SANCTIONS

1985

JANUARY — JULY

Senator moves for sanctions against SA

ARGUS 3/1/85 280

Argus Foreign Service

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

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

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

Key elements

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

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

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

Sanctions adopted

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

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

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

SA need to confront disinvestment threat



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the void left by the Americans or, failing that, South African companies would be only too happy to acquire the American firms which had been operating in South Africa.

This argument has a dangerous flaw. The Americans will not withdraw gracefully from South Africa. We should not underestimate the American penchant for believing that what is good for America is good for the world. Nor its willingness to use American muscle to bring the world to heel.

Business leaders are deeply worried that once the United States had begun to disinvest it would press other members of the Western alliance to follow suit. Dr Albert Wessels, doyen of the Afrikaans business community who, through his Toyota links, is in close touch with the Japanese business world, believes that Japan would find it exceedingly difficult to stay in South Africa if the Americans should go.

It is equally dangerous to assume that South African companies would step into the breach and negate any possible damage flowing from American disinvestment. As important as the 2,3 billion which some 300 US corporations have in fixed South African investments is the new technology expertise and managerial skills which they introduce.

These are crucial contributions to South Africa's economic strength, for which South African companies cannot hope to substitute adequately. Moreover, American disinvestment would be such a hammer-blow to business confidence that South African companies might feel rather jittery about making substantial new investments.

Gross domestic fixed investment has been in decline since the end of 1981 and, while this is partly owing to the business cycle, business confidence and the fear of disinvestment have also played an important role.

The South African Government would do well to realise that disinvestment is not simply yet another obstacle that the ship of state could brush aside.

On the other hand, the protagonists of disinvestment are equally inclined to play down the dire dangers which may flow from it. Their argument comes down to this: blacks are already suffering and disinvestment would not increase that suffering materially.

It is contended that blacks do not want the black-white struggle to continue for another 30 or 40 years; they want liberation now and disinvestment would help to bring about the resolution of the conflict and an end to black suffering.

The disinvestment scenario may be correct. But looking at both historic trends and contemporary political dynamics, I would argue that an opposite scenario is far more credible.

In my view disinvestment would, over the medium term, bring about a sluggish economy with a low growth rate, spiralling black unemployment and terrible hardship and suffering.

Far from inducing whites to negotiate a political settlement with blacks, disinvestment would strengthen the hardliners, both on the white and black side.

A state of siege is hardly the condition in which people would still put a high premium upon the need to expand black education, promote black advancement and provide relief for the army of black unemployed. Indeed a white government would use its credit to prop up the declining living standards of its white constituency.

Violence would increase, for disinvestment would bring not cool heads but an environment of terrible uncertainty and irresponsibility in which the security apparatus could easily over-react to any challenge, while blacks, in a mistaken belief that Western aid would be forthcoming, could easily overplay their hand.

This is my scenario but there is of course no way of proving that it will be more accurate than the disinvestors' scenario

What South Africa needs right now is a sober and thorough debate about the issue. We above all need adequate and reliable information about what the majority of blacks thinks about the issue

Let there be no mistake: it is blacks who must speak their mind on the issue, for it is ultimately blacks, more than whites, who would suffer. The majority may opt for investment or it may not After all, blacks may hold the view once vividly expressed by the Cambridge economist Joan Nelson. She said that the Third World is discovering that there is one thing worse than being exploited by multi-national companies and that is not being exploited by them.

At the moment we have one important piece of evidence on black attitudes in this regard A survey sponsored by the United States Government and undertaken by Professor Lawrence Schlemmer found that approximately three-quarters of South African blacks opposed disinvestment.

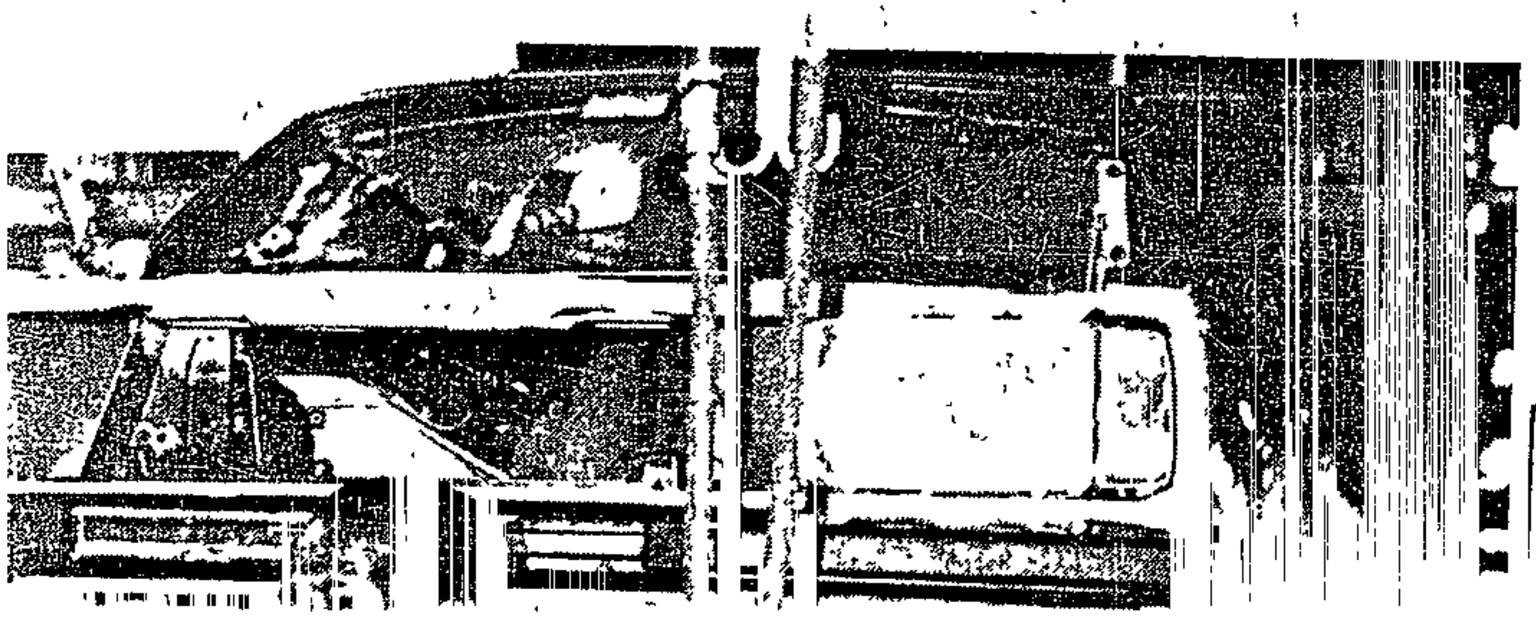
No one who knows the high quality academic work and personal integrity of Professor Schlemmer would question his professional competence to conduct such a survey. The problem with the survey lies in two other areas

Firstly, it was a mistake for the US Government, with its commitment to constructive engagement, to have initiated and sponsored this survey. As Bishop Tutu remarked, the US Government did not commission a similar survey before it imposed certain sanctions against Poland.

Secondly, it is a criminal offence in South Africa to propagate disinvestment While I do not believe that black respondents in the Schlemmer survey were inhibited by this, there is an element of doubt which enables the disinvestors to discount the survey

It is in South Africa's own interests to repeal this law as soon as possible to enable a free and open debate on disinvestment to take place Before that is the case, all empirical data on black attitudes to this vital matter will be treated with scepticism, if not scorn

Disinvestment is by far the most serious issue facing South Africa in 1985. Neither blacks nor whites can afford to ignore all warnings and steam ahead to the iceberg of disinvestment and only after the crash discover how grim are the survival chances of both whites and blacks



less than a third of the country and plans

Forewarning on disinvestment

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

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

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

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

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

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

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

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

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

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

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

Call for Weather

STEVE BISENIUS

The threat is serious



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

***FM*: How do you rate the disinvestment threat?**

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

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

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

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

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

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

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

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

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

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

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

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

Do South Africans realise the seriousness of the situation?

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

CAPE Times 12/11/85

Sanctions 'would not work'

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

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

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

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

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

On a government level, Sir Geoffrey said "Britain would continue to apply pressure behind the scenes to achieve change in South Africa."
— Sapa-AP

Kenya joins in call for SA sanctions

280 S. Times 13/1/85

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

Sunday Times Reporter
Nairobi

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

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

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

Sanctions

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

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

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

Zambia and Kenya made the same request.

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

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

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

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

Anti-SA activist accuses Denmark

14/1/85

The Star's Foreign News Service

280 Star

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

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

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

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

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

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

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

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

He denied Mr Minty's allegation that the UN was weak, and said Denmark would soon consult the EEC on the issue.

SOUTH AFRICA

ARGUS 15/1/85

Selective sanctions for SA?

280

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

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

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

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

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

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

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

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

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

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

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

This does not mean that any such action is imminent.

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

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

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

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

Tutu calls for sanctions unless . . .



Bishop Desmond Tutu
. . . free trade unions.

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

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

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

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

Firms should house black workers as family units and free trade unions should be introduced. "If this is not done within 18 to 24 months, then I will call for punitive economic sanctions against the South African Government," he said.

VIOLENCE

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

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

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

Drugs case goes to highest court

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

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

REFUSED

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

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

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

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

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

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

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

Her conviction of possessing cocaine with intent to distribute was overturned on appeal. — Sapa-Associated Press.

Rent-a-womb man sues mother

TAIPEI — A Taiwanese man who paid a woman R66 000 to have a son for him sued her for giving birth to a baby girl, a court official said today.

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

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

The court dismissed the suit and nullified the contract, the official said — Reuter

DISINVESTMENT

Counter-moves

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

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

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

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

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

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

Afrikaanse Handelsinstituut (AHI) president Leon Bartell and Assocom immediate past president Bill Yeowart confirm that their organisations are investigating schemes to counter the disinvestment drive. Both are looking forward to closer co-ordination between the service organisations in the private sector.

Yeowart believes the fact that disinvestment will hit the BLS countries and other neighbouring states as hard, if not harder than SA, should be used prominently in building up arguments against disinvestment.

