Israel appears to have sold military systems and sub-systems and provided technical assistance on a regular basis.

“Although Israel does not require end-use certificates and some cut-outs (third party intermediaries) may have been used, we believe...
TEL AVIV — "The romance has ended," Israeli Foreign Ministry political director-general Mr Yossi Beilin told an Israeli military radio station yesterday, describing the relationship between South Africa and Israel. He added that he hoped there would, as a result, be no further US sanctions against Israel. — Saturday Star's Foreign News Service.
SA arms embargo ‘won’t affect supply’

Own Correspondent

JOHANNESBURG. — The US State Department’s document on countries that have supplied SA with military technology and hardware in violation of the 1977 UN arms embargo will increase political pressure on these countries.

But it will not affect the supply of the hardware other than, at most, making it a little more expensive.

Cautious

This is the view of the director of the SA Institute of International Affairs, Prof John Barrett.

Prof Barrett says, however, that it is impossible to quantify the past and future effects of the violations and the report, because the nature of the arms and technology supplied is not included in the declassified section of the report. He is therefore cautious about drawing conclusions.

He says the arms embargo gave a “tremendous boost” to increasing the self-sufficiency of South Africa’s arms industry. But the report shows the industry still needs some foreign input.

He says it is important to note that the violations did not necessarily occur with the approval of the named governments—Israel, France and Italy.

Loopholes

It is an embarrassment to them, and they will probably give more attention to enforcing the embargo. But loopholes were not included, and will continue to be found. So long as money is available, sellers will be found, he says.

A more significant feature of the State Department report, says Prof Barrett, is that it highlights the increasing isolation of the SA government. And anti-apartheid organizations and others will be able to use it to increase pressure in other spheres of trade.
HARARE — Zimbabwe's tobacco industry will find alternative export routes in the event of sanctions against South Africa, a tobacco marketing official said in Harare.

The domestic news agency, Ziana, quoted the Zimbabwe Tobacco Association's president, Mr Jeremy Webb-Martin, as saying in a television interview that sanctions would disrupt the industry's "traditional routes", but faced with the challenge, alternatives would be found.

At present, South African ports handle 90 percent of Zimbabwe's tobacco exports.

Tobacco looks for new outlet

Beira, which handles about three percent, is a viable alternative, but it would be some time before it could be used to its fullest capacity, said Mr Webb-Martin.

The possibility of delays would have a negative effect on the industry, which earns an average of $3 percent of Zimbabwe's foreign exchange.

He added that there were other alternatives to Beira. "If it comes to the crunch, we will do our very best, and I don't think we will let anyone down."

He said that this year, as a result of the drought, the industry expected to sell less tobacco than last year and its target was about 135 million kg.

He said the industry had embarked on a training and information dissemination exercise to benefit the peasant farmers and create a broader production base. — Sapa.
African states seek approval before cutting SA air links

HARARE — Zambia and Zimbabwe put off plans to cut air links with South Africa last December after realising such a move would be fruitless without backing from other African states and the international community.

Zambian President Mr Kenneth Kaunda told Zimbabwe's Herald newspaper: "On analysing what was involved, it became clear that unless all of us acted in unison efforts by Zimbabwe and Zambia alone would have been wasted, leaving serious loopholes and rendering the whole exercise meaningless."

Zambia and Zimbabwe, both members of southern Africa's Frontline states spearheading black Africa's opposition to South Africa, have said they will impose sanctions on Pretoria to force the white-led country to end apartheid.

Mr Kaunda said a common strategy on the proposed embargo was being discussed between leaders of the Frontline states. — Sapa-Reuter.
Harsh measure will cause ‘mass chaos’

Philadelphia to discuss sanctions

By Neil Lurssen, The Star Bureau

WASHINGTON — The city of Philadelphia is due to vote this week on the harshest economic sanctions imposed on South Africa by an American local authority, amid warnings that approval of the measure will cause “mass chaos and confusion”.

The measure, endorsed by the city’s rules committee, goes much further than any anti-apartheid measure passed by other cities and states in the United States.

It would ban all city contracts — worth billions of dollars — with companies that have investments, franchises, licenses, management teams or operations of any kind in South Africa or Namibia.

It is designed to eliminate totally all links with apartheid and specifically to target companies such as Coca Cola and IBM that have divested their South Africa holdings but still market their products through franchises, licenses or other special deals.

Local analysts expect the measure to be approved when it goes to the full city council, probably on Thursday. They note that with municipal elections coming in the largely black city in May, few councillors would dare to vote against it.

Any attempt to dilute it would be strongly resisted, they say.

Significantly, however, an alarm is being raised by Philadelphia’s black Mayor, Mr Wilson Goode, who said that while he favoured the concept he could not accept its practicality.

He feared mass chaos and confusion in the conduct of the city’s day-to-day business if Bill 251 became law.

Fierce opposition has also come from the Greater Philadelphia Chamber of Commerce, which argued that the measure would do nothing to remove apartheid in South Africa, but might cause serious harm to the economy of Philadelphia and its suburbs.

The Chamber’s spokesman, Mr Nicholas DeBenedictus, said that apartheid was deplorable, but that foreign policy was the responsibility of the United States federal government and not of individual American cities and States, which often established contradictory policies.

When Bill 251 went before the rules committee, the Chamber protested that it would cripple Philadelphia’s ability to function, leaving the city with a short list of companies with which to do business, significantly increase the costs of services, and leave the city open to lawsuits from banned companies, among them the biggest and most powerful corporations.

“Passage of the Bill would forbid the city from dealing for important medical and pharmaceutical products from Abbott, Johnson and Johnson, Squibb, and Lederle Labs, the country’s sole source of a TB vaccine and polio vaccines,” Mr DeBenedictus said.

He warned that the measure would stunt Philadelphia’s regional growth at a time it was striving to become an international city and would send an unfortunate signal to investors considering the region for relocation or trade.

The measure’s supporters were not worried.

Ms Catherine Blunt, co-chairwoman of the local anti-apartheid coalition, said: “It may be a tough fight, but we intend to fight for it.

“We felt it was important to have a strong Bill because we want Philadelphia to be an apartheid-free city.”

The measure was introduced by Councillor David Cobbs, who said that throughout the world there was growing awareness that government-sanctioned racism was unacceptable and wrong.

“We are proud of our city’s record in setting the standard on anti-apartheid legislation,” said Ms Blunt.
Sweden boosts aid to Frontline states to counter ‘reprisals’

STOCKHOLM — Sweden has increased aid to South Africa’s neighbouring states in an attempt to offset any backlash over international economic sanctions.

Swedish Foreign Trade Minister Anita Gradin presented a Bill on March 12 banning trade with South Africa and hoped this would induce other countries to take similar steps.

However Sweden has already increased aid to Angola, Botswana, Lesotho, Mozambique, Tanzania, Zambia and Zimbabwe by 33 percent in case of South African reprisals.

South Africa has warned that sanctions would most hurt its own black population and neighbouring countries which rely on South Africa’s economic health.

Sweden is to give the equivalent of R700 million to the seven states, an increase of about R500 million on 1986.

The figure is nearly half of Sweden’s total foreign aid. The rest goes to about a dozen countries including the Marxist governments of Ethiopia, Vietnam and Nicaragua.

Sweden is one of the few countries that meets a United Nations standard of contributing about one percent of its gross national product to foreign aid.

“We are prepared to go further to meet acute needs,” said Mr. Christer Isaksson of Sweden’s Ministry for Foreign Aid.

“We have just decided to give several more millions (of kroner) of humanitarian aid to Mozambique, which is plagued by civil war.”

Despite public pressure to pass the Bill, the Swedish government hesitated for several months before declaring the unilateral trade ban against South Africa.

Opponents of the measure argued that it would harm Swedish businesses and their black employees in South Africa and could cost as many as 8,000 Swedish jobs.

The Bill passed anyway, enhancing Sweden’s role as a leader among Scandinavian nations opposing apartheid.

Investments

Denmark was the first to impose a trade ban (last June) and Norway is considering a Bill that would stop oil supplies on Norwegian ships.

But Sweden, back in 1979, imposed sanctions against South Africa by prohibiting new investments, one of the first industrialized nations to do so.

South Africa has taken no action recently against the Frontline states but Sweden fears it might sever its black neighbours’ trade and transport routes through South Africa in retaliation against international sanctions.

The idea of helping South Africa’s neighbours gain economic independence has been motivating Swedish aid to southern Africa for 20 years, Mr. Isaksson said.

“...the aim, then as now, was to help them grow less dependent on South Africa.”

Sweden also supports African resistance movements outlawed in South Africa and Namibia. It has given the equivalent of more than R30 million in “humanitarian aid” to the African National Congress and SWAPO.

Swedish involvement in southern Africa dates back to 1965 and the independence of Zambia and Tanzania.

Sweden also supported guerrilla movements in the 1970s in Angola and Mozambique which were struggling for independence from Portugal.

Dependence

One recipient of Swedish aid is the Southern African Development Co-operation Committee, a regional body set up in 1980 that includes the seven Frontline states plus Malawi and Swaziland.

Its goal is regional co-operation to reduce dependence on South Africa.

Sweden contributed almost R155 million between 1980 and 1983 to the SADCC, mostly for transport and telecommunications.

It has allocated another R178 million for 1986-1988 and the amount could be increased.

Major Swedish aid projects — some financed in conjunction with other Nordic nations and within the SADCC framework — include a microwave telecommunications network between Botswana, Zambia, Zimbabwe and nearby states to circumvent South Africa.

Among other projects was the rebuilding of the Tazara railroad between Zambia and Tanzania to give the landlocked states access to ports outside South Africa. — Sapa-Associated


No support, so plans
to cut links shelved

HARARE — Zambia and Zimbabwe put off plans to cut air links with South Africa last December after realising such a move would have been fruitless without backing from other African states and the international community. Zambian leader Kenneth Kaunda has said.

"On analysing what was involved, it became clear that unless all of us acted in unison, efforts by Zimbabwe and Zambia alone would have been wasted, leaving serious loopholes and rendering the whole exercise meaningless," he told Zimbabwe's Herald newspaper in an interview at the weekend.

Zambia and Zimbabwe, both members of South Africa's frontline states spearheading black Africa's opposition to South Africa, have said they will impose sanctions on Pretoria to force it to end apartheid.

A December deadline they had set for themselves passed without any announcement. President Kaunda said that to forge a common strategy on the proposed embargo, he was currently holding talks with leaders of Kenya and Angola, while Zimbabwean Premier Robert Mugabe was speaking to Mozambican President Joaquim Chissano, the Herald reported.

"After that there will be a summit," he said without elaborating.

Sapa-Herald
Business pullout due to info clamp

JOHANNESBURG — Some overseas business enterprises had "pulled up their stakes and trekked" partly because they did not know what was really happening in South Africa, the Association of Chambers of Commerce said yesterday.

Asscom, said in an item in its quarterly review these companies had been "assaulted by conflicting reports which undermined confidence at a time when the economy was suffering a prolonged recession".

The article, "Censorship — The Economic Effects", said Asscom regretted the recent breakdown in talks between President P W Botha and Newspaper Press Union representatives on press restrictions, adding the chamber believed "open-line communications are a basic ingredient of business confidence.

"A free flow of information is essential to the conduct of business. Not only is market intelligence necessary when making and shaping investment decisions, but so is information covering a wide spectrum of events."

Over the years Asscom had propounded the view that the private enterprise philosophy "goes much deeper than the freedom to trade in free markets.

"It also implies the freedom of speech, the freedom of association and free access to information."

There had unfortunately been an increasing tendency for access to information to become less free.

Recognising that national security "must always be of overriding importance in every state", Asscom nevertheless felt a clear conception "of what constitutes a threat to national security is necessary."
Sanctions meeting rejected

From
SIMON BARBER

WASHINGTON — President Reagan has formally rejected Congress' call to convene a conference of industrialized democracies to work out a common sanctions policy against South Africa.

He has also bluntly informed legislators that the US will veto any new sanctions resolution by the UN Security Council, and intends to ignore Congress' advice that the council be asked to adopt the US sanctions now in effect.

To do otherwise "would give any of the permanent members of the council unacceptable influence over US policy towards South Africa in the event that circumstances were to change".

The comprehensive anti-apartheid act passed last October urged the administration to convene a sanctions conference by the end of March "to reach co-operative agreements to impose sanctions against South Africa".

It also required the president to report to Congress on the progress of "US efforts to negotiate multilateral measures to bring about the complete dismantling of apartheid".

If the negotiations resulted in formal agreements with a "measurably greater net economic impact" than the sanctions already imposed by Congress, the president could ask for the repeal of certain of the measures in the act.

The report, delivered to Capitol Hill late last week, makes clear that there has been no progress towards a common allied sanctions policy, because the administration has "concluded that there would be no practical benefit at this time" in heeding the act's advice.

The report said that "we have maintained active exchanges with our allies on the issue."

Commodity Index 1539.8
Platinum ... $586.50
Palladium ... $129.89
Raw Sugar ... £105.50
Sanctions ‘still an issue in US voting’

JOHANNESBURG. — Sanctions and continued pressure on US corporations to disinvest from SA were likely to remain a major political issue in the US in next year’s presidential election, according to Pretoria’s former ambassador to the UN.

Addressing a group of local businessmen, Kurt von Schirnding, who last year resigned as Pretoria’s permanent representative at the UN, said SA’s poor international image remained a source of concern to the government and to many privately-funded organizations striving to promote the country abroad.

Von Schirnding, currently director general of the South Africa Foundation, a private group funded by local business, said the task of promoting SA’s interests internationally would be made easier if Pretoria accelerated its reforms of apartheid.

But he cautioned against “plunging headlong in the never-never world” of political change.

“We (SA) do shoot ourselves in the foot frequently,” Von Shirnding said. “But we must make it clear after this election that we have embarked on a programme of reform.”

“We’ve already had quite a lot of time, but I don’t believe there’s a great deal of time left to put our house in order.”

“Sanctions and disinvestment are likely to feature again in the 1988 US presidential elections and in Britain as well.” — Reuter
SA plays it cool over latest air-links-ban move

ROB WEDNESDAY, APRIL 6, 1987

The Zambian President said that the
exercise means "meaningful" relief to the
people of the whole region, and will
broaden and secure the world
interdependence. "I trust you will
understand that Africa's interests are
more important than others." He was
after that, there would be a
"good" issue.

President Josipovic Cisseng on the
problem-solving is proceeding;
agreements and understanding;
building ties with the leaders of the
new African states. He was

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Philadelphia is about to vote on a bill that goes much further than any anti-apartheid measure passed in the US, amid warnings that approval of the measure will cause “mass chaos and confusion,” reports NEIL LURSSEN from Washington.

Harsh law causes alarm

A MID warnings that approval of the measure will cause “mass chaos and confusion”, the city of Philadelphia is due to vote this week on the harshest economic sanctions ever imposed on South Africa by an American local authority.

The Bill, already endorsed by the city’s rules committee, goes much further than any anti-apartheid measure passed by other cities and states in the US.

It would ban all city contracts — worth billions of rands — with companies that have investments, franchises, leases, management teams or operations of any kind in South Africa or Namibia.

Wilson Goode, who said that while he favoured the concept of the law he could not accept its practicality. He feared mass chaos and confusion in the conduct of the city’s to-day business if the measure — Bill 251 — became law.

Pierce opposition has also come from the Greater Philadelphia Chamber of Commerce which argued that the bill would do nothing to remove apartheid in South Africa but might cause serious harm to the economy of Philadelphia and its suburbs.

The chamber’s spokesman, Mr. Nicholas DeBenedictus, said apartheid was deplorable but that foreign policy was the responsibility of the US Federal Government and not of individual American cities and states which often established contradictory policies.

When Bill 251 went before the rules committee, the chamber protested that it would cripple Philadelphia’s ability to function, leaving the city with a shortlist of companies with which to do business, significantly increase the costs of services, and leave the city open to lawsuits from banned companies — among them the biggest and most powerful corporations in the US.

“Passage of the bill would forbid the city from dealing for important medical and pharmaceutical products from Abbott, Johnson and Johnson, Squibb and Lederle Labs, the country’s sole source of a TB vaccine and polio vaccines,” Mr. DeBenedictus said.

He warned that the bill would stunt Philadelphia’s regional growth at a time it was striving to become an international city, and would send an unfortunate signal to investors who were considering the region for relocation or trade.

But the bill’s supporters are unimpressed. Ms. Catherine Blunt, co-chairwoman of the local anti-apartheid coalition, said: “It may be a tough fight — but we intend to fight for it.”

She added “We felt that it was important to have a strong bill because we want Philadelphia to be an apartheid-free city.”

In some important cases, the sanctions were softened when it was found that the city or state was harmed by its own law.

The city of Los Angeles enacted a law in 1985 that was almost as drastic as the bill that may become Philadelphia’s law this week. But last year, LA legislators eased it with numerous exemptions — one of them a provision that the law could be suspended if a city contract resulted... “in a significant loss of quality or a significant additional cost to the city.”

San Francisco also has an escape clause from its anti-South Africa fervour — an exemption that allows the city to enter a contract with a South Africa-connected US company if the product cannot be bought anywhere else.

Chicago introduced hard-headed business in its anti-apartheid legislation. US companies that deal with South Africans can bid for Chicago contracts as long as their bids come in eight percent lower than “unoffending” competitors.

Last month, the Virginia capital of Richmond swallowed its pride and abandoned its own law to borrow money R40-million from the Bank of Virginia — with ties with South Africa — because it could not get the money anywhere else and faced a financial crisis.

Some cities that have been outspoken about South Africa — such as Atlanta, Georgia — have not adopted divestment laws at all.

Alarmed local businessmen have warned the Philadelphia city council that if it goes ahead with the most stringent anti-SA divestment law in the US, the city will discourage itself from access to some of the best products in the country.
Measuring the cost of sanctions
Modern labour 'serfdom' operating in the Free State

BUSINESS, we are told, is opposed to apartheid. It is incompatible with the system. It is a force for change. It works for the betterment of blacks. That is why disinvestment is so counter-productive. Well, maybe. But I have just visited a place called Botschabelo in the central Orange Free State where I have seen businessmen profiteering from apartheid in an apparent state of highly compatible symbiosis.

Botschabelo is a resettlement camp created by apartheid in the middle of nowhere. It has a population of a million people — making it the second largest black township in South Africa after Soweto. They have no work and cannot leave. They are a captive pool of unemployed labour, and businessmen are taking full advantage of the opportunity to exploit them.

Forty-three factories have been set up at Botschabelo, paying wages as low as R15 a week. That is about one-sixth of the minimum wage laid down in industrial agreements, but there are no trade unions in Botschabelo. There are no industrial agreements there. Which, the industrialists will tell you, is one of its main attractions.

Fired and replaced

It means they can pay what they like — and if any workers get uppity enough to demand more money or better conditions they can be fired and replaced from the half-million other desperate people waiting for work in the Free State.

If you think of a wage of R15 is mean, hear this. The industrialists in fact pay only 6% of that — a stunning 75c for a 45-hour working week.

The government subsidizes 93% of the wage bill of any industrialist who goes to Botschabelo up to a maximum of R100 a month per worker employed.

That means if an industrialist pays a worker R100 a month, he only has to pay R15 of it himself — or R1.25 a week.

You may think that a pitance, but many Botschabelo industrialists seem to consider it too much. During a two-day investigation there last week I found most paid a minimum wage of around R15. Why, when their own share is so minuscule? To ask the question is to get some fascinating answers.

"I think the guys are leaving themselves a bit of leeway to build up to the R100 within, say, two years," said Mr Clive Mendelsohn, a 30-year-old go-getter who runs a steelworks and is chairman of the Botschabelo Industrialists Association.

Leeway! On a rand a week per worker!

Others talk of the danger of "spoiling" the simple black folk of Botschabelo who are newly arrived from the farms of the Free State and would be corrupted if paid too much too soon. So their concerned benefactors pay them less for their own good.

But if you inquire persistently enough you'll discover another reason. By paying the bulk of workers less than the subsidised rate, the higher-paid supervisors can be included in the subsidy claim as well.

That way the smart businessman can finish up with, as one put it, "virtually free labour".

In addition he gets a 70% subsidy on the rent of his factory premises and easy-term loans from the South African Development Trust Corporations, which administers areas like this together with the Board for the Decentralization of Industries.

I wonder how many white South Africans have ever heard of Botschabelo? It is the biggest city in the Free State, nearly four times the size of Bloemfontein.

It didn't exist eight years ago. Then Bophuthatswana, given independence and, with the obsession for ethnic that geographic tidiness, it was decided that a small community of Tswana living around Thaba 'Nchu in the OFS should be made part of the new "state", though they were 250 km away from the rest of it.

That in turn necessitated moving 75 000 Sothos from the Thaba Nchu area.

The government bought a farm, called Onverwacht, 10 km away across the border of the new "state" and settled them there. Botschabelo was born.

This coincided with a period of rapid agricultural mechanisation which made many black farmers redundant. The government put pressure on farmers to get rid of their "surplus" labour, which was supposed to go to the homelands and so make "white" South Africa a little bit whiter.

Many went to Botschabelo instead, creating a pullulating Crossroads on the veld 55 km east of Bloemfontein. The massitudes living there cannot anywhere else. They are rural folk but there is no work for them on the white farms and because of the 1913 Land Act they cannot acquire land of their own.

They cannot go to a city unless they have a job and approved accommodation there, which is positively a handful. The only other place they can go is to the tiny South Sotho homeland of Qwaqwa 200 km from the east on the mountainous northern border of Lesotho, where employment prospects are even more remote.

So they stay where they are, a landless peasantry, if you will, on a state-subsidized site for the exploitation of dirt-cheap labour.

There are many Botschabelos in the making under the new policy of "orderly urbanization" — which means pegging the growth of existing urban townships and having "controlled squatting" take place on presided sites in an aesthetic distance from the white cities.

Massive subsidies

Industrial parks are established near these sites and the massive subsidies are applied under the policy of "economic decentralization" to lure industries there.

But many such areas have been proclaimed.

Some are going to be incorporated in existing homelands. The word is that Botschabelo is to be made part of Qwaqwa on May 15.

Others, if I hear President PW Botha correctly, are going to be proclaimed "city-states". All this will have one further simultaneous effect. The homelands are exempted from the laws governing industrial relations, and trade unions are illegal in most of them.

So when Botschabelo becomes part of Qwaqwa the safety net of workers there will be regularized.

And when the "city-states" are proclaimed the illegal unions of workers will be greatly extended.

The safety representatives must inspect their workplace at least once
Sanctions bid: vetoes expected

NEW YORK — The second attempt this year to enforce economic sanctions against South Africa appears doomed because of likely vetoes by the United States and Britain.

They blocked a sanctions resolution on February 20.

In the latest move in the 15-nation Security Council, African states called for mandatory comprehensive sanctions to pressure SA to relinquish control of SWA/Namibia.

Debate opened on Monday and soon took on characteristics of a General Assembly session, with dozens of states that are not council members joining the attack on South African policy and perceived support for it by some Western nations.

West Germany, council member and former colonial power in SWA/Namibia, came in for special criticism. — Sapa-Reuter
Britain and US likely to veto sanctions

UNITED NATIONS — The second attempt this year to enforce economic sanctions against South Africa appeared doomed today because of likely vetoes by the United States and Britain.

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In the latest move in the 15-nation Security Council, African states called for mandatory comprehensive sanctions to pressure Pretoria to relinquish control of Namibia. Debate opened on Monday and dozens of states that are not council members joining the attack on South African policy.

West Germany, council member and former colonial power in Namibia, came in for special criticism following reports that firms in that country supplied arms to South Africa in contravention of a 10-year-old UN ban and may be preparing to provide it with submarine blueprints.

Although calling for early Namibian nationhood, West German delegate Mr. Hans Werner Lautenschlager announced his government's rejection of sanctions.

France and Japan abstained in the February vote and may do so again, diplomats said Italy supported selective measures, but has not stated its latest position.

Mr. James Gbeho of Ghana, who introduced the resolution, said a negative vote would be unfriendly to Africa and against "the progressive forces in the international community".

Mentioning a statement by South African delegate Mr. Albert Manley, Mr. Gbeho said there was an implied threat to give Namibia unilateral independence under an Internal government and that the council has declared this to be illegal.

'Expensive and tragic'

Presumably, Pretoria would use force to defend "such illegality", Mr. Gbeho said.

"In the face of such threat should the council wait for the deed to be done before it considers action?" he said. "That would be an expensive and tragic way to proceed."

Still, Mr. Gbeho said the debate was reassuring because no one backed South Africa in its "benighted policies in Namibia", or its continued attachment to apartheid.

1978 Pretoria accepted a plan adopted by the 15-nation council for Namibian independence, but four years later raised a condition that there must first be agreement to remove Cuban troops in neighbouring Angola.

In a written report last week, the Secretary General, Mr. Javier Perez de Cuellar, said this was the only remaining hurdle.

Jamaica, which is not a member of the 15-nation council, said today the imposition of comprehensive mandatory sanctions was the Security Council's only peaceful option in light of South Africa's failure to grant independence to Namibia — Sapa-Reuters.
He said he did not support Coetzee and the views she expressed. "Coetzee and I are not in agreement," he said. "I believe the South African people should have the right to decide their own future."

"I am not in favor of the South African Council of Churches," he added. "I believe it is unwise to support any organization that is not in line with the principles of the United Nations and the African National Congress."

"Coetzee's views are not in line with the principles of the ANC," he continued. "I believe the ANC is the only organization that is truly representative of the South African people.

"I believe the United Nations should be the ultimate arbiter in any conflict that may arise," he said. "I believe the ANC and its allies should be the ones to decide the future of South Africa, not Coetzee."
SA study proposes development aid to replace sanctions

MIKE ROBERTSON in London

A NEW study by the University of Birmingham Graduate School of International Studies argues the poverty of current strategy towards SA. Sanctions, it says, reinforce extremism and will lead to chaos defeating the stated aim of bringing about majority rule. The authors argue instead for massive targeted aid, linked to a commitment from government to work towards majority rule by a specified date.

"This would apply even if the RSA did not deliberately wage economic warfare against them, if she simply took limited measures to buttress herself.

"Nor should we discount the Republic's ability to combat the outside world economically, through the leverage it exercises on metal markets."

The authors argue that punitive external pressures will result in white South Africans swinging to the right. This greater determination to resist punitive measures was not just a function of immediate self-interest but a righteous anger at being the subject of vulgar double standards.

A sanctions-provoked scenario they envisage includes the condoning of white vigilantism and a negative revaluation of pass law abolition and easing of influx control.

No one, the authors say, should assume that white South Africa's night shadows would become too unstable to continue -- especially as the possibility of subverting the armed forces was not feasible.

Ner could any civilised beings profess themselves relaxed about a slide into a revolutionary mess.

"Ten to 30 years of struggle would launch virtually all concerned into an era of utter misery, an era in which true majority rule receded beyond the distant horizon."

The most urgent need in SA, the authors argue, is to check the gyration to extremism.

"An approach that sought to undermine itself is the introduction into the West's strategy of the principle of perception."

Large-scale aid, targeted on black education, housing and employment opportunities, should be offered to the country along with a concurrent suspension of economic sanctions and the provision of military guarantees against overt external attack.

"The quick pro quo would have to be a firm and overt commitment to progress steadily towards genuine majority rule by a specific date.

"Only the continued by African National Congress factions or whoever of a general campaign of insurgency would be taken as a valid reason for delaying this consummation."

The authors suggest a monitoring agency, a multi-national equivalent of the Economic Co-operation Administration (established to implement the Marshall Plan after the Second World War) be set up. Similar aid could be offered to neighbouring states in exchange for their political systems becoming more broadly representative.

While Pretoria might find a timetable hard to swallow, making this conditional on the cessation of insurgency would be to follow the precedent of the Malaysian insurgency in the 1950s.

"However, White South Africa may not respond positively to the prospect of even this form of intervention until it comes to feel less the subject of double standards in many aspects of report and comment."

While Pretoria argued a more fair comparison of its record was that between SA and the rest of Africa, the authors argue a more suitable comparison is that between SA and Israel.

The necklace murderers and the AWB, noted one analyst, as in the Middle East, Ariel Sharon and Abu Nidal need one another."

The author concludes that trying to transform the scene into one in which the doves reinforce is fraught with difficulties -- not least that reform measures were perceived by blacks as "crumbs from the master's table".

However, they argue, international monitoring with the goal of majority rule by a target date may afford a framework within which genuine dialogue might more readily develop.

Their proposal, the authors say, would provide an acid test for those in the anti-apartheid movement.

They urge that a distinction be drawn between those who give it their backing because they want to see a non-racial democracy prevail in SA and those who are indifferent to this aim -- because they are imbued by the ideology of Marxist revolution.

Quoting Merle Lipitz they stress it is important to be seen to be fair to white SA -- not abandoning principles, but abandoning the practice of double standards, the continual shifting of ground and raising the ante.

The practices that convince whites their critics want to punish, not reform them."

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"Sanctions or Targeted Aid" is published by Macmillan Foreign Policy Papers, University of Birmingham Graduate School of International Studies NEVILLE BROWN was a personal aide to Mr. Santilie on the Department of Internal Security Affairs at the University of Birmingham. He has since been appointed assistant head of the Department of Research and Studies. The author of the report is a former member of the Council for Apartheid Articulation. His wife, YU HAHN, is an accomplished Far Eastern Scholar."
Sanctions veto by UK, US condemned

NEW YORK.—The United States and Britain have vetoed a bid in the Security Council to impose sanctions on South Africa and their action was at once condemned as support for mining companies.

In the vote last night, nine of the council's 15 members favoured the draft, aimed at forcing South Africa to implement an eight-year-old UN independence plan for SWA/Namibia.

The United States and Britain were joined by West Germany in casting negative votes. France, Italy and Japan abstained.

It was the second time in less than two months that the United States and Britain blocked a sanctions resolution. On February 20 they vetoed a call for a selective embargo aimed at changing South Africa's apartheid policy.

"GREEDY"S

A leader in this latest sanctions move, James Gbeho of Ghana, condemned the vetoes. He said they placed the interests of such companies as De Beers, Anglo American Corporation, Rio Tinto Zinc "and other greedy and callous transnationals, over the sacred rights of Namibians".

"The negative votes today have served the only purpose of making Pretoria proud of its friends," he said.

Mr John Birch, for Britain, rejected the charge.

"We share with all delegations the same concern, the same objective toward Namibia, which is that Resolution 435 should be implemented."

"Where we differ is over the means of achieving it and this is a perfectly legitimate difference of opinion." — Sapa-Reuter
Bid to make bank quit SA fails

ZURICH - A group of shareholders has failed in a bid to make Switzerland's largest bank pull out of South Africa and donate one percent of its profits to help other indebted nations in Africa. The group made the bid at a meeting of the Union Bank of Switzerland. -- Sapa-Reuters.

Belfast under siege
Sweden might alter ban on trade with SA

WASHINGTON — Sweden might amend its SA trade ban if it resulted in a firesale of assets to Afrikanerdom, a senior Swedish official said in Washington yesterday.

But Bengt Save-Soderberg, Deputy Minister for International Development, criticised the US for blocking sanctions resolutions by the UN Security Council.

"We were fighting hard for the Security Council to adopt sanctions, but unfortunately that did not happen. We would prefer to go along with the UN because we are a small, neutral country that doesn't want to be pushed around by big powers. Still, something had to be done."

He dodged questions about his government's reported decision to grant exceptions to the trade ban if it harmed the Swedish economy. "SA is not of great importance to the Swedish economy — in fact, it's very marginal," he said.

"A few companies in the steel and mining industries might be affected, but we will provide compensation."

He conceded that "history shows sanctions will never work completely because people will find a way to deviate."

Save-Soderberg made clear his country would continue providing non-military support to the ANC and Swapo, arguing "if we stand for national independence ourselves, why should others not have it?" The presence of communists in these groups was "not unnatural", he said. "You always find them in national-liberation movements."

He was, however, concerned that sanctions were enabling South Africans to buy departing companies cheaply, thus benefiting, rather than hurting, the SA economy.

A commission established to study the trade ban — due to go into effect on July 1 — was looking into this, and might recommend changes, he added.

Save-Soderburg rejected suggestions that Mozambique and other Southern African Development Co-ordination Conference members might be responsible for their economic woes, and attributed these largely to SA "destabilisation."
Sanctions against SA vetoed

UNITED NATIONS — The United States and Britain yesterday vetoed a Security Council resolution to impose mandatory sanctions against South Africa.

Nine of the council’s 15 members voted for the draft, aimed at forcing South Africa to implement an eight-year-old UN independence plan for South West Africa/Namibia.

The US and Britain were joined by West Germany, France, Italy and Japan abstained.

The resolution called for comprehensive mandatory sanctions because the South African Government insists on making SWA/Namibian independence conditional on the withdrawal of more than 30,000 Cuban troops from Angola.

The five sponsors of the draft were Argentina, Congo, Ghana, the United Arab Emirates and Zambia.

They were backed by China, the Soviet Union and Venezuela.

Britain’s deputy UN representative, Mr John Birch, said mandatory sanctions would be counter-productive and give South Africa “the excuse to remain intransigent”. — Sapa-RNS
UN sanctions move on SA vetoed again

NEW YORK — The United States and Britain, for the second time in seven weeks, yesterday vetoed a Security Council resolution to impose mandatory sanctions against South Africa.

Nine of the Council's 15 members voted for the draft, aimed at forcing South Africa to implement an eight-year-old UN independence plan for Namibia.

The United States and Britain were joined by West Germany in casting negative votes. France, Italy and Japan abstained.

The resolution called for comprehensive mandatory sanctions because Pretoria insists on maintaining Namibian independence condition.

al on withdrawal of more than 30,000 Cuban troops from Angola.

The five sponsors of the draft were Argentina, Congo, Ghana, the United Arab Emirates and Zambia. Also voting for it were Bulgaria, China, the Soviet Union and Venezuela.

On Feb. 20, the United States and Britain vetoed a milder resolution to impose a range of selective mandatory sanctions against South Africa because of its racial policies.

That draft, which won the backing of 10 council members, was also opposed by West Germany. France and Japan abstained. It

Yesterday's vote climaxed four days of debate highlighted by demands by African and other non-aligned states for immediate-statehood for Namibia.

South Africa has ruled the former German colony since World War II, refusing to relinquish its hold even after the General Assembly voted in 1966 to abrogate its League of Nations mandate.

The independence plan, drafted by a group of five Western nations, involves a UN-supervised cease-fire and elections.

More than 50 countries participated in the debate, the first on Namibia in nearly 18 months.

The overwhelming majority rejected any so-called "linkage" with the Cuban troop issue and urged support for the resolution.

US representative Mr. Vernon Walters said yesterday South Africa had no right to be in Namibia.

Until agreement was reached on a phased withdrawal of Cuban troops from Angola, "it was wishful thinking to expect South Africa to commence implementation" of the independence plan first endorsed by the council in resolution 455 of 1978.

Repeating US opposition to mandatory sanctions under the UN charter's enforcement provisions, Mr. Walters said each nation should remain free to enact or alter the policies it deemed most appropriate, including sanctions.

Britain's deputy UN representative, Mr. John Birch, said mandatory sanctions would be counter-productive and give South Africa "the excuse to remain intransigent." -- Sapa-Reuters
Don’t cut ties, author urges West

JERUSALEM — South African writer J.M. Coetzee, in Israel to receive a literary prize, said at a news conference on Wednesday that countries should not sever ties with South Africa.

International pressure exerted on his country to force a change in its apartheid laws should be limited, he said.

"Pressure should be exercised, but it would be unfortunate if it were exercised in such a way that the power of Western countries to exercise pressure were cut off by their own acts," he said.

"If a country were to terminate all relations, that would terminate (its) ability to influence events in South Africa. I do not think that would be wise," he said.

Coetzee, whose novel “The Life and Times of Michael K” describes a coloured man’s trek in South Africa, is in Israel to receive the annual Jerusalem Prize for the Freedom of the Individual in Society for his opposition to apartheid. He is the 13th recipient of the prize, which has previously been awarded to such writers as Milan Kundera, Graham Greene and Simone de Beauvoir.

He said he did not think of himself as a white writer. "I’m not sure that Michael K is black, just as I’m not sure that I am white. These are cultural identities that are imposed upon people that they may or may not freely accept," he said.

Coetzee told reporters he believed Israel’s recent decision not to sign new military contracts with South Africa was an important signal to Pretoria but declined further comment on relations between the two countries.

Coetzee, who teaches literature at the University of Cape Town, said that in recent years censorship against novelists in South Africa had eased while restrictions on the news media increased.

"A decision was made that writers really didn’t matter and that the writers union was getting too much mileage out of the restrictions," Coetzee said.

He said the concept of protest literature had fallen by the wayside but no one writing in South Africa could be apolitical.

"Every act of writing in so highly politicised a situation as South Africa has become a politicised act. The writer who deliberately turns his or her back on political events ... is thereby involved in a political decision. There is no escaping it," Coetzee said. — Sapa-Reuters.
Constructive way, if they must disinvest

THERE ARE ways of saying goodbye. And Exxon's way, under pressure from the disinvestment lobby, is better by far than the brusque cutting of ties that has been the feature of some companies leaving South Africa as part of the anti-apartheid campaign.

Exxon is one of the most recent companies bowing before anti-apartheid sanctions, but it stopped to think before picking up its bags to go. It is a huge company. Its business in South Africa makes up a fraction of one percent of its world-wide oil business, so the hassles the South African connection gave it became more than its business here was worth.

But it is departing with a gesture that will do South Africa — not any apartheid regime — a favour. The company is big enough not to indulge in petty gestures such as slapping the faces of those locals who gave it loyalty and relied on it for a daily wage. It has set up an offshore trust, which will plough back all the profits of the new company Zenex for educational and social upliftment programmes in South Africa. Once Exxon's stake in the trust has been bought out, this plough-back could run to amounts approaching R20 million a year. An injection of capital on this scale into tackling the major social problems of the country has the potential of becoming a most constructive instrument for positive change. Nor is it a one-off farewell gift. It is a scheme providing for continuous investment in causes most needing society's attention. If these funds are intelligently controlled, there is every reason to believe Zenex's name will grow in stature to be recognised as a major public benefactor.

What Zenex is doing can be an example to other companies, whether or not they are foreign-based, and whether or not they are disinvesting. The field for social programmes to make a better country of South Africa is vast indeed.
British study urges 'strategy of persuasion' towards SA

A NEW study by the University of Birmingham Graduate School of International Studies argues the poverty of current strategy towards South Africa. Sanctions, it says, reinforces extremism and will lead to chaos defeating the stated aim of bringing about majority rule. The authors argue instead for massive targetted aid linked to a commitment from government to work towards majority rule by a specified date. Mike Robertson reports from London.