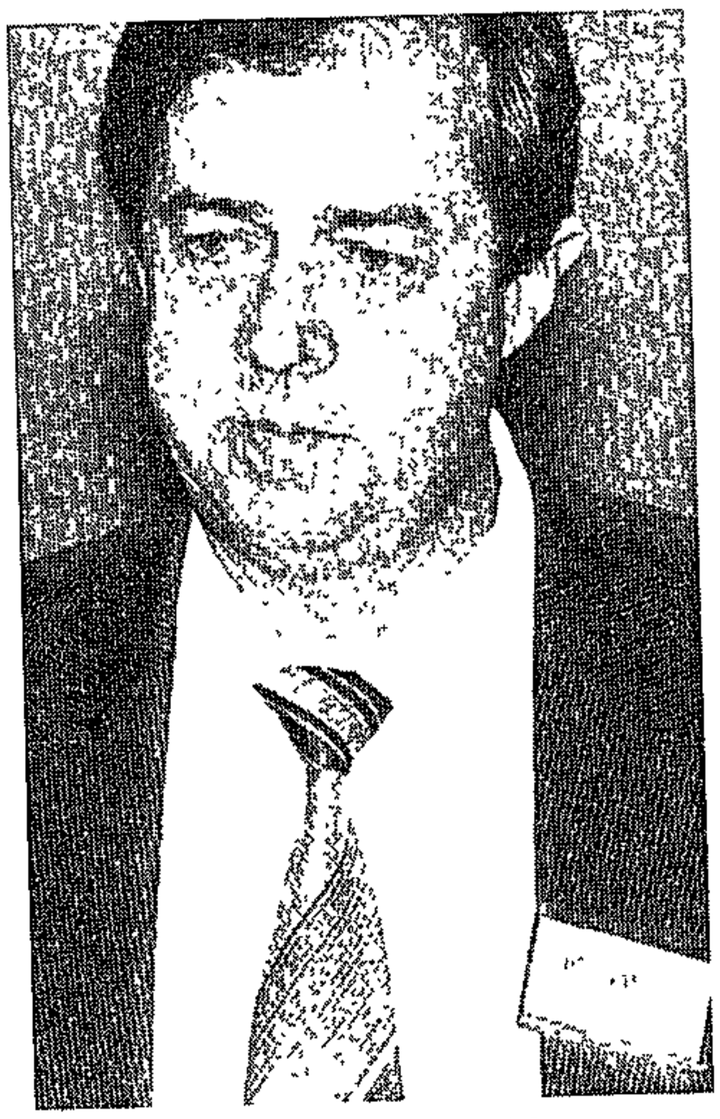
Van Zyl believes there must be basic understanding of US public opinion before a programme of action is devised. Public opinion plays an important role in the US and if it is strong on some topic, it is going to influence policy-making because the administration cannot afford to ignore it like some other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

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

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

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

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

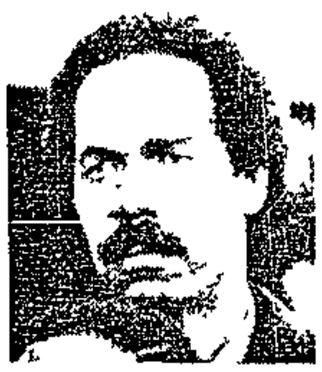


FCI's Van Zyl ... seeking to influence US public opinion

(280) 1/2/85

RANDALL ROBINSON

Turning the screws



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

How long will your protest effort last? You have not got many Americans to really think about SA yet, have you?

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

What's the next step in your plan?

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

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

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

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

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

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

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

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

BOYCOTTS

Sour grapes

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

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

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

The pamphlet alleges that black fruit pickers live in "slave labour conditions" and are paid a maximum of R25/month. But the real position, according to Louis Kriel, GM of the Deciduous Fruit Board (DFB), is that "wages in the western Cape average about R180/month basic plus housing and other perks"

SA dried fruit exports to Australia in 1984 totalled Rlm — 1,5% of global exports. Most of SA's production goes to the EEC and Japan.

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

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

Relations between the respective umbrella organisations for the dried fruit industry of both countries seem amicable enough. A bilateral agreement ensures that "controlled" dried fruit, such as sultanas, currants and raisins, are not sold on each other's markets where there are oversupplies. But, says the SADFC's Leroy Tolmay, "there is a gap in the Australian market for uncontrolled dried fruit, such as peaches, pears and apricots which SA taps into."

And although there may indeed be a risk of job losses in Australia as a result of controlled dried fruit imports, SA is not to blame. Rather beware the Greeks, advises Tolmay, because they are dumping in Australia large quantities of sultanas, at vastly discounted prices — compliments of EEC subsidies.

quotable

Harold Lever, former British Financial Secretary to the Treasury, writing in the *Spectator*:

Floating rates were sold as an automatic pilot which would react appropriately to relevant signals. In fact, the rates react to quite different signals, sent out by the chronic feverishness of a leaderless world market which has developed mechanisms resulting in a destructive travesty of market economics. The automatic pilot has become a whimsical disruptive force in the world economy We have exchanged the pragmatism of the Bretton Woods system, which gave time for flexible responses to market pressures, for the inflexible urgencies of parity threats which have injured every government in turn

When it became clear that we had brought about a system manifestly divorced from the purposes we intended to serve, a new line of argument made its appearance The floating rate market was to be valued as a thing in itself. It was no longer a tool to be used Its pronouncements were true, fateful and inescapable

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

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

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

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

FM 1/2/85

DISINVESTMENT

The two-year timebomb

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

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

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

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

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

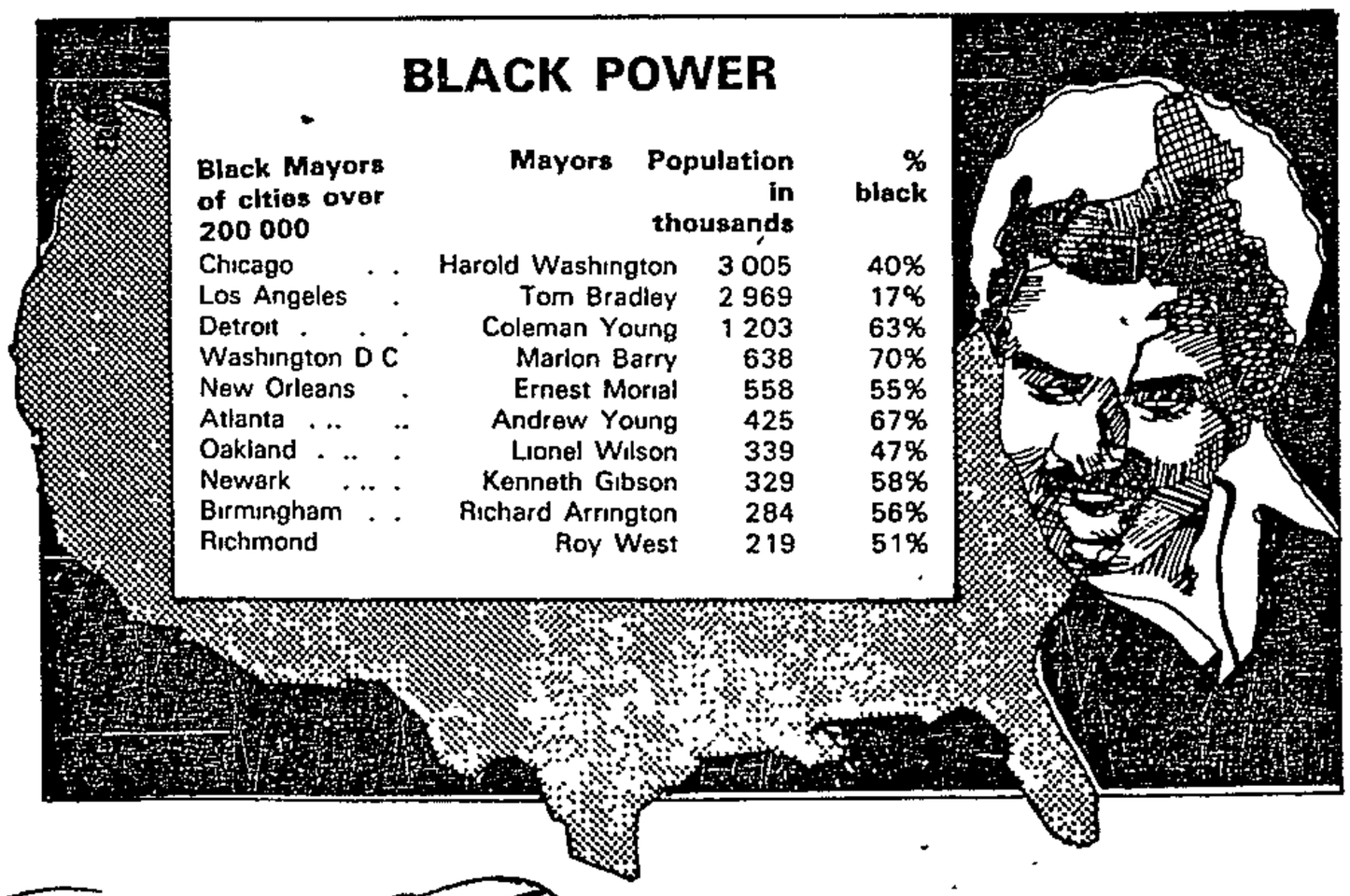
Celebrity arrests

Those protests, which have been running since November 21, have resulted in the arrest of more than 500 celebrity protesters (senators, children of the Kennedy family, film stars and so on) and perhaps 1 000 more have been detained by police in a dozen other cities as they demonstrate against apartheid in front of SA consulates and US corporations identified with SA investments.

So the protests are pretty small beer when it comes to raising the US consciousness about apartheid Even more telling, more than half of those US adults who do know about the anti-SA protests say they either have no opinion about the issues involved (33%) or disapprove of the protests (21%).

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

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



BLACK POWER

Black Mayors of cities over 200 000	Mayors	Population in thousands	% black
Chicago	Harold Washington	3 005	40%
Los Angeles	Tom Bradley	2 969	17%
Detroit	Coleman Young	1 203	63%
Washington D C	Marion Barry	638	70%
New Orleans	Ernest Morial	558	55%
Atlanta	Andrew Young	425	67%
Oakland	Lionel Wilson	339	47%
Newark	Kenneth Gibson	329	58%
Birmingham	Richard Arrington	284	56%
Richmond	Roy West	219	51%

creasing numbers are becoming converts to the cause

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

SA dateline

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

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

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

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

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

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

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

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

State governments and municipalities all



Senator William Proxmire ... disinvestment wet

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

City bans

There is no common pattern. Pension funds invested in stocks with SA ties could be sold off, a bank with loans to SA can lose deposits. In some cases, purchases of equipment will be denied to manufacturers with SA operations.