Pretoria are liable to do more damage to certain other Frontline states.

"This would apply even if the RSA did not deliberately wage economic warfare against them, if she simply took limited measures to buttress herself.

"Nor should we discount the Republic's ability to combat the outside world economically, through the leverage it exercises on metal markets."

The authors argue that punitive external pressures will result in white South Africans swinging to the right.

This greater determination to resist punitive measures was not just a function of immediate self-interest but a righteous anger at being the subject of vulgar double standards.

A sanction-provoked scenario they envisage includes the condoning of white vigilantism and a negative revaluation of pass law abolition and easing of influx control.

No-one, the authors say, should assume that white South Africa goaded rightwards would become too unstable to continue — especially as the possibility of subverting the armed forces was not feasible.

Nor could any civilised beings profess themselves relaxed about a slide into a revolutionary mess.

"Ten to thirty years of struggle would launch virtually all concerned into an era of utter misery, an era in which true majority rule receded beyond the most distant horizon."

The most urgent need in SA, the authors argue, is to check the gradient to extremes.

"An approach that ought to commend itself is the introduction into the West's strategy of the principle of persuasion. "Large-scale aid, targeted on black education, housing and employment opportunities, should be offered to the Republic along with a concurrent suspension of economic sanctions and the provision of military guarantees against overt external attack."

"The quid pro quo would have to be a firm and overt commitment to progress steadily towards genuine majority rule by a specific date.

"Only the continuation by ANC factions or whoever of a general campaign of insurgency would be taken as a valid reason for delaying this consummation."

The authors argue that in South Africa the yearning for the politics of moderation was shared widely enough to give something to build on.

Their proposal, the authors say, will prove an acid test for those in the anti-apartheid movement.

They urge that a distinction be drawn between those who give it their backing because they want to see a non-racial democracy prevail in SA and those who are indifferent to this aim — because they are imbued by the ideology of Marxist revolution.
SIMON BARBER in Washington

US Banking Sentiment Turns Aggressively Sanctioned
Sanctions will bring SA violent change — PFP

The Progressive Federal Party was opposed to sanctions because they were counter-productive in abolishing apartheid, said the MP for Yeoville, Mr Harry Schwarz, in a statement yesterday.

Sanctions, said Mr Schwarz, would encourage violent change as opposed to the peaceful processes the PFP supported.

Listing “economic answers”, Mr Schwarz said to reduce the inflation rate the PFP would cut down on unnecessary Government spending, tighten up on consumer protection legislation to prevent exploitation and stop restrictions on competition.

To deal with unemployment the PFP would encourage the creation of job-incentive industries, assist the informal and small business sectors and launch a programme of work to improve the quality of life.

The redistribution of wealth would be a major issue in the future.

Poverty was a big problem and Mr Schwarz said it should be tackled by dealing with unemployment and providing education and training with equal opportunity for all.

Social help should also be given to people in need. “But it is better to let those work who can, rather than merely give handouts,” he said.

(Report by S Fleming, 7 Bauer Street, Johannesburg)
Firms pull out of Z‘babwe

Dispatch Correspondent
HARARE — A sudden wave of disinvestment from Zimbabwe by companies connected with foreign owned firms is being complicated by a Reserve Bank insistence that at least 50 per cent of the local equity is placed in the hands of black Zimbabweans, Zimbabwe co-operatives or the Zimbabwe government.

These conditions are being seen by certain company representatives as being a contravention of the Lancaster House constitution which led to Zimbabwe’s independence seven years ago.

The constitution guaranteed protection to Zimbabweans of all races against discrimination or prejudice to their interests in any matter on the grounds of colour, race, creed or sex.

The Reserve Bank position was revealed in an independent weekly, the Financial Gazette. Financial sources say the bank’s conditions over the remittability of proceeds from the sale of local foreign-owned companies are prejudicial to some citizens who might otherwise have competed to buy out the foreign shareholding — possibly at higher prices.

As there have been recent harsh cutbacks in foreign currency allocations, so there has been a quickening of foreign-owned or connected companies up for sale.

Several companies have already been taken over locally on terms believed to be well below the true value of their total assets.

The British based Kenning Overseas Investment Company sold its major shareholding to the local management and workers, and the 66 per cent majority shareholding in the Astra Corporation held by Dutch interests linked to the Barlow Rand organisation was recently sold to the government for only £5,5 million Zimbabwe dollars, although its assets are listed at far more than that.

However, government sources argued their concern over the “flight of capital” set off by white businessmen in Zimbabwe, and the government’s deep concern over its record budget deficit, a considerable part of which is made up of the remitted dividends of companies.

Those same sources say that emigrating white businessmen have sold off their shares locally to other whites, and have been able to pick up the cash overseas. The buyers then have in several cases themselves emigrated, selling in turn to other local whites. This has often led to an unending chain of sales, with each one of them having the right to remittances which has strained foreign reserves.

The latest disclosure about the acquisition conditions of shares of foreign based companies disinvestments in the Financial Gazette is likely to discourage any further investment, and could affect relations with the World Bank, according to sources here.
sanctions, Zambia
Frontline abandons sanctions against SA

By JEREMY GAVRON
of the London Daily Telegraph

HARARE. — Plans to impose broad economic sanctions against South Africa have been privately abandoned by Zimbabwe and Zambia, according to Western diplomats here.

The two countries were among those who led the Commonwealth call for sanctions.

They still vocally support punitive measures against Pretoria but have belatedly realized that to cut their own links with South Africa would be economic suicide.

Neither country is prepared to admit this in public. Originally the end of 1986 was set as a deadline for imposing sanctions. The call was renewed at a meeting of the Organization of African Unity in Addis Ababa in February.

The Prime Minister of Zimbabwe, Mr Robert Mugabe, says that he needs more time and more talks with other African countries.

President Kenneth Kaunda of Zambia is waiting till the other states in the frontline, such as Botswana, Mozambique and Malawi, also agree to impose sanctions against South Africa.

Zimbabwe's own dependence on South Africa was developed during the years of Rhodesia's isolation from the rest of the world under Mr Ian Smith's leadership.

All but a few percent of Zimbabwe's trade is either with South Africa or goes through the ports of Durban, Port Elizabeth and Cape Town and it is sometimes difficult to reconcile the flow of rhetoric in Zimbabwe directed against the babwe's civil war. Zambian soldiers, firing across the border, killed two Canadian tourists in one incident. Another time, one of the hotels was hit by a heat-seeking missile

Now South Africans make up a large proportion of the visitors to the Falls, and the_game parks. They bring in much-needed foreign currency.

In downtown Harare, many of the smart shops have the names of South African retail chains, such as Edgars and OK Bazaars. Cheap music cassettes in Harare are not European imports, but are recorded from compact discs and are packaged in South Africa.

Zimbabwean's go to off-course betting shops to wager on races in South Africa. They earn degrees from correspondence courses in South Africa.

Twenty trains a day rattle through Beit Bridge, the railway town at the border of Zimbabwe and South Africa. Half the trains on Zimbabwe's lines at any time are South African. "South Africa can supply whatever Zimbabwe needs, cheaply," said a diplomat. "It's a godsend."
Sanctions supporters to twist Israel’s arm

The Jewish state faces the threat of “punishment” by the US Congress if it fails to take stronger action against SA, says this report from Washington.

“The sale to South Africa of tools which may be used to subvert by force its own people or to attack its neighbours is unconscionable,” the draft letter said.

Mr Leland said that while Italy and France had joined other European Community nations in imposing sanctions against South Africa, Israel had not yet moved in that direction.

He said the possibility of Israeli sanctions and other efforts to reduce Israeli-South African ties would be a major topic of discussions he and his House colleagues hope to have with Israeli officials when they visit the Jewish state later this year at the invitation of Foreign Minister Shimon Peres. — Sapa-Press.
Maputo remembers death of Machel

The Star's Africa News Service

MAPUTO — Top-level government leaders yesterday took part in a wreath-laying ceremony marking the passage of six months since the death of President Samora Machel of Mozambique.

MONUMENT

The chairman of the country's national assembly, Mr Marcelino dos Santos, led the ceremony at Maputo's Heroes Monument where President Machel is buried.

President Machel and 33 other people were killed on October 19 last year when the plane in which they were returning from Zambia crashed inside South African territory.

A commission of inquiry, which included American and British experts, ended its probe earlier this year in Johannesburg.

The Mozambique news agency, AIM, said yesterday the plane had been diverted from its route "for reasons that have still not been clarified".
The price squeeze

Sanctions are just one of the factors likely to pull South African coal exports down by at least 3.5 Mt this year.

Worst hit will be the Transvaal Coal Owners’ Association (TCOA) which was the only exporter to the US and a major supplier of both Denmark and France — all of whom have now applied sanctions to South African coal exports.

"TCOA's annual export allocation of 11 Mt is likely to come down to about 8.5 Mt this year," says TCOA financial manager Gerald Robinson. "Export figures for 1986 held up well because sanctions really started to bite only in December and January. The last Danish contract expired only in November."

But the question of rail tariffs on the Richards Bay line, now the subject of talks between Sat's and coal exporters, could be the critical factor for the coal export industry.

Current average rail tariffs are R14/t, but Sat's would like to increase this to about R20/t. The industry has reservations over whether it could withstand such a blow.

Adding to industry woes, a world coal glut is cutting export prices to the bone. "The Chinese have the largest coal reserves in the world. "They — and the Colombians — are now in the market," says Robinson. "Meanwhile, smaller South African exporters, who are not TCOA members, are also cutting prices. Many don't even use Richards Bay, but export through Durban."

The stronger rand also militates against export profits. "In fact, the price squeeze is probably more critical than the sanctions squeeze," he claims.

Another problem facing the industry is the fall in Japanese steel production. Steel yards in the Far East are major users of South African coal.

It is difficult to assess which of the mining houses will be hardest hit this year. Robinson says this will depend on how prices and sanctions affect different types of coal.

"Some, for example, produce low-ash coal and others don't. This could affect who takes the knock."

The three biggest producers are Amcoa, Gencor and Rand Mines.
Jail for sanctions-busters

LONDON. — Two sanctions-busters who supplied their military reconnaissance equipment to South Africa in contravention of the United Nations embargo were jailed at Isleworth Crown Court yesterday.

Judge Suzanne Norwood told them: "You don't need to be engaged in this trade to know about the prohibition by most of the world against the supply of military goods to South Africa."

Howard Freckleton, 42, of Southgate, London, and David Sofer, 37, of Kew, London, both directors of Lyon and Brandfield, were each sentenced to six months' imprisonment with a further three months suspended and ordered to pay £1 500 (about R3 500) costs.

They admitted five charges of illegally exporting £563,000 (about R1,2m) worth of their long-range aerial photographic reconnaissance equipment to South Africa in 1983 and four of exporting under-water surveillance equipment to Korea and Yugoslavia the same year without export licences.

Passing sentence, Judge Norwood said: "If I were only dealing with goods to Korea and Yugoslavia I would not impose a prison sentence because I think it possible you could have got export licences. But on the South African exports I think a very different consideration applies."

Customs were alerted in September 1983 by a consignment of aircraft parts bound for South Africa.
UK sanction busters jailed for SA deal

Dispatch Correspondent
LONDON — Two sanctions busters who supplied their military reconnaissance equipment to South Africa in contravention of the United Nations embargo have been jailed by the Isleworth crown court.

Judge Suzanne Norwood told Howard Preckleton, 42, and David Sofer, 37: "You don't need to be engaged in this trade to know about the prohibition by most of the world against the supply of military goods to South Africa.

"You two knew perfectly well what you were doing. You were prepared to take part in illegal business transactions for money and everything I look at — almost every document shows me that this was a thoroughly dishonest transaction in which a great deal of money was slushing around."

"There are false invoices, no books kept and the moment the customs officers arrive on your doorstep the files are spirited away and hidden in the boot of a car."

"Both directors of a London firm, Lyon and Brandfield, were each sentenced to six months imprisonment with a further three months suspended and ordered to pay £1 500 costs."

They admitted to five charges of illegally exporting £683 000 worth of their long-range aerial photographic reconnaissance equipment to South Africa in 1983 and four of exporting underwater surveillance equipment worth £68 000 to Korea and Yugoslavia during the same year without export licences.

In passing sentence Judge Norwood said: "If I were only dealing with goods to Korea and Yugoslavia I would not impose a prison sentence because I think it possible you could have got export licences. But on the South African exports I think a very different consideration applies."

— Sapa
LONDON — Two London businessmen who supplied military reconnaissance equipment to South Africa in violation of the United Nations embargo have been jailed for six months.

Howard Freckleton and David Sohaer admitted five charges of illegally exporting £865,000 (R2.2 million) worth of long-range aerial photographic reconnaissance equipment to South Africa in 1983.

They also admitted four charges of illegally exporting underwater surveillance equipment worth £36,000 (R280,000) to North Korea and Yugoslavia.

They were sentenced on Thursday at Isleworth Crown Court in southwest London.

In October, 1984, Freckleton, Sohaer and another man were charged with conspiring with two Americans to ship military parts to Iran. They were named in a 20-count indictment in Chicago. — Sapa-AP
LANDING POSSIBLE

Jail for sanctions bust

UK judge chides two men who supplied R21 million military equipment to SA

FOREIGN NEWS SERVICE

LONDON — Two men who supplied military...
Sanctions' effects study at UCT

THE University of Cape Town's Department of Adult Education and Extra-Mural Studies is offering a course on the Economic Effects of Sanctions on South Africa.

The former head of the Department of Economics at the University of the Western Cape, and current deputy general manager of the Cape Region of the Small Business Development Corporation, Dr Wolfgang Thomas, will present the course focusing particularly on development strategy and policy in Southern Africa.

The course is aimed at people who would like to understand the causes, nature and possible consequences of economic sanctions.

People interested in the course starting on April 22 can telephone 650-2888.
Total sanctions will hurt people, not govt — Japan

TOKYO — Japan does not favour the idea of comprehensive economic sanctions against South Africa because it believes the people of South Africa, rather than the South African Government, would suffer from the measures.

This was stated by Japanese officials yesterday after the Japanese Premier, Mr Yasuhiro Nakasone, met African National Congress leader Mr Oliver Tambo in Tokyo.

But the officials quoted Mr Nakasone as telling Mr Tambo he would "make efforts", concerning the question of trade with South Africa, at the next summit meeting of the Group of Seven — Britain, West Germany, France, Italy, Japan, Canada and the United States — in Venice in June.

A Foreign Ministry official, who refused to be identified, quoted Mr Nakasone as saying "Japan has consistently opposed apartheid and hopes for a peaceful solution of this issue".

Mr Nakasone said: "We must consider international public opinion and nations concerned have to try to find a solution as soon as possible."

But, they said, Japan did not favour the idea of comprehensive economic sanctions because Tokyo believed the people in South Africa, rather than the white-ruled government, would suffer from the measures.

Mr Nakasone told Mr Tambo he opposed the ANC’s policy of using violence to fight apartheid.

Mr Tambo arrived on Sunday for a six-day visit at the invitation of the African Society of Japan, an organisation affiliated to the Japanese Foreign Ministry.

The officials said that in his talks with Mr Tambo, Foreign Minister Mr Tadashi Kuranari said Japan planned to extend $400,000 (about R500,000) in assistance to South African black people for educational and other purposes.

Mr Kuranari announced later that he would invite Dr Alan Boesak, a United Democratic Front leader, to Japan this summer.

Last September, Japan imposed limited sanctions on South Africa, banning iron and steel imports, refusing tourist visas for South Africans and urging an end to tourism to South Africa. It has also severed cultural and sporting links. Japan is considering allowing the ANC to open a mission on its soil.

— Sapa-Reuter-AP
Forex: key to sanctions war

The Star Bureau

LONDON — A newly published "sanctions handbook" by two journalists who lived and worked in Southern Africa, warns it is "nonsense" that "one more push" will bring the South African Government to its knees.

But the authors believe South Africa remains vulnerable to an orchestrated campaign of targeted sanctions, and that, if imposed correctly, it stands a good chance of helping to end apartheid.

One of South Africa's weaknesses is the lack of what the book calls a "big brother" — a significantly more powerful state that is prepared to accept its exports and provide key inputs.

FOREIGN EXCHANGE

But, "The Sanctions Handbook", by Joseph Hanlon and Roger Omond, a Penguin Special Edition, sees foreign exchange as one of the most crucial issues in a sanctions war.

Rhodesian experience confirmed this, the book continues. "South African experience and advance planning suggests this will be true there as well."

For this reason, Hanlon and Omond believe three objectives of sanctions should be: raising the price of imports; preventing the sale of exports; and hitting other financial flows.

The authors also call for tighter laws against sanction-busting, the establishment of sanctions monitoring units and more support for non-government organisations monitoring sanctions.
Konica film supplies to be cut off

PHOTOGRAPHIC industry sources yesterday reacted with surprise to a report that the Konishiroku company intended halting supplies to SA.

The company exports UBOX copiers and Konica film to this country. Spokesmen for companies distributing these products said they had heard nothing of the plan to cut off supplies.

A Reuters report from Tokyo said the company would stop exports "soon" in a show of support for the ANC, whose leader Oliver Tambo is visiting Japan. A company spokesman said Konishiroku held 6% of the SA market in 1986.

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Japan wary of all-out sanctions

TOKYO — ANC leader Oliver Tambo met Japanese Prime Minister Yasuhiro Nakasone yesterday and was told Japan does not favour comprehensive economic sanctions against SA because ordinary people, rather than the white-led government, would suffer.

Nakasone also told Tambo: "Japan has consistently opposed apartheid, and hopes for a peaceful solution of this issue." He added he was opposed to the ANC policy of using violence to fight apartheid.

Japan announced last October it would halt computer sales to SA and pressure companies to stop importing Krugerrand gold coins, but the government has said it is still studying broader sanctions.

Officials quoted Nakasone as telling Tambo he would "make efforts" concerning the question of trade with SA at the next summit meeting of the Group of Seven — Britain, West Germany, France, Italy, Canada, the US and Japan in Venice in June.

Nakasone said: "We must consider international opinion and nations concerned have to try to find a solution as soon as possible." But the officials said Japan did not favour comprehensive economic sanctions because of the effect on the majority of South Africans.

Tambo arrived in Japan on Sunday for a six-day visit at the invitation of the African Society of Japan.
Company's ships never call here

Sea-Land move unlikely to hurt SA in any way

LAST week's decision by US shipping giant Sea-Land Corporation to halt cargo shipments to SA has been greeted with scepticism in SA shipping circles.

Industry sources said the move had been announced to placate a small number of anti-SA activists and would have little or no effect on trade.

Publisher of Robertson's Freightting Schedules Bob Robertson said the corporation might have been providing a groupage type of service but none of its vessels visited SA.

"To my knowledge the announcement will have little or no effect. The company, as far as I am aware, has never had a direct link here.

"The corporation may be a first-leg carrier for south-bound traffic or a second-leg carrier for north-bound traffic but otherwise there are no possible untoward consequences."

A director of Rennies Ships Agency in Durban, Des Murray, said: "Bank Line in London confirmed that Sea-Land has no direct trade with SA.

"Sea-Land agencies, which are independent of Sea-Land Corporation, will continue to be good agents for Bank Line for the whole of Africa. There are no problems."

At the time of the announcement, a spokesman for Sea-Land in the US said: "In concert with our company's commitment to ... human freedom and dignity ... Sea-Land is proceeding with arrangements to discontinue any future participation in movements of cargo between the (San Francisco-Oakland) Bay Area and the Republic of SA."

The announcement by the Port of Oakland's largest shipping tenant turned a planned protest by anti-SA activists in front of company headquarters into a victory rally.
Shareholders call for end to all ties

Eltsa will renew anti-SA pressure at Barclays AGM

LONDON — Charges that Barclays Bank “retains many links with the apartheid regime” — and will suffer because of them — will be made at the bank’s AGM in London today.

Spokesmen for the End Loans to SA (Eltsa) movement, who will address the AGM as shareholders, warned yesterday they will keep up their protest campaign against Barclays until “all links with apartheid are broken”.

Rev David Haslam said Barclays disinvestment from SA and Namibia would be invalidated unless the bank cut its strong existing ties.

Eltsa will call on the fast-growing American anti-apartheid groups to protest against Barclays’ massive programme of investment and growth in North America, in the same way it did in Britain.

Eltsa, which led a decade-long campaign of protests which badly damaged the bank’s image in many countries and its student business in Britain, said it would attack most strongly the Barclays role in financing trade with SA.

Eltsa, together with the Anti-Apartheid Movement, also wants Barclays to cut its “technical links” with SA through the Visa card system and its membership of the UK-SA Trade Association.

The protest groups are also critical of the Barclays role in last month’s rescheduling of South African debt. Barclays is involved through its membership of the 12-bank technical committee.

In early March Barclays executives met a delegation of anti-apartheid leaders and indicated that on top of disinvestment from SA other links with the Republic might eventually be run down.

This led to rumours the pressure groups would completely lift their protest campaign. But Haslam and the AAM say until all links are cut they will call on their members to pile on the pressure.

Anti-apartheid protesters will also be at the Lloyds Bank AGM in London today, questioning the possibility of another bid for Standard Chartered and the bank’s involvement in SA’s debt rescheduling.

Imposters: a
Trade union groups condemn EC 'delay'

New call for SA coal imports ban

BRUSSELS — Three leading Western trade union groups yesterday renewed calls for the European Community (EC) to ban coal imports from South Africa to step up pressure on Pretoria to abandon apartheid.

The Miners' International Federation (MIF), International Confederation of Free Trade Unions (ICFTU) and European Trade Union Confederation (ETUC) called for EC Foreign Ministers to discuss the issue next week and to “implement a complete, binding import ban immediately”.

In a joint statement, they strongly protested against what they called EC procrastination and called for a world ban.

Belgian Foreign Minister Mr Leo Tindemans, whose country is president of the 12-nation bloc, has refused to put coal imports on the agenda of next week's Foreign Ministers' meeting.

The union groups quoted Mr Tindemans as saying, in his reply to a letter from the MIF, that it would be inopportune for the EC to consider the matter before whites-only elections due in South Africa on May 6.

A spokesman was unable to give immediate confirmation of Mr Tindemans' answer.

OPPOSITION

A ban on South African coal imports was the centrepiece of a package of economic sanctions agreed in principle by EC heads of state and government at a summit last June.

But subsequent opposition from West Germany and Portugal, with backing from Britain, prevented inclusion of coal when limited sanctions were formally approved three months later.

ICFTU general secretary Mr John Van der Veken noted coal was South Africa's second most important export after gold, earning Pretoria $1.3 billion (about R2.9 million) in 1985.

The ICFTU, the West's biggest trade union federation, said the Community imported 22.5 million tons of South African coal last year. Italy was now the EC's biggest importer following a decision by France, previously the leading buyer, to not renew contracts.

Mr Angelo Gennari, director of international affairs of Italy's CISL trade union confederation, said unions in the CISL would take industrial action against state-owned power company ENEL unless the Italian government changed its attitude.

ENEL is the EC's biggest single buyer of South African coal, accounting for around four million of the six million tons Italy imported last year, Mr Gennari said. — Sapa-Reuters.
US appeal court upholds SAA ban

WASHINGTON. — A US court of appeals yesterday upheld the Reagan administration’s order halting all flights between the United States and South Africa by the South African national airline.

The court threw out a lawsuit by South African Airways seeking to overturn or delay the ban enacted by Congress as part of a sanctions package intended to press Pretoria to end apartheid.

“We conclude that Congress intended the immediate suspension of the (landing) rights enjoyed by (South African Airways),” Judge James Buckley wrote for the three-judge panel.

The administration, seeking to implement sanctions legislation passed by Congress over President Reagan’s veto, last November ordered the airline to halt all service between South Africa and the United States. — Sapa-Reuters
SAA claims 'lost' millions from US

The Argus Foreign Service

WASHINGTON. — South African Airways is claiming scores of millions of rands from the US following the termination of its service to New York.

South African officials here are seeking a meeting with the US State Department in an attempt to recover losses SAA claims as a result of the ending of its flights to America late last year.

A South African official said: "The next step would be arbitration should those consultations fail."

The amount SAA is seeking is not yet clear. Mr Gert van der Veer, chief executive of SAA, said here in an affidavit during litigation that the airline would lose about R110-million in passenger revenues, R26-million in cargo traffic and roughly R3-million in mail traffic.

"SEVERE DAMAGE"

At issue is the abrupt termination of SAA's landing rights in the US, a move ordered by the Comprehensive Anti-Apartheid Act of 1986, passed by Congress on October 2. SAA's claims arose because it asserted it had a right to a year's notice before its five flights a week had to stop.

Mr van der Veer cited the Air Service Transport Agreement between South Africa and the US, saying it provided for a year's notice and adding: "This loss would not be incurred by SAA if it were allowed to plan for the orderly termination of its services over the course of the next 12 months."

He also claimed that the sudden end to SAA flights to America had inflicted "severe damage" to the airline's reputation for reliability within the transport industry and with the travelling and shipping public.

At the weekend a US Federal Appeals Court upheld the revocation of SAA's landing rights. A three-judge panel found here on Friday that Congress had the authority to do this immediately in spite of the air transport agreement.
Rapturous reception for Clegg

LONDON. — South African musician Johnny Clegg and his band Savuka are receiving rapturous ovations on their tour of Britain — despite opposition from the British Musicians' Union.

Unlike Paul Simon, who had to endure protests from the Anti-Apartheid Movement when he toured here earlier this month, Clegg has been given a clean bill of health by AAM.

The British Musicians' Union objected, but despite this the Department of Employment granted the band a work permit.

The ANC is understood to be planning a meeting with the Musicians' Union to explain that tours from SA artists are not breaking the cultural boycott if they have the backing of political groups like the UDF — as is the case with Savuka.

Savuka's first concert was described as a "remarkable triumph" by The Guardian.

The Times was even more laudatory.

It said of Clegg: "Over and above all this unique and extravagant entertainment was the simple but irresistible impression of a man who, more by accident than design, had managed to hit all the right buttons at the right moment. A man whose time has come."
Botswana calls for unity against SA

By ALI MPHAKI

The commander of the Botswana Defence Force, General Mmotae Mafhe, has called for greater unity among the Frontline states to face South Africa's threats.

Even though there has been no Botswana government reaction to the weekend raids on Livingstone, in Zambia General Mafhe told a military parade in Gaborone on Sunday that "the Frontline states now need each other more than ever".

**Warnings**

Speaking during celebrations to mark the BDF's 10th anniversary, he said that although the BDF had little military hardware to boast about, it was developing well.

Last week the Botswana government said it had received three warnings from the South African Ministry of Foreign Affairs regarding alleged ANC infiltrations through Botswana territory.

Five people were killed in Livingstone on Saturday during a cross-border raid into Zambia by the South African Defence Force.

The Zambian Prime Minister, Mr Kenneth Kaunda, said four of those killed were "innocent" civilians who included a woman.

South Africa has claimed that the targets attacked in the raid were being used by ANC insurgents, a claim denied by both the Zambian government and the ANC.

The ANC has described the raid as an "utter lie". South African claims that five ANC guerrillas were killed on the raid on the southern town of Livingstone.

"The fact of the matter is that all those killed and injured are innocent Zambian civilians," the ANC said in a statement.

**Murder**

It added that the ANC had no military personnel in Zambia, Tanzania or any of the southern African countries recently accused by South Africa of helping ANC guerrillas.

"We are certain that this latest unforgivable act of murder and state terrorism will not succeed to intimidate the heroic people of Zambia nor, indeed, those of southern Africa as a whole," the statement said.

The ANC vowed to intensify its actions against the South African government and said the situation in the country would not be solved by the Government's desperate attempts to export the South African conflict into neighbouring states.

Zimbabwe Prime Minister, Mr Robert Mugabe has described the deaths in Livingstone as "downright premeditated ritual murder".

In a message to President Kaunda he said the "invasion" proved true the recent warnings that the "blood-thirsty racist regime was planning an evil campaign of murderous attacks" to win more votes in the general election.
Booze tax will not hit public

Effective from May

Business Editor

EAST LONDON — A new system of collecting the GST payable by liquor traders would have no effect on the consumer, Fedhasa's executive director of operations, Mr Fred Therman, said yesterday.

The new system, introduced at the instigation of Fedhasa and the Ukhamba organisation, representing black liquor retailers, comes into effect on May 1.

From that date, wholesale suppliers will be obliged to collect 12 per cent GST on all liquor supplied to retailers of any kind. The GST will be collected on contents only, not on the deposit on the container.

Retailers, after adding their mark-up, will charge the public GST on the full price of the contents and the container. In making their returns to the Receiver of Revenue, they will deduct the GST they have already paid on the wholesale price.

"There is no truth in any claim that liquor prices will rise as a result. There will be no difference for the public. It is only the method of collection that will change," Mr Therman said.

He added that although it was not stipulated in law that retailers should refund GST paid on containers when they were returned, Fedhasa recommended this practice as being in the public's interest. Retailers could claim these refunds from the Receiver.

Mr Therman said the main motivation for the new system was to eliminate unscrupulous trading by elements who used GST evasion to undercut the prices of honest competitors.

Fedhasa estimated that the Receiver would collect an additional R100 million to R500 million with the new collection system. "It is in the public interest that all GST is collected, otherwise the rate will go up," Mr Therman said.

Under the new system, everybody would have to pay 12 per cent on the wholesale price. It was only the small amount of tax due on the difference between the wholesale and retail prices that was at risk.

Club ban lifesavers for rebel SA tour

WELLINGTON — Ten New Zealand surf lifesavers who resigned from their clubs in order to tour South Africa will not be allowed to rejoin the movement, the sport's national council decided yesterday.

"These 10 people do not belong to surf lifesaving," the chairman of the New Zealand Surf Lifesaving Association, Mr Peter Fitzsimmons, told a news conference.

He said the 10 defied both the association's rules on overseas competition and its policy of not competing against South Africa.

The lifesavers made an all-expenses-paid 30-day tour of South Africa in March, two days after the New Zealand championships.

Mr Fitzsimmons said the association was angered by the actions of South African surf lifesaving officials and the way they had dealt with the rebels rather than going through the association.

It would ask for an assurance from South Africa that such action would not be repeated.

If no assurance were received, New Zealand would join Australian surf lifesaving officials in seeking to have South Africa banned from next year's world congress in Australia, he added. — Sapa
Booze tax will not hit public Effective from May

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If no assurance were received, New Zealand would join Australian surf lifesaving officials in seeking to have South Africa banned from next year's world congress in Australia, he added. — Sapa
De Beers boss urges voters to back change

Sanctions ‘led to end of govt’s reform moves’

THE West’s adoption of more punitive sanctions caused government to halt reform initiatives, and this impeded the nascent recovery of the SA economy, De Beers Consolidated Mines chairman Julian Ogilvie Thompson says in his annual statement to shareholders.

“The process of change became seriously inhibited by the growing unrest. The ill-starred and simplistic approach of the Eminent Persons Group was followed on the one hand by attacks on ANC bases and the re-inposition of the state of emergency, and on the other by the US and European Community introducing further sanctions.”

“In the aftermath, the report of the President’s Council on the Group Areas Act was shelved and the innovative proposals of the Indaba for a multiracial constitution for KwaZulu/Natal appear effectively to have been rejected by government.”

He says he hopes reform will be supported by white voters in the election as government has to press ahead with abolishing the remaining vestiges of apartheid.

His company will continue to tackle, through educational schemes, the disadvantages that have flowed from discriminatory legislation.

Thompson says R33m was set aside in the Anglo American and De Beers Chairman’s Fund last year for educational schemes and projects, and De Beers plans to expand its home-ownership scheme.

Apart from this, and in anticipation of De Beers’ centenary in 1868, the company pledged, inter alia:
- R2m for a building to house UCT’s Harry Oppenheimer Institute for African Studies;
- R1.5m for a non-racial student residence at Rhodes University;
- R2.6m over three years to establish a new region of operation for Read Educational Trust.

Report by N Shepherd, 11 Benjamin St, Johannesburg

* See Page 22
ICI should not quit SA

LONDON — Mr. Denys Henderson, newly elected chairman of Imperial Chemical Industries (ICI) said yesterday he did not agree that the company should withdraw from South Africa, although it accounted for less than 1 percent of profits and assets.

Answering questions at the company's annual meeting in London, he said ICI and its 38 percent-owned associate AECI, both wanted an end to apartheid.

"The best way of tackling the apartheid problem is by continuing to be involved and in that way continuing to attempt to influence change as best we can."
Sanctions slammed for halting reform
Enzymes SA takes over where Novo Industries left off

A LOCAL company, Enzymes SA, has been formed as a result of the management buyout of Danish subsidiary Novo Industries' enzymes division.

The company was launched on December 1 with a buyout of stock from Novo in SA after its parent announced the enzymes division had to be ditched under Danish sanctions law.

Former Novo enzymes division manager Rodney Blower is MD and Jan van Aswegen technical director.

Sales of enzymes (used in making detergents) made up about 10% of Novo's turnover. The rest came from pharmaceutical products — such as antibiotics and insulins — which are exempt from the sanctions law.

The SA firm was launched with stock worth about R3m.
SANCTIONS – 1987

MAY – JUNE.
Boesak blames Japanese

TOKYO.—The Rev Allan Boesak said yesterday that many South Africans believe Japanese companies are blunting the impact of economic sanctions by grabbing the business left behind by firms pulling out of the country.

He arrived in Japan for a five-day visit sponsored by 35 church, union and activist groups.

"The sad truth is that Japan today counts among the main supporters of the South African government and the apartheid system — in spite of the verbal denunciation of the apartheid system that we hear so often," he said.

Dr Boesak said: "Japanese businesses also have the tendency, whenever, for instance, a company from the United States withdraws from South Africa, to step into that void," he said.

He said Japan should step up economic, political and diplomatic pressure on South Africa without waiting for Europe and the USA. — Sapa-AP
LONDON — Broad economic sanctions against South Africa could increase black unemployment by as much as 14 per cent and reduce visible export earnings by a quarter, according to a new study published here yesterday.

The report was issued by a privately funded institute, the Trade Policy Research Centre, and written by a former senior Foreign Office official and economics adviser, Mr. J. P. Hayes.

What Mr. Hayes describes as “the maximum plausible package of sanctions” would exclude gold, diamonds and strategic minerals, which represent almost 60 per cent of South Africa’s exports by value.

He assumes that no effective action would be taken to depress the price of gold as a form of pressure on the government.

Mr. Hayes notes that the most damaging economic action to date has been decisions by banks and companies which have led to “the virtual cessation of capital inflows,” a situation he considers is unlikely to change as long as political uncertainties continue.

He estimates that wide-scale sanctions would reduce the country’s gross domestic product by seven per cent and the domestic use of resources by 11.7 per cent.

The study says a continuation of the present situation “may lead to something like stagnation of GDP”.

The report does not set out to assess the effect of sanctions as an instrument of foreign policy, but Mr. Hayes warns: “There could be a vicious spiral in which disillusionment with political developments in South Africa may lead to the further escalation of sanctions and these in turn strengthen the forces inimical to political and social reform.” — Sapa
Exxon Chemicals renamed Aktol

A NEW company has been formed to take over the interests and operations of Exxon Chemicals. This follows the disinvestment decision by the US's largest oil company, Exxon, which announced its withdrawal from SA at the end of last year.

Aktol Chemicals came into being on Friday and will be run as a completely separate organisation from Zenex Oil, formerly Esso SA.

A spokesman said last week: "Our operations are independent. We supply a variety of industries and are now in a position to continue and improve on our past services."

Aktol MD Mike Hayes said Exxon had sold its SA interests to an offshore trust, and the terms of agreement also made provision for the continuation of local operations, assurance of imported supplies and continuing access to technology.

"Under our new name, Aktol Chemicals, we will continue to be a leader in the supply of oil-derived specialised chemicals. We will now be in a position to better source our products in the most beneficial manner for our customers."

"Once Exxon has been paid for our company — which will happen within the next few years — future profits will be returned to SA and devoted to projects of communal benefit to the country," Hayes said.

The profits would be used to fund educational and social programmes for the less privileged.
JOHANNESBURG — American shareholders of the pharmaceutical giant, Eli Lilly, have defeated a proposal calling for disinvestment from South Africa.

In a statement issued here yesterday the company said a motion calling for the disinvestment was defeated by a majority of 93.5 per cent.

The US chairman, Mr Richard Wood, said Lilly had a moral problem with the notion that they should cut off supplies of pharmaceutical products to any human.

"Lilly also feels a deep sense of responsibility to its employees in SA and does not choose to abandon them."

A New York government pension fund proposed the motion. — DDC
Another US firm to sell off SA assets

MICK COLLINS

A MAJOR US corporation, American Brands, has announced it is to sell off the last of its assets in SA.

A statement issued yesterday said its UK-based subsidiary, Gallaher, would sell Mono Pumps — one of the largest pump manufacturers in SA, with 360 employees.

The decision means the US consumer packaging giant, which had over 900 employees in SA in 1983, will no longer have any interests in SA. The company sold its interest in agriculture machinery suppliers G North & Son in 1986.

Asked if the local company would be the subject of a management buy-out, Mono Pumps MD Herbert Peake said no firm decision had as yet been taken.

"Consequently all options will be thoroughly investigated. However, it is apparent the over-riding responsibility of the Mono management and its shareholder is to secure the long-term future of this company and of its employees."

Peake said more than 90% of the pumps sold by the company in SA were manufactured locally and any change of ownership would have no effect on the company's ability to meet demand."
Diversification beats sanctions

Oceana lifts net income, turnover

By AUDREY D'ANGELO
Financial Editor

OCEANA fishing group (Ocefish) has overcome the effect of sanctions and the strengthening rand on its export earnings to lift net income in the first half of its financial year to R9,4m (R9,2m).

Turnover in the six months to March 31, rose by 16% to R83,3m (R71,9m) and earnings a share to 62,7c (51,1c).

The interim dividend is unchanged at 27,5c.

CE Walter Lewis forecasts improved earnings of about 165c (147,1c) a share for the whole year if group performance is in line with budgeted projections.

He said yesterday this could be achieved in spite of the fact that Sea Products SWA (Seawsa), in which the group has a 54,5% stake, has forecast lower earnings for the year.

Forward planning

Lewis explained yesterday that forward planning and market diversification had helped the group to overcome the effects of sanctions.

"We have also improved handling and processing technology which has resulted in better yields.

"Other contributing factors were the return of the traditional industry percentage of the pilchard quota to the group, following the recommendations of the Diemont Commission."