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

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

☐ **Connecticut 1982:** State funds may not be invested in firms that are not listed in the top two performance ratings of the Sullivan Code. Firms with SA operations are excluded if they supply "strategic goods" to the SA government Result $43m in shares sold, another $34m up for sale, $82m in computer firm shares under scrutiny,

☐ **Maryland 1984:** State funds may not be invested or deposited in any institution that invests or lends to the SA "public sector" from 1985 on. Result not available,

☐ **Massachusetts 1983:** Pension funds only may not be invested in SA or in any SA-based firm Result share sales of $110m,

☐ **Michigan 1980 and 1982:** State fund bank deposits excluded from banks with outstanding loans anywhere in SA Result $40m in share sales,

☐ **Nebraska 1984:** Shares in banks, corporations and bond holdings with SA connections must be sold over the next three years Result $14,6m sold already, another $12,9m to be sold

☐ **Atlantic City, New Jersey 1982:** Bans city funds from investments with SA firms,

☐ **Berkeley, California 1979:** Bans city funds from SA investments, pension funds exempt from ban,

☐ **Boston, Massachusetts 1984:** Seeks state approval to ban pension fund investments to any firm with ties to SA or to Namibia. Result: approval likely this year;

☐ **Charlottesville, Virginia 1984:** Bans investments in SA firms that are not Sullivan Code signatories. Result $2m;

☐ **Davis, California 1980:** Bans new investments in SA;

☐ **East Lansing, Michigan 1977:** Bans city purchasing from firms that do business in SA,

☐ **Grand Rapids, Michigan:** Bans deposit of city funds in banks with SA loans,

☐ **Madison, Wisconsin 1976:** City ban on purchases from firms with SA sales;

☐ **New York City 1984:** Mandates a four phase sell-off of shares of non-Sullivan signatories Result estimated $2,5 billion in anticipated sell-off,

☐ **Newark, New Jersey 1984:** Bank deposit ban;

☐ **Philadelphia, Pennsylvania 1982:** Pension fund sell-off of shares of firms with SA or Namibian ties. Result $90m in sales,

☐ **Rahway, New Jersey 1984:** City fund share sale ordinance;

☐ **Washington DC 1984:** Pension fund share sale law. Result. $35m in sales, and

☐ **Wilmington, Delaware 1982:** Pension fund share sale law. Result: $300 000.

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

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

But as SA Foundation's Chettle notes it isn't the amount of money that has left SA



Congressman Stephen Solarz ... divestiture hawk

that counts; it is the unknowable billions of dollars that never got there. The main impact of the campaign so far is that it has succeeded in putting the Administration and many large companies on the defensive.

It is the fact that US-SA trade has stagnated at $4,5 billion a year and that, while 284 US companies do business inside SA the fact remains that since 1980 fully 30 US companies have abandoned the SA market while only 11 new firms have set up operations there.

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

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

But to what purpose?

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

The US anti-SA Left has given Bishop Tutu the two years' grace he has asked for his country. Almost certainly in that time there will be no significant exonomic harm done to US-SA trade or investment flows.

But almost certainly in that time the barrage of demonstrations, of resolutions and media rhetoric will have its effect. It will be at that point that SA will be judged to have failed. No matter what progress Pretoria achieves, it will be judged to fall short of the mark

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

GENBEL

The big leap

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

After several years of rapid expansion in its industrial division, General Mining Union Corporation (Gencor) is setting its sights on investments in foreign markets Investment holding company Genbel is planning to invest some R75m in overseas venture capital mining projects — and the investments are to be financed by a route so far taken by few other SA groups, a Eurobond issue for DM100m

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

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

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

Others may, however, be encouraged to follow Genbel's funding route if it is open to them. With the path largely untrodden by SA groups, Genbel had to feel its way. Lead bank Dresdner Bank required a guarantee from Genbel that if necessary it would repay the loan on maturity After approval was given by local exchange control authorities, a wholly-owned Dutch financing subsidiary of Genbel is to raise DM100m on the Eurobond market. The bond will have an 8% coupon rate, with a life of six years at an issue price of 99,5%. It will be listed on the Frankfurt exchange

Smith notes that the interest rate is in line with that paid by the SA government, as well as the level paid recently by European companies. "There is no significant premium because of political considerations," he says. The bond is a bearer issue, and interest will be tax-free. The terms are attractively pitched considering that the German rate of inflation is only 2,9%, and the taxed real rate of return for holders is an enviable 5,2%.

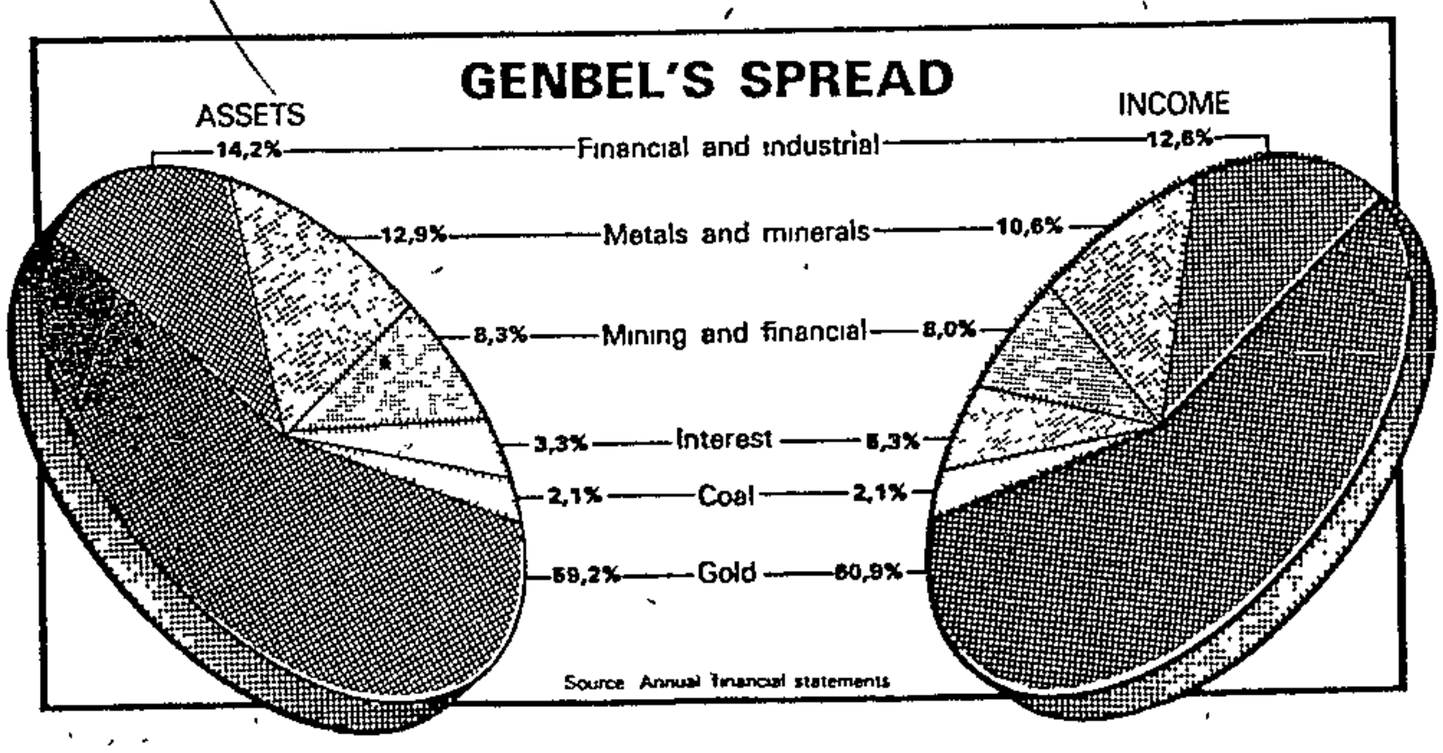
Priority targets for the funds raised by the issue are equity stakes of 20%-40% in developing North American gold mines It could, of course, be argued that the strong dollar does not make this a propitious time to invest in the US. On the other hand, the low gold price has reduced the entry price, and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

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

No Minorco parallel

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

Genbel currently has a portfolio worth



SHIPPING

ARGUS 29/11/88 Z8C

Southampton in desperate bid to regain SA trade

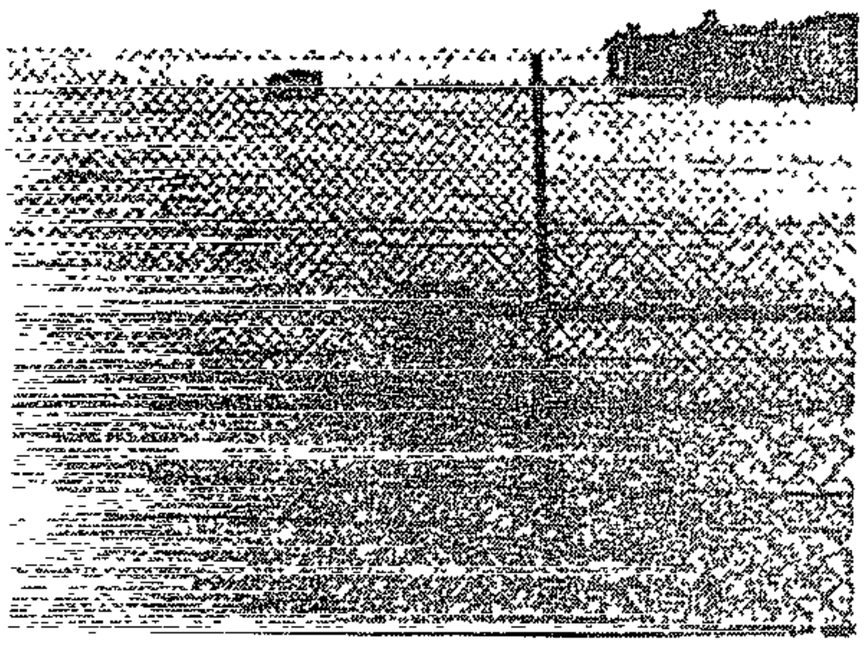
Argus Foreign Service

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

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

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

Trio, the shipping giant which operates on the Far Eastern route, and which moved 160 000 containers a year through Southampton, also left



last year handled 250 000 containers, its cranes and straddle carriers covered, better days.

Harsh formula

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

They have agreed to reduce the work force by 900, from 2 400 to 1 500 men, cut the wages of those who remain by R5 000 a year, limit wage increases to 5 percent a year, to accept a "no-strike" clause applicable for the next two years, and a four-team system to ensure the harbour is manned 24 hours a day, seven days a week

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

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

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

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

In competition

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

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

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

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

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

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

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

Bosses have won

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

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

Dockers are not popular in Southampton

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

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

Chase you out

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

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

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

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

Feel betrayed

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

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

Union stewards Derek Burke and Michael McNulty explained the dock-

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Summed up

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

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

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

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

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

Containerisation

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

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

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

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

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

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

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

Can be reliable

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

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

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

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

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

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

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

Encourage innovation in SA industry

The political goal of self-sufficiency has been achieved but the vital next phase has yet to be implemented, writes John Fetter.

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

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

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

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

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

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

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

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

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

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

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

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

● *John Fetter, a self-employed Roodepoort electronics engineer and inventor, exports his products to several countries, including the United States and Germany.*

US fund shuns SA as disinvestment pressure rises

S. Times

SOUTH Africa's exports of precious metals to the US could be threatened by growing anti-apartheid sentiment in America.

By Lauren Chambliss: Washington

27/1/85

Dan Glickman, a Congressman from Ohio and the chairman of the House of Representatives Science and Technology Sub-committee, is trying to free America's aerospace, steel and motor industries from dependence on South Africa's strategic minerals.