Catches of pelagic fish had been good, with higher oil yields at the beginning of the season.

The fact that catches had been near the factories resulted in cost savings.

"Pelagic landings to date are well up on last year and the group has virtually caught its share of the increased quota although the season closes only on September 30."

Seawsa has also maintained its interim dividend, at 50c a share, and lifted turnover for the six months to March 31 by 17% to R12,5m (R10,6m).

Earnings forecast

Net pre-tax income rose to R5,7m (R5m). The tax bill for the six months was R2,2m of which R2,1m will accrue directly to SWA/Namibia.

But Lewis, who is also CE of Seawsa, forecasts a drop in earnings for the full year to 135c (207,5c) a share.

He said negotiations with the SWA/Namibian authorities on the proposal that 30% of the group's interest in its rock lobster concession should be made available to residents of SWA/Namibia were still in progress.

Seawsa's rock lobster quota in SWA/ Namibia was reduced from 34,6% to 30,3% and its pilchard quota from 8% to 5,2%.

Lewis said landings of rock lobster at Lüderitz were lower than at this time last year, mainly due to bad weather conditions.

But sanctions have not harmed sales. Lewis said demand for frozen whole cooked lobster remained firm and "the total production has been sold at favourable prices."
Dutch shipping company 'breached arms embargo'

ROTTERDAM. — A Dutch shipping company is to be prosecuted on charges of transporting weapons to South Africa in breach of a United Nations arms embargo, a spokesman for Rotterdam's public prosecutor said on Tuesday.

The spokesman said a director of Unity Chartering and Shipping (UCS) had admitted transporting three illegal cargoes between February, 1982 and November, 1983 and a fourth between November, 1984 and January, 1985.

Approached for comment, an SADF spokesman referred the Cape Times to Armscor. An Armscor spokesman said in Pretoria that Armscor "does not comment on the sales or purchases of arms".

A U.S State Department report last month named the Netherlands among seven countries where it said companies had broken the UN ban.

The Dutch government, a fierce critic of apartheid, reacted angrily, saying the report offered no proof of Dutch breaches of the embargo.

But the specialist monitoring group Shipping Research Bureau, based in Amsterdam, two weeks ago detailed illegal shipments it said had been made in 1984 and 1985.

One of the vessels the group named, the Maltese-flag Lady Anita, was described by the public prosecutor's spokesman as having carried an unknown quantity of 140mm howitzers, with spare parts, to the South African port of Durban possibly as late as January 1985.

During 1982 and 1983 another ship, the Reeve, transported explosives to Durban or elsewhere in South Africa from various ports in Italy, Romania, Yugoslavia, Portugal and Greece, the spokesman said.

He said the Rotterdam-based UCS did business with a Swede accused in Sweden of making contacts in Europe on behalf of the South African government. — Sapa-Reuter
Report spells out effect of sanctions

Post Correspondent
JOHANNESBURG — A British report which said broad economic sanctions against SA could reduce visible export earnings by a quarter, has been discounted by local export analysts.

The report, issued by the privately funded Trade Policy Research Centre, also said the application of "the maximum plausible package of sanctions" could increase black unemployment by as much as 14%.

The hypothetical sanctions package would exclude gold, diamonds and strategic minerals, the report said.

One analyst said: "These minerals represent about 60% of SA's exports by value. We don't wish to view a scenario in which broader sanctions are applied, but without their inclusion any comprehensive sanctions package would not have the effect claimed."

The report assumes that no effective action would be taken to depress the price of gold as a form of pressure on the SA government.

A local labour spokesman said even with the application of sanctions against strategic minerals, mining workforces would not be hit to the extent claimed in the report.

"The West needs these minerals. Whether the deals were done through the back door or through third parties, business would go ahead. Not perhaps with the gusto presently seen, but nonetheless activity would continue."

He said the small stockpiles held in the UK were not sufficient for the country's needs and were extremely vulnerable to any interruption in the supply of manganese ore and chromite ore from SA.

The UK report estimates that wide-scale sanctions would reduce the country's gross domestic product by 7% and the domestic use of resources by 11.7%.

The study says a continuation of the present situation "may lead to something like stagnation of GDP."

The 100-page report does not set out to assess the effect of sanctions as an instrument of foreign policy, but warns: "There could be a vicious spiral in which dissatisfaction with political developments in SA leads to the further escalation of sanctions and these, in turn strengthen the forces immoral to political and social reform."

"It notes that the most damaging economic action to date has been decisions by banks and companies which have led to "the virtual cessation of capital inflows.""
WCC recommends anti-SA sanctions

LUSAKA. — The World Council of Churches (WCC) may send a delegation of eminent church officials to Western countries to press for immediate comprehensive and mandatory sanctions against South Africa following yesterday's recommendation at a council meeting here, Ziana, the semi-official agency, reports.

The meeting, on South Africa and Namibia, suggested lines of action that could be taken by the WCC and member churches in combating the policies of the Pretoria government.

The meeting suggested the WCC’s central committee send a delegation of eminent churchmen to the US, Britain, West Germany, France, Japan, Belgium and other countries, particularly permanent members of the United Nations Security Council and members of the Western contact group on Namibia.

This delegation would urge the immediate implementation of UN Security Council Resolution 435 on Namibia and call for comprehensive sanctions against South Africa, particularly in respect of trade in oil, gold and coal, and where loans and the rescheduling of debts was concerned.

It would also urge the denial of diplomatic recognition of South Africa by the United Nations. — Sapa
'Many Zimbabweans oppose sanctions against S Africa'

Dateline: HARARE: Argus Africa News Service

There are substantial and politically relevant groups in Zimbabwe which oppose the introduction of sanctions against South Africa, the director of the Pretoria-based Africa Institute, Dr Erich Leistner, has said.

Writing in the latest issue of the institute's Africa Bulletin after a visit to Zimbabwe, Dr Leistner said stereotyped views and growing acrimony on both sides were feeding on each other and may ultimately have serious consequences for the region as a whole.

"What is needed in both countries is a cool and unprejudiced analysis of the other party's motives, strengths, weaknesses, interests and capabilities — in other words, an understanding of what lies behind official rhetoric and actions," he said.

Dr Leistner said Prime Minister Robert Mugabe's threats of imposing sanctions against South Africa had frightened not only the Zimbabwean business community but also organised labour and ordinary citizens.

The many small black businessmen who feared for their livelihood if regular supplies from South Africa were to be disrupted, were a political factor that Mr Mugabe could not ignore and the white business community had "discreetly but urgently" warned against sanctions.

The powerful Zimbabwean Congress of Trade Unions had also spoken about the negative effects of sanctions on the Zimbabwean economy and "most ministers and senior politicians are in some way engulfed in business and would be detrimentally affected by sanctions".

Dr Leistner said Mr Mugabe was therefore unlikely to impose sanctions.

He said it was false to assume that once the Beira corridor was operating Zimbabwe would no longer be dependent on South Africa for its external trade.

Zimbabwean businessmen had told him that the Beira port would not be able to handle more than 40 percent of Zimbabwe's external trade by 1990.

However, Zimbabwe's dependence on South Africa would probably be greatly reduced through the use of other outlets.

Dr Leistner said Zimbabwe and South Africa continued to have a profitable trade despite political differences.

In 1986 18 percent of Zimbabwe's imports came from South Africa and 11 percent of its exports went to South Africa.

"According to a competent observer approximately 60 percent of exports of manufactured goods are sold to South Africa and retail employment for about 30 000 Zimbabweans", he said.

South African business had also invested heavily in Zimbabwe and although no reliable data was available "a figure of R1 000 million is sometimes mentioned".

Dr Leistner warned that despite these relations and even if South Africa adopted a more accommodating approach towards neighbouring countries, "Zimbabwe would certainly be the least responsive among them".
vourable tax treatment on lump sums vis-a-vis pensions should be addressed and rectified.

And, in recognising the need for prescribed asset requirements by pension funds, a wider range of investments in that area should be allowed.

**Stop investment in SA**

THE HAGUE — The Dutch government has urged companies in the Netherlands to stop new investment in SA, according to a letter, released yesterday, sent to the Dutch employers' organisation.

In the letter, Foreign Minister Hans van den Broek and Economic Affairs Minister Rudolf de Korte called on firms to adhere immediately to the EC's decision to halt fresh direct investment in SA.

The measure was one of a series agreed on last October and designed to persuade Pretoria to end its apartheid racial segregation policy.

A Dutch law is not expected to formalise the sanctions until later this year. Some 30 Dutch firms currently invest in SA. — Sapa-Reuter.

Mugabe slates slayings
Analyst warns of growing 'derecognition'

Chief Reporter

INTERNationally, the outcome of last week's general election was likely to mean a "growing derecognition and delegitimation" of the South African state, rather than mandatory economic sanctions, a prominent Canadian political analyst warned yesterday.

Professor Heribert Adam of Vancouver, author of "South Africa Without Apartheid" who is on a year's sabbatical as director of the Centre for Inter-Group Studies at the University of Cape Town, said at a Cape Town Press Club lunch:

"This would include a break-off of diplomatic relations with SA by some Western states, official diplomatic status for the ANC and a refusal to recognize SA passports unless endorsed by the ANC.

"It could also mean refusal of landing rights for SA Airways in Europe, a total cutting of postal and telecommunications with SA by some Western states and a demand that firms still operating in SA also pay taxes to a de jure ANC government."

'Silenced phantom'

Professor Adam, acknowledged as a leading analyst of South African affairs, said one major winner of the election was the ANC.

"It participated like a silenced phantom. Pretoria elevated the ANC to its major threat. It thereby made the Congress the only alternative to NP rule, eliminating attempts to create a credible middle-ground.

"The more Pretoria criminalizes the movement, the more does its symbolic appeal spread.

"The election results also amount to a setback for Buthelezi, who publicly endorsed the FFP/NRP platform."

Professor Adam said the political crisis had unfortunately yet to worsen before it got better in SA.

"Only when a shared perception of stalemate exists will both sides negotiate in good faith. As long as each side feels in the ascendancy, the violence without victory will continue." He said that while television had become the main weapon of the government, the "liberal English-language press" had badly overestimated its influence, as well as the appeal of the FFP/NRP alliance.

"By uncritically supporting the PFP and the independents to the hilt, papers like the Cape Times lost credibility with both their conservative as well as their left-wing readership.

"The English papers generally failed to give adequate coverage of the extra-parliamentary opposition. The crude attempts to create a bandwagon effect for the PFP independents backfired.

"Given the suspicion of English support by Afrikaner traditionalists, the Cape Times's enthusiastic support may well have lost Worrall votes, while a critical assessment of the candidate may perhaps have gained him the few dozen votes he needed to win the Helderberg seat."
Botha given a mandate for Götterdämmerung

EIGHTY percent of South Africans who voted last Wednesday opted for regression or, at least, highly defensive gradualism towards a future they feared not to exist. State President P.W Botha received a mandate for Götterdämmerung and the only question was whether he would have the political guts not to use it.

In the United States, the Reverend Jesse Jackson became the frontrunner for the Democratic party’s 1988 presidential nomination. Two worlds, as it were, very close enough to have a destructive gravitational effect on each other’s politics, are intent to collide.

Those Americans who genuinely care about South Africa for its own sake, and not in the pursuit of some alien agenda, have been devastated by the election result. Many had staked their credibility on the theory that a good proportion of white South Africans, if not the bulk, genuinely wanted change, and wanted it fast. Many of them now feel Pretoria was prepared to accept. The South African electorate has dashed their optimism.

Look at the Nationalist breakaways, said the optimists, look at what is going on in the interacting White politics is in foment, the moonlight is crumbling. The evidence adduced in support of hope — Denis Amoot, Wynand Malan, the anti-conscript movement, the protest Witte and the University of Cape Town, the revolving door of the Arbitration Court, the finding of the Group Areas Act in places like Durban — all has been proved grossly and misleadingly anachronistic by one and half million South Africans who went to their polling places and said “enough”.

Despairing

The irony, of course, is that the sanctions wielders helped bring this about. It would be interesting to read history to move the comprehensive anti-apartheid act and play their elections back about sanctions featuring as a threat not a reality. Logically, votors did not have a more realistic look at themselves, but the gnawing grimness of their future on the government rather than the outside world. The choice is no real choice, not even an intellectually one. There will be more sanctions if they can be deviated, because American politics lives exclusively and ramification in the present tense.

The vote’s most damaging impact, however, will lie not so much in further congressional action as in the hastened withdrawal of US investment, especially the enlightened kind American businessmen representing companies at the cutting edge of social, educational, and human rights expenditure are unanimously despairing.

None had expected the result. The conventional wisdom that they had been only too willing to accept had convinced them there would be a shift, albeit a marginal one, away from the brutal stag-nancy of the larger. All they wanted was a sign, some bit of evidence to show the investment lobby that they were a significant part of an evolving process.

They received none. Instead they heard P.W Botha threatening “a very strong stand on extraterritorial actions by the kind mandated by the Reverend Leon Sullivan in his call for “corporate disobedience”. Said one executive who has been at the forefront of the battle to keep US firms in South Africa: “The government has already been getting tough with us — now I am afraid they are going to tell us to stuff it, they don’t want us around any more.”

Several agreed that the real tragedy was that black South Africa now needed constructive outside help and support more than ever. The white electorate having shown itself profoundly deaf to even the most moderate black aspirations, it would be a cruel irony for those few corporations genuinely committed to black advancement, to have to leave. Yet, even if the government does not live up to Botha’s threats, staying on will now be inordinately more difficult.

In just over a fortnight, Sullivan must decide whether to keep his promise to call for total divestment if apartheid has not been completely dissolved. It was a promise made in the heat of the domestic furor over “constructive engagement” that the Philadelphia pastor has come privately to regret. In recent months he has been casting around for an out. Had it occurred, the positive realignment in African politics touted prior to the election might have offered at least the outlines of an escape hatch. “Now he is bricked in as never before.” The advocates of divestment, as against sanctions, need to rethink their politics Western governments and corporations need to maintain their own interests in a future democratic South Africa that can all too easily become not only anti-capitalist but anti-western. This means that while cutting their losses in Pretoria, they must also give positive support to the black opposition in the ensuing civil war.

In other words, more sanctions but keep the corporations in place as agents of Western influence. This is a formulation Sullivan might be tempted to buy, but it has several serious flaws. To begin with, the next round of US sanctions is almost certain to extend the existing ban on new investment which already effectively eliminates America’s investment in South Africa to uncompetitive obscurity. Investment may even be banned entirely, obliterating whatever the sanctions and divestment.

Pretoria’s intention

Second, and as noted above, Pretoria has already stated its intention to haggle and harden it is hard to see how else P.W Botha would interpret foreign companies giving “positive support” to his opponents. Especially when the departures have thus far proved less a burden than an endorsement. Angola may be able to live with the idea of the US government backing enemies while US oil companies pump its oil, but this is because the companies are not politically obtrusive and are a vital part of the oil industry. Neither even begins to apply in the South African circumstance.

Sampson is afraid that “once American companies withdraw from the Republic to zero, there will be no the US government to insist and watch the night descends. This being a potential catastrophe, the great American policy will wring its hands and go off in one of some other mayhem to wreak.

Unfortunately, Wednesday’s victory has brought this one step closer to happening, and the imperatives of electoral politics over here are doing nothing to help. By year’s end, Democratic presidential candidates will be falling over each other to appease the Reverend Jackon. As they showed very clearly as they know how, Jackson wants a mix of more sanctions and massive economic aid to the frontline states. The latter is painful because it is expensive and promising to give money to foreigners has not won them the presidency. Boer-bashing on the other hand is cheap and easy and to go along with the kind of activists who vote in Democratic primaries.

So perhaps it is just as well that he got his mandate for Götterdämmerung. The way things are going, he’ll need it.
Sanctions not the answer to SA, says Aussie paper

The Star's Foreign News Service,

MELBOURNE — The national daily, The Australian, today queried whether sanctions against South Africa had had the effect the Eminent Persons' Group predicted.

It said many governments had accepted the group's line that international isolation would persuade the majority of White South Africans that the rest of the world would make them change their ways and their laws.

It also said that outside South Africa there was a widely held belief that the more stringent the sanctions the more likely it would be that white South Africans would accept external advice.

The Australian commented: "Recent events do not confirm this view."

The newspaper claimed that sanctions appeared to have the opposite effect to that intended.

"The parroting of slogans and reliance on the failed panacea of economic sanctions offer no answer."
Top US institute sells shares

WASHINGTON — The Smithsonian Institute, which operates some of the America's most important museums, has decided to sell all its stocks in companies that have operations in South Africa.

The Smithsonian is an independent trust set up by Congress 140 years ago. Spokesmen announced yesterday that the institution had $27 million (about R54 million) invested in stocks of 42 companies with operations in South Africa.

"The Smithsonian does not have and never had any direct investment in South Africa," an announcement said. At the end of April, the Smithsonian's total investment portfolio was worth $214 million (about R428 million).

The institute receives most of its operating budget from Congress. With those funds, the institution does research and operates 14 museums and galleries and the National Zoo. — Sapa-AP.
Report says Shell backing apartheid

By Alan Dunn, The Star Bureau

WASHINGTON — Organisers of an international campaign against Royal Dutch/Shell have published a 20-page "alternative corporate report" pushing for the company's withdrawal from South Africa.

The document, published today for global distribution, says the group is a major sustainer of apartheid.

"This is not only bad business in an immoral environment. It is bad management jeopardising image and profits in every nation for the sake of a shopworn and shameful commitment to one nation in which Shell has less than one percent of its assets," the report said.

The report will be circulated on Thursday at the group's annual meeting in The Hague.

Royal Dutch/Shell and its companies suffered pressure and harassment by anti-apartheid campaigners in Washington in January last year. Since then the movement has spread to 11 more countries, including Britain, and now involves unions, churches and other organisations.

The authors declared: "Distribution of the report is part of a growing effort to force Shell to convene a special meeting of shareholders to vote on the corporation's withdrawal from South Africa and apartheid."

They said previous attempts were blocked by company officers.

Disinvestment campaigners said they needed 10 percent of shareholders to support a special meeting on apartheid. Half that number had rallied.

Meanwhile, Sapa-Reuters reports from The Hague that the Dutch government has urged companies in the Netherlands to stop new investments in South Africa. A letter to Dutch employers from Foreign Minister Hans van den Broek and Economic Affairs Minister Rudolf de Korte asked them to adhere immediately to the European Community's decision to halt further investment.
Nickel’s call to US — Rethink policy on SA

Dateline WASHINGTON: By Neil Lurssen of the Argus Foreign Service

FORMER United States Ambassador Mr Herman Nickel has called on Americans to rethink their interests and objectives in South Africa.

Without a new national consensus, he told the Heritage Foundation, a Washington think-tank closely tied to the Reagan Administration, it would be impossible to sustain an effective US policy.

Mr Nickel said the imposition of US sanctions last year had helped make South Africa’s problems even more intractable and had reduced American influence on the South African government to an all-time low.

“The outcome of the May 6 elections confirms the worst fears of those of us who have argued that the imposition of sanctions would strengthen the rightwing in white South African politics,” he said.

Americans should not pretend that what happened in South Africa was a direct result of what they did or said.

“But there is no doubt at all that the action of the Congress helped to strengthen the defiant and xenophobic streak that has been part of the Afrikaner psyche for three centuries.

“The result is that the odds for breaking the political logjam and opening the political dialogue between black and white South Africans about genuine power-sharing have further diminished.

“This is a grim prospect for the people of South Africa,” Mr Nickel said.

It was bad news for the 150-million people in the region — of which South Africa remained the hub — and it bodes ill for the US national interests in Southern Africa’s stability.

Mr Nickel said that under pressure from a powerful rightwing opposition that it would have to face again in two years, it seemed unlikely that a government headed by Mr P W Botha would offer a framework for negotiation that even moderate blacks like Chief Mangosuthu Buthelezi would find acceptable.

Even the Indaba process had suffered a painful setback.

“That leaves the bleak prospect that the government’s formula for governing the country will be to rely on an indefinite and increasingly restrictive state of emergency.”

Mr Nickel said that late in the US debate on sanctions, black American leaders “awakened to the realization” that the first victims of drastic sanctions would be the Frontline states.

They had sponsored an ambitious bill to deal with the problem but it carried a price tag which the Congress was in no mood to pay.

The former ambassador said there was some hope for a new US consensus based on the fact that Americans differed on the means rather than the ends of ending apartheid.

Neither the continued white monopoly nor a Marxist black power monopoly enjoyed support within the mainstream of American politics.

There was no support for violent revolutionary scenarios.

“We are against tyranny — and that applies to the tyranny of a minority as it does to the tyranny of a majority,” he said.

The parties to the conflict should realize that the cost of continuing it was far greater than that of compromise.

Mr Nickel said Americans must get it through their heads that the major impetus for change had to come from within South Africa.
Divestment threatens Sullivan Code – US

By Neil Lurssen, The Star Bureau

WASHINGTON — The new managers of companies in South Africa formerly owned by American corporations often drop Sullivan Code social programmes, the Reagan administration says.

A spokesman for the US State Department said this was one of the reasons why the administration opposed divestment.

He did not name companies that had dropped Sullivan Code programmes, nor did he say whether the programmes were being abandoned in their entirety.

The Sullivan Code, named after the Rev Leon Sullivan, a black anti-apartheid activist from Philadelphia, has for years been a controversial element in US business practices in South Africa.

When the code was introduced about a decade ago, it related to job training, equal staff treatment, equal opportunities for advancement and other ways of achieving in-house fair employment.

But as the anti-apartheid pressure grew in the US, so did Mr Sullivan’s demands – spelled out at annual Washington Press conferences.

Currently, US companies in South Africa are obliged to go beyond the in-house affirmative action programmes outlined in the original code and must take an active role in fighting apartheid elsewhere.

Many have tried to comply with the code’s requirements but there has been resentment at being required to implement programmes that other US companies anywhere else, including the US itself, have to enforce.

The Reagan administration has warned consistently that disinvestment would contribute to the decline of US influence in South Africa.

Yesterday’s statement was in response to a decision by the Smithsonian Institute to sell its $27 million (about R54 million) in investments in companies that do business in South Africa.

The Smithsonian’s move is politically important because its board of governors includes prominent figures in the American social, cultural, professional and political mainstream. It could be a forewarning of tougher action to follow.

The State Department said it regretted the Smithsonian’s decision. US businesses remained a force for constructive and positive change in South Africa and deserved the support of the American public.

“They are playing a role in breaking down apartheid in the market place and in preparing black South Africans to assume their rightful place in the country’s economic and intellectual life,”

As American companies pull out, in part due to disinvestment pressures in the US, the new managers often terminate the social programmes set up under the Sullivan Code to assist the victims of apartheid,” the statement said.

Nickel in call for a united policy on SA

By Herman Nickel, The Star Bureau

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Without a new national consensus, he told the Heritage Foundation, a Washington think tank closely tied to the Reagan administration, it would be impossible to sustain an effective US policy.

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“The result is that the odds for breaking the political logjam and opening political dialogue between black and white South Africans about genuine power-sharing have further diminished.

“This is a grim prospect for the people of South Africa.”

Mr Nickel said that, under pressure from a powerful right-wing opposition, it would be very difficult in two years, it seemed unlikely that a government headed by Mr P W Botha would offer a framework for negotiation that even moderate blacks like Chief Mangosuthu Buthelezi would find acceptable.

Even the unbowed process had suffered a painful setback.

“That leaves the bleak prospect that the Government’s formula for governing the country will be to rely on an indefinite and increasingly restrictive state of emergency.”

Mr Nickel said that late in the US debate on sanctions, black American leaders “awakened to the realisation” that the first victims of drastic sanctions would be the Frontline States.

They had sponsored an ambitious Bill to deal with the problem – but it carried a price tag which Congress was in no mood to pay.

The former ambassador said there was some hope for a new US consensus based on the fact that Americans differed on the means, rather than the ends, of ending apartheid.

US policy in SA criticised by OAU

The Star Bureau

WASHINGTON — The secretary-general of the Organisation of African Unity (OAU), Mr Ide Nkomo, today meets the United States Secretary of State, Mr George Shultz, and will express sharp disapproval of American policies in southern Africa.

Mr Oumarou said at a meeting here that the Reagan administration’s policy on South Africa had failed OAU hopes and aspirations.

He said that the United States should impose sanctions on South Africa for two reasons: apartheid and its “illegal occupation of Angola.”

Oumarou told a news conference the United States should not have a hand in Africa in “inflicting damage through so-called liberation movements on sovereign nations”. But it did, he said, citing Angola as an example.

Commenting on the Reagan administration’s policy since the United States Congress imposed economic sanctions on South Africa seven months ago, he said: “We would have preferred the United States to take a leading role in the anti-apartheid struggle. That would mean the United States would not tolerate any longer the white racist regime in South Africa.”

Questioned on what the OAU was doing to achieve reconciliation in Angola and Mozambique, Mr Oumarou said: “We do not interfere with internal affairs of our member countries.”

PRESSURE

On Namibian independence, he said the United States should use its privileged relationship it had with South Africa to pressure it out of that territory.

The OAU expected America to at least abide by the United Nations Security Council resolution 435.

Mr Oumarou’s visit to Washington marks the start of what an organised group of black members of the House of Representatives, known as the Congressional Black Caucus, described as the forging of closer links between it and Africa.

Mr Oumarou is also scheduled to have talks with the Free South Africa Movement.
‘Strong opposition’ to Mugabe on sanctions

There are substantial and politically relevant groups in Zimbabwe which oppose the introduction of sanctions on South Africa, the director of the Pretoria-based Africa Institute, Dr Erich Leistner, has said.

Writing in the institute’s Africa Bulletin after a visit to Zimbabwe, Dr Leistner said stereotyped views and growing acrimony on both sides were feeding on each other and might ultimately have serious consequences for the region as a whole.

“What is needed in both countries is cool and unprejudiced analysis of the other party’s motives, strengths, weaknesses, interests and capabilities — in other words, an understanding of what lies behind official rhetoric and actions.”

Dr Leistner said Prime Minister Robert Mugabe’s threats of imposing sanctions on South Africa had frightened not only the Zimbabwean business community but also organised labour and ordinary citizens.

The many small black businessmen who feared for their livelihood if regular supplies from South Africa were disrupted were a political factor that Mr Mugabe could not ignore and the white business community had “discretely but urgently” warned against sanctions.

The powerful Zimbabwean Congress of Trade Unions had also spoken about the negative effects of sanctions on the economy and “most ministers and senior politicians are in some way engaged in business and would be detrimentally affected by sanctions”.

Dr Leistner said Mr Mugabe was therefore unlikely to impose sanctions.

He said it was false to assume that once the Beira Corridor was operating Zimbabwe would no longer be dependent on South Africa for its external trade.

Zimbabwean businessmen had told him that the Beira port would not be able to handle more than 40 percent of Zimbabwe’s external trade by 1990. However, Zimbabwe’s dependence on South Africa would probably be greatly reduced through the use of other outlets.

Dr Leistner said Zimbabwe and South Africa continued to have a profitable trade despite political differences. In 1985, 18 percent of Zimbabwe’s imports came from South Africa and 11 percent of its exports went to South Africa.

“It is false to assume that once the Beira Corridor is operating Zimbabwe will no longer be dependent on South Africa for its external trade, says the head of the Africa Institute.

“According to a competent observer, approximately 60 percent of exports of manufactured goods are sold to South Africa and entail employment for about 30,000 Zimbabweans”, he said.

South African business had also invested heavily in Zimbabwe and although no reliable data was available “a figure of R1 000 million is sometimes mentioned”.

The foremost investors were named as Anglo American Corporation, Hullets and Old Mutual.

Dr Leistner warned that despite these relations and even if South Africa adopted a more accommodating approach towards neighbouring countries, “Zimbabwe would certainly be the least responsive among them”.

He added, however, that “there are substantial and politically relevant groups in Zimbabwe which are anxious that economic relations with South Africa should not be im paired”.

“South Africans generally appreciate their country’s economic pre-eminence. What they comprehended too little, though, is the possibility of utilising this position to promote in a constructive fashion South Africa’s security interests, while at the same time reaping economic returns.” — The Star’s Africa News Service.
EEC to call for tougher embargo?

BRUSSELS — Developing countries will ask for stronger sanctions against South Africa at talks starting tomorrow between the European Economic Community (EEC) and representatives of African, Caribbean and Pacific (ACP) nations.

The ACP president and Prime Minister of Dominica, Mr. Eugenia Charles, said yesterday the 44-nation group wanted the EEC to back its opposition to the South African Government.

"There has been a lot of talk but not much action so far," he said.

The EEC imposed symbolic sanctions against South Africa in September last year, including a ban on imports of gold, coal, iron and steel and on new investment.

The sanctions affect less than 500 million dollars worth of South African exports to the community, worth about nine billion dollars a year.

After opposition from West Germany and Portugal, the community dropped a proposed ban on imports of South African coal, worth about 1.5 billion dollars a year.

Mr. Charles said the ACP wanted EEC sanctions to include coal and a ban on all transport and communication with South Africa.

Meanwhile, the Anglican Archbishop of Canterbury, Dr. Robert Runcie, has called for "targeted sanctions" against South Africa in areas such as banking and gold purchases.

Dr. Runcie told a press conference that targeted sanctions "will be much more comprehensive in terms of application by the leading economic powers and, although there will be suffering for a short time, the ends might be achieved in a short time". — EDC
Hit SA gold, banks says Runcie

TOKYO. — The Archbishop of Canterbury, Dr Robert Runcie, yesterday called for "targeted sanctions" against South Africa in areas such as banking and gold purchases.

Dr Runcie, world leader of the Anglican Church, told a press conference that targeted sanctions "will be much more comprehensive in terms of application by the leading economic powers. "Although there will be suffering for a short time, the ends might be achieved in a short time."

Asked about areas he had in mind, Dr Runcie said: "Banks and gold."

"The difficulty now is that sanctions can be resisted by the South African government because they are not nearly effective enough," he said.

If the great powers were to unite and call for effective sanctions, "we, as church people, would be supportive," recognizing also the continuing pain that is caused under a repressive system by rather moderate sanctions."

Dr Runcie attended the inauguration last September of Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize, as Archbishop of Cape Town.

He met an Anglican Church representative from South Africa in Singapore before going to Japan on Saturday.

Dr Runcie will attend the centenary celebrations of Japan's Anglican-Episcopal Church in Osaka on Saturday.

Earlier yesterday, he paid a courtesy call on Prime Minister Mr Yasuhiro Nakasone. — Sapa-Reuters
Anti-SA drive by US unions

Euro-ads keep up pressure for Shell pullout

The Star Bureau
WASHINGTON — American labour unions today intensified efforts to drive the multi-national oil company Royal Dutch Shell out of South Africa by buying full-page advertisements in European newspapers.

The Independent in London and the European edition of the Wall Street Journal were due to carry advertisements today placed by 25 US labour organisations telling shareholders “investing in apartheid is just not good business”.

Campaigners

The advertisements followed an “alternate corporate report” published this week by American anti-apartheid campaigners who started their efforts in January last year.

They have targeted Shell to make an example of the company.

The advertisements, headlined “What does Kodak know that Royal Dutch Shell doesn’t?” They compare Shell’s policy of staying in South Africa against that of Eastman Kodak, which severed links with the Republic.

The advertisement added: “Kodak, along with more than 90 other corporations in the last two years, made a smart business decision — they pulled out of South Africa and thereby ended their corporate support of that country’s brutalisation of its black majority population.”

Repeating a line it took in the alternate Shell report two days ago, it said Shell subsidiaries worldwide were being boycotted because Shell supplied fuel to the South African military and police and the “apartheid economy”.

Mr Richard Trumka, president of the United Mine Workers of America, who has been at the head of Shell boycott efforts in the US. “It’s time for the company to wake up to the fact that its small investment in South Africa is not worth incurring a worldwide boycott.”

The advertisements quote Eastman Kodak’s chief executive, Mr Colby Chandler, as saying Kodak had hoped the pace of change in South Africa would enable it to forecast when it would be able to operate there free of an apartheid system.

“We reluctantly concluded our hopes were not justified and that we must make the business decision to withdraw,” Mr Chandler reportedly said.

Sir Laurens

LONDON — South African-born van der Post’s daughter, Lucia, fence over what some believe influence over Britain’s future Charles.

The Prince’s recent desert sojourn raised eyebrows in son daughter says there is nothing of.

Quoted in a report by Daily Dempster today, Lucia, mother and daughter says: “Sir Laurens some people as a kind of Rasp entirely wrong. Nor is my father.”
Hundreds of jobless back in Ciskei as result of sanctions

Post Correspondent

BISHO — Hundreds of unemployed people had returned to Ciskei because of the effects of sanctions on South Africa, President Lennox Bebe claimed at the opening of the first session of the Ciskei National Assembly today.

He said this was a phenomenon which affected Ciskei vitally because of factors over which it had no control.

It was indeed very sad but true that the people designed to be helped were the very people who had to bear the brunt of these sanctions.

He said another disturbing factor was the deteriorating situation in South Africa.

The past two years had seen acts of violence causing pain, suffering and death in a manner not previously encountered on the sub-continent.

Because of Ciskei’s proximity to some of the troubled areas, there had been a spill-over effect into Ciskei.

While conduct of this nature could not be tolerated and had to be met with all the opposition available, a question arose loud and clear: “Do the circumstances giving rise to this behaviour not also need examination to discover what remedial measures are necessary?”

He said a process of reform in South Africa held promises for everyone, but somehow the wheels of these dramatic changes had got bogged down and the tempo of what seemed to have been envisaged had slowed considerably.

Among those present were the South African Minister of Defence, Gen Magnus Malan, the Minister of Law and Order, Mr Adriaan Vlok, and the Deputy Minister of Foreign Affairs, Mr Kobus Meiring.
Pressure on companies to disinvest ‘not ended’

THE decline in company withdrawals from SA since January should not be interpreted as a sign that disinvestment is on the wane, warns RAU Institute for American Studies director Carl Noffke.

"What we are probably experiencing is a lull. I don’t think it is safe to say there is a decline. One can expect the pressure to continue," he says.

Figures compiled by McGregor Research Services show the number of companies disinvesting reached a peak of nine a month in November, December and January. Of the total of 27 companies which left in this period, 20 were from the US. The withdrawals then declined to two in April.

The concentration of US companies leaving towards the end of last year has been attributed to the change in US tax laws which made it advantageous for companies to leave before the new tax regime came into effect.

But observers say while the change may have hastened the process, it was not in itself a catalyst.

Noffke, who keeps a close watch on developments in the US, says there is a sense of disappointment there about the effect of sanctions and a determination to heighten the pressure both internally on the US government and multi-national corporations and on Western European countries and Japan.

On the positive side, the improvement in the South African economy and its greater attraction as a market for exports could work against both these trends, Noffke says.

However, Frank Lubke, president of the American Chamber of Commerce disagrees with this view.

"Any upturn in the economy will not necessarily change a decision to pull out. The upturn will take place over a longer period of time and no impact will be felt immediately," he says.
Calls for Shell to quit SA

THE HAGUE — About 150 people protesting against the presence of the Anglo-Dutch oil giant Shell in South Africa disrupted the company shareholders' meeting yesterday, singing African songs and blocking the front of the hall.

Security men scuffled with a few protestors during the five-minute demonstration which came after a number of anti-apartheid spokesmen had put their case for the Royal Dutch-Shell group to withdraw from South Africa.

The protestors sang the African national hymn "Nhosi Sikele i' Afrika" (God bless Africa) as they marched to the front of The Hague's congress hall.

The group president Mr Lo van Wachem told the meeting: "We have a long-term stake in South Africa. We hope and expect to be there for the foreseeable future."

Organisations against Pretoria's apartheid racial segregation policy have selected Shell as a target for protests in an attempt to force the company to quit South Africa.

Mr Van Wachem said Shell was "determinedly opposed to apartheid" and trying to exert a positive influence. The US Baptist church leader Mr Andy Smith told the meeting that American anti-apartheid supporters had amassed 4 49 per cent of the company's outstanding shares. They need 10 per cent to call a special meeting to vote on the group's presence in South Africa.

Other speakers accused Shell of gross mismanagement because they said the whole group's profits were suffering as a result of boycotts against its South African interests, which amounted to less than one per cent of its world business.

Speaking at the Shell Transport Annual General Meeting, the SA chairman, Mr Peter Holmes, said that neither divestment nor silence on the part of companies operating in SA would help solve the country's problems. Mr Holmes, however, said the campaign, supported by 76 organisations in the US alone, has to date had no perceptible negative effect on the company.
Sullivan to come on ‘secret’ visit to SA

JOHANNESBURG — The architect of the US Sullivan Code, the Rev Leon Sullivan, is due to arrive in South Africa on May 24 for a “secret” visit to “see for himself whether apartheid has been eradicated”.

According to a confidential letter circulated to members of the so-called Signatory Association and signed by the chairman of the group, Mr Roger D Crawford, Mr Sullivan has decided to come to SA “to gain personal insights and gather pertinent information” before making his announcement in June on whether American companies in South Africa should stay or leave.

Dr Sullivan’s “secret” arrival in SA has been scheduled for May 24, with a departure date tentatively set for May 29.

During this period he will meet a “wide variety of opinion, church and labour leadership.”

Mr Crawford stressed in his letter that “to be successful, the visit will have to have a low profile.”

“Accordingly, I request that we all keep this news to ourselves and refrain from making public comments. It is my understanding that Dr Sullivan has a commitment to a low profile as well.”

The chief executive of a US corporation, who divulged the secret letter to the Citizen newspaper, said it was common knowledge among members of the association that a decision had already been made by Dr Sullivan.

“His proposed visit to South Africa is merely an attempt to lend a measure of false impartiality to his announcement, which he is scheduled to make at a press conference in Washington DC on June 3,” he said.
DETROIT — Ford Motor Company planned to retain its minority interest in the South African car firm, Samcor, despite pressure to quit the country in protest against apartheid, chairman Donald Petersen told shareholders at the company's annual meeting.

He said a Ford withdrawal would almost certainly cause Samcor, which had recently become marginally profitable, to fail and thereby cost 4,500 South African workers their jobs. The ripple-effect would cause the loss of another 11,000 jobs. — Saga-Reporter
SANCTIONS DOUBTS BY UK ENVOY

SATURDAY STAR FOREIGN NEWS SERVICE

LONDON — Mr Robin Renwick, who is to become British Ambassador to South Africa in July, appears to be sceptical of the value of sanctions.