Different

Such is the furore over South Africa that a gold expert in America is about to launch an initial share offering in a precious metals investment company that will not hold a single share in, or bar of gold from, South Africa's mines

The reasons for the actions of Congress and the precious metals investment company are different, but both indicate an underlying trend for America to do less business with South Africa.

Jeff Nichols, president of Precious Metals Advisory Inc, says the decision to set up a close-end investment fund for precious metals devoted to Northern American production and mines was based on business logic.

Growth area

A growing number of American universities and corporations wish to hold a part of their investment portfolios in gold or gold shares. But the institutions, and many of America's pension funds, are under pressure from students and shareholders to keep out of South Africa.

Not only does Mr Nichols hope to tap that market with his North American investment fund, but he believes US gold production is a growth area.

"By investing only in North American precious metals we will have no social, political and or foreign-exchange difficulties. We also think that the growth in output in North America and Canada will expand enormously in the next few years.

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

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

Underscored

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

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

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

President Reagan recently cited South Africa's vital mineral resources as one reason to support and maintain comfortable relations with the Pretoria Government. For years, congressmen opposed to economic sanctions have argued that any action could result in the South Africans blocking mineral imports to the US.

Soviet bloc

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

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

Mr Glickman believes it is essential for America to prepare for an eventual cut-off in South African minerals

Flexibility

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

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

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

Decade

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

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

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

Norway to cut SA imports

280 ~~220~~ Star 28/1/85

By Roy Carson

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

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

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

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

A B LUMBY

Sanctions: the real threat



A B Lumby is senior lecturer in economic history at the University of Natal, Durban.

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

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

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

- US investment in SA constitutes 22% of total foreign investment and other foreign investors have indicated a reluctance to become involved in the disinvestment campaign, and
- Historically, SA has been able to generate 85%-90% of its total capital requirements from within the economy.

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

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

Assuming such a boycott is 50% successful, the balance of payments would suffer to the tune of R5 billion, white unemployment would rise by 300 000 and black unemployment by 1m If this dire prognosis were to prove true, then even a partially successful exports boycott would deliver a staggering blow to the SA economy.

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

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

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

- SA depends upon oil for only 20% of her energy needs. Her major energy source is coal and it is estimated that her coal reserves will last at least another 100 years;
- SA leads the world in oil-from-coal technology. At present, Sasol I, II and III provide almost 50% of SA's oil needs; and
- SA could extend import substitution in manufactured goods A recent survey found that on economic grounds SA could justify purchasing more than R1 billion worth of locally produced goods rather than import them

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

SA's adult, able-bodied labour force is about 12m strong. Of this figure, estimates indicate that at least 2,4m or 20% are unemployed 1% whites and 19% blacks There is, therefore, an acute unemployment situation among blacks, a negligible fraction of whom receive unemployment insurance.

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

It is evident, therefore, that SA is not invulnerable to external economic pressure. Even a partially successful exports boycott (perhaps complicated by disinvestment) is likely to cause a slowdown in the overall rate of economic growth, and in turn a slackening off in the creation of new employment opportunities. Inadequate job creation at a time of substantial population growth already confronts SA with its most serious economic dilemma, and the situation could well assume crisis proportions

Seen in this context, the government's first priority should be the encouragement of all job-creating activities, and this necessarily demands the reflation of the economy. Much stricter control over the money supply together with deep cuts in State spending should constitute the major drive to reduce the unacceptably high rate of inflation. This would then allow private enterprise the freedom to resume its rightful function profitable growth and new job creation

'5-year trial plan for SA

By Neil Lurssen,
The Star Bureau

WASHINGTON — Congressman Steve Gunderson, a moderate conservative from President Ronald Reagan's Republican party, has proposed a new approach in the argument over anti-South Africa sanctions.

He calls it conditional investment.

Congressman Gunderson told Congress they should adopt, and President Reagan should sign, a Bill to allow American investments to continue in South Africa on condition certain human rights were reached within five years.

TO MEET

Congressman Gunderson, of Wisconsin, made a low-key trip to South Africa at the time of Senator Edward Kennedy's visit.

Back in Washington, he prepared a detailed analysis for the House of Representatives in which he said the following conditions should be met for American investments to continue:

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

TO REPORT

"At the end of the five-year period," he said, "we would require the President through the Secretary of State to report to Congress on progress made.

"If substantial progress has been achieved, American investment could continue.

"If not, then the Administration would be directed to implement the methods by which disinvestment of American interests would occur.

5/2/85

Council guilty of 'neglect' — Wiley

Political Staff

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

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

"Secondly, existing facilities were already overcrowded

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

"My charge is disgraceful neglect by the civic authority of its responsibilities to Capetonians, followed by the decision to advocate the flouting of the law and then taking no precautions for what has since ensued"

SANCTIONS

ARGUS 8/2/85 280

Disinvestment: Tough battle lies ahead, says US Ambassador

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

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

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

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

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

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

"No monopoly"

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

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

Loss of American investments would mean South Africa would lose one to 1,5 percent of a required annual economic growth of about five percent.

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

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

"Own interests"

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

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

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

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

Consent

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

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

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

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

Sanctions

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

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

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

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

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

New York moves to force US firms, banks to disinvest

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

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

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

The legislation will end all New York City dealings with banks or trust companies that

- Underwrite securities for the South African Government.
- Make loans to the South African Government, except loans for educational, housing or health facilities available without discrimination
- Advertise or promote the sale of Krugerrands or other coins minted in South Africa or SWA/Namibia

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

Last year

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

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

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



Picture: HANNES THIART, The Argus

Anyone going into the city centre tomorrow is warned to take R1,50 because Matie students will be there selling their rag magazine, Akkerjol. All ready are, back, from left, Cathy Ward, 20, Marietjie van der Westhuizen, 19, Nikola van der Merwe, 19; front, Virginia Pratten, 20, and Rykie Oosthuizen, 19.

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

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

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

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

Th... wer... re... as-

tody until February 21.

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

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

Mr Burger, who is also married and has a two-year-old child is unemployed He is small sported boyish stubble and an open-neck hirt in court and appeared nervous

The men appeared ... nnection with the ... nd

killing of Miss Ginny Goigzeone, 21, at the weekend and a vicious assault on her boyfriend, Mr Jacob Wessie, 28

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

There are thus only two servicemen involved in the case and not three as previous...

DISINVESTMENT

Americans say 'No'

Most Americans oppose ending trade with SA, blocking new investment or forcing US companies here to close down. However, they favour US pressure on Pretoria to give blacks more freedom and participation in government

These are the main findings of an opinion poll conducted by Lou Harris and Associates for *Business Week* and published in the magazine's current issue (February 11) The survey of 1 254 adults was conducted between January 24 and 27 — after the much publicised tour of SA by Senator Edward Kennedy.

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

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

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

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

There was no room for complacency, however, and the US government "should speak out loudly and often against apartheid But forcing US companies out of the country would hurt, not help, SA's blacks."

US bank loans to SA Govt under threat

CAPE TIMES 9/2/85

280

From RICHARD WALKER

NEW YORK. — The South African Government is threatened with a cut-off in lending from most of America's biggest banks as a result of an agreement forged with New York's political bosses.

Included is Citibank, a key lender in the past, which announced that it was closing its books on all lending to the government.

Though only just introduced, a proposed bill to prohibit the deposit of municipal funds in banks that do business with South Africa is being obeyed by all banks handling the city's money, City Hall officials said.

The city's local deposits come to about $4 000-million (R8 000-million). Led by Citibank and Manufacturers' Hanover Trust, New York is headquarters to five of America's six largest banks and six of the top ten.

Together, their assets total more than 200-billion dollars (R400 000-million.

Citibank is understood to have hired a special consultant to oversee its compliance with the tight regulations contained in the bill. According to bank vice-chairman Mr Hans Angermueller, it will clear its last outstanding loan by March 31.

Regarded as certain to become law, the bill opens up a new front for the disinvestment campaign and is reckoned as menacing as any the South African Government has had to contend with

As well as shunning government loans, the banks would not be able to promote Kruger rand sales.

Citibank adjusts

NEW YORK. — Citibank reiterated at the weekend that it had no plans to withdraw from private sector lending in South Africa, even though it planned to eliminate all outstanding loans to the South African Government from its books by the end of next month.

Last week New York City officials announced a proposed bill that would use the city's financial clout to penalize banks and firms doing business with the government of South Africa.

The proposed measure would prohibit the city from depositing funds with banks that underwrite South African securities, make loans to the South African Government, or promote the sale of Kruger rands.

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

— UPI

Anti-apartheid pressure mounts steadily in US Congress

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

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

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

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

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

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

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

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

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

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

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

It is understood that some Democrats plan to demand severe sanctions with the intention of compromising eventually with the Republicans on a new investment ban. Another measure that could emerge from a compromise is making adherence to the Sullivan code a legal requirement.

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

Some sources say the debate on South Africa is likely to start in Congress in March, but could be delayed a month or two



CAPE TIMES
14/2/85

Bank reviews ties with US city

From JOHN BATTERSBY

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

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

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

'Alarm'

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

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

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

Implications

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

● In another move yesterday Mrs Adelaide Tambo, wife of the president of the African National Congress, Mr Oliver Tambo, was appointed to the Barclays Shadow Board — an anti-apartheid lobby which monitors the activities of the Barclays Board in the UK.

No extradition treaty to get Rademeyer

CAPE TIMES 19/2/85

Own Correspondent

MELBOURNE. — South Africa has not concluded any special extradition treaty to try to bring Mr Gert Rademeyer back to the Republic to face criminal charges of stealing R8,4-million from Escom.

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

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

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

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

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

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

American plan to link Namibia to sanctions

Star 22/2/85

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

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

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

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

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

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

These signs came during yesterday's hearing when Democratic and Republican Congressmen adopted widely differing positions on Namibia.

By Neil Lurssen,
The Star Bureau

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

He said constructive engagement had led to destructive consequences for Namibia as we'l as for American and South African national interests

Congressman Wolpe referred to mounting agitation against South African policies.

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

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

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

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

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

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

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

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

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

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

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

It's just like moving backwards . . .

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

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

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

**By Cheetah Haysom,
The Star Bureau**

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

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

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

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

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

The president who'll come to the defence

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

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

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

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

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

The shortage of skilled manpower was the factor most inhibiting sustained and strong economic growth, he added

Disinvestment: Tough US battle

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

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

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

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

"We need evidence of forward progress to rally the moderates to fight sanctions, because my administration is firmly convinced that punitive measures would do great harm to the South African economy — and especially those most exposed, which means the black majority — without there being any chance of the political objectives of sanctions being achieved," the ambassador said — Sapa

Britain opposes SA sanctions call

LONDON — The government of Prime Minister Mrs Margaret Thatcher yesterday stated its opposition to a call by Commonwealth Secretary-General Mr Shridath Ramphal for economic sanctions against South Africa.

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

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

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

He replied. "We are opposed to sanctions.

"We do not think they would work and we do not believe they would bring the sort of changes we would all like to see.

"We think many of the major improvements in South Africa have actually come about because of the dramatic economic development of recent years"

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

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

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

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

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

Post offices refuse to handle SA mail

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

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

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

"We are a secratariat representing 168 members, many of them from the Third World. The congress in 1979 voted to expel South Africa, but it had to be readmitted because of a clause which allowed membership to all members of the United Nations. When South Africa was expelled last year, delegates made sure it would not get back in again."

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

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

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

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

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

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

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

New group will fight disinvestment lobby

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

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

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

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

Nearly 350 US-based companies have ties with South Africa and the US State Department estimates that they have direct investments of about R4,6 billion.

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

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

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

Mr Bisenius said the new organisation would combine the vested interests of firms located in South Africa with those of about 8 000 US corporations which trade with SA.

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

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

THOMAS MOLETE

Time for disinvestment action

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

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

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

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

What form should this private sector follow-through take?

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

What about overseas action by the private sector against disinvestment?

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

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

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

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

So you want action, not just words?

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

director Leon Louw: "It is incredible. It is almost as if government sat down and decided to maximise their bad image, and then got a professional PR company to work out how they should do it most effectively."

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

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

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

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

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

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

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

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

According to statistics compiled by the US Commerce Department and the Federal Reserve, the growth in American loans to foreigners and investments abroad eased to $43,3 billion in 1983, less than half of the growth in overseas commitments of $109 billion in 1982. Even worse, economists believe that when the final tally for 1984 is in, it will show that total growth in overseas lending for all of last year may have plunged to just $2 billion.

DISINVESTMENT

The pressure mounts

FM 1/3/85 280

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

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

Many SA businessmen are equally mystified by the timing of Pretoria's "disciplines." Says Free Market Foundation



Congressman Solarz ... yet another tilt at Pretoria

are brushing up on its figures to ensure the banks' willing co-operation.

"The last thing the Reserve Bank wants is an explosion on their hands," says one banker.

Sources say the capital ratios for more common types of assets will vary from between 2% to 6% and bad and doubtful debts and non-performing loans will probably require full capital coverage.

The exercise is fraught with difficulties. Not least of these is the extreme difficulty of categorising assets according to their risk and substantial variation will have to be allowed within categories

"If Reserve Bank officials are not careful they could end up with an enormously complicated system that would only be manageable by supervisors who move in and have to pass judgement," says one senior bank source.

"And whatever is decided, someone will always be offended and inevitably some will ask for exemptions," he adds.

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

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

The Reserve Bank has done various exercises with different ratios and last year circulated models based on the Dutch

face to face

LOU WILKING

Disinvestment issue critical



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

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

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

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

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

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

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

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

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

Even so you must feel the pressures are getting enormous.

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

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

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

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

That's right. Let's go back to the first fundamental: gold is a figment of someone's imagination. Number two because of apartheid we duplicate facilities, people have to live out in the boonies and ride trains and buses to work and we've got to subsidise Mr Schoeman's Transport Budget And then to the grander plans Atlantis Diesel Engines is an example. It cost R600m to build and in my opinion creates a R300m cost penalty every year and in the year 2000 we're going to be 20 years behind everybody in technology.

The Saldanha facility cost some R850m and they're incurring losses of about R150m which gets lost in Iscor's budget and pushes up the steel price when that railway line could have been built to Port Elizabeth, where we have a harbour for R80m.

What should our approach be?

We should be looking at the type of industries suited to the current capabilities of the mass of the people. I'm looking at the Taiwan and Korean type of approach, making T-shirts and tackies. And you've got to cull the public sector and put a choke-chain on every minister. If he overspends his budget, he's out

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

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

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

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

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

Call for SA oil embargo

Star 7/3/85

The Star Bureau

LONDON — The ANC and Swapo have joined forces in calling for worldwide oil sanctions against South Africa to speed the downfall of apartheid.

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

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

March 13 has been designated "International Oil Embargo Day" with demonstrations, rallies and lobbying planned for in or near most West European parliaments

8/3/85

Call to stifle SA's new gas fields

Post Correspondent

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

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

He said South Africa was seeking partners abroad to invest about $1 350 million (about R2 800 million) for plants to convert the gas reserves, estimated at two billion cubic litres, into oil.

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

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

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

Swapo president, Mr Sam Nujomo, was due to appear with ANC president, Mr Oliver Tambo, in Lusaka to call on all nations to enforce the oil embargo against South Africa on the grounds that Pretoria was now more vulnerable than ever.

Parliament and Politics

Disinvestment: 'We will beat it,' says Pik

CAPE TIMES 13/3/85 280

Political Staff

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

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

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

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

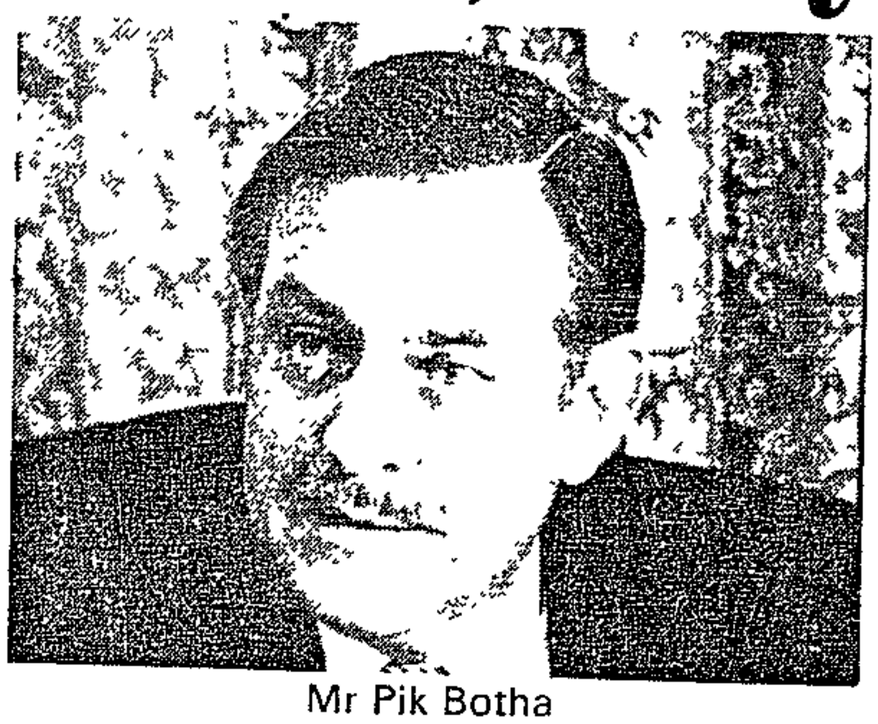
The US legislative process, combined with the "anti-South African" majorities in the House of Representatives, the majority of states, and most major cities, made a variety of "hostile" actions possible

But the "boycotters" could not succeed

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

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

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



Mr Pik Botha

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

The chairman of the Indian Ministers' Council, Mr Amichand Rajbansi, said the presence of US firms in South Africa had played, and would continue to play, a significant role in bringing about change in the country

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

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

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

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

Boycott SA goods, say UK union men

Argus Foreign Service

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

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

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

Signatories included Mr Gavin Laird of the Amalgamated Union of Engineering Workers, which has more than a million members, and Mr David Basnett, one of the trade union movement's "elder statesmen" and general secretary of the General, Municipal, Boilermakers and Allied Trades Union, which has about 850 000 members

Other signatories include Mr Bill Wheatley and Mr Sid Tierney, general secretary and president respectively, of the shopworkers' union whose members handle much of the South African produce on sale in Britiah shops.

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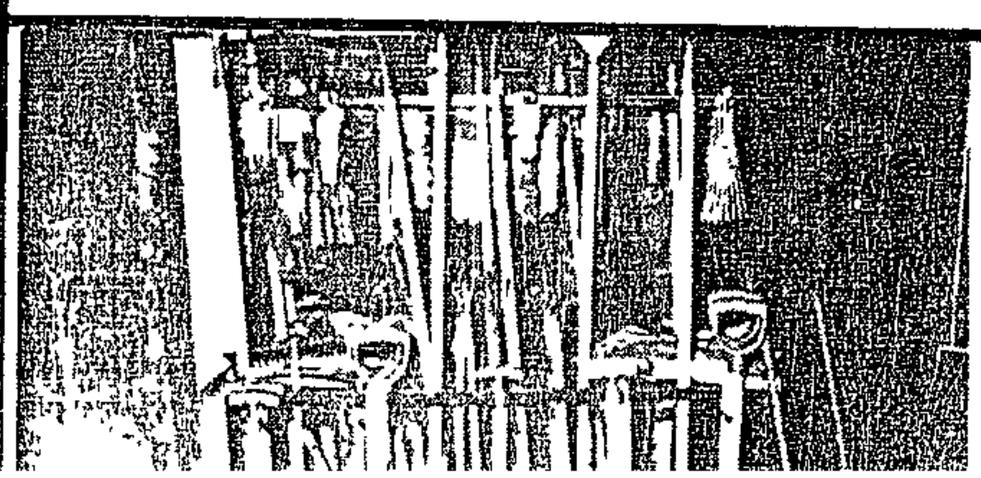


WOLF TO
ALL

UK retailer to talk to AAM

280 Star 26/3/85

The Star Bureau

LONDON — Marks and Spencers, Britain's biggest retailer, has agreed to talk to the Anti-Apartheid Movement about a boycott of South African and Namibian goods.

But it was made clear in a letter to the chairman of the AAM, Mr Bob Hughes, Labour Party MP for Aberdeen North, that it was unlikely that the meeting would result in a change of the firm's policy.

Marks and Spencers is Britain's sixth-largest company. It believes its individual customers should decide for themselves whether or not to buy products from a particular country or organisation.

As part of its move to put further pressure on the South African Government through an intensified boycott of South African goods, the AAM wrote to Britain's major retailers asking for a meeting.

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

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

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

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

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

Wiehahn's warning on disinvestment

Pretoria Bureau

United States investment, direct and indirect, is worth more than R32 000 million and the consequence of disinvestment would be widespread unemployment, the head of Unisa's "School of Business Leadership, Professor Nic Wiehahn, has warned.

Speaking at a seminar on disinvestment and human suffering, held by Unisa's CB Powell Bible Centre in Pretoria last night, Professor Wiehahn warned that if a disinvestment policy took hold in the US, it would rapidly spread to Europe.

Hundreds of thousands of employees working for multinational corporations would lose their jobs. Many South African companies doing business with multinationals would be forced to retrench, he said.

"Disinvestment's effect would reach much deeper than most people realise," he said.

Training facilities for South African workers would be considerably reduced if American companies pulled out.