In a book he wrote after his experiences as a member of the Foreign Office group that drew up the strategy that led to Rhodesia's transition to independence Zimbabwe, he wrote: "To abandon altogether the idea of recourse to sanctions in response to acts of aggression or other flagrant violations of international law or human rights would be to reduce the choice of responses to one between military action and acquiescence — as unattractive choice at the best of times."

But he added: "They may have some deterrent effect, though they are not likely to do so if the regime believes its survival in any event is at stake.

"Once applied they may, if sufficiently effective, weaken the target regime, but they will not necessarily change its behaviour... Exaggerated expectations should not be entertained as to the likely economic effects, or the time scale on which these may be felt; still less as to the probable political results."

Mr Renwick (48) was once head of the Rhodesia Department at the Foreign and Commonwealth Office, and acted as political adviser to Lord Soames, Rhodesia's last Governor.

He helped persuade Mr Ian Smith's army commander from mounting a pre-independence election coup, according to a Fleet Street columnist.

STAFF REPORTERS

The conservative Northern Transvaal town of Pietersburg is abuzz over its first escort agency — which will be opening soon amid controversy and speculation — and the news that escorts will need medical certificates saying they do not have AIDS.

The agency has had a rough passage so far, with church leaders and other bodies lodging objections. The owner, Mr George Kleyhans, has had his licence application turned down last year by the Pietersburg Town Council's licensing board, which claimed there was not enough demand for such an enterprise.

Mr Kleyhans successfully brought his case before an appeal board, which approved the application subject to certain conditions.

All "transactions" and the addresses and names of clients must be registered and each woman employed by the agency will have to produce a certificate from the district surgeon stating she is not a carrier of AIDS or any similar disease.

It is this health condition which has fanned speculation about the nature of the agency's activities. Mr Kleyhans has stated emphatically that the agency, known as Pandora's Box, will merely "introduce female companions to clients."

A final decision on the matter still has to be taken by the town council Councillors approached by The Star refused to comment.

In Johannesburg, escort girls and agencies have come out in full support of the introduction of compulsory medical certificates.

Said escort hostess Natasha, from the Playmate agency: "It is very good that it should be introduced, then it would be legalised."

Asked what would legalised, Natasha said she meant the hostess business.

"We all go for a medical check-up at least twice a month," she said.

"YOU NEVER KNOW"

Christalline, from the Charmant agency, supported the move "because you never know whom you might meet."

Medical check-ups should not be limited to escort agencies, but to every man and woman, said Miki Bako, of Romance Escort Agencies.

When told about the Pietersburg agency, Johannesburg city councillor Mrs Molly Kotel retorted: "It's the Knipkie Kommando, that's what it is!"

In the face of the serious political activity going on in her own council, the municipal representative for Ward 33 — Von Branda — snatched at the chance of a little light relief.

She wondered whether the register of clients Mr Kleyhans had been told he would have to keep would be made available to the opposition in the Pietersburg Town Council.

APPROACHING EPIDEMIC: A wave of AIDS is spreading south by these routes.

She said she was not taking up arms against Pietersburg's lady escorts, but she was concerned that herpes had been discounted in the crackdown to save the health, if not the morals, of the Pietersburg male population.

Johannesburg has had escort agencies for years; she said and Mrs Kotel speaks with the dubious distinction of being the public representative for at least 56 of these institutions in her own ward.

Johannesburg has tried to pull the blinds over the reality of the 25 thriving agencies circling Jack Mincer Square, plus all the others in the city.

"At present we have three zonings in Johannesburg: residential, business and industrial," said Mrs Kotel. "Why not have a fourth — call it a "service" zoning — where such organisations can legitimately ply their trade?"

She suggested that on top of the list for rezoning should be the area in the vicinity of the corner of Claim and King George streets.

"Declare it a service zone, not a red light district, and make it legal. It would not only become a tourist attraction, but people would know exactly where they stood when they went there."

South Africa is already facing a widespread AIDS epidemic among its black population, according to a report released recently by War on Want, the international charity.

The study describes the road, air and rail routes by which infected migrant workers are bringing the disease south to the Republic as they flock to find work in urban areas.

South Africa is particularly vulnerable because of its excellent transport services, the Government's use of segregated populations of migrant workers, and because the large number of prosperous cities make the country a magnet for job-seekers.
Colgate - a top Sullivan category rated company since the inception of the Sullivan Principles in 1971, has a broad social responsibility program embracing education, health, recreation and the pursuit of social justice for all South Africans. The company will continue to support community programs and to be proactive in the pursuit of a fair and free society for all South Africans.

An overwhelming percentage of shareholders believe that by remaining in South Africa, the company can play a major role in bringing about peaceful change. At the annual general meeting of the Colgate-Palmolive Company held in New York on April 30, a motion to divest from SA was defeated by a 90 percent majority.
Leon Sullivan denied visa

WASHINGTON.—The Rev Leon Sullivan has been denied permission to visit South Africa.

At the weekend he said it was all but certain he would call for total disinvestment and full sanctions.

Mr Sullivan said he had hoped to make the announcement in SA, but had been informed on Friday his visa application had been denied.

The Minister for Home Affairs, Mr Stoffel Botha, yesterday confirmed that Mr Sullivan's application had been rejected because of its “inopportune” timing, but might be granted at a later date.

Mr Sullivan said: “If by May 31 there is no change, I will call for all US companies to leave SA and for a total embargo of that country.”

Mr Sullivan said that while he did not expect the US President, Mr Ronald Reagan, or Congress to heed his call, he hoped corporations and private citizens would take the initiative in stepping up pressure on Pretoria.

Reagan administration officials said yesterday they had been informed before the May 6 elections the Baptist preacher would be denied a visa.

The officials, who were also informed of the decision on Friday, said the SA government was reacting to pressure from the Conservative Party.

“The right is already screaming about our companies' activities. The government believes that having Mr Sullivan in the country as Parliament opens would make things even worse.”
Sullivan takes hard line as SA visa is turned down

WASHINGTON — The South African Government's refusal to allow the author of the Sullivan Code into the country will heap more pressure on US companies to leave the country.

The remaining 170 or so American companies adhering to the Sullivan principles of fair and equal labour practices for employees in South Africa will now face a powerful call from the author of the code, the Rev. Leon Sullivan.

Mr. Sullivan has said he will, at the end of this month, tell all US firms operating in South Africa to get out. His move will probably constitute the largest single, blow to those US companies in the country still fighting to stay on, in the belief that they are doing some good.

On Friday he would not be given a visa for his final visit to South Africa, days before he was to stage a news conference here to make an announcement on his deadline, which he issued last year.

He had said he would call for total disinvestment if, by the end of this month, statutory apartheid had not been scrapped.

While Mr. Sullivan was not available for comment last week, sources close to him indicated it was not certain that he would press automatically for a departure by American companies.

The code, endorsed and enshrined in law and a proclamation by the White House, State Department and US Congress, has lent Mr. Sullivan legitimacy and immense political stature among Americans.
Sullivan to call for total US withdrawal

VIRGINIA — The author of the anti-apartheid Sullivan Principles said at the weekend that he would call for the total withdrawal of American companies from South Africa at the end of the month.

The Reverend Leon Howard Sullivan of the Zion Baptist Church in Philadelphia, who asked companies to change business policies in South Africa to help provide opportunities for blacks, said he had wanted to make the announcement in South Africa but had been denied permission to enter the country on Friday.

His plans to call for the boycott were instead announced during graduation ceremonies at West Virginia State College, the once all-black school that is his alma mater.

"If by May 31 there is no change, I will call for all American companies to leave South Africa and for a total embargo of that country," he said.

Mr Sullivan said he doubted that President Ronald Reagan or Congress would back his call but expressed the hope that citizens and corporations would step up pressure on the South African Government.

He had set the end-of-May deadline last year.

Many companies, including Coca-Cola, General Motors, International Business Machines and Eastman-Kodak, have already left South Africa or announced intentions to do so.

The Sullivan Principles were drafted in 1977 to set standards regarding pay, medical care, housing, non-discriminatory hiring, social justice and other issues for American companies doing business in South Africa.

The Minister of Home Affairs, Mr Stoffel Botha, told Mr Sullivan the "time is not ripe" for him to visit South Africa.

Mr Botha yesterday denied allegations by the American civil rights leader that he had been refused a visa. — Sapa
'No' to Sullivan

MR STOFFEL Botha, Minister of Home Affairs, has told the Rev Leon Sullivan the “time is not ripe” for him to visit South Africa but denied allegations by the American civil rights leader that he had been refused a visa, SABC Radio News reported.

On Saturday Mr Sullivan, author of the Sullivan Code of Conduct for American companies operating in South Africa, said from West Virginia he would call for a total withdrawal of all firms from South Africa at the end of the month.

He said he had hoped to make the call from South Africa but was barred from entering the country on Friday.
Export order unglued by sanctions pressure

SANCTIONS pressure has caused more than one SA manufacturer to come unstuck on international markets.

The latest example is the appearance in Johannesburg shops of a high-strength glue, manufactured locally, but with French/English instructions only.

A spokesman for Pratley Manufacturing & Engineering said yesterday a large consignment of glue had been returned from a French-speaking country.

The order was absorbed locally, averting what could have been a sticky situation.

MD Kim Pratley said the order was returned at the end of 1985 and the firm was still trying to sort out the insurance claim and piece the shambles together.

Pratley has been pushing into the export market for two years in an effort to cement overseas ties.

"The reticence of overseas retail outlets to be seen doing business with SA is a problem."

"There are many anti-SA pressure groups roaming around looking for companies doing business with SA."

Because of exports going to a number of countries, Pratley said he might consider off-shore manufacture.
Leading nations 'still have SA links'

25 countries apply sanctions

The Star Bureau

WASHINGTON — Twenty-five industrialised democracies have imposed various economic sanctions on South Africa in efforts to goad the South African Government into ending apartheid, according to a new US State Department report.

The study summarised South Africa's trade with 31 countries, 23 of which still maintained diplomatic links with the country, concluding that 'all of the leading industrialised nations have significant economic relations' with South Africa.

The report was prepared in terms of the Comprehensive Anti-Apartheid Act of 1986, which imposed US sanctions on South Africa late last year.

It said common sanctions imposed by South Africa's trading partners included: a ban on new investment in South Africa by 20 countries, a ban on imports of gold coins (Krugerrands) by 15 countries, a ban on imports of South African iron and steel by 17 countries, and a ban on new loans to South Africa by nine countries.

All European Economic Community countries had adopted measures agreed to in October last year, including a voluntary prohibition on new investment in South Africa.

Of six Commonwealth countries reviewed, Australia, Canada and Singapore had enforced, or were implementing, sanctions agreed by the Commonwealth in August last year. Among these steps were a ban on coal, iron, steel, uranium, agricultural products, new investment and re-investment of profits earned in South Africa; a stop to air links with South Africa; and a ban on new bank loans.

South Africa produced many of the raw inputs used by industrialised economies — total exports equalled 35 percent of South Africa's gross domestic product. The country's major trading partners were ranked, in 1985, as the US, West Germany, Japan, United Kingdom, Italy, France, Switzerland and The Netherlands. The UK had the largest foreign investment in South Africa, with West Germany next and the US third.
Firestone SA's operations will not be affected by buyout - MD

By MICHEL DESMIDT

THE acquisition by Federale Volksbeleggings of the remaining 25% interest in Firestone SA for an undisclosed sum will have no effect on operations, according to Firestone's managing director, Mr Bill Taylor.

Federale Volksbeleggings announced yesterday that with effect from April 1 it had boosted its 75% shareholding in Firestone by acquiring the remaining 25% stake previously held by the American Firestone Tire and Rubber Company.

Firestone (SA) is now a wholly-owned subsidiary of Federale and intends changing its trading name.

Mr Taylor said although the management agreement with Firestone in the United States had expired in March, long-term technical and trade-mark agreements would remain in force "into the next century".

This meant that the South African company would continue to manufacture and sell Firestone tyres, tubes and related products using Firestone technology.

Signs that the company's advertising campaign would continue under the Firestone banner.

No decision had yet been made on the company's new trading name and a separate listing on the Johannesburg Stock Exchange of the wholly South African-owned company was not being contemplated, he said.

Mr Taylor, who succeeded Mr Peter Morum as chief executive in November last year, said there would be no change to production and staff levels.
US court topples import ban on SA steel products

From ALAN DUNN
The Argus Foreign Service
WASHINGTON. — The US Court of International Trade has rejected part of the Reagan Administration's sanctions package against South Africa, overturning a ban on the import of steel products.

The ruling effectively allows a US importer to resume the import of cable used to reinforce concrete. Shipping stopped in November in terms of the Comprehensive Anti-Apartheid Act of 1986.

But Mr Justice James Watson found in a New York case that the ban on steel covered basic forms of steel and not advanced steel products.

The judgment was welcomed by a spokesman at the South African Embassy here who said: "It is a major breakthrough for South Africa. I commend the US importer for taking the bull by the horns. showing the Administration it went too far in looking after its own interests in keeping out foreign imports."

DISMAY

It is understood makers of American wire, wire products, pipe and tube lobbied intensively at the time US government officials were implementing the sanctions, to have competitive items included in the list of banned commodities.

This sparked dismay among South African officials and was the subject of behind-the-scenes discussions and representations to US officials.

Sources close to the US import community said yesterday other importers would consider following the judgment with their own court actions challenging other aspects of the Administration's enforcement of the steel ban.

Mr Justice Watson found in favour of Springfield Industries Corporation which sold mainly South African pre-stressed concrete strand for building construction before the sanctions. The defendant was the US Government.

SPECIFIED

In his judgment, Mr Justice Watson said: "To hold that Congress intended the word steel to mean all steel products would be rife with inconsistencies."

Congress would have specified steel products if it had wanted to do so, he said.

The logical inference was that the lawmakers had deliberately refrained from going beyond banning basic forms of steel.

The judge found that including pre-stressed concrete strand in the ban was "arbitrary and capricious."
Call for total US sanctions, divestment looming
Sanctions biting into coal export business

ADAM PAYNE

SANCTIONS have hit the coal export trade, with this year’s target through Richards Bay an estimated 10% lower at 36-million tons, against the original estimate of 40-million tons.

The Richards Bay Coal Terminal Company says: "The revised estimate has been brought about by a number of factors — principally the present oversupply situation in world coal markets, cost pressures and sanctions."

Steve Ellis, chairman of Trans-Natal Coal, said last night: "I consider the main reason for the drop in exports to be the effect of sanctions by Denmark and France. "They were brought in last year by Denmark and are taking effect this year. Added to that, France is applying sanctions and also has reduced demand because of increased nuclear capacity. "The over-supply situation for coal overseas is exacerbated by the fact that there has not been great growth in demand. On top of that there are new suppliers such as Colombia. China is also starting to make itself felt as an exporter. "The Australian mines are finding it difficult to survive."
More US firms may fight bar on SA goods

Court lifts ban on steel imports

By Alan Dunn, The Star Bureau

WASHINGTON — The United States Court of International Trade has rejected part of the Reagan Administration's enforcement of economic sanctions against South Africa, overturning a ban on the import of steel products.

The ruling effectively allows an American importer to re-start shipping in steel cable used to reinforce concrete which was stopped in November when the United States Treasury issued a list of definitions stipulating what items the steel ban prohibited.

The Treasury guidelines, given to United States customs officers, were the Reagan Administration's interpretation of what the Comprehensive Anti-Apartheid Act of 1986 meant by halting steel imports.

But Mr Justice James Watson found in a New York case: "The court holds that the ban on steel covers basic forms of steel and not advanced steel products."

The judgment was welcomed by the economics envoy at the South African Embassy here, Mr Arnold Mentz: "It is a major break for South Africa. I commend the US importer for taking the bull by the horns, showing the Administration it went too far in looking after its own interests in keeping out foreign imports."

It is understood makers of American wire, wire products, pipes and tubing lobbied intensively at the time American government officials were implementing the sanctions, to have items competing with theirs included in the list of banned commodities.

This sparked some dismay among South African officials at the time and was the subject of behind-the-scenes discussions and representations to US officials.

Sources close to the American import community said yesterday other importers would consider following the judgment with their own court actions challenging other aspects of the Administration's enforcement of the steel ban.

Mr Justice Watson found in favour of Springfield Industries Corporation which sells mainly South African pre-stressed concrete strand (PC strand) for building construction.

The defendant was the United States government. It is not yet known whether the US Justice Department will appeal against the judgment.

On the definition of the term "steel", the judge said: "To hold that Congress intended the word 'steel' to mean all steel products would be rife with inconsistencies."

Congress would have specified steel products if it had wanted to do so, he added.
Firestone sells off last SA interest

AKRON (Ohio) — Firestone Tire and Rubber has sold its last 25 percent interest in Firestone SA to the holding company that acquired a 75 percent interest in the company in 1981.

Federale Volksbeleggings signed a management agreement with Firestone when Federale became the controlling shareholder in 1981.

When the management agreement expired in March, Firestone said, it asked Federale to consider buying its minority interest.

Under the 1981 agreement, Firestone was prohibited from selling its 25 percent interest to a third party without Federale's approval.

IMMATERIAL

Federale responded with an offer and Firestone agreed to buy. The terms were not released.

Firestone said the company's impact on earnings would be immaterial.

Akron-based Firestone said it would continue to honor trademark and other long-term agreements with Federale until their expiry dates.

Firestone said its board of directors would still meet a commitment made in 1982 to spend the equivalent of about R1 million a year for three years.

The money was to support education and training programmes for blacks in South Africa.
US pressure seen forcing pace

Israel to study possibility of SA sanctions

JERUSALEM — A committee has prepared a report for Israeli Cabinet approval on sanctions against SA, in line with those adopted by Western nations, says the Foreign Ministry.

The ministry yesterday declined to elaborate on the report.

Ministry officials have said Israel, in protest against apartheid, is considering banning new investment in SA, reducing trade and barring ministerial visits.

Israeli leaders have been under US pressure to reduce ties with SA. They asked the committee to propose trade and cultural sanctions two months ago, when Israel banned new military contracts.

"In principle, the report will conform to Israel's stated policy... Israel will follow Western democracies in the steps to take on SA," the ministry said.

Several Cabinet Ministers have said sanctions could harm SA's 110,000 Jews who have a unique agreement with Pretoria enabling them to transfer funds for investment in Israel.

Israeli newspapers say sanctions could cost Israel $500m, mainly in lost defence sales.

But the US Congress has threatened to cut military aid to nations identified as defying the UN embargo.

Israeli officials say arms deals with SA could endanger the annual $3bn US assistance package.

Last September, the 12-nation European Community, despite British and West German reluctance, banned iron, steel and gold coin imports from SA and new investment in SA. — Sapa-Reuter.
Johannesburg — South Africa has gained a “breathing space,” with the tide of sanctions and disinvestments having waned, at least temporarily, the chief executive of the Association of Chambers of Commerce (Assocom) said yesterday.

Mr. Raymond Parsons said this had been created primarily by the economic recovery in South Africa, overseas preoccupation with other issues and doubt as to the economic and political efficacy of primitive measures.

Just how long the pause would last would depend on a number of factors:

- Overseas political perceptions of South Africa in the period ahead. This would reflect the overseas assessment of whether, in the aftermath of the general election, South Africa blended stability and reform in the right proportions.
- The extent to which the participation in other markets by international business was adversely affected as a result of actions by anti-South African lobbies overseas in protest against their continued presence in South Africa.
- Whether the economic recovery in South Africa was sustained. This required an economic policy, particularly in the June 3 budget, geared to securing a three percent economic growth rate this year.
- The ability of the South African business community to continue to successfully evade or neutralise economic sanctions.

Sapa
"Sanctions" Sullivan gets egg on his face from defiant Pretoria

WHEN is a sanction not a sanction? When the target is不住 if the benefit and pleasure from being sanctioned.

On numerous levels, this is precisely what is happening as the West tries to pressure South Africa towards its own standards of civilized behaviour. For a while, Pretoria was not only tacitly under. Pretoria is saying — with good reason — "Oh please, do it again only this time harder".

Unfortunately, at least for anyone who gets pleasure from a dusty northeastern outcome, the point is lost not only on those like Transafrica’s Randall Robinson most anxious to crack the whip, but even on some who have thus far doubted the utility of trying to inflict pain on the recalcitrant looters. In particular, the Reverend Leon Sullivan.

Evolving over more than a decade the Sullivan Code has successfully turned US corporations into a sort of siege engine hollowing into the walls of apartheid. To be sure, the walls have not yet fallen, given the relative smallness of US investment, but the effort has necessarily been on the margins.

It must also be conceded that many signatories have used the code more to protect their reputations than to advance the cause of change. Yet for all that, the code has added to the growing antiquity and inconsiderable achievement.

By failing to usher in the Marxist millennium as fast as its critics would have liked, they have also left the author at the end of his intellectual and emotional tether. He told the graduating class at West Virginia State College (his alma mater) last week that he was abandoning the cause.

Final straw

Last year, in a prescient attempt at blackmail and to his immediate regret, Sullivan threatened to call for total divestment and sanctions if the walls had not fallen by May 31. Surprise, surprise, they haven’t, and up like a number of other erstwhile sanctioner who have rethought in the light of post-comprehensive Anti-Apartheid realist reality (influential black columnist William Raspberry for one), he lacks the courage or the acuity to admit a mistake.

On the surface, Pretoria’s decision to do him a visa to take a last look at what he was leaving might be considered the final straw. Yet, ironically, the reason behind the denial ought to have been the strongest single argument for date for staying. The very people whose will Sullivan wishes to break were saying yes, get out and take your subversive companies with you. Nothing would suit us better.

From here, at any rate, the assault on US corporations sounded by EAU’s Karl Netke and his ideological co-horts appears neither greyward bra- vado nor a Machiavellian attempt to staunch the exit of investment. There are solid reasons, economic, political and psychological, why these men are sincere.

In 1988, according to the annual Arthur D Little audit, Sullivan signatories pumped $25 million into the education of non-white non-employees. These $13.5 million into non-white housing and community development and $25 million into various "anti-apartheid activities", including legal assistance.

In addition, they purchased $22 million worth of goods and services from non-white businesses. Marginal sums, maybe, in an $80 billion economy, but sums nonetheless, and every cent went towards the singular, if unspoken, purpose of undermining the artificial superiority of whites.

Interference? Damn right, and interference utterly inimical to that great rump of white society who owe their livelihoods and position not to skill or effort or enterprise but to the vast state apparatus of apartheid.

If the continued presence of US companies is a threat to the white ochlocracy, the departure is becoming a boon for white entrepreneurs who are not only picking up significant assets on the cheap, but are also dispensing with the expensive paraphernalia of the Sullivan siege engine.

As the State Department, whose own educational and human rights pro- grammes are also under fire from Pre- toria, noted "with distress" last week: "To our knowledge, not one of the

Washington Letter

by Simon Barber

The Rev Leon Sullivan ... Lacks courage to admit a mistake.

South African companies that have left has continued the fair labour standards and social programmes of the Sullivan code.

That monkey is off white South Afri- can’s back. Wonderful, except that black South Africa is left even more friendless.

In his speech last week Sullivan urged "citizens" and companies to put "more pressure" on South Africa, a logically absurd suggestion displaying either profound ignorance of what it is he has been doing all these years, or, more likely, sheer intellectual rot.

By calling for complete divestment and a full-scale embargo he is helping ensure that neither citizen nor company can have even the faintest fulcrum for leverage. He is making that part of the outside world must inter- ested in promoting honest change al- together irrelevant. Again, what more could Pretoria ask?

Jaded diplomat

Well, it could ask that the US and its allies pour millions of dollars of aid into infrastructure projects for the frontline states, whose public distaste for South African products is pure<dynamic-content-tracking-script>
LONDON — Sanctions had driven SA back into the laager at the point when President PW Botha was “coming our way fast”, British Prime Minister Margaret Thatcher said yesterday.

While repeating her continued opposition to sanctions, Thatcher told the Daily Telegraph that SA had to be encouraged and treated with patience.

Her comments underlined that she felt even more strongly that sanctions were a mistake and that she would continue to fight them.

Asked: “Are there any international initiatives you would like to implement?”, she said it would be contact with Moscow to enlarge freedom for the Soviet people.

She then returned to the subject of South Africa and said: “The Southern African problem requires a great deal of patience. In our hearts, everyone knows it’s got to be tackled. I think most white South Africans know.

“Mr Botha was coming our way fast when there were no sanctions. Once other nations started to put sanctions on, everything one predicted would happen did.

“Now it’s a case of trying to keep them going forward without feeling that we’re telling them what to do — because they would recoil — and without destroying that fantastic economy.

“It is a fascinating time to be living in. It is an even more fascinating time to be having just a little bit of influence on it.”

Her statement was one of the first references to SA heard so far in the June 11 election campaign.

Both the opposition Labour Party and the Alliance have so far virtually ignored SA as an issue, concentrating entirely on domestic matters.
Thatcher: sanctions made PW step back

LONDON — Sanctions had driven South Africa back into the laager by the point when the State President, Mr. F. W. de Klerk, was "coming our way fast", the British Prime Minister, Mrs. Margaret Thatcher, said in a press interview yesterday.

"Making clear her continued opposition to sanctions," Mrs. Thatcher told the Daily Telegraph that South Africa had to be encouraged and treated with patience — without its fantastic economy being disrupted.

"As the question "are there any international initiatives that you would like to implement?" she said, "contact with Moscow to enlarge freedom for the Soviet people — and then concentrated on South Africa."

She said: "The Southern African problem requires a great deal of patience."

"In our hearts, everyone knows it's got to be tackled."

"I think most white South Africans know."

"Botha was coming our way fast, when there were not sanctions. Once other nations started to put sanctions on, everything one predicted would happen, did," she said.

"Now it's a case of trying to keep them going forward without feeling that we're telling them what to do — because they would recoil — and without destroying that fantastic economy."

"It is a fascinating time to be living. It is an even more fascinating time to be having just a little bit of influence upon it," she added.

Her statement is one of the first barely audible references on South Africa heard in the June 11 general election campaign so far.

Both the opposition Labour Party and the centrist Alliance have so far virtually ignored the South African issue in an election concentrating entirely on domestic matters. — Sapa
Matutu makes international call against disinvestment

Dispatch Reporter

UMTATA — A Transkei MP, Mr Richmond Matutu, made an international call against economic sanctions and disinvestment in South Africa yesterday.

Taking part in the debate on the second reading of the Appropriation Bill, 1987, in the National Assembly, Mr Matutu, the MP for Butterworth, called on international leaders to renounce their calls for disinvestment and economic sanctions.

Mr Matutu said that economic sanctions and disinvestment in South Africa had resulted in the loss of jobs and the economic strangulation of thousands of Transkeians.

Mr Matutu said he himself had initially supported the economic strangulation of South Africa, but he had since changed his mind and now supported the call by the British Prime Minister, Mrs Margaret Thatcher, to stop disinvestment and economic sanctions.

He said: “Economic sanctions and disinvestment are a devil”.

Mr Matutu said he had failed to understand the predictions that sanctions would have an impact on Transkeians and other blacks in South Africa.

“I plead with Archbishop Desmond Tutu to stop advocating disinvestment and economic sanctions.

“He should descend from his pulpit and stop his propaganda against apartheid as many of our people are now dying,” Mr Matutu added.

Mr Matutu said that while the whole of Southern Africa was being affected by the economic sanctions, the World Council of Churches and the South African Council of Churches was doing nothing for the people.

“He said the problem was intensifying and it affected both educated and uneducated.”
Sanctions 'drove SA back into laager'

Own Correspondent

LONDON. — Sanctions drove South Africa back into the laager, at the point when President P W Botha was coming our 'way fast', British Prime Minister Mrs Margaret Thatcher said yesterday.

Making clear her continued opposition to sanctions, Mrs Thatcher told the Conservative Daily Telegraph that SA had to be encouraged and treated with patience — without its "fantastic" economy being disrupted.

"Botha was coming our way fast, when there were not sanctions. Once other nations started to put sanctions on, everything one predicted would happen, did.

"Now it's a case of trying to keep them going forward without feeling that we're telling them what to do — because they would recoil — and without destroying that fantastic economy."

Meanwhile, the 'Anti-Apartheid Movement' (AAM) yesterday launched a campaign here to press for sanctions against SA as an issue in the election.

Their hopes are boosted by the fact that, with SA a major international issue here now, they would be able to get considerable mileage out of the subject.

AAM president Bishop Trevor Huddleston said the movement was able to make SA a vital issue in this election for the first time in the 28 years of its existence.
US makes stand on cross border raids

WASHINGTON — The US Senate voted by a wide margin today to ban aid to Southern African nations unless they halt all guerrilla attacks across their borders with South Africa.

The vote on the amendment to a supplemental appropriations bill was carried by 77–15.

The amendment sponsored by Senator Larry Pressler, a South Dakota Republican, also said aid would not be extended to any of the states that did not denounce "necklacing" of blacks, a form of mob justice in which a tire filled with petrol is placed around a victim's neck and ignited.

The amendment would bar use of any United States funds for the Southern African Development Co-ordination Group, the so-called "Frontline states" actively supporting organisations fighting apartheid racial segregation in South Africa.

The amendment was part of the $9.4-billion (R19-billion) supplemental appropriation bill for fiscal year 1987, which ends on September 30.

When the Senate completes work on its bill, it will go to Congress to sort out differences with the House bill and the agreed version will then go to both houses for a final vote. — Sapa-Reuter.
Xerox vote will delay SA pull-out

ATLANTA (Georgia) — Xerox Corporation stockholders yesterday rejected a resolution to strengthen the company's plans to withdraw completely from South Africa.

Xerox, based in Stamford, Connecticut, announced in March that its European affiliate, Rank Xerox Ltd, would sell its South African subsidiary to Fintech, owned by a South African electronics and electrical products company.

Counsel for an institutional fund said yesterday that Xerox equipment is still being used to support apartheid.

But chairman Mr David Kearns said Xerox had responsibilities to customers and employees in South Africa that would prevent it from completely banning products there.

Xerox is the 32nd-largest US industrial company, with 1986 sales of $9.38 billion. — Sapa-AP.
Kaunda still set on sanctions

The Star's Africa News Service

LUSAKA — Zambia was still determined to implement sanctions against South Africa, President Kenneth Kaunda said yesterday.

At a Press conference here he added, however, that sanctions would only be implemented when an agreement was reached with other countries in the region.

Zambia would like to ban flights to and from South Africa but this move would only have an effect if other countries in the region took similar measures.

Mr. Kaunda said he saw no hope for a peaceful solution to South Africa's problems and accused the West of supporting the South African Government.

Mr. Kaunda said that this week he would announce major changes in the structure of the boards of State-owned firms.

Some executives in State enterprises were bullies, while others were stealing a lot of money, he said.

Mr. Kaunda said his Government had broken off negotiations with the International Monetary Fund because the IMF was only concerned with debt repayment, not with the development of countries.
The sanctions against South Africa are unlikely to bring political change. They did not work under General L\'ange, either. After all, many South African leaders supported and benefited from sanctions. The economic rationalism of sanctions is not sufficient to bring about political change.

BRING POLITICAL CHANGE

Sanctions, unlikely to...
Rhodes Professor sees sanctions here to stay

"Sanctions here to stay," a Rhodes Professor says, "Violent repression, a standstill of some degree for those South Africans who have been harried and intimidated. If we have to resort to violence to protect our country, we will do so. It is a matter of principle to us."
Sanctions are not effective - ILO

EFFECTIVE - ILO

Sanctions are not effective - ILO

SOWETAN CORRESPONDENT

Soweto conference in Labour's main conference in Johannesburg to discuss and consider the economic, social, and political situation in South Africa. The conference was attended by delegates from various trade unions and labor organizations from across the country. The main discussions centered around the impact of sanctions on the economy and the need for a peaceful resolution to the ongoing conflict.

Mr. Brian MP and the ILO's Director-General, Mr. Juan Somavia, were present at the conference. The discussions focused on the role of labor in shaping the future of South Africa and the importance of international solidarity in supporting the struggle for liberation.

The conference ended with a call for a peaceful resolution to the conflict and the need for continued negotiations between all parties involved. The delegates agreed on the importance of maintaining unity and solidarity among workers and labor organizations in the face of ongoing challenges.
Amid fears for SA prof's safety...

US university bars teaching of Afrikaans

WASHINGTON — A Stellenbosch professor has been barred from teaching Afrikaans at Portland State University because administrators fear they would be "unable to guarantee her safety".

Anna Feinauer had been scheduled to teach an eight-week course as part of the university's programme in July and August.

The class, designed primarily for academic linguists as opposed to practical-language students, was dropped amid concerns of serious campus unrest.

Protests against the course have been brewing since it was advertised last month. Up to 240 students signed a petition asking Feinauer's invitation to be withdrawn.

Portland State's Association of African Students president Aggrey Oswe told director of the summer programme, Charles White, that offering Afrikaans was "offensive and totally an embarrassment to Africans in this school".

Afrikaans, Oswe said, was "an instrument to dominate blacks in SA".

Associate prof of black studies Candice Goucher denied academic freedoms were being violated.

She said: "It's a question of resources, and the employment by Portland State of someone from SA is a direct violation of the international academic boycott of SA."

White, in telephone conversations with Feinauer who remains in SA, said he was worried about her physical security, though other members of the faculty disagreed that this was an issue.

Academic affairs associate vice-president Michael Reardon said: "I was not that worried about her safety but it is quite conceivable that we would have so much turmoil that we could not have the course go on... her students would be under constant harassment."

The Portland Oregonian quoted Feinauer as saying she had considered suing for breach of contract but had been dissuaded by the potential cost.
A recent picture of Monganye Wallaby Serere.

The issue of the cultural and aesthetic objectives of the region should be decided in the context of the larger social and environmental objectives. The region's cultural diversity and aesthetic values should be recognized and respected in the development of policies and plans. The cultural and aesthetic objectives of the region are integral to the sustainability of the region's cultural and natural ecosystems.

The region's cultural and aesthetic objectives should be developed in consultation with the local communities and stakeholders. The region's cultural and aesthetic objectives should be integrated into the planning and development processes. The region's cultural and aesthetic objectives should be communicated to the public and stakeholders.

The region's cultural and aesthetic objectives should be monitored and evaluated to ensure their effectiveness. The region's cultural and aesthetic objectives should be reviewed and updated as necessary.
UDF slams vote to end US aid

JOHANNESBURG — The United Democratic Front (UDF) supported the position taken by Zimbabwe, Botswana and Zambia in denouncing the US Senate vote to cut off aid to Frontline states if they did not stop supporting the African National Congress.

In a statement yesterday the UDF's acting publicity secretary, Mr. Murphy Morobe, attacked the Senate vote as "blackmail tactics".

"The last thing these proud Africans would want to be are 'house-niggers' at the beck and call of the American dollar," he said.

"What the Senate has exposed is American arrogance and chauvinism which it thinks it can freely use against small countries to whip them into line."

The UDF, he said, agreed with Zimbabwe's Prime Minister, Mr. Robert Mugabe, that the vote was "supported by racists who tacitly supported white rule in this country because in the end it (white rule) does not really conflict with American interests of domination."

"We shall be waiting to see with keen interest whether their House of Representatives will endorse this Senate resolution," he said.

"Whichever way it goes, the world will have once again seen that American aid has very little to do with humanitarianism but seeks to promote rabid American imperialism." — Sapa
Anti-apartheid plays exempt from boycott

Own Correspondent

LONDON. — The ANC is lifting the cultural boycott against South Africa in the case of plays which come from strong anti-apartheid sources.

This follows the mixed feelings that have been aroused in ANC and Anti-Apartheid Movement (AAM) circles here over such shows as the Paul Simon “Graceland” production, which was picketed and boycotted by some AAM groups.

However, this does not mean there would be a general relaxing of the cultural boycott, allowing a free interchange of artists and productions between the two countries, it was made clear.

It also did not mean that there would be any let-up in other boycotts against SA, such as the sports boycott or those against SA produce.

Journalists report from Germany that ANC sources there have said an easing of the academic boycott against SA was also being considered.
LONDON — South Africa had turned the tables on the United Nations arms embargo and the same would happen to economic sanctions, the Minister of Defence, General Magnus Malan, said in an interview published here yesterday.

"South Africa's reaction to the arms embargo is indicative of our nation's response to boycotts," Gen Malan told a leading military journal, Jane's Defence Weekly.

He said the arms embargo had been a blessing in disguise.

South Africa had responded to being "thrown out into the cold" by achieving self-sufficiency and becoming a "prominent world leader in the field of weaponry" in over just two decades, Gen Malan said.

In addition, thousands of jobs had been created, South Africa had entered the international arms market with success and South Africa's political negotiating position had been strengthened.

Gen Malan said the details of export achievements were secret but that the partnership between the government and private enterprise, with Armcor as the go-between, had been successful.

"South Africa has the resourcefulness to maintain the momentum achieved so far in the area of weapons development. We have come this far and we can only go further," Gen Malan said. — Sapa
SA theatre welcomes easing of ANC boycott

Weekend Argus Reporter and The Argus Foreign Service

THE easing of the African National Congress cultural boycott has been welcomed as "good news for the theatre", with a significantly higher international profile predicted for South African work.

Plays by committed anti-apartheid performers are exempted from the ban, it was announced in London at the Canon Collins Memorial lecture in memory of the late anti-apartheid campaigner.

ANC leader Oliver Tambo delivered the lecture.

"The move could well include an easing of the academic boycott," Baxter Théâtre director Joan Slomen said the boycott had encouraged indigenous work to flourish here.

Capab's head of drama, Johan Esterhuizen, said the announcement was "obviously very good news for theatre".

Controversy

"This makes these slightly random boycotts a little more sensible," Baxter Théâtre donors said.

"Many musicians, actors and other artists - not only in the theatre - have found themselves embroiled in controversies or simply denied international opportunities as a result of the cultural boycott.

The rigidity of the embargo, however, has also earned the ANC and anti-apartheid activists abroad considerable ridicule. Much of the work banned from international exposure has been strongly anti-apartheid in tone and content.

Recent furoruses include the picketing of Robert Kirby's play "The B唐山 Sunbird" at a Hammersmith theatre, the milder demonstrations against Percy Mtwa's play "Booha", at the National Theatre in London, and the public castigation of Paul Simon over his "Grace" recording and the subsequent tour with leading black South African musicians.

The Cape Town band Amampondon has also fallen foul of the ban.

Wide appeal

It is not certain, though, what criteria are to be used in deciding what "committed anti-apartheid artists" are.

Baxter director Slomen said: "The Western style of work we would have been able to import in the absence of a boycott would not necessarily have appealed to everybody," he said.

"We might get some very interesting plays. Then again they might be of interest to only a certain section of the community.

"Indigenous works have a wide appeal." The Baxter's present record-breaking hit, "District Six", was a case in point.

Mr Robin Welch, manager of programmes and acquisitions for M-Net, said that if the boycott was lifted "M-Net would be delighted to take a look at available British drama with a view to adding more zest and spice to our programme package".

He said that after discussions with Equity members he did not think the ANC link with Equity was "as strong as many people believe."
Kani: ANC ‘defined’ boycott

By ANDREW DONALDSON

THE African National Congress has not “eased” its cultural boycott on South Africa — it has merely defined a selective boycott that has existed for years, according to one of the country’s top actors and producers.

Mr John Kani, newly-elected associate director in production at Johannesburg’s Market Theatre, was reacting to reports that overseas anti-apartheid pressure groups would ease their protests and actions against South African productions staged in their countries.

Progressive artists inside South Africa would, if necessary, wholeheartedly support a blanket cultural boycott, Mr Kani said.

“Just as there’s a total onslaught against any form of black uprising in this country, there was also a total onslaught against apartheid: inside and outside the country,” he said.

There were various aspects to this onslaught, which included, among other things, economic sanctions, the arms embargo, industrial and military action.

“It also included the cultural boycott. One cannot isolate it on its own; it has to be seen as part of the whole wheel. Therefore it must be understood that we, as artists, support the boycott 100% as far as overseas artists coming to South Africa is concerned.

“That much we’ve always understood. It’s been the reverse, with South African exports, that’s never been defined.”
SA boycotts to stay in force

from IAN HOBS

LONDON — The total sports isolation of South Africa is under "intense review" but will not yet be even partly lifted as part of the ANC's new flexibility on boycotts.

But it was made clear in London last night that there will be no further obstruction to international contact between South Africans and the outside world over a far wider area than just the arts — which was first disclosed yesterday.

South African culture in the broadest sense — theatre, academics, education, religion and even areas of business life — will be welcomed abroad.

'Could be welcomed'

However, this applies only where groups or individuals have the backing and respect of the "democratic movement" and the "support of their peers", said a senior member of the British Anti-Apartheid Movement.

She said a business or theatre group, for example, could be welcomed rather than boycotted abroad if they had the support of a movement like the UDF.

On the other hand, it was explained, boycott action would be enforced with greater intensity on anyone seen as a government sympathizer and "apartheid fellow traveller" or unwilling to identify with "the democratic movement of the majority".

Mr Sam Ramasamy, chairman of the UDF-aligned South African Non-Racial Olympic Committee (SAN-ROC), said it had been decided the "time was not ripe" for the doors to be opened.

□ Kani: ANC 'defined' boycott, Page 3.

air defence

Western military attaché, who said a four-seater aircraft would have had to fly at an altitude of less than 30 metres to avoid detection.
ANC remains firm on sanctions

THE ANC had no intention of altering its support for economic sanctions, a spokesman said in Lusaka yesterday.

He was reacting to reports that the ANC was reviewing its sanctions stance in line with its review of the cultural boycott.

"We remain committed to sanctions," the spokesman said.

PATRICK BULGER

He denied the ANC had softened its stance on the cultural boycott in terms of which visiting artists and academics were blacklisted after visiting SA. The spokesman said it was now felt the outside world should have access to cultural happenings that depicted life in SA.
Sullivan to unveil new plan of attack

WASHINGTON — The Rev Leon Sullivan is hinting he may not call for total US disinvestment now that his two-year deadline for the abolition of apartheid has expired.

But the alternative he claims to be considering may well have the same effect, corporate officials say.

In a weekend interview with United Press International, Sullivan said he was debating whether to call for increased "commercial, civil disobedience" by signatories to his employment code.

"We have to determine now what would be the best way to wield corporate force in the face of government recalcitrance," he said.

He is to announce his decision in Washington tomorrow. Business representatives will be briefed in a closed session and a Press conference will follow.

Sullivan said he had not ruled out remaining true to his initial threat and that if he did, he would rally his supporters for a mass divestment drive.

His supporters controlled $800 million in SA-related companies, he said.

Several executives have warned that increased corporate disobedience, including the deliberate violation of the Group Areas Act for housing blacks workers, will trigger an intolerable backlash from Pretoria.

"It is simply not realistic to say you can only stay on if you violate the law. Pretoria will do the disinvestment lobby's job for it," says one.

Sullivan could not be reached yesterday for further comment.
Frontline sanctions against SA would give the Great Uhuru Railway another chance

LUSAKA — The Great Uhuru (Freedom) Railway from Zambia to the Indian Ocean failed dismally in the days of Mr. Ian Smith's white-ruled Rhodesia.

Now it is again gearing up to try to rescue the Frontline States in the event of a disruption of trade through South Africa.

The Chinese-built Tanzania-Zambia railway (Tazara) runs across 1880 km of rugged and often sparsely populated terrain from Kapiri Mposhi junction, near the Zambian copper mines, to steamy Dar es Salaam.

But, since it was opened in 1976, its practical performance as Zambia's trade lifeline has left much to be desired. The railway, jointly owned by Tanzania and Zambia, has been plagued by managerial and technical difficulties which are only now beginning to be overcome with a 10-year development plan and an injection of funds from donor countries.

The line's designed capacity is 2.5 million tons of goods a year but, in the financial year to June 1986, it carried less than 1 million tons. General manager Mr. Standwell Mapara predicts more than 1 million tons for the current year and insists that there is some spare capacity. Tazara also carries more than a million passengers a year.

In the recent past Zambia's vital copper exports were shared between Tazara and the southern rail route but this year Zambia announced that all the copper was going by way of Tazara or Beira to avoid South Africa.

Almost immediately there was a bottleneck, apparently caused by the inadequacies of Zambia Railways, and Zambia ran short of foreign exchange. 90 per cent of which comes from copper.

Tazara is hauling most of Zambia's exports and about half its imports, as well as some trade for Zaire, Malawi and even a tiny amount from Zimbabwe.

The Tazara line, although its bridges are guarded by soldiers, is vulnerable to South African attack, a danger of which Mr. Mapara is well aware. He has photographs above his desk of the Tazara bridges blown up by Rhodesian commandos in 1975.

Tazara is also facing stiff competition from the road, rail and pipeline corridor linking Zimbabwe to Beira, a favourite of international donors seeking to protect the Frontline States from the effects of economic sanctions against South Africa.

Perhaps the most depressing scenario of all for Tazara would be the one in which the Frontline States shelved the idea of their own sanctions against South Africa. Traffic is already likely to be reduced in the long term by the exhaustion of Zambia's copper mines in the next 20 years.

In the short term, Zambia's decision to break with the International Monetary Fund will reduce the volume of its imports but optimistic Tazara staff are looking further ahead to the days of black rule in South Africa.

"We are already planning for a passenger train to Cape Town," joked an official in Dar es Salaam. — Financial Times.
UK job loss of 120 000 over SA is an ‘evil lie’

LONDON — A warning by Cabinet Minister Lord Young that the proposed Labour sanctions on SA would cost 120 000 British jobs was an “intimidating and evil lie”, the Anti-Apartheid Movement (AAM) said yesterday.

Lord Young, the Employment Secretary, said at an election meeting on Monday that more jobs would be lost if a Labour government enforced sanctions and “SA retaliated”.

Lord Young stood by estimates that up to 250 000 Britons would lose their jobs if trade with SA was cut.

But, AAM’s companies expert Stuart Bell said Lord Young’s claims were “selection propaganda of the vilest and crudest dishonesty.

“There has been a lot of mud-slinging in this campaign but it is despicable when a politician uses complete dishonesty to frighten people about their jobs. When he does it to justify the Conservative policy of propping up apartheid, it is even worse.”

Bell said Lord Young’s estimates of job losses to sanctions were not based on any scientific study — and had frequently been shown to be “an exaggeration”.

He said the most reliable estimate of the cost to jobs of SA sanctions had come from the Fabian Society last August, based on scientific studies and Treasury models.

It found that, at worst, full trade and investment sanctions would cost 10 000 British jobs over three years — without compensatory factors being taken into account.

Lord Young’s mention of sanctions was the first time SA has been mentioned prominently in the 10-day-old campaign for the election on June 11.

The AAM’s call last week to thousands of activists at 300 branches throughout the country to try and make SA an election issue has fallen on stony ground.

All the parties have been locked into strictly domestic issues and personality mud-slinging which, nearly all commentators agree, have been often stupefyingly boring.

TV and radio stations have been inundated with protests from the public over their excessive and dull coverage.

The latest Marplan poll yesterday showed the Conservative Party surging back to 44%, with Labour 33% and the Alliance on 21% (a big drop from a high of 27%) — which would give Margaret Thatcher a safe working majority.
Sullivan speaks his mind today

HAMISH MCINDOE

CORPORATE America will know today whether civil rights leader Rev Leon Sullivan will call for sanctions and total disinvestment from SA.

Sullivan is scheduled to address about 150 Sullivan Code signatory companies in Washington today.

President of the American Chamber of Commerce in Johannesburg Ian Leach said yesterday Sullivan had made it clear only "himself, his wife and God" knew what would be said at the meeting.

Last month, however, Sullivan warned he would call for sanctions unless Pretoria scrapped apartheid laws by May 31.

Sullivan has also vowed to renounce the leadership of the movement he started 10 years ago if Pretoria misses this deadline.
AAM claims its action has hit SA conference

Dispatch Correspondent

LONDON — The Anti-Apartheid Movement (AAM) said here yesterday it had reduced the pending conference on high-speed photography in Pretoria to a "totally unrepresentative" gathering.

South Africa had spent almost R4 million on the conference, which had "backfired".

The AAM also said the only Briton who had intended to attend the conference next week had withdrawn.

He is the head of the department of applied chemistry at the University of Wales Institute of Science and Technology, Professor David Williams.

According to the AAM, not a single state-sponsored organisation in Britain will attend the conference, which is being held under the auspices of the Human Sciences Research Council.

The AAM believes its action will discourage the holding of other international conferences in South Africa.

"We cannot see any international bodies risking holding a conference in South Africa in future," said the AAM's director, Mr Mike Terry.

Although national delegates will attend the conference from Britain, the United States, France, Taiwan and Israel, Mr Terry said a number of countries had informed the organisation they would not be attending.

Two speakers from Australia who were due to deliver papers and one national delegate have pulled out, along with six speakers from Japan, one from Sweden and one from Finland.

No national delegates will attend from Austria, Belgium, China, Czechoslovakia, East Germany, the Netherlands, Norway or Pakistan.

No one has proposed attending from Greece, Hungary, India, Ireland or the Soviet Union. Four delegates from the United States have pulled out and Kodak has withdrawn its South African subsidiary from the conference's organising committee.

In addition, five French scientists have withdrawn with six from West Germany and about 10 of the UK's 17-strong delegation.

Three categories of visitors are attending the conference: national delegates, speakers delivering papers and ordinary participants. A meeting of national delegates was due to be held last night.

The AAM claimed the conference's discussion would include military matters.

The next conference of its kind is due to be held in Peking in 1988. The AAM believes it is unlikely South Africa will be allowed to send delegates and may seek to have the venue changed.
More sanctions not the answer

US Secretary of State Mr George Shultz says he does not know what Western countries can do to make South Africa change — but more sanctions are not the answer.

"It is one of those very difficult questions. I do not have the answer, except I know apartheid is wrong," he said.

"I know what is right — a different kind of government."

Mr Shultz was speaking on the eve of his departure with President Reagan for the economic summit meeting of seven Western leaders in Venice starting next week.

A discussion of South Africa's problems is on the agenda.

US imposed more sanctions than most

The State President, Mr P W Botha, has written to the seven leaders, asking them to help end South Africa's cycle of racial violence.

Asked where the Reagan Administration stood on tougher sanctions, Mr Shultz said the US had imposed more sanctions than most other countries.

"It is a subject that tortures everybody because we abhor apartheid. We know what we are against — we are against apartheid."

"We know what we are for. We are for a different pattern of government where everybody can have a chance to take part and where the economy of South Africa — and for that matter Southern Africa — can measure up to its really tremendous potential."

Great concern that goal not reached

But it was a matter of "great concern" that this goal was not being reached — and he did not know that further sanctions would necessarily advance the cause.

Mr Shultz said the US needed to keep stating its view and pushing on what was right and what was wrong.

"It is also necessary to sup-
Arms embargo a 'blessing in disguise'

By MICHAEL MORRIS
The Argus Foreign Service
Doteline: LONDON

The world's arms embargo against South Africa is a "blessing in disguise," says Minister of Defence General Magnus Malan, because it has boosted the country's self-sufficiency in armaments.

And, writing in the authoritative Jane's Defence Weekly magazine, the General says South Africa's "reaction to the arms embargo is indicative of our nation's response to (all) boycotts."

"South Africa has the resourcefulness to maintain in the future the momentum achieved so far in the area of weapons development. We have come this far, we can only go further."

His article, under the headline "South Africa: not humbled by the UN arms embargo," continues: "When the United Nations arms embargo was imposed on South Africa 10 years ago, the rest of the world expected us to put our tail between our legs and recede quietly into isolation."

"What they did not bargain for was our determination to fight back and our refusal to give up when the odds were against us.

"Thrown out into the cold and left to rely on our own resources ... we set about establishing our own armaments industry."

The result was that South Africa had become the only sub-Saharan country with an indigenous arms industry.

"Ironically," General Malan observes, "if it were not for that arms embargo of 1977, this country would not be as self-sufficient as it is today."
Tutu calls for sanctions

Anglican Archbishop Desmond Tutu supports the call by the Rev Leon Sullivan for a total economic boycott of South Africa and a cut in diplomatic ties by the United States.

The Archbishop of Cape Town said in a statement released in Cape Town yesterday that he would continue to do so until anybody can convince him of a more effective non-violent way to bring about justice and peace in South Africa.
AAM slams sanctions cost jobs claim

**Labour victory the end of page 3 girls?**

LONDON — Britain's biggest-selling newspaper, the Sun, told its readers yesterday a Labour Party election victory would spell the end of their daily diet of topless models.

The tabloid, which sells around 4,500,000 copies daily, is Britain's most widely-read newspaper and a keen supporter of the Prime Minister, Mrs Margaret Thatcher's Conservative Party.

Yesterday's edition featured a large blank space on page three that is usually reserved for a picture of a bare-breasted woman. Under the headline "Going Short?" the Sun said the page would always look that way if Labour won the June 11 poll.

"What a drab unhappy place the world would be," the tabloid warned.

It said one of Labour's left-wing members of Parliament, Mrs Clare Short, would try to outlaw topless photographs in newspapers as pornography. The proposal is not contained in the party's manifesto for the election but the Sun made no mention of this.

— Sapa-RNS

**Dispatch Correspondent**

LONDON — A warning from a Conservative Cabinet Minister, Lord Young, that proposed Labour sanctions on South Africa would cost 120,000 British jobs was an "intimidating and evil lie", the Anti-Apartheid Movement (AAM) said yesterday.

Lord Young claimed even more jobs would be lost if a Labour government enforced sanctions and "South Africa retaliated".

However, the AAM's companies expert, Mr Stuart Bell, said Lord Young's claims were "election propaganda of the vilest and cruelest dishonesty imaginable".

"There has been a lot of mud-slinging in this election campaign but it is despicable when a politician uses complete dishonesty to frighten people about their jobs.

"When he does it to justify the Conservative policy of propping up apartheid, it is even worse," he added.

Mr Bell said Lord Young's estimates of job losses to sanctions were not based on any scientific study and had frequently been shown to be "a horrifying exaggeration".

"They were initially conjured up by the now defunct United Kingdom/South Africa Trade Association — which means they probably came from Pretoria.

"Britain is already losing a large amount of trade and jobs because of its links with South Africa.

"We are confident that jobs will be gained, mostly from independent Africa, rather than lost, if full sanctions were imposed.

"Lord Young is scare-mongering and we challenge him to come clean. If Whitehall did a proper scientific study I am confident our position would be far, far closer to the truth," Mr Bell said.

*Britain's major betting chain, Ladbrokes, yesterday made the Conservatives 8-1 favourites to win the general election on June 11.*

Ladbrokes had Labour trailing at 9-2 with the Alliance out of sight at 150-1.
US Congressman hints at tougher sanctions policy

WASHINGTON — A leading congressional foe of South Africa's racial segregation policy said yesterday that further US sanctions might have to be imposed against the nation — unless there was progress soon in dismantling apartheid.

After a private meeting with the US Ambassador to South Africa, Mr Edward Perkins, Congressman Mr William Gray urged the envoy to carry that message back to Pretoria, according to an aide.

Gray told Perkins that there would have to be progress in the next few months to avoid sanctions, the aide told Reuters after the meeting in Gray's congressional office.

Mr Gray played a big part in efforts that led to economic sanctions against South Africa, such as banning US imports of SA: textiles, steel, farm products, uranium, coal and gold coins.

In addition, the US barred new bank loans and exports of computer technology.

The meeting between Mr Gray and Mr Perkins followed a pledge by the ambassador before he was confirmed by the Senate last year to keep Mr Gray informed of developments in SA.

President Reagan nominated Mr Perkins last year as the first black US Ambassador to South Africa.
Sanctions not answer for change — Shultz

WASHINGTON — United States Secretary of State Mr George Shultz says he does not know what Western countries can do to make South Africa change — but more sanctions are not the answer.

"It is one of those questions that is very difficult. I do not have the answer. I know what is wrong — apartheid," he said. "I know what is right and that is a different kind of government."

Mr Shultz was talking on the eve of his departure with President Reagan for the economic summit meeting of seven Western leaders in Venice next week. A discussion of South Africa is on the agenda, and President Botha has written to the seven leaders asking them to help end the country's cycle of racial violence.

He noted that the United States had imposed more sanctions than most other countries.

"It is a subject that tortures everybody, because we abhor apartheid. We know what we are against, we are against apartheid.

"We know what we are for: a different pattern of government where everybody can take part and where the economy of South Africa — and for that matter southern Africa — can measure up to its tremendous potential."

It was also necessary to support those working for the right answers in South Africa. Leaders in the Afrikaner Church were saying that apartheid was not compatible with Christian principles.

"There are all sorts of ways of trying to keep the moral facts very much in front of people."

Mr Shultz said it was not clear to him what could be gained by taking the bread and butter out of the mouths of black workers — the workers who were being punished by sanctions.

"The people in South Africa who have leadership roles need to be able to talk to each other and negotiate something different. The white government needs to be willing to do that."

"To do that, they have to release from prison people like Nelson Mandela."

A leading black Congressional foe of apartheid has said further US sanctions may have to be imposed unless there is progress soon in dismantling apartheid.

After a private meeting Mr William Gray asked US Ambassador to South Africa Mr. Edward Perkins to carry that message back to Pretoria.

Mr Gray was a leader of congressional efforts that led to the banning of US imports of South Africa textiles, steel, farm products, uranium, coal and gold coins and the barring of new bank loans and exports of computer technology to Pretoria.

He also urged Mr Perkins to speak out against the detention of black children, which he said numbered 8 000 — a figure disputed by the white government.

Mr. Perkins also was told to express concern about black refugees in neighbouring countries.

— The Star's Foreign Service and Sapa-Reuters.
Time to pull out, Sullivan tells firms

By Alain Dunn, The Star Bureau

WASHINGTON — American corporations in South Africa are reassessing their operations following a new ultimatum to them from the Rev. Leon Sullivan to withdraw from the country within nine months.

Mr. Sullivan yesterday abandoned his respected Sullivan Principles, a code of fair treatment he created for black workers of American companies in South Africa. He warned that investors holding shares worth more than R160 billion in US companies doing business there would sell those stocks to support him.

He also called for a complete end to trade between the countries, and sent a telegram to President Reagan urging him to halt all diplomatic relations with South Africa.

Early assessments of the impact the Sullivan announcement will have on US corporations varied between “many more companies” to the final straw for those in South Africa.

Industrial analysts said US companies were reviewing their positions in the light of Mr. Sullivan’s hardline announcement.

Some of the 125 Sullivan signatories are set to resist and defy his call: “We owe a great debt to Leon Sullivan,” said Mr. Alen Murray, chief executive of the Mobil Corporation and co-chairman of the US Corporate Council on South Africa. “But we will have to carry out Sullivan Principles without Sullivan.”

The Reagan Administration has rejected the Rev. Leon Sullivan’s move to push US companies out of South Africa.

The Administration doubted whether the cause of peace, justice and economic development in South Africa would be served by a US corporate withdrawal, he added.

The Star’s Political Correspondent reports from Cape Town that the Government would not allow itself to be threatened by the Rev. Leon Sullivan’s call for “a total divestment of American companies from South Africa; Foreign Minister Mr. Pik Botha said today.”
Cosatu takes detailed look at sanctions

LONDON — There's a new SA sanctions document doing the rounds here. While there's nothing remarkable about that, one is causing a stir because it has been prepared for the Congress of South African Trade Unions (Cosatu).

Despite having notes that it is a rough draft intended for limited circulation, the document is already the subject of much speculation.

One school inclines towards the belief that because of its gloomy description of the SA economy and frank assessment of the impact of sanctions on jobs, the document points to a breakdown on calls for the economic isolation of SA.

Another group, perhaps more realistically, sees the document as a rekindling of attacks by the pro-sanctions lobby. This could involve targeting of specific sectors or companies rather than relying on broad sanctions measures.

Still others believe the document, prepared by the Community Resource and Information Centre, will serve merely as a background paper for Cosatu when it eventually gets around to discussing sanctions and disinvestment.

What is certain is that the document provides Cosatu with a detailed assessment of the effectiveness of sanctions and the cost of implementing them.

It is significant, given that support for sanctions from within SA has relented more on emotion than reason. As the document notes: "If the business community has undoubtedly done more to assess the effects and plan counter-offensives which will neutralise the sanctions measures..."

Gloomy picture

In a detailed assessment of the SA economy, the document paints a gloomy picture of economic mismanagement, measuring political pressure and failing profits.

Quoting from the Frost Sullivan agency, it notes the return on investment for US companies plummeted from an average 30% in 1989 to just 7% in 1993.

It said pressure groups at home and abroad were able to take advantage of the deteriorating investment climate.

"It matters little to the campaign that disinvesting companies are acting in their own self-interest, so long as their actions have the effect of isolating the apartheid government and the business community..."

"The political hassle factor that comes with investing in SA is simply not counter-balanced by the economic benefits. Low levels of productivity and high levels of alienation and politicisation, make us a poor option compared to a country like Taiwan. Our productivity growth rate in the last 12 years has been a low 6.3% compared to 6.1% in Taiwan, our real wages for black workers compare badly against those in other new industrialised countries."

MIKE ROBERTSON

"Black textile workers in Johannesburg in 1992 earned 33% more than their counterparts in Hong Kong, 66% more than in Rio de Janeiro, and a full 300% more than they would in Seoul, Singapore, Manda and Bangkok."

Despite this picture of an unhealthy economy, the document said that sanctions measures already adopted would not place much pressure on the SA business community or the apartheid regime, even if strictly applied and effectively monitored.

Pointing the way for future talks within Cosatu, it says: "It is worth considering, however, how these political and economic effects (of the US sanctions package in particular) will contribute towards the organisation of resistance in SA. Will it open up new scope for action, particularly by organised workers, and will it reinforce existing campaigns?"

Early indications of sanctions on coal and steel were that SA businesses would succeed in finding alternative markets and maintain reasonable profit margins.

On disinvestment, the document said the effect of already chronic unemployment in SA was likely to be limited.

Loosely used

It said the term disinvestment had been loosely used and there was no definition of what groups were demanding when they called for it. "Do they want companies to immediately withdraw their existing investment? Or, do they want to make continued and further investment contingent on political factors?"

Outlining the various options for companies wishing to pull out, the document said selling to another foreign investor would have little impact on SA apart from the transfer of ownership to less concerned and vulnerable interests which were willing and able to operate in SA.

Selling assets to local management was an unattractive option because it was likely to involve huge losses on the part of the disinvesting company.

Most companies taking this route have probably got something up their sleeves. Either their local operation was worthless or they do not intend leaving — so the whole exercise is really just an evasive tactic designed to get the disinvestment campaign off their backs..."

Dealing with the effects of sanctions on unemployment, the document states bluntly that: "The impact of economic sanctions on SA's labour market will have a crucial effect on future levels of unemployment and under-employment. Regardless of whether sanctions amount to the 'worst case' or turn out to be rather ineffectual, the effects on unemployment levels will come on top of the already devastating retrenchment policies pursued by employers in recent years."

Quoting JCI economist Ronnie Bethlem, it says sanctions will add 2 million to the number unemployed by 1990. They will also reduce blacks share of total income.

But, it says, the assessment of the effects of sanctions on jobs and the economy needs to go beyond the quantitative impact to the more qualitative question of their political potential.
Boja wants to talk to Pyongyang on dangers of US sanctions
Sanctions will go if there's change, UMSA group told

Post Correspondent

JOHANNESBURG — A group of black civic leaders, led by Mr Tom Boya, president of the United Municipalities of South Africa (UMSA), returned home this week from a world municipal congress in the United States — carrying the message that overseas delegates were "worried" about reform progress in South Africa.

The delegates had also said sanctions would be abandoned almost immediately if dramatic change took place in the Republic, said Mr Boya.

He said they had made it clear that if the change did not come about, more intensive sanctions were already in the pipeline and would be applied soon. Mr Boya added that he intended approaching the State President, Mr P W Botha, shortly to convey this message.

He would, at the same time, make it clear that the UMSA stood by its declared principles on participation in the National Council. But certain preconditions were not negotiable.

They included the release of all political prisoners, the unbanning of political organisations and the scrapping of the Group Areas Act and the Population Registration Act.

The group were the first black town clerks from South Africa to attend the annual conference of the International Institute of Municipal Clerks held in Fort Worth, Texas.

Mr Boya said the South African town clerks had found the experience invaluable and they would benefit from attending future congresses.
WASHINGTON — The Rev. Leon Sullivan, author of a

Trade war on SA

Sullivan declares
Sullivan calls for total disinvestment

Dispatch Correspondent
WASHINGTON — True to his threat two years ago, the Reverend Leon Sullivan yesterday abandoned his ten-year-old employment code and called for total US divestment from South Africa and a complete trade embargo.

In response, the US corporate council on South Africa expressed "profound regret" but vowed that Sullivan signatories would continue to comply with the code "as long as they remain in South Africa".

The council, comprising 104 chief executives of US companies involved with South Africa, also called on signatories to "renew and increase their efforts to end the apartheid system and to support the efforts of dedicated individuals and organisations in South Africa to bring about a non-racial and democratic society".

Mr Sullivan, who could not predict the short term consequences for black employees, issued an eight-point set of guidelines for the withdrawal, which he said should be completed in nine months.

These included a demand that companies end all business relationships with buyers, including logo, trademarks, components, materials, consulting services and other supporting services, excluding certain special consideration for support of undeniably black owned and initiated businesses.

US firms "should sell their businesses only to buyers who agree to promote equal rights for blacks, to black labour representation and to company ownership plans making possible broad black participation."

Mr Sullivan said he had commitments from investors controlling more than $80 billion worth of stock in US companies to use their stock to pressure "non-co-operating" firms, and called upon them to do so.

He urged Congress to enact a watertight trade embargo, including strategic minerals, gold and diamonds, and to penalise foreign countries that sought to fill the US vacuum.

Of these he singled out Japan, already a popular congressional target, as the worst offender.

The respected Investor Responsibility Research Centre noted that the Baptist minister's call "will add to the considerable pressures US companies already feel to withdraw".

The group's senior SA analyst, Mr David Hauck, also predicted several positive developments, including increased emphasis on preparing black executives for management buyouts of departing firms.

The American Chamber of Commerce (AmCham) was disappointed by the move but its executive director, Mr Adrian Botha, made it clear the Sullivan principles had been a positive force for improving the lot of South Africa's black workforce.
Divestment blues

South Africa is not the only country where disinvestment by foreign multinationals is a controversial and important issue.

At a time when Zimbabwe desperately needs to attract new foreign capital inflows, controversy has broken out over disinvestment by foreign companies and the increasing significance of government investment in the private sector.

The first signals of looming divestment occurred soon after independence when two South African companies — Argus Newspapers and Nedbank — sold their interests in what is now Zimbabwe Newspapers and the Zimbabwe Banking Corporation, to the Zimbabwe government.

At the time, these were largely non-controversial moves since they occurred when it was confidently forecast the country would become the recipient of massive inflows of foreign capital. But this has not happened. And while the private sector — through such organisations as the Confederation of Zimbabwe Industry and the Zimbabwe National Chambers of Commerce — continues to plead the case for more foreign investment, recent events are disconcerting evidence of a trend in the opposite direction.

The latest developments started with the announcement that Astra Corporation, part of the South African-controlled Barlow Group, had sold 85% of its equity to the Zimbabwe government for a publicly quoted Zim$25,5m. Astra had net assets valued at some Zim$46m and pretax profits in 1986 of Zim$23m.

Clearly, the Zimbabwe government secured a bargain-basement deal. The benefit to Barlows was that it was able to repatriate the proceeds immediately, rather than having to follow the normal procedure of buying 4% divestment bonds with a 20-year maturity, which allows firms to repatriate funds on an instalment basis from year eleven onwards.

A good deal for both parties — assuming Barlows wanted out of Zimbabwe — but no new jobs created and an increased outflow of scarce foreign currency.

Next in line was the British-owned Kenning Motors Group, which sold its Zimbabwe motor trade subsidiary to local private sector interests for an undisclosed amount. The government has a small indirect stake of 12% in the business via the state-owned Industrial Development Corporation.

More controversial was the decision of the British Woolworths Group to divest through the sale of its four department stores in Harare and Bulawayo, valued at Zim$10m, to the business arm of the country’s ruling political party, Zanu-PF.

While some comfort may be drawn from the fact that a socialist party committed to Marxist-Leninism is going into profit-oriented activities, two disturbing elements remain. These are that the overseas parent has decided to divest from Zimbabwe at a substantial discount — the remitted proceeds are put at less than half the value of the assets — and once again foreign capital and expertise is leaving the country.

The new owners, Zidco Holdings, took over operational control last month.

Earlier, one of the country’s largest companies, Delta Corporation, successor to SA Breweries in Zimbabwe, announced it would sell 31,5% of its equity to the Zimbabwe government. There is a major disinvestment element here too, as the government is buying just over half of SAB’s stake in Delta. SAB will retain a 30% stake — but the government will buy at least 20% of the equity listed on the Zimbabwe Stock Exchange now held by minority investors, thereby securing a majority stake in Delta.

The company has a monopoly in the beer industry, is a major seller of traditional beer through Chibuku Breweries, and owns one of the country’s two largest supermarket groups through its OK Bazaars chain.

In addition, it operates a number of hotels throughout the country. Financial details of the agreement are still to be released.

Other similar deals are reportedly in the pipeline. These include the possible sale of Triangle Sugar Estates to the government; divestment by Britain’s Legal and General Insurance Co of its Zimbabwe subsidiary to the stock exchange-listed conglomerate TA Holdings; and a dealinking the Fertiliser-owned total Oil company with the State-owned National Oil Company of Zimbabwe.

Aside from the concern over Zimbabwe becoming a capital exporting nation, controversy has centred on the guidelines set out by the government for divestment deals. These specify that proceeds may only be remitted abroad where control is sold to the State, or to a co-operative controlled by black Zimbabweans or firms controlled by black Zimbabweans.

The country’s leading financial newspaper, the Financial Gazette, has sharply criticised what it sees as racial discrimination in Zimbabwe’s divestment policy, pointing out that this is in conflict with the 1980 constitution.

Government ministers have supported the principle of localisation, but have defended criticism of the principle of divestment and the obvious racial element in the guidelines.

FINANCIAL MAIL JUNE 5 1987
Schwarz rejects key Bullivans' call as irresponsible

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US to end SA tax agreement

NEW YORK. — The Rev Leon Sullivan yesterday called for a global debate on ending apartheid through an economic embargo of South Africa.

"I feel it is time because the Lord is with me on this one," the Baptist minister said from Philadelphia. "I hope this idea spreads to other countries."

In Johannesburg the American Chamber of Commerce, representing US firms in South Africa, expressed regret over Mr Sullivan's call.

In Akron, Ohio, Goodyear and Standard Oil said Mr Sullivan's call would not lead them to abandon their investments in South Africa. — Sapa

Political Staff

THE United States has told South Africa that it intends to cancel the double taxation agreement between the two countries.

The move seems likely to accelerate the flight of foreign investors from South Africa and it comes on the heels of Rev Leon Sullivan's call on US firms to withdraw from the Republic.

In a further development yesterday, the Archbishop of Cape Town, the Most Rev Desmond Tutu, supported Mr Sullivan's call and hinted that disengaging companies should not sell out to local management.

The US gave notice yesterday of its intention to cancel the double tax convention from July 1.

The termination of the agreement will mean that the 10% tax on interest accruing to any US resident or company will now be payable if the debtor is "ordinarily" resident or carrier on business in SA; and a withholding tax of 15% on payments to such residents or companies for imparting commercial know-how will also be payable from July 1.

On Wednesday Mr Sullivan called for a total US economic boycott of SA and a cutting of diplomatic ties.

Archbishop Tutu supported the call, but said US companies should not indulge in "cosmetic disengagement". He said Mr Sullivan had run a long campaign on the "either/third or non-interaction between companies with SA ties would help bring about change."

'I support his call'

"That campaign has failed to effect fundamental change," he said.

"I support his call and will continue to do so until anybody can convince me of a more effective non-violent way of bringing about justice and peace in our country."

He quoted Rev Edmond Browning, of the Episcopal Church of the US, as saying: "Any disinvestment which merely re-arranges ownership while leaving intact policies or operations which support oppressive governmental acts cannot be either ethically sound or economically pragmatic."

Bishop Tutu continued: "When will those who oppose this severing of ties between South Africa and other countries wake up to the fact that the real issue facing this country is not boycotts; it is whether we destroy apartheid — by violent or non-violent means. I desperately hope that non-violent pressures such as this will have the desired effect."

The PFP yesterday "completely rejected" the latest call by Mr Sullivan.

The finance spokesman, Mr Harry Schwartz, said that those outside South Africa who were genuinely concerned with the removal of apartheid should consider not only the method of change which the actions they proposed would bring about, but also the nature of society which would follow such a change.
Sullivan calls for global embargo

NEW YORK — US civil rights leader Reverend Leon Sullivan, who has abandoned his own guidelines for American firms in South Africa in favour of tougher action, yesterday called for a global debate on ending apartheid through an economic embargo of Pretoria.

"Now I want to see some movement from the President, the Congress and the companies involved," he said.

Mr Sullivan yesterday abandoned fair employment guidelines for American companies and urged the United States to break relations and impose a total embargo.

In Akron, Ohio two companies said yesterday that his call for withdrawal by March will not make them abandon their investments.

Goodyear has an investment of about $200 million and 2,500 workers at its plant in Uitenhage.

"Withdrawal would not be in the best interests of black people, and our own employees have urged us not to leave," the company said.

Standard Oil, which holds a 42.5 percent share in Richards Bay Minerals, which employs 1,600 people, said: "Standard Oil continues to believe it can accomplish more by continuing to stay in South Africa than by leaving." — Sapa-Reuters

See Page 9.
Sullivan call is fuel for curbs

By Alan Dunn,
The Star Bureau

WASHINGTON — American legislators intend using the Rev Leon Sullivan’s abandonment of his code of fair conditions for black South African workers when apartheid again becomes the focus of Congressional attention in October.

"Mr Sullivan’s move will figure quite prominently in the drafting of legislation this Fall (September/October)," said an aide to a Democrat congressman who has been prominently in favour of sanctions.

"CONGRESS ‘FED UP’"

"Those recommendations by Mr Sullivan will be taken seriously and will probably be part of whatever sanctions package is put together," she said.

Mr Sullivan’s call on Wednesday for an end to United States trade with South Africa and total withdrawal of all American companies from the Republic added ammunition to the arsenal of lawmakers wanting to impose tougher measures against South Africa, she said.

"Congress is truly fed up with South Africa. The sense is that the time for soft-pedalling has ended."

Liberal Democrats, who led a successful charge last year for stiff sanctions against South Africa, apparently now believe that those against sanctions have lost their justification for not imposing them — the Sullivan Principles.

Congress is expected to turn to the South African issue again in October because the law imposing sanctions, the Comprehensive Anti-Apartheid Act of 1986, was enacted against President Reagan’s wishes on October 2 and authorises further sanctions after a year has lapsed.

The Reagan administration repeated and strengthened its rejection of Mr Sullivan’s call which included an end to diplomatic relations:

"A committed United States diplomatic and economic presence is vital if we are to fulfill our potential as a force for change in South Africa," a spokeswoman said yesterday.

"We feel strongly that the US has an important role to play in the complex South African situation."

Mr Sullivan also urged Congress to create penalties for America’s trading partners which picked up American business as they disinvested from South Africa.

Several major American companies have rejected Mr Sullivan’s move, saying they intended staying in South Africa and practising their equal employment code without him.
US firms warn on call to disinvest

By Alan Dunn,
The Star Bureau

WASHINGTON — The Sullivan signatories have warned that isolating South Africa would, if anything, prolong confrontation in the country and reduce the effectiveness of any future American reform initiative.

"We do not believe that isolating South Africa will hasten the end of apartheid," said Mr Sal Marzullo, a spokesman for 125 United States companies which follow a labour code for black workers in South Africa known as the Sullivan Principles.

Mr Marzullo was reacting to a call last week by the code's author, the Rev Leon Sullivan of Philadelphia, for all American firms to leave South Africa starting immediately. Mr Sullivan's move has sparked widespread debate in the United States.

In The New York Times yesterday, Mr Marzullo said: "We remain committed to making our presence an effective force for peaceful change. We cannot, as companies or a nation, influence the course of events in South Africa if we are not present as active participants in that process."

The group of signatories have, however, stressed that each company must itself decide whether or not to divest.

In eight years, Sullivan signatories have spent more than R450 million on black education, housing, legal assistance, black business development and training programmes.

A force for change

Mr Marzullo said the Sullivan Principles had, whatever their limitations, helped to make genuine changes in laws and labour policies in South Africa. They were never meant to guarantee quick and simple solutions to all the injustices, he added.

The US Catholic Conference has announced its intention to sell off R10.5 million of its shares in US firms still operating in South Africa.

A report by the bishops said the outcome of the recent elections and clampdown by the Government since indicate the grave abuse of human rights continues and that the situation is likely to deteriorate even further.

The body also recommended that 185 local dioceses and Catholic institutions in America consider divesting any stock they have in South Africa-linked companies. The Bishops' Conference started what it called "prudent and fiscally responsible" divestment of shares worth R36 million last September, but stated it would end this if it saw significant progress in ending apartheid.
Sanctions have 'limited' effect on SA trade

Imports of goods and non-factoring services would then have to be sliced by more than a third to keep the required surplus on current account.