Methodist leader warns:

'Many blacks in favour of disinvestment'

By Colleen Ryan,
Pretoria Bureau

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

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

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

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

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

Professor Johan Heyns, Moderator of the Northern Transvaal Nederduitse Gereformeerde Kerk Synod, said disinvestment would lead to greater antagonism between whites and blacks.

Scandinavia moves to put financial pressure on SA

Argus Foreign Service

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

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

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

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

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

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

And Scandinavian banks are to be told to withdraw from South Africa as a means of putting financial pressure on Pretoria to abolish apartheid.

Disinvestment: how it could hurt

By a SPECIAL CORRESPONDENT in Johannesburg

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

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

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

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

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

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

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

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

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

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

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

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

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



Professor ARNT SPANDAU

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

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

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

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

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

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

He calculated that a "pure" boycott of 50% of all long-term foreign investments in South Africa would lead to the loss of a total of 90 911 jobs ... 51 789 of them black.

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

Much of what would happen under extended international economic sanctions belongs in the realm of guesswork

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

Just as it is impossible to estimate the irreparable harm that has already been done to the South African economy by the on-going political climate and international moral indignation with apartheid, which over the years has deterred foreign investors from moving into South Africa.

Sanctions: a choice of two evils for SA blacks

By a Special Correspondent in Johannesburg

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

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

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

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

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

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

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



Anglican clergyman Bishop DESMOND TUTU
. . . disinvestment if apartheid is not dismantled

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

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

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

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

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

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

A number of internal political leaders, such as Dr Nthatho Motlana, of the Soweto Civic Association, have said that foreign investment creates stability, and that there is likely to be less change when the system is stabilised

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

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

"It is the large corporations which have broken apartheid barriers, leading to real advancement for black workers and international capital could back educational and development programmes."

This view — that foreign investment has a beneficial effect on reform and creates jobs — has been endorsed by the more conservative leaders of the national states, and mayors and members of the various town councils.

The leading black trade union leaders, however, believe it is important that economic and political pressure be maintained against the Government and say that they have no illusions that big corporations are the standard-bearers of change

They believe black workers have suffered extensively over the years and that it would be a case of "crocodile tears" for employers to use the welfare of their employees as an argument against disinvestment.

Their predicament was summarised by a speaker at a panel discussion on disinvestment in Johannesburg this week, who pointed to the razor-sharp line dividing beneficial pressure from the fact that the sanctions movement develops a momentum of its own and could lead to economic chaos

The Council of Unions of South Africa (Cusa) has made a strong call for "selective" disinvestment. In effect, endorsing the legislation before the US Congress

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



Chief BUTHELEZI
. . . will hurt us



Dr N MOTLANA
. . . necessary

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

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

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

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

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

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

On the bottom line, the primary pressure for change should be generated inside the country.

Cape Times 1/4/85 280

West reluctant to use sanctions

LONDON. — The latest South African police crackdown on black protesters has shown that Western governments are still reluctant to use economic weapons to influence Pretoria.

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

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

Since 17 blacks were killed in Langa, Uitenhage, on the 25th anniversary of the Sharpeville massacre, anti-apartheid campaigners in the West have called for sanctions including a halt to investment in South Africa and tight trade curbs.

But the only discernible action has come from Nordic governments and United States banks. Morgan Guaranty Trust Co said it would make no new loans to the Pretoria government. The Bank of Boston said it would halt all lending to South African concerns.

Norway, a member of the Nato alliance, announced legislation requiring registration of ships taking oil to South Africa.

Although Western governments remain reluctant to take action, there are signs of growing unease over the way South African police are tackling black dissent.

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

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

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

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

But the top US African affairs official, Dr Chester Crocker, said Washington had no plans to change its policy of "constructive engagement".

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

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

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

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

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

Major US bank stops SA loans

Cart. Trib 1/4/85

280

NEW YORK — Morgan Guaranty Trust Company, America's fifth-largest bank, said at the weekend that it would make no new loans to the government of South Africa

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

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

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

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

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

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

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

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

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

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

Pension fund

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

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

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

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

West still reluctant to apply sanctions

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

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

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

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

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

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

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

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

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

But West European diplomats say that not taking some form of action is becoming a tougher policy to follow Developments in the United States are likely to set the pace, they believe.

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

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

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

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

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

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

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

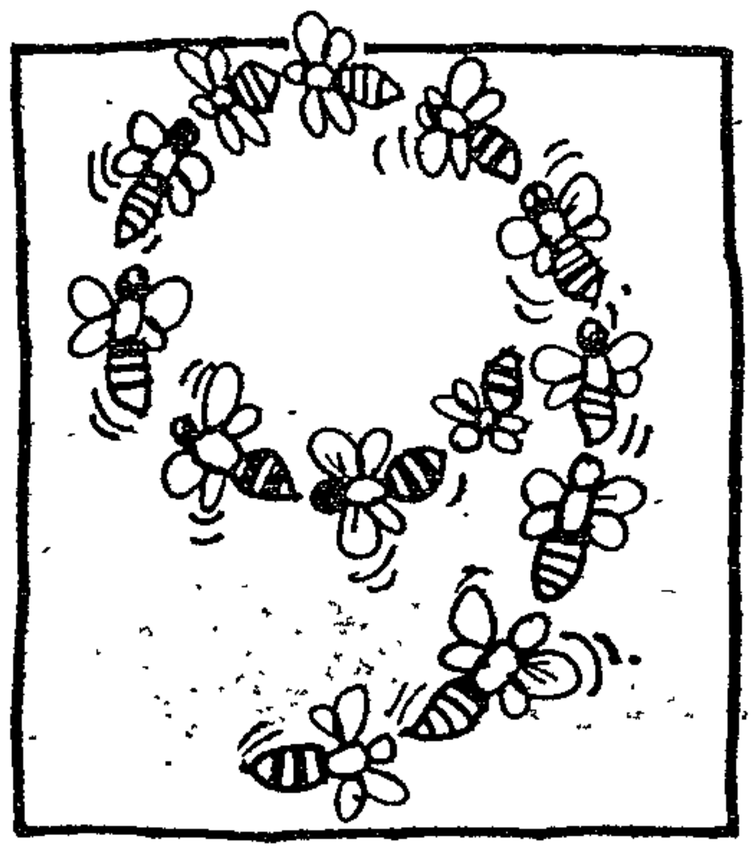
"We don't believe they would work and we don't believe they would bring the sorts of changes that we would all like to see," says British junior Foreign Office minister, Mr Malcolm Rifkind.

Officials question the impact of sanctions The United Nations' 1977 arms embargo, while largely effective, has forced Pretoria to be more self-sufficient "There are always going to be sanctions-busters," one Western diplomat here said.

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

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

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



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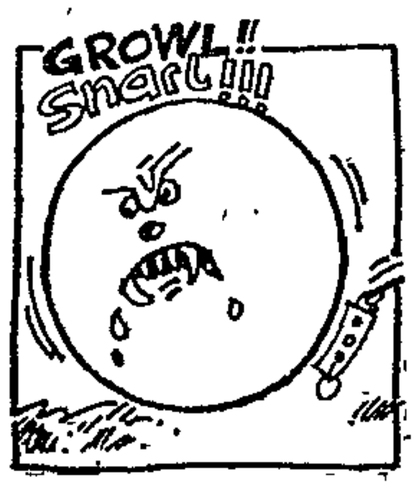

Yesterday's solution: Vicious circle

Incredible SA 'truth squads'

EDM 4/4/85 280

SIMON BARBER in Washington

AS DISINVESTMENT panic mounts in South Africa, truth squads are barrelling across the Atlantic to dissuade America from its urge to express outrage impotently.

The merits of this strategy would be debatable even if Pretoria declared a total moratorium on shooting demonstrators However, given that many well-meaning South African businessmen are convinced their presence over here will somehow cause Congressmen and State legislators to relent, they should at least try to be seen in the right kind of company

Last week, a group of black South Africans was shepherded into town by Mr Gerald Muller, a former managing director of Nedbank, who said he felt he had to do something to stem the divestment tide

In the space of two days, and with the help of the South Africa Foundation, which made most of the arrangements, the seven-man band unwittingly managed to associate itself and its cause with the most rabid elements of American Colonel Blimpdom

On Wednesday they appeared at a news conference arranged by Alabama Senator Jeremiah Denton's National Forum Foundation. Mr Denton inhabits a lightless fringe of the political spectrum somewhere out beyond Senator Jesse Helms, his mentor.

Some in Pretoria — notably those who supplied him with data for his hearings on Swapo a few years back — evidently think otherwise, but it is hard to imagine a Senator who commands less mainstream respect.

In terms of publicity, the session was judged newsworthy only for its being disrupted by a black South African student covering it for Howard University's radio station.

Miss Terry Mphahlele lost patience with the team's suggestion that South Africa was geting better every day, and began to shout. "We want change now, we want the vote now . . nothing has changed for people who are living and dying in shacks". Set and game to the divestors.

Thursday morning's engagement could have been even more damaging had not the hosts been so troglodytic that, apart from a lone scribe from the equally troglodytic Washington Times, the media didn't show at all An act of mercy, that.

Staged in a tiny room in the subterranean bowels of the Russel Senate office building (not a single Senator or Congressman attended), the event was billed as a meeting of the Committee to Restore Internal Security

The South Africans sat looking patiently befuddled as the first witness, retired Admiral William Mott, expatiated on Soviet designs to grab South Africa's minerals and the Reagan Administration's stupidity in refusing to let the navy make use of Simonstown

The admiral was prepared to concede apartheid had its faults, but the system was breaking down.

"Soweto has some houses in it that I would be proud to live in myself," he mused, on the basis of a recent visit as the Government's guest To demonstrate the erosion of racial barriers, he recalled lunching at a hotel with "this really beautiful girl from the South Africa Foundation. You wouldn't know she was coloured".

Next up was Mr Marion Smoak, formerly Washington lobbyist for the South West Africa Administrator-General's office, who argued that Dr Chester Crocker was betraying President Reagan by calling for implementation of United Nations Resolution 435.

And so on for a couple of hours. Finally, the South African selected to be the day's spokesman was summoned. Mr Peter John Davidson, Umlazi businessman and member of the Inkatha central committee

He did his best to persuade his interlocutors that Chief Buthelezi was not altogether on their side, and lamented, rather poignantly under the circumstances, that Americans had not bothered to discuss their anti-apartheid strategy with those it was intended to help

Such a dialogue was clearly not being advanced by this proceeding. The panellists, having given the meeting's token spokesman about 15 minutes, ran out of questions and turned to Mr Muller, whom they evidently found to be closer to their own wavelength

Mr Muller advanced a thesis that almost anywhere else in Washington would have been suicidal, so hard did it beg for misinterpretation.

South Africa's massive inflation rate, he said, was directly attributable to an increase in black wages without a concomitant increase in productivity.