The report's author, former British diplomat Philip Hayes, estimates a near-cessation of capital inflows coupled with the continued repayment of foreign debt, may lead to a stagnation of SA's GDP.

Hayes, however, rejects as "too severe" a recent Federated Chamber of Industries sanctions report projecting a 17% GDP drop over five years.

Pretoria's response to tougher sanctions, suggests Hayes, would be import controls and an "increase in the already excessive government regulations, leading to greater economic inefficiency".

The report punts heavily the view that further embargoes will trigger higher unemployment, more political violence and "repressive measures".

Against the widely publicised effect anti-SA sanctions will have on the economies of Frontline states, Hayes says gains could be made by those nations prepared to play host to "activities designed to circumvent sanctions on SA".

If some neighbouring countries imposed sanctions on SA, they could gain by suspending interest and dividend payments and financial transactions to SA.

Hayes sees reverse sanctions as the greatest threat to the region and does not rule out the possibility of Pretoria going beyond its current "cat-and-mouse" tactics against its neighbours.
Answers to Sullivan

WASHINGTON LETTER

From SIMON BARBER

Nothing exceeds like excess.

The Reverend Leon Sullivan, for ten years a lone voice of anguished sanity in a sea of glacial lunatic unreason, last week became excessive, and in the process, irrelevant. His baroque call for total migration and disinvestment has put him in a place - the "narrow left" - he himself described it - where neither the companies he shepherded nor his countrymen could follow him.

His announcement, long predicted and dismissed, caused a country-wide ripple on Capitol Hill. The only panic was in the State Department's Africa bureau, an office so universally besiegled and gun-shy that the latest buzz sends it into paroxysms of nail-biting. No one else had any illusion that Congress would take the preacher at his word.

To be sure, there was a rumour (or as the Washington Post would put it "widespread reports") that the usual suspects were busily concocting a formula to put Mr Sullivan's guidelines for corporate departmen ts in a country one is thing, specifying to whom they should sell their assets is quite another and pushes well beyond the envelope of constitutional legality.

Besides, whatever senators Alan Cranston and Edward Kennedy, the congressional black caucus and congressman Howard Wolpe of the House Africa subcommittee might want you to believe, there is no longer much of an appetizer for this kind of thing. The reason: extraordinary as it may sound, is reason.

The Comprehensive Anti-Apartheid Act (CAAA) passed last year because the large rump of moderate opinion in the Senate, especially on the then-majesty Republican side of the aisle, felt it had no choice. The bill's contrary effects, especially the results of the May 6 elections, have shown sufficiently about to prevent it happening again.

Indeed, one Republican senator who was instrumental in drafting the bill and ensuring its passage over the president's veto, recently asked his advisers to prepare a measure that would repeal the whole thing.

The fact that repeal would have the chance of the proverbial snowball in hell does not diminish the central point: in the absence of contrary evidence that the sanctions thus far enacted are doing any good to anyone (save perhaps Eugene Terr'blande), the great American public would have to elect hundreds more Cranstons, Kennedys and Wolpes for Congress to go further. And whoever it picks as president next year, this is the great American public is not going to do.

The bottom line here is that the CAAA has already plumb the limits of what Congress can do to Pretoria without doing any good to anyone. Even Eugene Terr'blande, the great American public would have to elect hundreds more Cranstons, Kennedys and Wolpes for Congress to go further. And whoever it picks as president next year, this is the great American public is not going to do.

The bottom line here is that the CAAA already plumb the limits of what Congress can do to Pretoria without doing any good to anyone. Even Eugene Terr'blande, the great American public would have to elect hundreds more Cranstons, Kennedys and Wolpes for Congress to go further. And whoever it picks as president next year, this is the great American public is not going to do.

The bulk of that comment has come in the form of letters, mostly handwritten, from the local population. It is unanimous and it is angry. Here is a sampling:

Mrs Ronnie Haskins writes: "Maybe Senator Kennedy and the other senators pushing for the prohibition of uranium processing of South African imports would like to visit our area and speak face to face with the people they are trying to destroy. They might even want to bring along some of their new pay raise they needed so badly and spend it in our area Their raise was more than some people in my family make in a year. If they have their way we may all end up on the welfare roll, then the government will have to support us again."

We strongly urge our government to weigh the matter carefully and think of the honest, hard-working people who have always been the backbone of this nation, and not be swayed by fancy words of Senator Kennedy and others like him.

Mrs Joe Ann Mallery wonders, in a bold decisive hand: "Why are we having to save our Paducah diffusion plant? Our men and women have done their job, why do we need to sacrifice our livelihood and make a point in someone else's country. We seem to be burying ourselves in debt, but still handing out money and telling everyone else how to live. If we should save ourselves before there's nothing left to save, the American government should provide for the American people first. Nobody else even votes, at least. That's the bottom line."

MR. KEITH ANDERSON

opines: "I do not approve of the situation over there in the least, but I also do not approve of the action we are taking. If this would possibly slow down or stop their economy, what would that do? All would starve and be poor? Are we trying to show the leaders there how they can treat their blacks by treating them the same way?"

The main reason I am writing is to try and save the one or two thousand jobs in western Kentucky that could be affected by this action. What's the point? Is it that many jobs going to convinces South Africa we're serious? We lose the jobs, what control we have in the enrichment market, along with future production, to end up with the same end we had with the 1980 Soviet grain embargo. The farmers still haven't recovered and neither would western Kentucky...

"It's a moral decision, then why didn't the government do the moral thing and shut down their raises. Maybe it's easier to throw away other's raises and still get whole sources of income for moral than it is your moral income.

Get outside the Washington beltway into places where people work and vote rather than play with politics and law and Lionel plastic paper and you will hear a lot of talk like that. More sanctimonious and strategic minds would shut up about the only things left to ban will lead to money which talk as much citizens suddenly find themselves being shafted.

The shaftees won't be a majority any more than the sanctums' lobby will be a majority, but there will be enough of them to ensure that what Mr Sullivan is now preaching is not fearlessly agreed to by both House and Senate."
US govt to get tough on code

WASHINGTON — At least two US companies in South Africa that have not signed the Sullivan companies' code may be penalised for failing to answer a State Department questionnaire on their employment practices.

Since 1985, all non-Sullivan US companies owning or controlling South African entities with more than 25 employees have been subject to a code.

The State Department is readying a report, based on a questionnaire sent out last year, on the performance of these companies.

Currently evaluating and grading the responses to the questionnaires, the State Department is giving companies a chance to appeal their scores before the final report is issued.

The deadline for completing the forms was January but was postponed because of the newness of the system, which is to become an annual exercise.
Canadian plan on SA given a brush-off

By Nell Lurssen, The Star Bureau

WASHINGTON — Britain and West Germany have thwarted Canada’s plan to win support for renewed ‘‘sonic’’ against South Africa at the Big Seven economic summit in Venice.

According to sources here, the Canadian Prime Minister, Mr Brian Mulroney, offered a five-point plan on South Africa when the seven leaders gathered for a private dinner in a palazzo on the historic Italian city’s Grand Canal.

But his proposal was rejected by British Prime Minister Mrs Margaret Thatcher.

Although Mr Mulroney was able to circumvent British objections to a discussion of the issue and proceeded to outline his plan, South Africa was not mentioned in the official communiqué following Tuesday’s session.

And the summit chairman, Italy’s caretaker Prime Minister Mr Amintore Fanfani, could not get permission to refer to South Africa in his verbal remarks summarising the conference progress because of objections by West German Chancellor Mr Helmut Kohl.

Canada’s failure to focus attention on South Africa was a big disappointment for Mr Mulroney. The problem of what to do about South Africa’s race policies was one of two central issues he placed on the Venice agenda. The other was his concern that agricultural subsidies were pushing down farm prices with serious consequences for Canadian farmers.

Mr Mulroney’s five-point plan proposed that the summit leaders:

- Address the apartheid problem.
- That they issue an important statement that would focus attention on the problem.
- That they initiate a dialogue with leaders in southern Africa.
- That they monitor the situation in the region.
- That economic aid be offered to the Frontline states.

While the brief outline of the plan hardly seems like new pressure on Pretoria at first glance, analysts here noted that it could have set in motion another set of pressures for international sanctions and that the West — notably the United States, Britain and West Germany — was not eager for another sanctions debate at this stage.

France, Japan and America supported Mr Mulroney in condemning South Africa’s race policies.
NOTHING exceeds like excess.
The Rev Leon Sullivan, for 10 years a lone voice of anguish in a sea of glandular unreason, last week became excessive, and in the process, irrelevant.
His Baroque call for total sanctions and disinvestment has put him in a place—the "narrow left" as he himself described it—where neither the companies he shepherds nor his countrymen as a whole will follow him.
His announcement, long predicted and discounted, caused scarcely a ripple on Capitol Hill. The only panic was in the State Department's Africa Bureau, an office so besieged and gun-shy that the faintest boo sends it into paroxysms of nail-biting.
No one else had any illusion that Congress would take the preacher at his word.
To be sure, there was a rumour (or as the Washington Post would put it "widespread reports") that the usual suspects were busily concocting a formula to put Sullivan's guidelines for corporate departure into law.
But this was hard to take seriously. Mandating that companies leave a country is one thing, specifying to whom they should sell their assets is quite another, and well beyond the envelope of constitutional legality.
Besides, whatever Senators Alan Cranston and Edward Kennedy, the congressional black caucus and Congressman Howard Wolpe of the House Africa Subcommittee might want you to believe, there is no longer much of an appetite for this kind of thing.
The notion, extraordinary as it may sound, is reason.
The Comprehensive Anti-Apartheid Act was passed last year because the large rump of moderate opinion in the Senate, specially on the then-majority Republican side of the aisle, felt it had no choice.
The bill's contrary effects, especially the results of the May 8 elections, have done sufficient doubts to prevent it happening again.
Indeed, one Republican senator instrumental in drafting the bill and ensuring its passage over the president's veto recently asked his advisers to prepare a measure that would repeal the whole thing.
The fact that repeal would have the chance of the proverbial snowball in hell does not diminish the central point. In the absence of contrary evidence that the sanctions thus far enacted are doing any good to anyone save perhaps Eugene Terre'Blanche, the Great American Public would have to elect hundreds more Cranston, Kennedys and Wolpes for Congress to go further. And whoever it picks as president next year, this the GAP is not going to do.
The bottom line here is that the CAA has already plumbed the limits of what Congress can do to Pretoria without inflicting pain on its own constituents.
And there are as many, if not more, ordinary hardworking citizens who stand to get hurt by the arbitrary denial of South Africa's market and raw materials as there are soft-handed activists screaming for an embargo.
Prost those citizens hard enough and they can get active too.
Consider the people of western Kentucky and southern Illinois whose livelihoods depend heavily on Allied Corp's uranium conversion facility in Metropolis and the Department of Energy/Martin Marietta enrichment plant in Paducah.
Unemployment in this region runs between 12 and 20%, well above the national average, but Senator Kennedy, safely ensconced in Massachusetts, would like to make it worse.
These plants, already operating at well below capacity, depend for up to 30% of their business on South African uranium that is shipped to the US by Spanish, Taiwanese and Japanese utilities for processing and re-export.
At both installations, that 30% represents the margin of viability. Without it, both would quite likely close, putting at least 600 out of work and having a devastating ripple effect on the surrounding communities.
Kennedy, Wolpe, the black caucus et al insist that the CAAA's uranium ban applies to all uranium imports, even if temporary and under bond.
The bulk of that comment has come in the form of letters, mostly handwritten, from the local population. It is unanimous and it is angry. Here is a sampling.
Mrs Bonnie Haskins writes: "Maybe Senator Kennedy and the other senators pushing for the prohibition of uranium procurement of South African imports would like to visit our area and speak face to face with the people they are trying to destroy."
"They might even want to bring along some of their new (pay) 'raises' they needed so badly and spend them in our area."
"Their raises were more than some people in our area make in a year. If they have their way we may all end up on the welfare rolls, then the government will have more to support."
"We strongly urge our government to weigh the matter carefully and think of the honest, hard-working people who have always been the backbone of this nation, and not to be swayed by the fancy words of Senator Kennedy and others like him."
Mrs Jo-An Mallory wonders, in a bold decisive hand: "Why are we having to save our Paducah gaseous diffusion plant?"
"Our men and women have done their job well, the issue seems to be, will the United States continue to sacrifice our lives and livelihood to make a point in someone else's country."
"We seem to be burying ourselves in debt but still handing out money and telling everyone else we should save ourselves before there's nothing left to save. The American government should decide for the American people first."
"Nobody else ever will, and that's the bottom line."
Keith Anderson opines: "I do not approve of the situation over there in the least, but I also do not approve of the action we are taking."
"If this would possibly slow down or stop their economy, what would that do? All would starve and be poor? Are we trying to show the leaders there how to treat their blacks by treating them the same way?"
"What's the point? Is that many jobs going to convince South Africa we're serious? We lose the jobs, what control we have in the enrichment market, along to the production, to end up with the same end we had with the (1980 Senate) grain embargo. The farmers still haven't recovered and neither would western Kentucky."
"If it's a moral decision, then why didn't the government do the moral thing and turn down their raises. Maybe it's easier to throw away others' raises and whole sources, of income for moral than it is your own."
"Get outside the Washington Beltway into place where people work and vote rather than play with policies and laws and position papers, and you will hear a lot of talk like that. More sanctions—and strategic minerals are about the only thing that will lead to more such talk as more such citizens suddenly find themselves being shafted."
Town councils refuse to purchase products

Shell may take UK boycotters to court

LONDON — Shell (UK) may decide to take legal action against UK local authorities that are illegally boycotting its goods.

So far the Lewisham and Leicestershire local councils have said they refuse to buy Shell's products since it continues to operate in South Africa and supplies the SADF in Namibia despite a ban by the United Nations.

Shell is now understood to be preparing to request the High Court for a judicial review of the councils' right to boycott its products on these grounds.

Shell, of course, is hoping that the councils will review their stance, but will almost certainly go to the High Court if they refuse.

Any legal action it takes could occur after the election.

A few weeks ago Shell blitzed the UK national daily newspapers with a full page advert saying it intended remaining in SA.

Last year the Tories attempted to introduce legislation to ban such boycotts.

However, the moves were abandoned at the committee stage because of the immense difficulties involved in drafting the necessary legislation.

The thorny issue could, however, come to the fore sooner than expected should the Camden Town Council decide to go ahead with a boycott of the products of about 25 companies who have maintained their business interests in South Africa.

It is believed that the two councils, Lewisham and Leicestershire, are adamant they will not review their stance.
US sanctions have stalled progress — report

By Neil Lurssen, The Star Bureau

WASHINGTON — A new American report has concluded that US economic sanctions have not only failed to speed up the demise of white rule in South Africa but have stalled progress towards political reform.

Mr. William Pascoe, a policy analyst at the Heritage Foundation, a Washington thinktank with influence in the Reagan Administration, writes: "Apartheid's supporters have been strengthened while those seeking reforms have been weakened.

"When dealing with Afrikaners, the carrot works better than the stick," he said.

The report — entitled "The Results are In" — is to be released in the US today when Congress is to start a new series of oversight hearings on whether the Administration properly enforced sanctions measures in last year's Comprehensive Anti-Apartheid Act.

Mr. Pascoe wrote that sanctions were counter productive and had set back the anti-apartheid struggle by several years.

"Negative reactions to sanctions have overtaken many positive changes that have taken place over the past years within the Afrikaner leadership," he wrote.

Congress would soon be looking at South Africa again to impose new and harsher sanctions, he said. June 12, the first anniversary of the state of emergency, would probably be used by Congress and media liberals to focus attention on the lack of progress in eliminating apartheid.

But instead of calling for new sanctions, the Congress should examine closely the results of sanctions already imposed by the West.

"US influence in Pretoria is down sharply, without an offsetting increase in influence throughout the black community in South Africa," he said.
Cosatu defends pressure stance

JOB losses can be stemmed only by the creation of a new economy, curbing the trend to decreasing investment in manufacturing and to greater stock market investment, says Cosatu.

Cosatu yesterday denied speculation it was backing down on support for international pressure against SA.

It said the pro-investment lobby based much of its argument on supposed concern over job losses.

The union said in the last three years 300,000 jobs had been lost in the manufacturing and metal sectors alone because of rationalisation, monopolisation and the disastrous economic policies of government and employers.

The only time it would call for international pressure to end was when apartheid had been dismantled and conditions created for the practice of democracy.

The union said it was issuing its statement to clarify deliberate confusion caused by the leakage of confidential documents currently under discussion by Cosatu.

"We reiterate that — as our inaugural congress resolution on the issue states — Cosatu supports all forms of international pressure against apartheid.

"Our resolution called for economic pressure to be intensified, if this government remained intransigent towards the reasonable and constructive demands being made by the majority of our people."

Cosatu said it had commissioned research to assess the impact of sanctions and to study ways of defending the gains made by the union as the organisation in the forefront of the fight for workers' rights.

"The only way to transform the economy to meet all the needs of the majority is to start by ending the political crisis."
DETROIT — Ford Motor Company is trying to give more than half of its 42% interest in a South African joint venture to workers, but South African union leaders say it’s unlikely they’ll accept the offer.

Since February, Ford has proposed that workers get 54% of the South African Motor Corporation and take two seats on the board of directors, said plant chairman Sam Tzane, who is also an official in the new union National Metalworkers of South Africa.

Union leaders said Ford would sell its remaining holdings to the South African conglomerate Anglo-American Corporation, which already owns the majority of the company.

Peter Pestillo, Ford vice president of employee and external affairs, said the company could either stay in South Africa, withdraw from the country or give workers ownership.

"It is our view that the worker ownership is the one way the operation can succeed," Mr Pestillo told the Ford World Auto Council in Chicago on Friday.

But workers aren’t interested in the Ford offer because it offers no broader solution to South Africa’s apartheid system, South African union leaders said.

"Our answer is likely to be ‘no,’” Mr Tzane told the Detroit Free Press.

Several US universities and companies, including industry leader General Motors Corporation, have divested their holdings on South Africa as a way of pressuring the Government to end its system of apartheid.

Ford officials are "not sure we want to be out of there”, cautioned Ford spokesman Mr George Traor. — Saps-AP
Clegg faces ban if he performs

By SIPHO JACOBS

JOHNNY Clegg has been threatened with a cultural ban by the British Musicians' Union should he perform in South Africa during his brief visit here.

The BMU threatened Clegg with expulsion from the union's membership should he visit South Africa.

Clegg is a co-founder of the non-dramatic Isakaba band with Sipho Mchunu. Clegg has been a forceful opponent of the country's apartheid system.

In the UK, the BMU tried to cancel Clegg's performances in the UK. It objected to the UK Department of Employment, accusing the South African-based group of "taking away from British musicians who could do the work as well as we need them".

BMU's secretary, Sid Allen, is believed to have written a letter informing Clegg of the BMU's move. Contents of the letter were leaked to a London weekly tabloid and part of it reads:

"I must ask you to give me an undertaking that you will observe the embargo in South Africa, and I must bring to your attention that if you are not prepared to give this undertaking you will be charged under the musicians' union rules and therefore risk expulsion."

In an interview with City Press this week, Clegg admitted that he has a copy of the BMU letter.

Clegg has a series of shows lined up for him at the Market Warehouse with his new band Savuka.

Clegg's visit to South Africa is being taken in a serious light by the BMU. Though reported to have been reluctant to discuss the Clegg affair, BMU's Allen has voiced his own feelings about the row.

"It's too delicate a matter to discuss with the Press," he was reported to have told newsmen.

Clegg's British spokesman has lashed out at the BMU move, saying "What are the musicians union trying to do to him? Don't they want him to play in the country of his birth and they don't want him to play in the country he lives in?"

Sentence for fiery Cilliers

A FORMER member of the Outshoorn police was sentenced to 200 days imprisonment or R400 for malicious damage to property.

In addition, Berend Cilliers, 30, was also sentenced to a further four months' imprisonment, suspended for five years, and a compensatory fine of R2,974 to be repaid at R150 a month.

The case arose from an incident in November last year when Klaus Janse and eight other "invasionaries" lost their shelters and belongings as a result of a fire in the river area where they were seeking shelter.

Cilliers, who was in the employ of the SAP until the end of April this year, pleaded in court that he had set fire to reeds in the particular part of the river where the nine were living in order to promote the irrigation water.

The court found that he had purposely set the reeds alight - Sapa
Ford pullout on the cards

ANGLO-American and other parties were yesterday locked in negotiations after reports that Ford was to disinvest from SA.

Reports from Detroit said that since February Ford had been trying to arrange a pullout by giving 24% of its 42% stake in Samcor to workers. The remaining 18% would reportedly be taken up by majority shareholder Anglo-American.

The AP report said workers would also get two directorships on the board. But National Union of Motor Workers of SA (NUMSA) spokesman Sami Tsiane said the union was unlikely to accept the offer.

‘Not interested’

The AP report quoted Tsiane as saying: “The answer is likely to be no.”

Union leaders were not interested in the offer because it offered no long-term solutions to the problems of apartheid.

Anglo spokesman Neville Ruxham confirmed yesterday, shortly before Business Day went to press, that a meet-

ing between parties was underway in Johannesburg.

Samcor chairman Les Boyd said a clarifying statement would be issued later in the day.

Ford spokesman George Trainor was quoted by AP as saying Ford “are not sure we want to be out of there”. A second spokesman, Peter Pestillo, said Ford could “stay, withdraw or give ownership”.

Speaking at the World Auto Council in Chicago on Friday, Pestillo said “our view is that ‘worker control’ is the one way the operation can succeed”.

The attempt to involve workers in the pullout is said by union leaders to be an attempt to avoid the strikes and violence associated with the General Motors disinvestment.
Dhlomo hits out at sanctions

NEW YORK — Apartheid could not be destroyed by remote control in the board rooms of New York, Paris, London and Bonn, Oscar Dhlomo said here at the weekend.

The Inkatha secretary-general and KwaZulu Education and Culture Minister was addressing the US Council for International Business' Task-Force on SA at the Harvard Club.

Dhlomo said sanctions and disinvestment had pushed blacks back into the dark ages of SA politics.

And he presented a list of traumatic setbacks the anti-apartheid cause had suffered because of these policies.

Dhlomo said there was a full awareness of the pressures on US companies to withdraw and of the accusation that they were propping up the system.

But the view that foreign withdrawal would cripple the economy to the extent that government would dismantle apartheid and give blacks political rights ignored two crucial considerations.

The first was that, if sanctions and disinvestment did cripple the country, there would be no strong and vibrant post-apartheid economy capable of redressing the disparities caused by decades of apartheid neglect.

The second was the importance of distinguishing between SA ("the country black South Africans wish to govern in future") and apartheid ("the evil policy that must be destroyed if these black political aspirations are to be realised").

Dhlomo said simple logic dictated that those who supported the aspirations of the black people should help them destroy apartheid — and not SA.

The advocates of disinvestment had to be asked: "How do you expect to free prisoners from a cell by bombing the cell itself?"

Disinvestment lobbyists should be told: "We want to be liberated on our feet... not as corpses."

Dhlomo said Inkatha could not support any anti-apartheid moral indignation which fed on black unemployment and starvation.

And he said government had become even more intransigent and the white electorate had withdrawn into the laager. — Sapa.
US panel meets on sanctions
By ALAN DUNN
The Argus Foreign Service
Dateline: WASHINGTON

A US congressional panel will hold a hearing on the Reagan Administration's implementation of economic sanctions against South Africa on June 16, "Soweto Day".

The House of Representatives' Africa Sub-committee will hear evidence from the State Department's Africa chief, Dr Chester Crocker, and Defence, Treasury and Commerce officials on how their departments have imposed the measures.

It will be the first such review by lawmakers since they passed a string of sanctions on October 2 last year in the Comprehensive Anti-Apartheid Act of 1986, and will also involve US academics assessing all aspects of the sanctions.

The Democrat-dominated sub-committee is likely to press Dr Crocker on his southern Africa policy in general, and is sure to clash with him on the principles and effects of sanctions against South Africa.

Criticism of the Reagan Administration's implementation of sanctions may also prove peripheral because officials have been at pains to avoid just such accusations — both liberal Democrats and, in the other corner, South African officials have sounded their disappointment in the ways sanctions have been imposed.

In a joint resolution presently circulating on Capitol Hill, 16 congressmen are proposing the week of June 15-21 as "National Anti-Apartheid Week". They have also urged that June 16 be designated "National Anti-Apartheid Day".
"Ford and its cars will stay" - MD

By MICHEL DESMIDI

THE proposed divestment by Ford Motor Company of its 42% share in Simeor will not affect the company's operations in South Africa.

Giving this assurance today, the managing director of the Pretoria-based South African Motor Corporation, Mr Spencer Sterling, said the future of the former Ford engine plant at Struandale, Port Elizabeth, was "bright".

"The move by Ford has no relationship to our product decisions and on-going business. In fact, Ford's objective is to ensure things stay in place.

"There is no complication whatsoever — everything stays exactly the same," he said.

Mr Sterling said Ford did not want to withdraw its products from South Africa.

It rather wanted to restructure its equity to enable it to do business with those countries that had enacted laws barring trade with the Republic and at the same time leave its products in place here.

All agreements would remain in force, including those regarding use of the trade mark, technology and the supply of components. The Ford dealer body would remain intact.

On the future of the Port Elizabeth engine plant, Mr Sterling said it was not entirely true to say the Kent engine was obsolete overseas as it was still used in the European Fiesta range and locally in the Sierra.

Production of the Kent engine and components comprised a small percentage of output, most of which was exported. Also considering the manufacture of the Essex engine, as well as motor components for competitors and non-automotive parts, the plant's future was bright.
DETROIT—Ford Motor Company is considering pulling out of South Africa, possibly by turning the bulk of its current holdings over to employees, the company said yesterday.

Ford's chief spokesman for international operations, Mr. George Trainor, said several options were being studied and the result would probably be for Ford to end its direct South African investment.

"We may just decide it's business as usual—but that's unlikely."

Only a month ago Ford shareholders decisively rejected an anti-apartheid coalition's proposal that Ford withdraw from South Africa.

Mr Trainor said Ford was exploring several options on what to do with its South African holdings—a 42 percent stake in South African Motor Corp (Samcor)—but said no decision had yet been taken.

In Johannesburg, the chairman of Samcor, Mr. Leslie Boyd, said Ford was negotiating with employees the transfer of a major Samcor share to a trust for the benefit of workers.

"We have confirmed that Ford is exploring ways to, in effect, protect the 4,500 employees of Samcor—70 percent of whom are black."

If Ford can assure the viability of Samcor, which executives say only recently became profitable, then "that would permit us to disinvest," he added.

An official of the National Metalworkers of South Africa, Mr. Sam Tsiane, said workers were unlikely to accept the employee trust scheme. — Sapa

Another report P13
Growing pressure is forcing Ford pullout

By Alan Dunn
The Star Bureau

WASHINGTON — Growing anti-apartheid pressures in the United States and elsewhere have led to a number of companies with operations in South Africa being disqualified from bidding for certain contracts — were behind the Ford Motor Company's imminent disinvestment, a spokesman said.

"I am sure it has cost us something — I don't think anybody has put a price tag on it — but it's a developing trend," Mr George Trainor, a company official, said in Detroit.

The US State Department has expressed regret at Ford's decision.

Mr Trainor said Ford's negotiations to rid itself of a 42 percent holding in the SA Motor Corporation (Samcor) was a response to pressures from state, county, city and local governments in the US which had passed legislation prohibiting companies with operations in South Africa from bidding for their contracts.

Mr Trainor said anti-apartheid groups were also urging pension funds, universities and other investors to sell off Ford shares and shares of other companies with interests in South Africa. Most recently, he said, some areas had passed laws forbidding the buying of commercial paper issued by the Ford Motor Credit Company.

But Ford was trying to keep Samcor a viable company, protecting jobs and people in it, while responding in some fashion to those pressures, he said.

Mr Trainor denied that the Rev Leon Sullivan's recent abandonment of his fair labour code for South African workers employed by US companies had anything to do with Ford's withdrawal. The present talks between Ford, Anglo-American, labour leaders, politicians, educators, workers, union representatives and church leaders had started in February, he said.

"We're trying to find a plan that would be acceptable to as many people as possible." Asked if South Africans unanimously urged Ford not to leave, Mr Trainor said: "Despite tremendous pressures in the past few years, that's the way we have responded. And it may well be that we would decide to stay the course as we have done up to now.

"On the basis of what we know right now, we would never get unanimity of opinion to stay because of some elements already expressing themselves," he said.

There was no deadline on the negotiations, he said.

"They've asked for time to consider this unique proposal and time to consider their options and we're not pushing them up against any particular timetable."

Mr Trainor gave the assurance that Samcor's social programmes would continue.

The primary feature of Ford's departure plan is a donation of 24 percent of Samcor stock to a trust for its 4,500 workers and the sale of the balance of 18 percent to Anglo-American.

A State Department official said US companies in South Africa were a positive force for change and had spent eight to 10 percent of their personnel costs on social improvement projects.

"Such programmes come under threat in a climate of increasing disinvestment."

In Johannesburg, the National Union of Metalworkers (Numsa) said the Ford plan was still under consideration by union members at Samcor plants in Pretoria and Port Elizabeth.

"Once the implications have been considered and clear proposals have been formulated," said spokesman Mr Les Kettle-das, "the matter will be further discussed with the company."
Boesak: West doesn’t give a damn

STOCKHOLM. — Dr Allan Boesak said here yesterday that most Western nations did not "give a damn" about the plight of blacks in South Africa and would only start caring when white children were killed on the streets.

Dr Boesak criticized the West for ignoring deteriorating conditions for black people in South Africa under the state of emergency.

"I don't think that most of the Western countries in the international community give a damn about our children," Dr Boesak said.

He is visiting Sweden at the invitation of Prime Minister, Mr Ingvar Carlsson.

Yesterday he addressed a news conference to mark the 11th anniversary of the Soweto uprising.

Sweden, one of the world's most outspoken critics of South Africa, has declared unilateral trade sanctions against the Republic. Firms have till November to sell their assets. — Sapa-Reuters

Belt-up call

DURBAN. — Cellars reporting drivers not wearing seatbelts have swamped the National Road Safety Council since the council's appeal to the public to report motorists not wearing belts.

So far letters to owners of more than 12,000 registration numbers have been sent. — Own Correspondent

Britain backs UDF call, says envoy

DURBAN. — The outgoing British ambassador, Sir Patrick Moberley, said here yesterday that the British government agreed with the call by the United Democratic Front for a free, non-racial, democratic country.

However, Sir Patrick, speaking to the South African Institute of International Affairs, indicated that the British government did not support a one-man, one-vote system in a unitary South Africa.

He said the British government wished to see universal suffrage as a basic moral and democratic right for all.

"We have never attempted to say how it should be applied in the particular circumstances of South Africa," he said.

He said it did not necessarily follow that the British government expected the Westminster system to be adopted in all its details in other countries.

"Democracy and universal suffrage can be practised in many ways. We recognize the need for safeguards within any system which may suit the needs of a particular country."

Sir Patrick said the British government continued to call not only for an end to discrimination based on race and colour but for political rights to be extended to all South Africans.

The British government wanted to see the future of this country settled by negotiation between the South African government and freely chosen leaders of the black community.

"To talk to co-opted leaders would not be enough."

He said one reason why reforms over the past few years had not changed the perceptions of blacks was that the changes were felt to have come from above rather than emerging from deliberations.

"But in any case the reforms already tackled are only part of the problem."

"In the townships men, women and children still face many obstacles stemming for instance from the long-term effects of the Group Areas Act."

"Equally there is disappointment that a process of real dialogue, which we all wish to see, has yet to get off the ground."
Bishop calls on British banks to end aid to SA

The Star Bureau

LONDON: The Bishop of Oxford, the Rt Rev Richard Harries, has criticised British banks for standing by while their credits were "misused" by the South African Government.

Bishop Harries, chairman of End Loans to Southern Africa, sent letters of protest to 12 British banks after Finance Minister Mr Barend du Plessis announced on June 3 that money owed to foreign creditors would be used to finance the Budget.

The bishop called on the banks to give no further assistance to South Africa.

He said the banks' credits were being used to finance a Budget which included "massive aid to the military "and thereby gives South Africa the capacity to continue and intensify its aggression in the Frontline states, Namibia and its own townships". 
Apartheid: the big foe of pragmatism

FORD MOTOR COMPANY'S dilemma about whether or not to quit South Africa has stirred discussion somewhat different from the usual disinvestment debates which have been sweeping the region as rapidly as multinationals have been leaving it. Ford is not the first American multinational to propose an employee-ownership scheme instead of a straight sellout deal but it is one of the first which has had to discuss the proposal with a strong, blue-collar and predominantly black union... even though the share participation plan is for all employees, not union members per se. Ford, fortunately, has the benefit of the mistakes made by General Motors in its withdrawal.

Facing increased pressure to disinvest from South Africa, Ford is attempting to work out as painless a parting as possible. It is trying to find a precarious balance between being seen to respond to international moral pressure and to act responsibly towards 16 000 people who could lose their jobs. So far the National Union of Metalworkers of SA (Numsa) has remained lukewarm about acquiring shares in a company which has recently been only marginally profitable. But in Detroit, Sam Tsiane of Numsa is reported to have said the union was not convinced that Ford's withdrawal from South Africa would contribute to a broader solution of the country's apartheid problems.

The statement should not be taken as an instant reversal of the union's stand on disinvestment as a means to end apartheid, but it does reflect pragmatism based on a dilemma for black unions. While they must be seen to be doing all they can to force the abolition of apartheid, they must also be seen to act responsibly towards members whose jobs are at stake. The unions are precariously balanced between the two and realism is the price often required for staying intact in polarising times.

Apartheid is the foe of Ford, the unions and any thinking South African. Sadly it is also the enemy of pragmatism and is currently robbing the country of some of the world's best corporate citizens.
First National Bank (FNB) came out fighting with their announcement yesterday that it has bought Citibank South Africa, the local subsidiary of US-based Citicorp, for R130 million in cash. The deal is effective from July 1 and Citibank will change its name to reflect its new ownership.

Citicorp will be paid in financial rands in a dollar-transaction that will be worth only about $38.25 million at the present rate of exchange.

The deal will not however, sever Citicorp's ties with South Africa entirely, as approximately $700 million is still owed to the bank by various South African institutions which will now fall into the debt-standstill net.

Citibank has been operating in South Africa since 1959, primarily in the wholesale and corporate banking sector. At yesterday's press conference Mr. Ball, managing director of FNB, said that his bank will use Citibank as a vehicle to increase its penetration in the highly competitive corporate and merchant banking markets.

Spokesmen for both FNB and Citicorp denied that the deal was in any way related to the Rev Lecan Sullivan's recent call for a total pull-out by US firms in South Africa.

The chairman of Citicorp Mr. John Reed, was quoted in New York as saying that "current constraints on Citicorp made it increasingly difficult to meet the needs of its South African clients in the manner they have a right to expect."

Banking analysts were, however, slightly surprised at the relatively high price paid for Citibank as after-tax profits in the current financial year to December 31 are only expected to be R9 million, rising to R15 million the year after. The deal will contribute to FNB's earnings only in the 1988 financial year.

Senior general manager for FNB, Mr. Jimmy McKenzie, was adamant that the deal will have outstanding potential in the medium to long term. "Obviously price was an issue during the negotiations, but we're happy with what we got. In recent years Citibank has been under-performing due to the political factors. We will get the bank back on track," he said this morning.

Analysts are of the opinion that the deal was influenced by the negative publicity surrounding Mr. Ball and those ANC advertisements earlier this year.

Another factor which influenced the price of the deal was the acute shortage of experienced bankers with international expertise. All the top employees at Citibank, including the MD Mr. David Lawrence, are South Africans and are expected to remain with Citibank in its new guise.

At present, Citibank has 175 employees of whom more than 45 percent are black. Citibank operates mainly from Johannesburg with a branch in Durban but closed it's Cape Town branch at the end of 1985.

The local stock market got wind of the pending deal two days ago during which the share price rose by nearly 10 percent to yesterday's close of 2150c. Today's movements will show whether the deal gets shareholder's approval.
Citibank sells out to First National
Brazil named as possible market

Shortage in EC opens door for SA steel exports

SANCTIONS-HIT SA steelmakers might be heading for a short-term burst in steel slab exports because of an EC shortage.

A metal industry source in London said a demand for slabs had forced steelmakers to concentrate on supplying EC markets.

Brazil has been named as one country that may be turning to SA for more steel slab imports, possibly to highlight Brazil's annoyance at having its steel import quota to the EC pegged in the 1987 bargaining round.

Brazil exports about 200 000 tons of steel to the EC.

An SA steel industry source said the "deduction was sound".

He said: "I know there is a demand for slabs in Europe but I'm not sure how severe the shortage is."

SA's steel export figures have been a closely guarded secret since the US, Japan and the EC imposed steel and iron ore embargoes late last year.

Steelmakers also refuse to comment on exports, but Isecor last month commissioned a R120m slab caster at its flagship Vanderbijlpark plant and would clearly benefit from the increased demand.

In another development, Middelburg & Alloys (MSA) may be jockeying to fill a shortage of stainless steel plate in Brazil, whose steelmaker Acesta, is said to be having difficulties meeting local demand.

The London source said: "We understand a stainless steel expansion programme in Brazil has been hampered by debts and strikes."

MSA's Robert Walton denied a major export drive was being mounted in Brazil. "We've had a presence in the country for a long time and try to fill the gaps in Acesta's product range where we can."

Brazil has not applied steel sanctions against SA.

The Metal Merchants Association of SA is to join the Brussels-based Bureau International de la Recuperation (BIR), a confederation of major scrap merchants from the EC, Latin America and the US.

An association delegate attended the BIR's AGM in Helsinki this month and it was understood SA's membership was widely welcomed by the bureau.
Ford decision to quit "right at the time"

By MICHEL DESMIDT
FORD MOTOR COMPANY'S move from Port Elizabeth to Pretoria in 1965 was the right economic decision at the time and a Delta Motor Corporation-styled takeover would not have been the best option.

This is the view of industrialists in Port Elizabeth, who say that financial factors such as economies of scale and proximity to the main vehicle market made merging with Sigma a more attractive option — despite the hardship it meant for employees retrenched and the resultant regional slump in the motor industry.

The spokesman were commenting on Ford Motor Company's plans to divest its 42% shareholding in the SA Motor Corporation (Samcor). Ford Canada is negotiating to have its 24% share placed in an employee trust and Ford has still to decide on the future of its 18% stake in the company.

If the divestment plans go ahead, Samcor will become a wholly South African-owned company, as did General Motors, now the Delta Motor Corporation.

The executive director of the Midland Chamber of Industries, Mr Brian Mathew, said it was incurred to view Ford's decision in isolation — there had been another suitor in Sigma, which welcomed the opportunity for rationalisation to absorb excess capacity in its Pretoria plant.

One of the main reasons Ford relocated was to establish a more effective manufacturing unit, and political considerations — very much a factor in GM's withdrawal — had been of little importance.

The president of the Federated Chamber of Industries and former managing director of Firestone, Mr Peter Morum, said Ford's merging with GM had never been a possibility because anti-trust laws in the United States would have barred such a union.

Further, Ford and GM were traditionally arch competitors internationally and Ford had already established links with Mazda through its Australian operation.

Much money had been at stake, and Ford's prime objective had been to find a strong and independent financial partner, said Mr Morum.

The director of the Port Elizabeth Chamber of Commerce, Mr Tony Gibson, said Ford's decision was not taken lightly and had been based on sound economic reasons.

The question of ownership did not necessarily have much bearing on Ford's profitability since the effective control of Samcor was already in South African hands through Anglo American's 38% shareholding.
Acting out the rituals of concern

Washington Letter by SIMON BARBER

For the past few months the State Department has been concentrating on an "initiative" to have the Western allies issue a joint statement condemning the ANC's violence and Pretoria's intransigent refusal to negotiate.

The plan was to have the statement issued at last week's Venice summit, but this fell through because it was impossible to get all the actors onto the same stage in the same play simultaneously.

Canada's Prime Minister Brian Mulroney wanted the star role in a virulently anti-Pretoria drama. Britain's Margaret Thatcher and West Germany's Helmut Kohl, though initially interested, decided it was probably better to let the issue lie. Neither, justifiably, was anxious to get into an American production given Washington's mounting record of unreliability.

Fundamental

The minutiae of the background negotiations are irrelevant and do not answer the fundamental question: What would such a statement have achieved or proved beyond the observation that seven Allied leaders can on occasion say the same thing at the same time. Fine.
In Johannesburg, Mr Leslie Boyd, executive director of Anglo American Corporation, which has a 36 percent majority shareholding in Samcor, said the talks between Ford and worker representatives were still at a formative stage.

But whatever the outcome, Samcor would continue to supply Ford vehicles and spare parts through the comprehensive Ford dealer network in South Africa.

Ford, which has been involved with Anglo American Corporation's motor division since 1965, would also continue to supply management and technical assistance, and licence the use of the Ford trade mark.

Ford executives in Detroit have confirmed that the company is discussing the transfer of its 42 percent stake in Samcor into its own hands. It envisages handing over 24 percent to a trust to be run on behalf of the 4,500 labour force - 70 percent of whom are black workers - and selling the 16 percent balance to Anglo American.

The deal would also give the workers' trust two seats on the Samcor board of directors.

Mr L Lindsay Halstead, a Ford vice-president, said the US motor company wanted to avoid abandoning the Samcor workers.

No solution to apartheid

But union leaders are reported to take the view that a pull-out deal would offer no broad solution to South Africa's apartheid problems. They are also said to be fearful of the share deal, as well as the loss of entitlement to any legal claims for compensation or severance pay should their jobs be threatened.

Mr Boyd assured them today: "Samcor is now in a profit position and a strong contender in the South African market. We are confident it will maintain and strengthen its position as one of the country's foremost vehicle manufacturers."

Anglo American intends continuing to give the company its full support.

David Braun reports from Cape Town that the Progressive Federal Party warned today that the Ford pull-out was a tragedy which would not only eliminate a positive influence in South Africa but contribute towards further polarisation.

The PFP spokesman on economics and technology, Mr Roger Hulley, said it would be a tragedy for any firm to think about pulling out, especially one like Ford, which was well-disposed to the idea of more democracy and more freedom in South Africa.

"By pulling out they eliminate their influence, and worse, they are actually contributing to a polarisation and deterioration of the situation in the country," he said. "I appeal to them to reconsider, and to withdraw.

"If they do withdraw, they are losing their influence - and are no use to us."

Black trade unions said to be hesitant over shares offer
Boost on way for SA steel

Post Correspondent
JOHANNESBURG — Sanctions-hit South African steelmakers may be heading for a short-term boost in steel slab exports because of a European Economic Community (ECC) shortage.

A metal industry source in London says a demand for slabs has forced ECC steelmakers to concentrate on supplying their own markets.

Brazil has been named as one country that may be turning to SA for more steel slab imports.

SA’s steel export figures have been a closely guarded secret since the US, Japan and the ECC imposed steel and iron ore embargoes late last year.

Steelmakers also refuse to comment on exports, but Iscor last month commissioned a R120 million slab caster at its plant.

In another development, Middelburg Steel and Alloys may be jockeying to fill a shortage of stainless steel plate in Brazil, whose steelmakers are said to be having difficulties meeting home-market demand.
Gem expert offered to be a go-between

A Portuguese businessman told a Johannesburg magistrate yesterday he offered to act for clients who did not want to deal with South Africans after the implementation of sanctions last year.

A registered importer of diamonds and a gem expert, Mr Adriano Pereira (49) of Lindaia Velha, Portugal, who was arrested in a police trap, pleaded not guilty to illegally dealing in 27 uncut diamonds worth R246 500 last November.

In defence, Mr Pereira said he hoped to export the diamonds after viewing them. He would still have paid tax on the uncut gems, and would have taken possession of them in Portugal.

Mr Pereira said he arranged for R202 000 to be brought to the Quirinale Hotel to show that he was a "man of means".

He said he had not intended to pay for the diamonds with this money but would have arranged for a letter of credit.

A police officer said that he had used a listening apparatus concealed in the hotel room to listen to the negotiations.

He said he heard a "man with a foreign accent say he was also scared of a police trap but that he had gone too far to drop the business now".

The hearing continues today.
West intelligence with anti-SA sanctions, says Crocker
A

merica’s major Western allies disagree with the view of the
United States Congress that economic sanctions will speed up the
end of apartheid in South Africa, the Congress has been told.

This claim was made here by the US Assistant Secretary of State for Africa, Dr
Chester Crocker, at a sometimes testy congressional hearing on Tuesday into
the Reagan Administration’s enforcement of sanctions laws imposed by the
Congress.

Dr Crocker was pressed by Congressman George Crockett, a liberal Demo-
crat from Michigan, on
why the Administration
had not followed the call
by Congress to seek
international support for
the US sanctions.

He replied: “We have
made it very clear that we
are not going to ask other
sovereign countries to adopt measures about
which we ourselves had
serious reservations.

“It is very clear that
the major players among
(Western) democracies
do not agree with the
judgment reached by
Congress about the
punitive import bans —
and they have not put
them into place.”

Dr Crocker noted that
the US had been suppor-
ted by Britain and West
Germany — “the two
most important other
Western actors” — in
opposing mandatory
sanctions in United Na-
tions votes recently.

Typical

The US had worked
closely with its industrial
allies to achieve the aims
that the Congress wanted
in South Africa, but
sanctions and disinvest-
ment were largely Ameri-
can preoccupations, Dr
Crockett said.

His reply appeared to
anger Congressman Croc-
ckett who said it was an-
other example of the
Reagan Administration
not “giving a damn” about what the Congress
wanted.

Their exchange was
typical of the tone of
Tuesday’s hearings
which reflected deep dif-
ficulties over South
Africa between the
Administration and the
democratic majority in the House of Represen-
tatives.

At one point, a Repub-
lican committee member,
Congressman Toby Roth
of Indiana, apologised to
a senior Administration
official, Mr Alan Keyes,
for what he described as
“vindictive” remarks by
Congressman Crockett.

Dr Crocker told the
committee that the Ad-
mnistration had imple-
mented the sanctions as
required by law — and
that it had had the effect of reducing American in-
fluence with the SA Gov-
ernment.

“Many of our de-
mands and demands on
human rights and critical
issues have been ignored,
and we find an SA Gov-
ernment attitude that is
frequently belligerent to-
wars us,” he said.

As the Secretary of
State, Mr George Shultz,
forecast, a tendency had
developed among people in South Africa to
look at the US debate
and to be distracted from
addressing their own
problems.

South African voters
had created a new
opposition party on the
far right and those
parties that came near to
agreeing with the ob-
jectives of the US Con-
gress had been swamped
in the South African elec-
tion, Dr Crocker said.

“We see no movement
on the elimination of sta-
tutory apartheid. I think
the view of the SA Gov-
ernment is that it has
been relieved of external
pressures and restraints
— freer than it was be-
fore,” he said.

Black leaders were press-
ing to the US that they
had not really wanted
Americans to leave
South Africa, Dr
Crockett told the hearing.

“We are trying to help
black leaders build institutions
for change and to build
their own capacity to nego-
tiate.

“We don’t believe
apartheid will go because
we do. We recognise our
own influence is limited.
We want to use it — not
remove it.”

Dr Crocker warned
that if other countries
imposed sanctions and if
the US went beyond its
present measures, it
could lead to a “truly
hazardous economic sce-

nario that has nothing to
do with democracy, no-
thing to do with negotia-
tions, but rather with the
further impoverishment of
a country that needs
growth and not impov-
rishment — a situation
where millions of blacks
could be unemployed”.

Rethinking

In reply to a further
question, Dr Crocker
said the administration
sensed that both the SA
Government and its
black opposition were
growing for answers, and
that the US could be
helpful.

More and more black
leaders were rethinking
their strategy, just as
many Americans were re-
thinking South Africa.

“There are no easy
answers,” he said.

An American with-
drawal of trade, invest-
ment and influence
meant the reduction of
options and strategies for
SA blacks.

“By the same token, I
think the SA Govern-
ment has painted itself
into a corner and, as time
passes, will be looking
for ways out of the corner
it has created for itself.”
US acts against SA sanctions busters

From SIMON BARBER, Daily Dispatch man in Washington

WASHINGTON — Despite its strong opposition to sanctions against South Africa, the Reagan administration has embarked on a sweeping campaign against violators of the Comprehensive Anti-apartheid Act, US officials told congress.

At the same time, however, the Department of Defence was unable to deny categorically that South African intelligence personnel and aircraft had been assisting the Nicaraguan Contras at the Central Intelligence Agency’s request.

The Treasury Department told the House Africa subcommittee that US customs investigators were actively pursuing an unprecedented 22 cases of alleged sanctions-busting involving arms, steel, textiles and other embargoed items.

As a result of the customs enquiries, two persons have been indicted “for attempting to export licensable technical data to South Africa through another country”, said Richard Newcomb, the director of the Treasury’s Office of Foreign Assets Control.

He was apparently referring to Mr George Possey, a California based dealer in aircraft parts and manuals, who is awaiting trial with a colleague on charges that led to the recall of the South African naval attack, Mr Nicolaas Vorster, earlier this year.

Several further cases have been dropped, the official said, including one involving imports of South African lobster caught by formerly South African-owned vessels now flying the Cayman Islands flag.

The active enquiries, which are being carried out domestically and by the US customs attaché in Rome, who has responsibility for Africa, all involve third country trans-shipment and/or false documentation of origin.

Four cases dealt with alleged exports to South Africa of weapons, aircraft parts, “military commodities” and petroleum products. The rest concern imports of steel, textiles, diamonds, semi-concentrates, furniture and sports equipment.

One of the weapons cases concerns an alleged airlift of machines guns and other arms to UNITA last year from a military base in the US via Johannesburg.

Two closed cases involved the alleged trans-shipment of broomcorn through Ethiopia — dropped for lack of evidence — and the seizure of “two small shipments of tapestries falsely declared as to…origin”.

The House subcommittee’s chairman, Congressman Howard Wolpe, homed in on allegations that Safair 707 aircraft, as well as South African pilots and intelligence officers, had been involved in supplying the Contras between 1983 and last year.

The Deputy Assistant Secretary of Defence for African Affairs, Mr James Woods, denied the reports, but under intense questioning, said he was only able to speak for his own department and could not vouch for the CIA.
Cosatu finds pullout methods disappointing

The Star Bureau

LONDON — Pullouts by foreign corporations from South Africa — there have been three this week alone — have not achieved much for black workers, according to the general secretary of the Congress of South African Trade Unions (Cosatu), Mr Jay Naidoo.

In a BBC interview here yesterday he said he had been disappointed by the way foreign companies conducted their pullouts.

ANC reacts to Ford’s decision

The Star’s Africa News Service

LUSAKA — The African National Congress has reacted to Ford’s decision to pull out of South Africa, saying its disinvestment would have little or no effect, because it had merely sold its operation to South African interests.

Multinational corporations pulling out of South Africa would not create an impact on the South African Government unless they severed all direct and indirect business links with the country, a spokesman for the organisation said in Lusaka.

Asked whether Cosatu was revolutionary and communist, as the Government claimed, Mr Naidoo said: "We demand the right to share the wealth in South Africa and to the Government that is revolutionary.

"If millions of workers who are struggling for a living wage is communism, then we are communists."

He said following the swing to the Right in the election the Government could clamp down even further on the unions.
New York — Another multinational, ITT Corporation, announced yesterday that it was pulling out of South Africa and had sold its South African subsidiary.

ITT, a telecommunications, manufacturing and services company, said it had sold Alfred Teves Engineering SA Ltd, which employs 300 people and manufactures brakes for cars, to Gaslin Investments Ltd, a South African company.

ITT also said it would sell its minority stakes in South African telephone directory and cable businesses.

ITT chairman Mr Rand Araskog said yesterday that the environment in South Africa was no longer conducive to business operations.

The company said it might continue to provide technical assistance to the new owners of the subsidiary.

In Lagos yesterday, Nigerian Foreign Minister Mr Bolaji Akinyemi urged western nations to close their diplomatic missions in South Africa as a sign of protest against the apartheid policy.

Nigeria, a leading critic of South Africa, has consistently urged comprehensive economic sanctions against Pretoria believing they would help dismantle apartheid.

In Washington, the White House said that President Reagan and other western leaders at last week's Venice summit stressed multilateral dialogue as the way to end apartheid in South Africa.

The participants in no way condoned the use of violence in reaching political objectives, a spokesman said.

In London the Anti-Apartheid Movement has challenged Natwest Bank to commit itself to making no more loans to South Africa after the news that the bank had classed some of its South African exposure as bad debts along with those made to Brazil and Mexico.

An AAM spokesman commented: "As Natwest has now recognised that its South African loans are unlikely to be repaid, the least it can do is state categorically that it will make no new money available."

He said Natwest was the third largest UK lender to South Africa (after Standard Chartered and Barclays) with approximately R900 million outstanding.

By PIPPA GREEN in New York and HILARY JOFFE in Johannesburg

SENIOR representatives of the South African government, the ANC, the Dutch Reformed Church, Inkatha, the US state department and US business men met at a closed-door meeting in New York last week, days before three of the largest American companies withdrew from South Africa.

The conference, organised by the US Council on International Business, came the week after the Reverend Leon Sullivan’s call for a total trade embargo against South Africa and the week before the Ford Motor Company, Citicorp and ITT announced their intentions to disinvest.

It was addressed by a range of political leaders, including Thabo Mbeki, the ANC chief international spokesman, Tom Wheeler, the South African consul-general, Charles Freeman, deputy assistant secretary of state, Oscar Dibomo, Inkatha general secretary, Johann Heyns, a Dutch

Those who were there

Thabo Mbeki (ANC), Tom Wheeler (SA Consul General), Oscar Dibomo (Inkatha), Johann Heyns (NGK church), Terluis Myburgh (Sunday Times), Sol Marzullo (chairman, Mobil)

Reformed Church moderator, and Professor Sampie Terblanche of Stellenbosch University.

The keynote speaker, who was introduced by Sol Marzullo, head of the Mobil Oil Corporation and chairman of the Sullivan signatories in America, was Sunday Times editor Terluis Myburgh.

Sources here — both in the anti-apartheid movement and in Washington — say Sullivan’s announcement might have affected the timing but not the substance of the corporations’ decisions to withdraw from South Africa; and the conference organisers denied any link with the Sullivan announcement, saying it had been scheduled long before.

Proceedings of the conference have been kept confidential, but reliable sources say Mbeki addressed the question of economic relations between the US and South Africa in a post-apartheid society. According to a source, he said South Africa was — and would continue to be — crucially linked into the world economy.

While supporting a general sanctions position, he invited US businessmen to discuss their South African involvement with the ANC. He also asked South African businesses to take stronger positions against the government, including refusing to pay army conscripts and declining government contracts.

More than one source said Wheeler was harshly criticised by American businessmen, who “were really talking the language of human rights”.

●To PAGE 3
Help that just won’t come

Constructive engagement is dead — long live constructive engagement. Sources in Washington indicate that a new version of what is an admittedly failed policy governing US-SA relations is being test-driven among various constituencies — including major business corporations — for acceptability. Ronald Reagan is said to be personally interested in the South African dilemma — and that it will occupy much of the time left to him as president.

That is not entirely good news. The Reagan presidency may not be on the rocks, but even without the Iran-Contra imbroglio, Reagan’s tenure has become afflicted with that deadweight, lame-duck pattern of drift which marks the final 18 months or so of even the best US heads of state.

This has very real implications for corporate SA. It is a situation in which no illusions should be entertained that the worldwide drive for sanctions and disinvestment can be halted. Facts have to be faced.

True, the amount of coverage of South African affairs — particularly of violent incidents — is declining in foreign newspapers and on television. But the impetus towards disinvestment remains high. City treasurers and pension fund managers reflect the views of socially aware communities, and they will continue to pressure banks and businesses to cut all ties with SA.

The latest example is the US city of Syracuse, which is to cease doing business with banks invested directly or indirectly in SA. As the saying goes: take a few million here and a few million there, and soon you’re talking about real money.

This trend has a momentum that international bankers believe is increasing. It is far easier to trade with SA (though that too requires some defence) than to have an actual presence here. But getting out is problematic — as Ford is discovering.

Ford’s decision to withdraw is understandable on economic grounds. Whether it is morally defensible, given its active programme of social responsibility here, is another matter altogether. The company’s offer to vest part of its interest in Sunmcor in a trust for Ford workers can be seen as a form of privatisation. It would give affected workers a more direct stake in the success of their business than they have as simple wage-earners. Yet the proposal has run smack into the volatility of black union perceptions.

The FM’s view is that the union leaders who want to reject or stall the proposal as it stands are mistaken. It suggests, in fact, that they are not in touch with grassroots opinion on matters like jobs and better pay. What Ford is proposing amounts to doing on the private to what Margaret Thatcher is doing in Britain’s political arena — getting a stake in private enterprise down to workers.

The union says it wants no part of the equity of an unprofitable enterprise — which is absurd. Would they voluntarily leave their jobs or negotiate pay downwards? Of course not. So they will remain part of Sunmcor on terms less favourable than those offered.

Similar schemes could well be the answer for those socially aware companies who subscribed to the Sullivan Code. This route holds out much more chance of winning more material benefits for workers, and has a greater job-creating potential than anything the Rev Leon Sullivan has been able to achieve over the years.

Sullivan himself has given up. His call for sanctions and disinvestment suggests that — as far as he is concerned — his fellow Christians in SA are beyond redemption. That is as presumptuous as Archbishop Desmond Tutu’s bizarre messianic statement that he “will announce the day when we (blacks) have reached the end of our tether.”

Nonetheless, the fact that a relatively obscure preacher like Sullivan has had a definite impact on US corporate thinking is indicative of the sensitivity of the South African issue. And it has to be faced that the Nationalists are their own worst enemies when it comes to producing ammunition for foreign anti-SA pressure groups.

Take the ill-conceived plan to force employers to deduct unpaid black rents. How will this, if implemented, make matters any easier for those US and other transnational firms who want to remain? At a stroke they become Pretoria’s rent collectors; back home, the uproar will be deafening. At best they will have to face pressures to engage in overt civil disobedience. The outcome? Further corporate disengagement.

The rents crisis is but one element in the mixture of SA’s social instability. To consider the matter in isolation from the broader political scene is risky. However: if those corporations who are going to leave were to do so on the terms offered by Ford, there would be yet a further, longer-term benefit for the workers concerned.

This is that — as Margaret Thatcher has in mind for Britain — there would be greater opportunities for those who rent houses to buy them. The work force would have the financial base to do so. Such a step, properly managed — as Pretoria has been incapable of doing so far — contains the seeds of a solution to the rents crisis. It would, in short, give blacks a stake in their future.

In considering the broader picture, it is

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THE MORAL CAVALRY

In spite of Canada’s efforts, the South African issue was reduced to the familiar generalities of hope and exhortation in the political communique at the end of the Venice Summit (see World). It is, however, very much on the agenda.

Canadian Premier Brian Mulroney’s aim is the setting up of a more high-powered version of the Eminent Persons Group (EPG) involving the G-7 (the US, Japan, Germany, France, Britain, Italy and Canada) with the imprimatur of the Commonwealth. The fact that Britain (with German support) stymied a special “Venice Declaration” on SA, because it would be counter-productive in the light of last month’s election outcome, was portrayed as a defeat for Mulroney.

But Mulroney’s push was always intended as a start to the process. The G-7’s inclusion of SA in its wide-ranging political statement “was not a perfect response,” said Mulroney, “but what was important was that the issue was addressed.”

Canada’s next step will be to produce “proposals” for a new EPG — reminiscent of the Contact Group of the US, Britain, Germany, France and Canada on Namibia — at the Commonwealth Heads of Government gathering at Vancouver. Once Commonwealth agreement has been secured (obviously with British support) Mulroney will be set to put the idea formally to the G-7 when he hosts its next meeting in Montreal.
worth noting that while the reimposition of the State of Emergency was probably both inevitable and necessary, it need not have been done in such a way as to tighten the security regulations under which we live. Could Pretoria, for once, not have bent a little — easing the regulations? Wiping off the books the precedents set by the senior judges in Natal demonstrates only a blind emphasis on total power at any cost.

But perhaps the Nationalists no longer care about such matters as overseas political and business opinion. That's a pity: it's the route to further, constant erosion of an economy in which the flickerings of recovery need to be nurtured, not summarily extinguished. What, in the final analysis, will Reagan — and our other, diminishing circle of friends — be given by way of argument to defend their continued presence in SA? Right now, very little.
Pullout chance to foster industrial harmony

Ford may leave R175-m goodbye gift to workers

By Michael Chester

The package offered by Ford Motor Company in the event of withdrawal from South Africa promises to put R175 million in assets into a proposed trust to be run on behalf of the 4 500 labour force at the South African Motor Corporation (Samcor).

The market value of the shares package would push the total even higher, but it is impossible to put a precise figure on its value because the shares are not quoted. Dividend income would ensure steady increase in the size of the fund.

The deal, which also envisages the handover of two seats on the main Samcor board of directors to representatives of the employee trust, may give South Africa a world lead in new approaches to industrial harmony.

Mr Leslie Boyd, chairman of Samcor, said: "The deal is unique to South Africa. It opens up entirely new vistas in solving the problem of bridging the gap that is sometimes perceived between labour and the free-enterprise system."

Under the new proposals, the employee trust will have control of a major shareholding in Samcor, thus giving the labour force a financial stake in operations that is without precedent in South Africa."

Donation visualised

Mr Boyd is also an executive director of the Anglo American Corporation, which controls the majority shareholding in Samcor and whose representatives would sit side by side with the employee trust representatives in the reconstructed Samcor board of directors.

He said negotiations on the proposals were still in progress.

Details have yet to be hammered out but, according to union sources, Ford visualises giving the bulk of its 42 percent shareholding to the trust, giving it control of 24 percent of all Samcor shares.

Ford may then negotiate the sale of the 18 percent balance of its shareholding to Anglo American.

Said Mr Boyd: "With the current socio-political tensions inside South Africa, it is well known that business must take new initiatives to end labour suspicions about the private-enterprise system.

"The new proposals offer a unique opportunity to introduce a system of power sharing between management and employees and give labour a real stake in reaping the rewards of free enterprise."

"There are obviously also new opportunities for the work force to benefit from a share in the profits as well as be assured of greater participation in corporate affairs."

He added: "Samcor is now in a profit position and a strong contender in the South African market. We are confident it will maintain and strengthen its position as one of the country's foremost vehicle manufacturers.

Final decision awaited

"Anglo American is equally confident about Samcor's future and intends continuing to give the company its full support.

"Ford headquarters in Detroit have yet to make a final decision about whether it stays in South Africa or transfers its direct investment. Agreement on the proposals to create the employee trust may have a strong bearing on an ultimate decision."

Mr Boyd pledged: "Whatever the outcome of current talks, owners and potential buyers of Ford vehicles in South Africa are guaranteed the continuation of production of Ford products and full service facilities.

"Agreement has already been reached that Ford will continue to supply Samcor with vehicles, components, management and technical assistance, as well as licensing the use of the Ford trade mark."

"So the public is assured that Ford operations will go on. We hope the labour force will be sharing in the responsibilities as well as the financial side of the exercise."

"It is a terrifically exciting concept that is welcomed by Anglo American and likely to be welcomed by Samcor employees with equal enthusiasm."

"South Africa needs a breakthrough in bridging the gap between labour and notions about free enterprise. This may well be it."
Economy on course to achieve growth target

By Sven Liünsche

The South African economy is well on its way to achieving the anticipated three percent Gross Domestic Product (GDP) growth rate in 1987, according to the June edition of the Reserve Bank's Quarterly Bulletin.

Statistics released by the bank show that the impressive advance in GDP recorded in the second half of 1986, was continued in the first quarter of 1987, but at a somewhat lower rate.

Provisional estimates of 3.25 percent growth compares with slightly more than 4.5 percent in both the third and fourth quarters of 1986 but well up on the negative 2.5 percent in the first quarter.

"Domestic data from the middle of 1985 therefore now present a picture of an economy that, after an early period of vacillation, has been on a decisive, moderately vigorous, upward course," the bank's economists write.

"Notable contributions to higher real output levels during these three quarters were made by the manufacturing industry and by the wholesale, retail and motor trades, accounting for about 45 percent of total real increases in so-called real "final demand", the total of real private and government consumption expenditure and fixed investment. Private consumption expenditure grew at a rate of 4.5 percent during the period, deriving considerable support from an annualized 3.5 percent rise in real disposable income.

"However, major leeway remained to be made up in regaining earlier levels of expenditure on consumer durables, as total real durable consumption expenditure in the first quarter of 1987 actually was no higher than in the second quarter of 1986," the Bulletin adds.

The major contribution to consumption expenditure came from the public sector, a development which some economists regard as detrimental to long-term growth, but others consider it to be the right tonic for the economy at present.

"Real government expenditure rose sharply during the reporting period. Declines in this kind of expenditure during the preceding three quarters therefore now appear to have represented postponements of such expenditures rather than a shift to durably lower levels," the Reserve Bank says.

Against the overall trend in the economy, spending on domestic fixed investment could not sustain the encouraging recovery of the second half of 1986.

While the outlook for the next five years is still positive, the moderate decline over the three months was largely accounted for by substantial reductions in fixed capital spending by public corporations.

Generally, however, there was a substantial rise in the levels of real output and expenditure, which also saw the volume of merchandise imports rise by 10.5 percent from the fourth quarter last year to the first quarter of 1987.

There was also an overall decrease in the value of merchandise export, which the bank largely attributed to continued weaknesses in the international commodity markets and to a further strengthening of the rand.

A very considerable R7.4 billion surplus was nevertheless recorded on the balance of payments—the ninth consecutive quarterly surplus since the beginning of 1985— but lower exports and higher imports caused this figure to be substantially down on the previous quarters record R12.9 billion.
There’s a profit in disinvestment

You’re an American company, unfortunate enough to do business in South Africa. As a result, you’ve just lost a big contract with the city of Los Angeles.

A stockholder resolution calling for disinvestment has been adopted. The 15 per cent of the shares voted at your annual meeting is no longer particularly profitable.

What with trying to keep abreast of the Sullivan Code and coping with the army of legal professionals, you’ve been spending millions and tying up some of your best people on what, in the short term at least, is a wasting asset.

Not only are you being pressured to get out, but now there’s a new twist. To get the activists off your back, you’ve got to lose responsibility in a way that leads to “black economic empowerment.”

Simply selling out to your white managers, taking a tax write-off and carrying on a sales relationship isn’t good enough.

So you start trying to put together a deal to transfer ownership to black employees. The local unions don’t like it and would rather take the cash, thank you.

Other potential black buyers are scared off because the ANC and its supporters say that taking over departing companies’ assets is a form of collaboration. Great.

Let’s say you find a buyer. Where’s he going to find the financing to do it?

You agree to advance it yourself, only to discover you’ve run afoul of the Comprehensive Anti-Apartheid Act’s ban on new loans and investment. You have to get a special certification from the Treasury Department’s office of foreign assets control saying that the buyer is politically “hygienic” in terms of the law.

More paperwork. More hassle. Will it ever end?

Suddenly, you have a problem, and where there’s a problem there’s nearly always a profit to be made by someone who can offer a solution convincingly enough.

Enter Dr. Marcy Murnaghan and Mitchell Investment Management (MMI) of Boston, consultants in politically acceptable corporate withdrawal.

“We at MMI have developed strategies for dealing with the disinvestment issue that help to fulfill the company’s bottom line and future profit objectives as well as promote greater economic opportunity for the majority of population South Africans,” boasts the consultants’ literature.

The striking and articulate Dr. Murnaghan (her 1983 Harvard doctorate was in “administrative planning/social policy”) has become the quote of choice in US newspaper and television reports on disinvestment — and a fixture at places where businessmen meet to console each other about South Africa.

Naturally, she was on hand when Mr. Sullivan took his leave on June 3.

While her prospectus cites clients in the Fortune 200, those executives most committed to staying on — and therefore least likely to retain her — are not flattering in their assessments.

“A vulture,” says one.

Another: “She is profitting from peoples’ suffering.”

Whether or not this is fair depends on one’s perspective. What is clear is that, in offering its services, MMI goes out of its way to emphasize the kind of data guaranteed to keep the disinvestment lobby at the heels of any company that will not take Dr. Murnaghan’s advice.

Since she also counsels the local authorities on what constitutes sound divestment, she is in a good position to define the issue for itself and expand her own market.

A Murnaghan press release timed to coincide with Mr. Sullivan’s announcement underlines the following on its opening page:

“Overall, from 1986 through the end of May 1987, 46 subsidiaries were sold to white South African buyers; 23 subsidiaries were sold to foreign or other American investors; and five subsidiaries were sold to white South African-controlled trust funds.

“Twelve subsidiaries terminated their operations by closing their offices, five subsidiaries established shell corporations to enable future business operations. Five subsidiaries retain non-controlling equity interest in a South African firm.

“Among the entire group of 104 subsidiaries sold over the past 17 months, 58 per cent continue an economic connection to the erstwhile parent. These third-party links take the form of licensing, distribution, franchising or trademarks.”

To get the divestment lobby really salivating, Dr. Murnaghan then observes: “These figures clearly show that pull-out plans used by American investors have overwhelmingly transferred economic power to white beneficiaries, thus contributing to the polarized situation in South Africa.”

Having opened up broad new vistas for...
From Simon Barber

WASHINGTON — Xerox corporation announced yesterday that it had signed an agreement to sell its South African subsidiary to Fintek, a member of the Altron group, thus becoming the fourth US company to leave this week.

The company declined to reveal financial details, but said it would be establishing a foundation to support "management and technical education for black South Africans" and which would work closely with the Altron-backed Black Management Foundation.

Negotiations on the pact, which was signed on June 9, began last March, a company spokesman, Mr Peter Hawes, said.

The withdrawal will be completed "within about two months". Fintek will continue to market and service Xerox products.

Mr Hawes denied the announcement's timing was connected to the Reverend Leon Sullivan's decision to abandon his employment principles.

The decision to sell out after 22 years in South Africa was in response to "growing worldwide pressure from governments and shareholders", the spokesman said. "Our objective is to demonstrate our concern...and to protect our employees, customers and shareholders."

Mr Hawes said a major concern was the proliferation of state and local laws boycotting the products of companies still in South Africa.
GENEVA — The International Labour Organisation (ILO), overriding Western government reservations, voted yesterday for mandatory economic sanctions against South Africa, that would stop trade, loans, investment and dealings with Pretoria on the world gold market.

A report condemning South Africa’s apartheid policies was adopted by 331 votes to eight, with 26 abstentions, at the ILO’s annual conference.

It called on all governments to sever political, military, cultural, sporting and diplomatic relations with Pretoria.

It denounced Pretoria’s recent extension of the state of emergency, which it said violated civil and trade union rights.

The US government delegation voted against the report, saying its recommendations would not advance prospects for a democratic multiracial system in South Africa. Mandatory sanctions would not work, and would harm South African workers and the economies of neighbouring black African states, it said.

Britain also voted against, and Belgium, while some other European Community members abstained, saying the call for mandatory sanctions exceeded the competence of the 150-member ILO, whose aims are to promote social justice and improve workers’ conditions around the world.

Most worker delegations voted in favour, together with the Third World and Soviet Bloc. Each country sends three separate delegations to the conference, composed of representatives of governments, employers’ associations and trade unions, and these act and vote independently of each other.

— Sapa-RNS
ILO votes for anti-SA sanctions

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A report condemning South Africa's apartheid policies was adopted by 331 votes to eight with 26 abstentions at the ILO's annual conference.

It called on all governments to sever political, military, cultural, sporting and diplomatic relations with Pretoria, and urged trade unions around the world to boycott South African goods, and to expel union members who emigrated to the Republic.

It also denounced Pretoria's recent extension of the state of emergency for a further year.

The US delegation voted against the report, saying its recommendations would not advance prospects for a democratic multi-racial system in South Africa. Mandatory sanctions would not work, and would harm South African workers and the economies of neighbouring black African states.

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Sapa-Reuters
THE WEEK SANCTIONS WENT ON TRIAL IN AMERICA

DR MARCY’S PATENTED PAINLESS PULL-OUTS

"Show trial" over implementation of sanctions on SA

By PATRICIA CHENEY

Washington

HARARE, Zimbabwe, company executives taking the chicken run out of South Africa are being given disinvestment-within-borders advice from an unlikely quarter.

Dark-haired Dr Marcy Murchingham runs a company called Mitchell Investment Management Company (MIMCO) in Boston which tells businessmen how to quit profitably — and in a way that will get the activists crow off their back.

Pressure

Dr Marcy Murchingham stands confidently among the rows of seats in the crowded audience, answering questions about what to do with their investments in South Africa.

"We asked how pressure on companies to leave South Africa could be converted into a positive outcome," Dr Murchingham said.

Mitchell is among a growing number of companies which are advising their clients to withdraw from South Africa, often at the behest of their clients.

"We’ve tried to build up models connecting divestment with the economic empowerment of black South Africans into South Africa-related holdings.

"The pull-out strategy was developed in a position to point out that there were ways in which people could think of sanctions and disinvestment in terms of economic opportunity rather than economic necessity," Dr Murchingham said.

Belief

The lure to businesses, when Dr Murchingham described it as "frustrated", by the increasing demands of activists, has been potent.

"It is not an easy process to get the businesses to change their minds, but we believe in what we’re doing," Dr Murchingham said.

Dr Murchingham — "I believe in what we’re doing"

CRITICS

Dr Murchingham is not without his detractors. He has been called a "sellout" and an opportunist by critics.

"I am not a sellout," Dr Murchingham said. "I am a businesswoman, but I also believe in what we’re doing."

SHOW TRIAL over implementation of sanctions on SA

By PATRICIA CHENEY

Washington

The administration’s failure to call its own" show trial" over implementation of sanctions on South Africa has been widely criticized.

The administration has turned out 32 reports mandated by legislation, on everything from dependence of the US on South African products to ties between the African National Congress and the Communist Party.

Rejection

The State Department also delivered a 120-page report to Congress this week on the sanctions implementation.

"You are well aware of our feeling regarding positive economic sanctions," Dr Crocker said in reply to written questions. "I feel that the important issue remains the identification of those bilateral and multilateral measures which are likely to influence the South African Government to abandon apartheid."

Abhorrence

The ambassador was surrounded by the crowd at the San Francisco meeting. He was clearly agitated and in a state of disbelief for apartheid, but it was too early to say whether they would continue to support the sanctions.
The ILO calls for mineral sanctions

INTERNATIONAL mineral sales sanctions have been called for by the International Labour Organisation (ILO) in a move to further weaken SA’s financial strength.

REUTERS reports that the ILO, meeting for its annual conference in Geneva, voted by 251 to eight to call on governments to sever political, military, cultural, sporting and diplomatic ties with SA. There were 26 abstentions.

A report prepared by ILO director-general Francois Blanchard earlier this year singled out mineral sales as SA’s vulnerable point. Blanchard noted that in spite of sanctions, higher gold and platinum prices had boosted confidence in SA.

A Chamber of Mines source said that while resolutions of an influential body like the ILO had to be taken seriously, it was unlikely to affect mineral sales.

He said the fact the major Western nations like Britain and the US had voted against the proposal indicated that mineral sales would not be badly affected.

He said the ILO could not implement sanctions, but could only recommend them to governments, or recommend that member trade unions refuse to handle SA goods.

The ILO also urged trade unions around the world to organise consumer boycotts of SA goods and to expel union members who came to work in SA.

The resolution called for a stop to trade, loans, investment, and dealings with SA on the world gold market.

The US delegation voted against the report, saying it would not advance the prospects for democratic change in SA and that it would harm workers and neighbouring states.

The ILO is composed of worker, government and employer delegations from around the world. SA is not a member.
Perkins applauds sanctions ‘success’

PORTLAND, Oregon. — The United States ambassador to South Africa, appearing to break with White House policy, has applauded US sanctions and says he would not discourage companies from leaving South Africa.

In his first US speech since becoming ambassador, Mr Edward Perkins said on Friday that the sanctions had been "an unmitigated success" in expressing disapproval for apartheid. However, he said it was too early to tell whether it would contribute to change.

President Ronald Reagan successfully vetoed Congress-imposed sanctions last year and opposes the departure of American companies from South Africa.

The Minister of Foreign Affairs, Mr Pik Botha, said last night that he was not prepared to comment on Mr Perkins’ remarks until he had seen the full text of Mr Perkins’ statement.

Mr Perkins said there was a need for "more inventive ways to manage our relationship with the government of South Africa and with the South African people".

“We have to make abundantly clear in almost any way we can our abhorrence of a system which has a minority of the population enjoying economic and political rights at the expense of the majority," he said at a joint meeting of the City Club and the World Affairs Council of Oregon.