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

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

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

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

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

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

Financial Mail

TAXING INSTITUTIONS

Profits and prejudice

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

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

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

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

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

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

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

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

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

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

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

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

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

BUILDING REGULATIONS

Out with the ox-wagon

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

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

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

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

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

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

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

But while some flexibility is still needed, the advantages for the building industry are many. Whereas cheaper timber-framed housing has been barred by some local authori-

ties, for example, timber will now be permitted countrywide.

The use of more modular components will also be sanctioned, and generally all new buildings, particularly in the commercial sector, could become lighter and more space-efficient.

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

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

DISINVESTMENT

When image is all

280

FM 5/4/85

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

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

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

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

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

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

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

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

SABC POLICY

Stevie Who?

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

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

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

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

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

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

The Stevie Wonder ban reminds us of the behaviour of a weak school prefect — oversensitive, immature, inexperienced, lacking perspective and, in the end, rather dim. ■

CAPE Times 5/4/85

280

Two sides in debat over sanctions against South Afri



London Dateline
By STANLEY UYS

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

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

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

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

Flood gates

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

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

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

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

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

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

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

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

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

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Implacable

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CAPE Times 5/14/85

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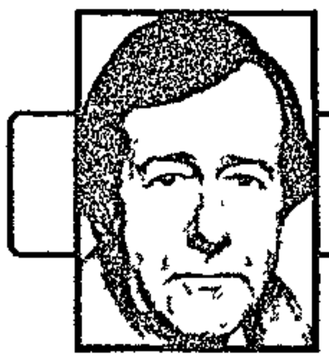

London Dateline
By STANLEY UYS

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

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

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

Well, you can't go much further than that This is the South African revolution in a nutshell

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

For one thing the record of sanctions over the ages is not encouraging — it would need a naval blockade to enforce sanctions against South Africa and who is prepared to do that?

For another thing Pretoria would make sure that not only would blacks in and around South Africa suffer first, but they would be seen to suffer first.

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

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

Too horrific

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

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

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

This would mean the end of a cosy relationship with President Botha's government,but that relationship is coming to an end anyway.

FM 5/4/85

CITIBANK PROTEST

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

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

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

CAPE TOWN, AP

Sanctions wrong policy — Economist

w/E ARGUS 6/4/85

Financial Editor

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

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

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

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

Invulnerable

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

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

"The most serious economic sanction America can exert on South Africa is similar to that exerted over most of the world economy With the rise in the dollar has gone a fall in the gold price from $850 an ounce three years ago to about $320 an ounce today."

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

Eager to pounce

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

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

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

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

Ironic effect

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

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

He reported that West German exports to South Africa increased by a third in 1984 to R3,9-billion.

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

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

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

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

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

Vague terms

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

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

"It is the engagement of constant argument. Boycott and ostracism work no better in international affairs than they do in personal relations".

● The West German Ambassador, Mr Carl Lahusen, disassociated his country from calls for trade sanctions against South Africa when he opened the German exhibition at the 1985 Rand Show on Thursday.

Sanctions blitz 'won't work'

CAPE TIMES 8/4/83

280

Own Correspondent

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

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

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

UK stake

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

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

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

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

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

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

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

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

Mr Jenkins believed that what the 320 American subsidiaries and their European counterparts should do was set their minds on constructive engagement.

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

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

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

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

KDM 9/04/85

280

Two views on sanctions

STANLEY UYS in London

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

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

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

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

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

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

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

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

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

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"Sanctions would need to be properly supervised, policed and implemented. They would need to be made mandatory by the United Nations Security Council and, above all, they would need to be comprehensive and imposed immediately.

"What is required is the most effective action against South Africa covering all collaboration, all countries.

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

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The ANC is also committed to a total onslaught because it cannot admit that apartheid is reformable. If it does, much of the militancy would drain out of its organisation.

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But this is to overlook the potential that the sanctions campaign has to cause both embarrassment and damage to business firms which have links with South Africa.

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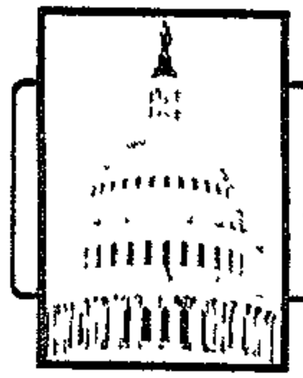
These 'good contacts' won't help SA fight off disinvestment



Washington Letter
by SIMON BARBER

CAPE TIMES 9/4/85

Z80

AS DISINVESTMENT panic mounts in South Africa, truth squads are barrelling across the Atlantic to dissuade America from its urge to express outrage impotently.

The merits of this strategy would be debatable even if Pretoria declared a total moratorium on shooting demonstrators.

However, given that many well-meaning South African businessmen are convinced their presence over here will somehow cause congressmen and state legislators to relent, they should at least try to be seen in the right kind of company.

Last week, a group of black South Africans was shepherded into town by Mr Gerald Muller, a former managing director of Nedbank, who said he felt he had to do something to stem the disinvestment tide.

Rabid elements

In the space of two days, and with the help of the South Africa Foundation, which made most of the arrangements, the seven-man band unwittingly managed to associate itself and its cause with the most rabid elements of American Colonel Blimpdom.

They appeared at a news conference arranged by Alabama Senator Jeremiah Denton's National Forum Foundation. Mr Denton inhabits a lightless fringe of the political spectrum somewhere out beyond Senator Jesse Helms, his mentor.

Some in Pretoria — notably those who supplied him with data for his hearings on Swapo a few years back — evidently think otherwise, but it is hard to imagine a senator who commands less mainstream respect.

In terms of publicity, the session was judged newsworthy only for its being disrupted by a black South African student covering it for Howard University's radio station. Miss Terry Mphahlele lost patience with the team's suggestion that South Africa was getting better in every way, and began to shout. "We want change now, we want the vote now . . . nothing has changed for people who are living and dying in shacks." Game, set and match to the disinvestors.

The next morning's engagement could have been even more damaging. Only one reporter turned up and he was from the Washington Times. An act of mercy that.

Staged in a tiny room in the subterranean bowels of the Russel Senate Office building (not a single senator or congressman attended), the event was billed as a meeting of the Committee to Restore Internal Security.

The panellists resembled nothing so much as a harrumph of retired majors lamenting the decline of the West over several bottles of port at their club. One member, Mr John Singlaub, was in fact a retired general. He now heads the World Anti-communist League.

The South Africans sat looking patiently befuddled as the first witness, retired Admiral William Mott, expatiated on Soviet designs to grab South Africa's minerals and the Reagan administration's stupidity in refusing to let the navy make use of Simon's Town

The admiral was prepared to concede that apartheid had its faults, but the system was breaking down "Soweto has some houses in it that I would be proud to live in myself," he mused on the basis of a recent visit as the government's guest

To demonstrate the erosion of racial barriers, he recalled lunching at a hotel with "this really beautiful girl from the South Africa Foundation. You wouldn't know she was coloured".

Next up was Mr Marion Smoak, formerly Washington lobbyist for the SWA administrator general's office, who argued that Dr Chester Crocker was betraying President Reagan by calling for implementation of UN Resolution 435

And so on for a couple of hours. Finally the South African selected to be the day's spokesman was summoned Mr Peter John Davidson, Umlazi businessman and member of the Inkatha central committee

He did his best to persuade his interlocutors that Chief Gatsha Buthelezi was not altogether on their side, and lamented, rather poignantly under the circumstances, that Americans had not bothered to discuss their anti-apartheid strategy with those it was intended to help.

Such a dialogue was clearly not being advanced by this proceeding. The panellists, having given the meeting's token about 15 minutes, ran out of questions and turned to Mr Muller whom they evidently found to be closer to their own wavelength.

Mr Muller advanced a thesis that almost anywhere else in Washington would have been suicidal, so hard did it beg for misinterpretation South Africa's massive inflation rate, he said, was directly attributable to an increase in black wages without a concomitant increase in productivity

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

Few other audiences would likely have let him explain This one only came to life when he wondered rhetorically, "Why is it that only in the countries surrounding us are there East Germans?" The answer was provided by the next witness but one, Dr Artur Vilankulu of the Mozambique National Resistance, who held the panel enthralled for an hour.

Truth squads

Assuming that the disinvestment debate is (a) a debate and (b) is therefore winnable by force of reason (both extremely dubious assumptions), the reason is going to have to be applied where it can do some good. It is no use whatsoever presenting the case to people whom the South African embassy, and all too often the SA Foundation, regard as "good contacts" or pleasant drinking companions.

That is the first point The second is that the truth squads are going to have to be credible You and I know that Messrs Muller, Davidson and the rest are honourable and well intentioned The people they are trying to reach see a white South African with a series of seemingly obedient blacks in tow all saying things that the Reagan administration, Pretoria and other "vested interests" presumably want them to say

All of which is increasingly moot Things are getting so out of hand that even Bishop Desmond Tutu would be discredited if he came over to plead against disinvestment

280

Five jailed in Salem fraud

PIRAEUS, Greece. — A Greek court yesterday jailed a shipping agent and four seamen for complicity in scuttling the oil tanker Salem in 1980 as part of an insurance fraud.

It upheld charges that the 92 228-ton Salem, which sank off Senegal, was sunk for the insurance and that by unloading most of its cargo in Durban, the seamen had embezzled oil from its rightful owners, Shell.

The prosecution said the tanker was bought for the purpose of making an illegal delivery from Kuwait to Durban in defiance of an Arab ban on oil sales to South Africa, after which it would be scuttled.

The defence argued that Shell was a party to the South African delivery, and then alleged the tanker had been scuttled because the vessel had sunk accidentally and Shell feared exposure of its role in sanctions-busting.

The court jailed shipping agent Nikos Mitakis for 11 years for causing a shipwreck, embezzlement and insurance fraud. Four crewmen, charged with complicity, were given sentences ranging from four years to two years two months.

Seven foreigners charged in their absence received three years' jail each Among them were Lebanese-American Frederick Soudan, the Salem's owner who has been convicted of fraud in Houston, Texas, and Dutchman Anton Reidel, who is due to stand trial in Rotterdam.

The ship's master and another seaman, both tried in their absence, were each given 10-year sentences, and seven crew were acquitted.

Explosives

The prosecution said the crew used explosives to sink the ship. It argued that the seamen were suspiciously well-prepared for the sinking when it happened and they made no attempt to send out SOS signals

The defence rejected the idea that Shell had been victims of theft. They said a third of the 180 000-ton cargo was given to a Shell division as soon as it arrived in South Africa.

The court was told Reidel and Soudan made a deal late in 1979 to supply South Africa with oil.

— Sapa-Reuter

Socialists call on EEC to shun SA

Steve
1280
11/4/85

The Star's Foreign News Service

MADRID — A group of British Socialist members of the European Parliament have tabled a motion for debate at the Strasbourg Assembly next week calling on the European Community to sever economic, political, cultural, and sporting links with South Africa.

The call came in Madrid yesterday at the 14th annual meeting of European Socialists.