Though the White House opposes the departure of American companies from South Africa, Mr Perkins said: "I don’t urge companies to leave or stay."

He also said it was "far beyond my capability to address" the issue of disinvestment, referring to the debate over whether local and state governments, colleges and other groups should sell their stocks in companies that remained in South Africa.

Mr Perkins said companies that stayed in South Africa must remain socially engaged and those that withdraw should leave behind something for black South Africans. As an example of what could be done, he said universities that disinvest could put their money in a trust to help black South Africans.

In his speech, Mr Perkins said the state of emergency had succeeded in restoring order "as the South African government likes to define it".

“The aspirations of black South Africans have not been stilled. They may temporarily have been halted, but aspirations will not go back to pre-state-of-emergency levels”.

He said that the “most egregious acts under the state of emergency had been the detention of children”.

The White House has maintained that disinvestment and the departure of American companies from South Africa thwart efforts for peaceful change and hurt blacks more than whites.

Mr Perkins did not address the question of whether sanctions were wise from an economic viewpoint.

Mr Perkins said the outlook was bleak, specially since elections earlier this year strengthened the hand of pro-apartheid forces. He said there might be a crackdown against black trade unions and an attempt to curb outside financial support for anti-apartheid activities.

“This drama… has a long time to run. I don’t know how long. I wish I did” — Sapa-AP
Sanctions policy confusion

The policy of sanctions is one of the most controversial and complex issues in contemporary international relations. It involves the imposition of economic, political, or diplomatic measures against a country or individuals as a means of exerting pressure or punishment. Sanctions are often seen as a tool for influencing the behavior of others, correcting perceived misbehavior, or achieving specific policy goals.

However, the effectiveness and acceptability of sanctions vary widely depending on the context, the nature of the sanctions, and the international community's response. Critics argue that sanctions can have unintended consequences, harming innocent civilians, weakening the regime that is being targeted, and complicating the situation for the countries trying to implement them.

The debate over sanctions policy is further complicated by the fact that different nations and organizations have different goals and interests. Some countries impose sanctions to promote human rights, while others see them as a way to assert economic interests or to respond to perceived aggression. The lack of consensus on the use of sanctions has led to confusion and frustration among policymakers.

In conclusion, while sanctions can be a powerful tool, their application requires careful consideration of the objectives, the impact on the targeted country and its citizens, and the broader implications for international relations. The pursuit of sanctions policy should be guided by a clear understanding of the desired outcomes and a commitment to minimizing unintended consequences.
By Neil Lurssen, The Star Bureau
WASHINGTON — Anti-apartheid activists say more American businesses will withdraw from South Africa during the next 18 months.

American activists are also planning to put pressure on foreign — not American — corporations operating in South Africa.

The process started with a campaign of harassment against Shell Oil but they admit that the foreign giants are a much tougher target than US companies which are vulnerable to public opinion and pressure.

Mr Tim Smith, director of the Interfaith Centre on Corporate Responsibility, one of the most prominent of the pro-divestment lobbies, said: "International focusing is well underway."

American and foreign activists are forging links and among plans being hatched in the US is congressional legislation to put pressure on foreign companies and the countries where they are based.

It would be difficult to enact such laws now but they could become more viable if the US swung to the Left in the 1988 election and a liberal Democrat became president.

Meanwhile the spur to American withdrawal, anti-apartheid activists say, will be local and state elections this year and next when South Africa will be an issue. Candidates will support disinvestment and withdrawal to gain voters.

"Crunch not yet begun"

The Rev Leon Sullivan, a black activist who recently called for total US corporate withdrawal from South Africa, said: "Municipalities and states have not yet become active in this matter, as they will. The crunch has not yet really begun."

Already more than 100 local authorities — states, counties and cities — have prohibited their officials from signing contracts for sales or services with companies that operate in South Africa.

Also growing is the prohibition of public fund investment in shares of companies with South African ties. There is a move to challenge the right of local authorities to take these steps on the grounds that decisions relating to foreign policy are the preserve of the federal government.

In some cases firms have quit South Africa because of the fear of losing American business. The Emhart Corporation of Connecticut pulled out because it was scared its subsidiary in Washington, Planning Research Corporation, would lose state and city data-processing and management contracts.

Mr John Budd, Emhart's vice-president for external affairs, said: "It was a business judgment — nothing political."

Mr Randall Robinson, head of the Free South Africa movement and one of the most influential anti-apartheid lobbyists in America, believed the pull-out of Citicorp announced last week, was especially significant because it was the world's biggest independent financial institution.

He said it would put pressure on other companies by eliminating an important source of funding for South African purchases of American interests.
Move by Urban Foundation

Exit ‘strategy’ offered to firms in US

WASHINGTON — American companies have been offered eight disinvestment “exit strategies” by the Urban Foundation.

The move — which could involve substantial US tax benefits — is aimed at the transfer of American assets in SA to the foundation.

This could involve the foundation, its tax-exempt US branch, Urban Foundation (US) (USUF) or an intermediary offshore trust.

A key to many of the suggested moves is the US branch, USUF, established in 1985 as a charitable, non-profit organisation under US tax law. Donations to that entity may therefore be deducted against a company’s gross taxable income.

Charitable donations are also exempt from the Comprehensive Anti-Apartheid Act’s bans on new investment in SA.

The offer, prepared with the help of the foundation’s Washington-based law firm Gammon and Grange, has had a mixed reception.

Some firms have accepted the foundation and its chairman Jan Steyn of trying to exploit the US disinvestment and sanctions campaign.

But, foundation executive director (re-

Exit ‘strategy’ for US firms

is essential for economic growth, increasing employment opportunities and the prosperity of our people.”

According to documents obtained by Business-Day in Washington, a letter sent to companies by Gammon and Grange on June 2 states that the foundation has “researched, rather extensively in the past months various alternatives for the exiting process”.

The letter says the foundation and its US counsel have received full co-operation from the State Department and the Treasury Department’s office of foreign assets control in formulating the plan.

The letter, signed by George Grange, invites companies to meet Barnes, Lance Japhet and foundation board member Robin Lee to discuss the proposal.

The letter stresses that the foundation is not encouraging disinvestment, but is only “exploring productive strategies given the realities”.

“As I am sure you can appreciate, the foundation needs to protect its local and international donor base to enable it to continue its worthwhile activities.”

The strategies include:

- Obtaining charitable contribution (tax) deductions for the cancellation of parent-subsidiary loans;
- Obtaining charitable contribution deductions for the depreciated stock of the subsidiary;
- Transferring a subsidiary on credit;
- Using offshore trusts;
- Donating existing debt;
- Technology transfers using a charitable intermediary;
- The warehousing of intangible property (including trademarks and patents).

These are described as “alternatives which have already been employed in the exiting process or which US companies may want to consider if and when a disinvestment decision is made”.

sources) Warwick Barnes said, in Johannes-

berg last night, it was not on an “ac-
quisition trail” and the offer had been made to no more than 15 companies rep-
resenting a select group.

The foundation would assist companies which approached it once a “sub-
stantial” disinvestment decision had been reached in order to preserve exist-
ing social responsibility programmes.

Barnes said the offer was developed in response to a request from a US com-
pany wishing to withdraw from SA. It was considered by the foundation in the light of the “gathering momentum” of disinvestment and meant companies had access to well-researched and legally-defensible mechanisms to maintain their responsibility programmes.

The foundation said: “We have consistently maintained that the continued in-
vestment in SA by overseas corporations...”
Sanctions upset: US backs Perkins

THE US has explained to South Africa the reported comments of Mr Edward Perkins, its ambassador to the Republic, and issued a statement saying his speech was consistent with Reagan Administration policy.

South African embassy officials here yesterday sought and received clarification of a weekend report from Portland, Oregon, quoting Mr Perkins as "appearing to break with Reagan Administration policy" on South Africa.

Report not damaging to relations

It is understood, however, that colleagues at the US State Department questioned Mr Perkins by telephone shortly after the wire service report appeared on Sunday. His explanation of what he had told a meeting in his hometown were relayed to South African officials yesterday.

Neither officials at the State Department nor the South African embassy saw the upset over the report damaging relations between the countries — a State Department official, Mrs Phyllis Oakley, said it seemed Mr Perkins had in parts been quoted out of context.

She said Mr Perkins had discussed his talk in Portland with the State Department before delivery. Referring to the US law which imposed sanctions last year against South Africa, he was quoted as saying: "The Comprehensive Anti-Apartheid Act of 1986, as a statement of abhorrence by the American people of a hated system, was an unmitigated success."

Mrs Oakley commented: "We have consistently stated that the Comprehensive Anti-Apartheid Act is an effective embodiment of American outrage, but results are what count in ending apartheid."

Statements consistent with US policy

"The law has not achieved positive results toward that end," she said, referring to the economic sanctions contained in the Act which the Reagan Administration has repeatedly denounced "The ambassador's statements are consistent with US policy," she said.

On the issue of American companies leaving South Africa, Mr Perkins reportedly said "I don't urge companies to leave or stay."

But Mr Perkins' bosses have, even in the past week, publicly urged US businesses to stay in South Africa, expressing regret as each one has withdrawn.

"I think Ambassador Perkins supports the continued positive presence of US firms in South Africa," Mrs Oakley said; "But he believes, as we do, that individual firms must take their own business decisions weighing all relevant factors."

There were no substantive signs of anger yesterday among senior State Department officials at Mr Perkins. "He is not going to get a slap on the wrist for disciplinary action, or anything like that," said one official.

"Misunderstanding of the US Press"

Asked if Mr Perkins perhaps misunderstood the Reagan Administration's policy, the official said: "No, I don't think so. I think it displays some kind of misunderstanding of the US Press to think that everyone understood the subject and would report it correctly."

The official said Mr Perkins' speech may have sounded "a different tone, but sure is not different substance" from what his superiors had been saying.

It is believed that the State Department does not think the upset merits summoning Mr Perkins to Washington. The ambassador is on vacation in his hometown, and will be heading for Taiwan to visit his wife's family before returning to South Africa early next month.
WITH or without the unflagging support South Africa has been getting from Washington and Whitehall, it seems foreign companies are pulling out in greater numbers.

Anti-apartheid groups, especially in America, have succeeded in forcing companies to leave South Africa. While the Anti-apartheid movement is just as strong in Britain and Europe, companies there have refused to ape the American companies.

For Blacks have been upset by a sudden concern for their welfare from people who claim these moves will hit blacks most.

Perhaps the stronger argument is that there is very little guarantee that foreign companies will ever operate here even in a new and just South Africa.

The strict legislation in the country precludes us from stating our case about sanctions.

We are, however, not impressed by foreign companies who have had a sudden rush of blood to the head and are pulling out of South Africa.

In most cases they try to use us salving bruised consciences at a time when the economic situation in South Africa is in any case not that attractive to them.

We are getting tired of this whole business and the sooner we are allowed to sort out our affairs ourselves the better. In a future just and non-racial South Africa we will be able to pick the people we do business with.
Another strategy for dissemination...
Trade mags, books for SA stopped

Own Correspondent

JOHANNESBURG. -- At least 25 overseas publishing companies -- including McGraw Hill -- have notified South Africa's largest subscription agency, Universitas, they will stop supplying South Africa with books and journals.

This means that dozens of publications -- including Business Week -- will no longer be available in South Africa through normal channels.

The managing director of Universitas, Mr. Piet Groenewald, said many other publishers were doing the same. His agency deals with about 15,000 publishers worldwide.

Mr. Groenewald said a recent subscription renewal cheque from Universitas had been returned by McGraw Hill, which announced in February its withdrawal from South Africa through a management boycott.

This was followed by a note informing Universitas, which has about 2,500 subscribers for 34 McGraw Hill titles, that it would stop new subscriptions and renewals but would continue those already paid for.

On a subsequent visit to the U.S., Mr. Groenewald said he was told political pressure forced the action because the company could not afford to jeopardize its $3 million U.S. market share for the comparatively tiny South African market.

Magazines affected include mostly technical and trade magazines such as Business Week, Byte, Chemical Engineering, Data Communications and Aviation Week and Space. Many of them are supplied to government bodies.

It was possible, said Mr. Groenewald, to circumvent the boycott by "using middlemen overseas," but this would raise the price of the product and land the company with an additional 10% import surcharge.
Foundation denies pushing for disinvestment

By Dan Side

A recent campaign by the Urban Foundation to assist American companies with exit strategies from South Africa was mainly aimed at firms which had already decided on a path of disinvestment, the foundation's executive chairman Mr Jan Steyn said yesterday.

Mr Steyn was replying to criticisms in the press of a letter circulated on the foundation's behalf on June 2 by the American firm of attorneys Gammon and Grange, which contained a list of suggestions on how best to achieve disinvestment.

It was stressed in the preamble that the Urban Foundation was not advocating disinvestment but merely coping with political and economic reality.

Said Mr Steyn: "Several of these corporations indicated that they were anxious that their assets should be employed in programmes which would benefit the poorer communities in South Africa.

"They considered that the foundation, in view of its expertise and its efficient management, would be best placed to invest these funds in social responsibility activities that would genuinely benefit particularly the black community." The Urban Foundation hoped to benefit from proceeds channelled to a not-for-profit, charitable organisation.

Mr George Grange, a Washington-based attorney, wrote: "... the Urban Foundation needs to protect its local and international donor base to enable it to continue its worthwhile activities".

Eight strategies

The letter listed eight strategies for availing tax and financial advantages in the exit transaction, while accomplishing desirable social responsibility goals.

Mr Grange explained: "The various strategies principally involve the use of two exemptions to the prohibition on new investments contained in the new Comprehensive Anti-Apartheid Act (CAA) — the charitable contribution exemption and the exemption for an arm of a US parent company." The eighth and last plan mentioned called for the foundation to establish an offshore trust to receive and administer the assets of one or more SA operating companies divested by a US parent.

The parent firm could donate the subsidiary to the foundation, thus earning a deduction for contributions to charity.

The foundation "would then immediately transfer the stock of the operating company to the trust for appropriate consideration".

Mr Steyn said that any benefit the foundation would receive would be used on its stated policy and programmes.
WASHINGTON — The first major suit by a pension fund against a South African divestment law went to trial in Baltimore this week.

Lawyers for the fund’s 11-member board of trustees argued that the law would increase the costs of managing the portfolio by $1-million a year and would require $400-million of the fund’s most reliable stocks to be sold.

This represented a “clear violation” of the trustees’ fiduciary responsibility to the fund’s 7,000 beneficiaries, the lawyers maintained.

“We’ll establish that a significant amount of damage will be ensured if the fund is required to sell its current holding in companies that do business with South Africa,” an attorney, Mr. George Nilson, said.

Many companies that claimed to have left South Africa, he suggested, should still be on the list of firms “doing business” there.

“The issue shows that while some are leaving the country, they are not leaving by disposing of their indirect investments, such as franchises and licenses.”

The trial, which is expected to last into next week, is being watched closely by the Reagan administration which has held a series of cabinet-level meetings in recent weeks to decide how to tackle the surge of “local foreign policies”.

While a final ruling against the law would set an important precedent, the case is unlikely to be resolved before most US companies have already left South Africa.

Meanwhile, a new directory of international investment in South Africa is dramatically widening the scope of the US disinvestment campaign.

The directory, released yesterday by the officially non-partisan Investor Responsibility Research Centre (IRRC), identifies 254 European and Australian firms with direct investment or employees in South Africa.

The IRRC notes that only 38 non-US companies have severed their direct investment links with South Africa since January 1, 1984, compared with 120 US firms that have disinvested in the same period.

The Reverend Leon Sullivan, who is calling for the US to penalize foreign firms that do not withdraw from South Africa, was similarly enthusiastic: “My anticipation is that there will be a new focus on all companies in South Africa.”

US activists have thus far targeted Royal Dutch Petroleum (Shell), West Germany’s BASF-AG and Hitachi Ltd., but the campaign is set to expand as the list is absorbed by stockholder activists and local authorities pushing for product boycotts.

The IRRC notes that “the demand for an international directory... has increased substantially as a growing number of corporate, endowment and public funds are initiating international investing.”

“Many institutional investors that have South African-free investment guidelines are becoming internationally diversified.”

The directory’s introduction cites a recent report that “gross US activity in foreign stocks in the first nine months of 1986 reached $72.4-billion, already 56.7 percent more than 1985’s $45.6-billion.”
Foreign firms urged to help SA

THE Urban Foundation had always stressed that the presence of foreign corporations and foreign investment in South Africa was to the advantage of all the South African people, Mr Jan Steyn, executive chairman of the foundation, said on Tuesday.

Mr Steyn was reacting to press reports this morning concerning "exit strategies" for foreign corporations.

"The foundation has consistently encouraged foreign corporations to remain in South Africa," Mr Steyn said.

"It must be emphasised that the foundation's actions referred to in the press reports were taken in response to requests that emanated from companies that had already decided to disinvest.

Several of these corporations indicated that they were anxious that their assets should be employed in programmes which would benefit the poorer communities in South Africa. They considered that the foundation, in view of its expertise and its efficient management, would be best placed to invest these funds in social responsibility activities which would genuinely benefit the black community.

Education

"It was in reaction to these requests that the foundation put forward certain sound legal suggestions to a selected group of companies with the objective of achieving three results:

- That education, small business, housing and socio-economic programmes for blacks could continue to be supported despite the fact that a particular corporation was disinvesting from South Africa;
- That mechanisms were created which would best serve the needs of corporations who, despite disinvestment, were anxious to remain involved with social change, thereby sustaining their capacity to contribute constructively to the betterment of disadvantaged people in South Africa; and
- That any benefit the Urban Foundation were to receive as a result of the adoption of any proposed strategy would, as with any other funds received, be employed on the well-known policy and programmes of the Urban Foundation.
Groups launch new sanctions drive
No change after pullout
A footsie-footsie shift in unions' sanctions stance

WHEN Ford announced it was joining the more than 130 American companies which have withdrawn from South Africa since 1985, the newly-formed National Metalworkers Union conducted a withdrawal of its own, backing out of the spotlight to consider its response to Ford's move.

Numsa's retreat signalled that a reappraisal or "refinement" is underway of the pro-disinvestment stand adopted by the giant Congress of South African Trade Unions at its founding congress late in 1985.

Formed only last month through the merger of three largely-black trade unions, Numsa is now Cosatu's second-largest member union.

Judging from its adoption of the 1955 Freedom Charter and the socialist slogan "from each according to his ability, to each according to his need", Numsa is one of the most politically vocal Cosatu unions. It certainly the union most affected by Ford's decision, as many of its more than 136,000 members work in the motor industry.

But instead of acclimatising the pending withdrawal of Ford as a triumph for Cosatu's declaration in favour of disinvestment, Numsa executives have been locked in consultations to secure the best possible disinvestment deal for their members.

It is one of several signs of a disconcerting but important rethink in Cosatu on disinvestment and sanctions.

Another is a confidential study carried out for Cosatu on the effect of sanctions by the Johannesburg-based Community Resources Information Centre (Cric).

Evidence of the reappraisal that may result in formal revision of Cosatu's position at its annual congress next month is evident last year with the withdrawal of South Africa of General Motors.

GM's pullout showed that disinvestment is not necessarily to the advantage of black workers: that it can delay rather than advance realisation of their quest for a non-racial and democratic South Africa.

GM sold its share in its South African subsidiary to a local company formed by South African executives. The same men dealt decisively unioneers would say ruthlessly — with a strike by workers against the way in which GM disinvested.

Launched in protest at the "arrogance" of GM for announcing its withdrawal without consulting workers, the strike was in support of trade union demands for pension payouts, severance pay and worker representation on the board of the new company.

The decision of GM's South African managers to call in police and soldiers and to replace striking workers with labourers drawn from the large pool of unemployed workers played a key role in breaking the strike in a matter of weeks.

GM has since been replaced by the South African Delta Motor Corporation. Not only did Delta managers show they were willing to summon police, but managing director Robert Price told a press conference he was prepared to contravene GM's embargo on selling vehicles to the police and the army.

The signs of a union rethink on sanctions pre-date the current furor over the 'leaked' confidential study.

By PATRICK LAURENCE

and Numsa.

It shows, as the study commissioned by Cosatu emphasises, that disinvestment can be due to the disadvantage of black workers, particularly when the new company is assured of technology and spare parts by the departing company.

So far, as the Cric study suggests, business has probably done more than the unions to plan ahead and minimise the disadvantages to it of sanctions. The same conclusion applies to disinvestment as a particular form of sanctions.

It is against the background of the GM saga that Numsa's cautious response to Ford's withdrawal should be measured.

Ford holds 42 percent share in the South African Motor Corporation (Sancor). Majority control rests with Anglo American.

Ford has offered to establish a trust for Sancor workers by allocating 18 percent of its share in Sancor to the trust. Its remaining share would be sold to Anglo American.

Apart from apparently premature rejection by an official on official visit to the US, Numsa is considering its response carefully.

Ford's offer to give workers a share in Sancor through the proposed trust has to be thought through carefully. It is potentially divisive, as many unionists are opposed to attempts by management to co-opt them.

Although Numsa has not indicated what line it will take on the Ford offer, its negotiating position was adumbrated late last year during the strike. At the time the three unions which combined to form Numsa, including the Metal and Allied Workers Union and the National Automobile and Allied Workers Union, set out minimum conditions under which disinvestment should take place.

From the departing company the trio of unions demanded severance pay, maintenance of existing benefits and at least a year's pay. From the new company they required surcharges against retrenchment after the takeover and an agreement to recognize and negotiate with representatives of trade unions. The core of these demands was adopted in a 10-point policy statement last month by another Cosatu union, the Chemical Workers Industrial Union.

Numsa is believed to be worried that Ford's withdrawal will set a prelude to cutbacks and retrenchment at Sancor — a not unfounded fear given the sharp decline in demand for new cars.

Cosatu's original 1985 resolution declaring support for disinvestment was subject to a single condition: to ensure that "the social wealth of South Africa remains the property of the people of South Africa". It could spell out what it means by that high-sounding phrase at its congress next month. To modify or refine a stand is not, however, to abandon it. No wholesale revision is on the agenda.
As the world bows out, Anglo steps on board

NOTICE a pattern behind the latest spurt of disinvestment buy-ups? Anglo American’s economic muscle just keeps on growing.

Last week was not a bad one for Anglo. In the space of a few days they gained control of some of Ford’s remaining South African interests and took over the local subsidiary of America’s largest bank, Citicorp.

The Ford deal was accomplished through Anglo’s motor manufacturer, the South African Motor Corporation (Samcor), in which Anglo held a 58 percent shareholding and Ford held the remaining 42 percent. In terms of the takeover Anglo acquired 18 percent of Ford, thus giving it a 76 percent stake in Samcor, while Ford is trying to convince its former employees to take the remaining 24 percent.

Anglo accomplished the second takeover through its recently-acquired control over First National Bank, which simply bought out the Citicorp subsidiary, Citibank.

Various attempts were made to play down the significance of these developments.

Samcor, we were told, hadn’t made a profit in years, so Anglo’s new acquisition was more of a hindrance than anything else. After all, who wants 76 percent of a declining asset? This argument certainly bears thinking about, especially by the Ford employees who have been offered 24 percent of this declining asset.

In fact Samcor made its first profit last year and, according to a leading financial journal, its outlook is now more “favourable”. Furthermore, Samcor’s share of the local market is second only to the industry leader, Toyota, so the company is well placed to benefit from an economic upswing.

In a nutshell, this means that Anglo is now the second biggest motor producer in the country.

As far as Citibank is concerned, a top Reserve Bank official, who preferred to remain anonymous, said the takeover was “not a big deal”, since

The real effect of disinvestment seems to be that the Anglo American’s net is spreading wider and wider.

DUNCAN INNES reports

Citibank only had assets of R15-million in this country.

However, First National have agreed to pay R130-million for the bank.

What is particularly interesting about all this is that, according to the Financial Mail Top Companies Survey, Citibank’s assets last year were valued at R438-million, making it the nineteenth largest bank in the country (out of sixty). What, one wonders, has happened to the remaining R423-million?

Stockbroker David Southey of Max Pollak and Freemantle notes that Citibank’s assets have “run down quite substantially”.

But, regardless of where the bank’s assets have gone, the takeover must enhance First National’s position at the top of the banking league in South Africa, thus in effect making Anglo American the country’s leading banker.

All this of course can hardly do Anglo any harm. A quick glance through the above-mentioned Top Companies Survey shows several Anglo group companies among the top 15 industrial companies in the country (measured in terms of total assets), while in terms of market capitalisation five Anglo companies appear among the top 10.

But it’s only when you look at the top 12 market leaders in the country that you get an idea of the colossal financial power Anglo wields in our economy. With the exception of Sasol at 10th spot, Anglo either controls or has a substantial stake in every one of South Africa’s top 12 market leaders.

With all this financial muscle under their control, one can’t help feeling that there must be something Anglo can do to encourage the government to reform just a little bit faster.

After all, through their takeovers of foreign companies which are disinvesting they are bailing the National Party government out of a good deal of trouble.
Local buyouts dull US disinvestment

US COMPANIES withdrawing from SA have indirectly paid over millions of dollars to local operations, minimizing the effects of disinvestment. In mid-1985, US investments in SA amounted to $1.5b, dropping to $1.3b at the end of 1986, according to US Department of Commerce figures.

RAI Institute of American Studies' Carl Noffke attributes the remaining high presence of dollars to the fact that disinvesting companies have set up secure financial bases to enable local operations to compete effectively.

IBM and GM paid large sums to make provisions for pension funds. Further, IBM set up a trust to retain its R13m commitment to community projects, and GM paid for all development costs and the introduction of a new-model vehicle for Delta motors.

Noffke declined to give further examples, saying it could add to the pressure on parent companies.

Most management buyouts tie the new SA companies into some form of trading relationship with their former parents. As royalties and orders are permitted to leave SA through the more favourable commercial rand, it is in the interests of the disinvesting parent to ensure the local operation is financially viable.

Noffke also attributes the relatively insignificant drop in direct US investment in SA to the relative smallness of those US subsidiaries which simply withdrew. The larger operations, either capital- or labour-intensive, have sold out to European or local managements.

However, Noffke expects the effects of disinvestment to become more apparent this year, with the value of US investment beginning to drop significantly.

Already 18 companies have left SA so far this year and another 12 have announced their intention to do so. During the past two-and-a-half years the number of American companies with subsidiaries in SA has fallen by more than a third. In 1985, 40 companies pulled out of SA, and 49 in 1986.
Alternatives to Disinvestment

ANC President Oliver Tambo also spoke at the conference in London, at which the paper was delivered at South Africa Relations.

Kane Benman (right) is director of the South

John Kane-Berman
Commission calls for air clamp on SA

OSLO — Senior world politicians have called for a total air boycott of South Africa.

They also urged that military aid be provided to Mozambique, one of the “frontline” states bordering South Africa.

The Palme Commission on Disarmament and Security, formed by the murdered Swedish Prime Minister in 1986, issued a strongly worded statement at the end of a three-day meeting in Oslo, in which it said:

“Mozambique needs military assistance as well as economic aid.

That can best be provided by forces from African states... but with countries outside Africa helping to fund such military support.

“One particularly effective way to isolate South Africa is to put into effect a total air boycott, including overflight and landing rights.

“We deplore the refusal of many European nations to impose an air boycott. They could and should do so immediately.”

Members of the commission, which met specifically to discuss South Africa, include Norwegian Prime Minister, Gro Harlem Brundtland; former Polish Prime Minister, Josef Czerniakewicz; former US Secretary of State, Cyrus Vance, and leader of Britain’s Social Democratic Party (SDP), David Owen.

“The international community has not risen to its responsibility (over South Africa),” Brundtland yesterday told a news conference after the meeting.

“The West is losing the battle for hearts and minds in South Africa.”

The Rev Allan Boesak, a founder of the United Democratic Front (UDF), which opposes apartheid in South Africa, said after the meeting: “The commission has concrete proposals and their work points very clearly to the lack of political will over South Africa.” — Sapa-Heuter

Two who killed for bottle of sherry jailed for 16 years

By CHRIS RENNIE, Court Reporter

TWO men who killed for a bottle of sherry have been sentenced to 16 years each by the Port Elizabeth Supreme Court.

NAME—Surnames “Conroy” and O’Sullivan.
Politicians call for military aid to Maputo

OSLO. — Senior world politicians called yesterday for military aid to Mozambique. They also urged a total air boycott of South Africa.

The Palme Commission on Disarmament and Security, formed by the murdered Swedish prime minister in 1980, issued a statement at the end of a three-day meeting, in which it said:

"Mozambique's needs: military assistance as well as economic aid. That can best be provided by forces from African states ... but with countries outside Africa helping to fund such military support.

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Members of the commission, which had met specifically to discuss South Africa, included the Norwegian Prime Minister, Mr Gro Harlem Brundtland, former Polish prime minister Mr Josef Cyrankiewicz, former US secretary of state Mr Cyrus Vance and Dr David Owen, leader of Britain's Social Democratic Party.

Sapa-Reuter
Thatcher says no again to sanctions

Own Correspondent
LONDON. — Mrs Margaret Thatcher remains totally opposed to sanctions against South Africa.
The British Prime Minister also might visit South Africa at some stage, if it would "help" matters.

These points emerged in the first lengthy newspaper interview she has given since the general election.

She told the Sunday Telegraph: "They (sanctions) will not help anyone. In my view, the amount that has been done has actually retarded the very process we wish to see accelerated.

"I think there is a general awareness in South Africa that things have to change. The only question is how, and how fast can one go?"

Asked by journalist Bruce Anderson if she had thought of visiting South Africa, Mrs Thatcher said: "Not at the moment. There might come a time when one might be able to do something to help. I do not think that time is now."

Mrs Thatcher also dealt with trade union legislation, arms control, education and the churches.

Sapa reports that the British Foreign Secretary, Sir Geoffrey Howe, says mandatory sanctions against South Africa would only make matters worse in the region, SABC radio news reports.

In his first speech parliamentary since the elections, Sir Geoffrey said concrete actions were necessary, not empty gestures.

He said Britain would continue its call for dialogue, an end to apartheid and fundamental change without violence.
Call for sanctions

LONDON — Anti-apartheid activists attending a national convention for sanctions in the British capital on Saturday have put their full weight behind the call for comprehensive mandatory sanctions, dismissing claims that blacks in South Africa have begun to question the effectiveness of such measures.

The convention appealed to the British public to join boycotts and add to pressure on companies to pull out.
Six nations petition summit

Africans ask EC to ban SA coal imports

The Star's Foreign News Service

BRUSSELS — Six African countries are petitioning European leaders to stop importing South African coal. Their plea echoes a similar call from British anti-apartheid activists.

The speakers of the Parliaments of Botswana, The Gambia, Kenya, Malawi, Zambia and Zimbabwe yesterday delivered their petition to the 12 EC leaders who are meeting for a two-day summit in Brussels.

UNDERMINING POLICIES

They warn that the community "lags far behind other countries of the Western world in its-sanction policies" and, as a result, is "undermining the effectiveness of these policies".

The six, who have the backing of the Association of Western European Parliamentarians for Action Against Apartheid, welcome the "the broad range of economic sanctions imposed by the USA, the Commonwealth and the Nordic countries".

Coal imports by the 10 countries of the European Community amounted to nearly 1.3 million tons in 1985, second in importance, in terms of South African trade, only to gold.

But several European leaders, particularly British Prime Minister Mrs Margaret Thatcher and West Germany's Chancellor, Mr Helmut Kohl, have never been in favour of a coal ban.

It was largely their resistance that led to the excision of this measure from last year's EC sanctions package.

Nonetheless, it is likely to be considered again, particularly as Denmark, a keen supporter of sanctions, takes over the presidency of the EC from Belgium this week.
Tougher sanctions loom on the Bonn horizon

It comes down to a simple question of priorities in foreign policy, says Jean-Jacques Cornish in this report from the West German capital.

Domestic pressure

It compounded the disappointment over the exclusion of blacks from the President’s Council and President Botha’s disastrously anticlimactic Rubicon speech which had been touted in Bonn beforehand by Foreign Minister Mr Pik Botha as “the biggest thing since Jan van Riebeeck.”

This combination is expected to result in the FDP, which generally gives the lead in the coalition on foreign policy matters, bowing to domestic political pressure by adopting a tougher pro-sanctions motion at its party conference in September.

“We have lost faith in the South African Government,” says FDP southern Africa spokesman Mr Ulrich Rinner. “The perception is that it is all going to end in bloodshed and for the time being South Africa is finished.”

“We see the violence on television and we read of the arrests of young children. Reasonable, rational argument against sanctions is no longer accepted...

“What else is there but more sanctions? If I knew of another way, I would take it. I believe the FDP will vote for sanctions in September and if the SPD comes to the Bundestag with a practical sanctions resolution we would support that too.”

The senior coalition partner, Mr Helmut Kohl’s CDU, is more inclined to withstand pro-sanctions pressure inside Germany.

South Africa falls way below German reunification, East-West relations and nuclear disarmament on its list of foreign priorities. Nevertheless, it would not stand alone against a move for stronger economic measures — even if this second wave could begin to swell, they say, at the EC summit in Brussels this week.

Sanctions are not specifically on the menu for the heads of state but they will inevitably come up in the simultaneous meetings of foreign ministers and senior officials so that they would form part of the final declaration.

Any proposals could be acted upon during Denmark’s six-month presidency of the EC beginning in September or in the following period under West German leadership.

Since West Germany looks after Danish interests in South Africa because Copenhagen has withdrawn its diplomatic representatives, the Bonn envoys are preparing for a sticky year ahead.

If there is no substantial EC initiative in this period, it is generally accepted that the sanctions issue will inevitably loom larger in the United States — and once again the West German Government would feel obliged to follow that lead.

It is not simplistic to say that the ball lies in the South African Government’s court. Those parties that oppose sanctions for practical and moral reasons desperately need the real ammunition to sustain their argument.

At the very least, CDU and FDP members agree, this would necessitate the initiation of real political dialogue among all South Africans. By this they mean nothing short of unconditionally unbanning all political parties. They also require a deadline for a constitution in which all South Africans would enjoy equal rights within the foreseeable future.

Any further repressive steps or political backsliding from Pretoria would make the anti-sanctions case indefensible.
Company pull-out hits SOS drive for funds

By Janine Simon

Estimates of children in need of care in South Africa ranged from 50,000 to 150,000 at any one time, Dr W.A. Kulhanel, chairman of the SOS Children's Village Association, said at its annual general meeting last night.

SOS could play only a small part in alleviating the suffering of these children and saw its special role as serving the black community, which had only nine homes for children in need of care, he said.

This number was disturbingly and unacceptably low and SOS would strive to increase its villages for black children.

SOS was also concerned that authorities, though sympathetic to the SOS cause, still turned a blind eye to disparities in subsidy payments and saw fit to provide black children with only a third of the amount provided for other community groups.

SOS had moved into a new phase and was now a multi-million rand operation requiring a high level of professional and managerial skills.

It had largely achieved the six aims set for 1986, of which the establishment in January of a children's village in Mamelodi was one.

SOS had been considerably affected by sanctions and a number of companies pledging support had pulled out of South Africa and had not delivered the promised assistance.

One multi-national had promised R250,000 for 1987, but after their decision to withdraw had contributed only R100,000.

Future SOS plans included the development of priority villages in the eastern and western Cape and later in the Eastern Transvaal, northern Free State and Natal.
Little comfort for SA

From JEAN-JACQUES CORNISH, a Special Correspondent in Bonn.

The South African government should take no comfort from the general air of disillusionment with economic sanctions currently being felt across the West German political spectrum.

For this is more likely to result in even tougher measures being taken than in any relaxation of the limited sanctions that this country now applies in line with European Community partners. The most likely first step would be to add a ban on the import of South African coal to the existing block on iron and steel, new investments and gold coins.

The key factors, according to representatives of the parties in the ruling coalition, are developments inside South Africa and the amount of pressure for more sanctions exerted by the United States, Europe and Nato.

The May 6 general election result is interpreted here as a most unhelpful lurch to the right — a blow to President Botha’s reform process which was already being seen as too little too late. It compounded the disappointment over the exclusion of blacks from the President’s Council and President Botha’s disastrously anti-climactic Rubicon speech which had been touted here beforehand by Foreign Minister Pik Botha as “the biggest thing since Jan van Riebeck.”

This combination is expected to result in the FDP — which generally gives the lead in the coalition on foreign policy matters — bowing to domestic political pressure by adopting a tougher pro-sanctions motion at its party conference in September.

“We have lost faith in the South African government,” says FDP Southern Africa spokesman Mr Ulrich Irmer. “The perception is that it is all going to end in bloodshed and for the time being South Africa is finished. We see the violence on television and we read of the arrest of young children.”

Reasonable, rational argument against sanctions is no longer accepted. “What else is there but more sanctions? If I knew of another way, I would take it but I don’t. I believe the FDP will vote for sanctions in September and if the SPD comes to the Bundestag with a practical sanctions resolution we would support that too.”

Senior coalition partners, Mr Helmut Kohl’s CDU, are more inclined to withstand pro-sanctions pressure inside Germany. South Africa falls way below German reunification, East-West relations and nuclear disarmament on the party’s list of foreign priorities.

Nevertheless it would not stand alone against a move for stronger economic measures — even if this meant mandatory sanctions — from its European partners and the United States. It is quite simply a question of priorities. West Germany is committed to adopting a uniform EEC foreign policy.

As the country truly at the heart of Europe — it has more neighbours than any other state on the globe — it would be senseless to be out of step. West German trade with South Africa, for example, is less than one percent of its foreign business as opposed to 70 percent with Europe.

West German investment in the Republic forms a similarly minuscule proportion of its foreign stake. CDU analysts illustrate the sanctions in waves and believe they are now on top of the first. While the Western countries who have applied these measures reflect on its less than satisfactory practical effect, they do not see a second wave rising yet.
Sanctions cost Australia

JOHANNESBURG — Sanctions against South Africa were one of the few peaceful means available for foreign countries to demonstrate their concern and attempt to influence policy direction, the Australian ambassador, Mr Robert Birch, said here this week.

Addressing the South African Institute of International Affairs, Mr Birch said sanctions were seen as a persuasive, not punitive, means of encouraging the government to begin genuine negotiations across the political spectrum.

Mr Birch rejected the “rather Gilbert, unsubstantiated and self-deluding” suggestions that Australia has imposed sanctions out of economic self-interest, and said sanctions had cost his country.

He said Australian coal exports, comprising 16 per cent of Australia’s export earnings — had suffered severely as a result of South Africa’s more aggressive marketing of cheaper coal to Australia’s East Asian markets. — Sapa