TRADING BLOC

It was made after a speech by Britain's Euro Commissioner, Mr Stanley Clinton Davis, who said the world's biggest trading bloc should take action in the wake of recent violence in South Africa.

"The European Community is the champion of human rights. The South African regime is a monstrous denial of human rights ... the community must now take up the fight on the part of the oppressed black majority.

"It is my hope that the EEC will review existing links with South Africa and decide what contribution the community can make towards ending this offence against humanity."

Recently Mr Davis, a member of the 14-strong commission which controls the EEC, refused to meet the new South African Ambassador to Brussels, saying it could serve no useful purpose.

As the British delegation at the congress promoted the campaign among the 200 delegates for all-out sanctions against South Africa, Mr Alf Lomas, the party's deputy leader in Europe, said: "Until the South African Government behaves in a civilised way, it should be denied all contact with the civilised world.

"The latest massacre proves that a softly-softly approach can bring no change. The time has come for a complete political and economic boycott of South Africa."

FLEX MUSCLES

Mrs Barbara Castle, the British Labour leader in the European Parliament, said: "When the Common Market exercises its power, it can have a dramatic effect. It would be a scandal if it failed to flex its muscles now on behalf of the exploited black majority in South Africa.

"The EEC must cut all ties with South Africa and use its clout as the world's biggest trading bloc to force speedy reforms."

280 D. Rajpath

UDF man's call to isolate South Africa

LONDON — A representative of the United Democratic Front, Mr Murphy Morobe, has called on the people of Britain to "rise up" and challenge the policies on South Africa of the British Government

Mr Morobe, rural secretary of the UDF in the Transvaal, was addressing a press conference here organised by the Anti-Apartheid Movement

He is on a tour which so far has included the United States, Sweden and Britain.

Explaining the purpose of his trip, Mr Morobe said he wanted international support for the isolation of the South African Government

"The UDF regards the Thatcher and Reagan administrations as the main accomplices in the crimes of apartheid," he said

"It is clear to the UDF that Mrs Thatcher does not believe in democracy and freedom for black South Africans," Mr Morobe added.

He called on the people of Britain to act "to isolate the apartheid regime"

It was an offence under South Africa's Internal Security Act to call for sanctions, he said, but the UDF believed foreign investments did not benefit the "oppressed and exploited people of South Africa". They bolstered the "apartheid government," he claimed

Mr Morobe said he had met a number of anti-apartheid groups. In Sweden, he said, such groups were campaigning against the arrest and trial of UDF leaders. — DDC.

Reuter.

280 Star 13/4/85

Sweden bans SA grapes

STOCKHOLM — Sweden's largest consumer co-operative said yesterday that it would stop buying South African grapes in protest against apartheid. A spokesman for the Kooperativa Foerbundet, which controls 20 percent of Sweden's food retail market, said the ban would apply to all South African products but would mainly affect grapes. — Sapa-Reuter.

Swedish boycott starts

SWEDEN'S largest consumer cooperative said yesterday it would stop buying South African grapes and other products in protest against apartheid. Kooperativa Foerbundet controls 20% of Sweden's food retail market.

280
RDM
13/4/85

'Finland will not cut ties with SA alone'

HELSINKI — The Finnish Foreign Minister, Mr Paavo Vaeyrynen, has again said his country will not unilaterally cut economic ties with South Africa.

Finland and its Nordic partners — Sweden, Denmark, Norway and Iceland — declared in Helsinki two weeks ago they would study ways of reducing trade and other economic links with Pretoria to underline their abhorrence of apartheid.

Mr Vaeyrynen told Parliament's Foreign Affairs Committee yesterday, according to a report published today, that Finland would adhere to its traditional policy of not cutting the ties unless this is advocated by the United Nations Security Council.

"The severing of relations would be contrary to the General Agreement on Trade and Tariffs (GATT)," he told the committee.

"But Finland is ready to join an embargo should the UN Security Council impose one."

Some members of Japan's ruling Liberal Democratic Party have taken steps to form a friendship league with white politicians in South Africa, the Straits Times reported in Singapore yesterday.

In a report from Tokyo, the daily says the Japan-Republic of South Africa Parliamentarians Friendship League hopes that the advocates of apartheid would understand more about non-white nations.

But the group's prospectus reveals that the main consideration is a desire to consolidate Japan's supply of chrome, coal and other vital raw materials from the area, the daily says.

The LDP vice-president, Mr Sasumu Nikaido, has been named chairman of the league, it says.

The prospectus of the league includes working to establish embassies in both countries.

Japan's anti-apartheid committee immediately condemned the establishment of the league.

More than 500 protesters at the University of California rallied against apartheid yesterday, the third day of demonstrations demanding that the school get rid of investments in firms that do business with South Africa.

The rally organisers claim the university has more than $1,7 billion (R3,3 billion) invested in companies that do business with South Africa.

From Stockholm it is reported that Sweden's largest consumer co-operative today said it would stop buying South African grapes in protest against apartheid. — Sapa-Reuter-AP

Shultz: US 'a force for peace in SA'

Cape Times 17/4/85 (280)

From SIMON BARBER

WASHINGTON. — Letting South Africa become a "divisive domestic issue" will only render the United States "impotent" and contribute to the "ugliest and most violent outcome", Secretary of State Mr George Shultz warned yesterday.

Cape Times 17/4/85

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From page 1

Government policy.

"The transformation is being brought about by reality — by the growing realization that a modern industrial society cannot be governed by a pre-industrial philosophy of racial segregation."

The US role, Mr Shultz said, was to encourage what was already happening — he noted specifically the proposed repeal of the Mixed Marriges Act and Section 16 of the Immorality Act — and to help blacks gain such economic and political clout that white South Africa would have no choice but to include them in a "just" society.

To that end, US companies had provided "educational, housing and other benefits worth more than $100-million to their black employees" and the administration had "developed nearly $30-million in assistance programmes to train leaders in the black community".

"South Africa is not now a just society," Mr Shultz emphasized, repeating his earlier tough condemnation of the Uitenhage and other police shootings. Pretoria must "move quickly and concretely to restore confidence in its reform commitments" and start talking to black leaders

In this context, the secretary had high praise for Bishop Desmond Tutu, quoting his call for black South Africans not to use the violent methods "that are used against us by our enemies"

"We applaud the courage of those black leaders who press for non-violent change, confronted on one side by a surging mass of black bitterness and on the other by a long-unresponsive political system"

Regionally, Mr Shultz was more upbeat, calling South Africa's final withdrawal from Angola "important progress".

The speech was aimed directly at the US audience, and ended with a poignant plea for support. "We will not be the main actors in this drama, that role must be played by the region's people — black and white Africans. But we must not stand by and throw American matches on the emotional tinder of the region ... we should be indignant at the bloodshed, but indignation alone is not a strategy."

His remarks came as part of a major administration offensive to save its Southern Africa policy from the US Congress, which appears determined to impose economic sanctions on the Republic while undermining the administration's policy regionally

Mr Shultz pleaded for a "national consensus" on South Africa and its neighbours which recognized that the US must remain "engaged" for the sake of all South Africans and the region as a whole.

"We are engaged as a force for peace and for constructive change throughout Southern Africa This is the only responsible course, and we will not be deflected from it," Mr Shultz told the National Press Club

"It is not our business to cheer on, from the sidelines, the forces of polarization that could result in a race war It is not our job to exacerbate hardship, which could lead to the same result."

At the same time, Deputy Secretary of State Mr Kenneth Dam went before the Senate Banking Committee with a similar message designed to shoot down the 20 South Africa bills now pending, and in particular the ban on loans and new investment proposed by Senator Edward Kennedy

Significantly, neither official used Dr Chester Crocker's phrase "constructive engagement", which has become the virtual rallying cry of the administration's opponents.

Calling domestic reform in South Africa the "central issue" in US Southern Africa policy, Mr Shultz argued that the Republic was "not immune to the moral influence of the West", but Americans should "focus on getting results"

"We cannot have influence with people if we treat them as moral lepers, especially when they are beginning to address the agenda of change. South Africa's neighbours recognize this We must too."

In a departure from previous administration pronouncements, Mr Shultz avoided taking credit for specific changes in South African

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To page 4

Argus 18/4/85 280

SA trade: Australian move on conduct code

Argus Foreign Service

CANBERRA. — The Australian Government today moved to introduce a code of conduct for companies trading with South Africa.

It also said it would support an effective international disinvestment policy At the same time the Prime Minister, Mr Bob Hawke, announced that the Government was prepared to provide assistance for Australian cricketers to break any contracts signed to play cricket in South Africa

And the Minister of Foreign Affairs, Mr Bill Hayden, said payments to Australian cricketers were nothing less than "blood money".

These moves, announced in Parliament, form part of a concerted response to violence in South Africa and to the prospect of the ban on sporting links being broken by a rebel cricket team.

Significantly, opposition leader Mr Andrew Peacock said the conservative Liberal-National Party opposition supported the code of conduct because it now had grave doubts that South Africa was serious about reform

His statement confirmed that the opposition has abandoned moves that it made last year towards embracing the US policy of constructive engagement But Mr Peacock said the opposition would not support an economic boycott, which the Government indicated it would do if it involved South Africa's major trading partners

He said such action would hurt people it was designed to help The announcement of a code of conduct was made by Mr Hayden in a statement about the South African issue.

The code will be voluntary but Mr Hayden said he expected all companies involved — about 100 — to comply with it. The code is modelled on the European Community, Canadian and Sullivan codes.

It will require Australian companies to reject segregation and to apply the principles of equality of treatment to recruitment, employment, industrial relations and pay.

Mr Hayden said the code would ensure that Australian companies did not exploit the "peculiar employment conditions generated by apartheid".

He said it would take into account the social and economic hardships imposed on non-whites in South Africa and proposed fringe benefits and other measures consistent with those in Australia.

He said the compliance of companies with the code would be monitored by the Government but there would be no penalties for non-compliance. On a possible trade boycott, Mr Hayden said Australia was not prepared to act unilaterally.

However it was possible that as a member of the UN Security Council, Australia would soon be asked to vote on mandatory sanctions.

"Australia would support such a proposal," he said.

POOLS WINNER



Dennis Turner, a 51-year-old machine operator from Stoke-on-Trent, has a good reason to quit his tyre-factory job. He has scooped Britain's biggest football pools win — nearly a £1-million (more than R2-million). He staked 36 pence (85 cents). Presenting the huge cheque on behalf of Littlewoods is TV star Howard Keel.

US Govt rejects sanctions

WASHINGTON — The US Government yesterday flatly rejected Congressional proposals for economic sanctions against South Africa and called on all Americans to support President Reagan's quiet approach to ending apartheid.

The US Secretary of State, Mr George Shultz, in a major policy speech, said a process of transformation away from apartheid was underway in South Africa and urged a national consensus backing Mr Reagan's stand.

"As long as Americans speak with contrary and confusing voices, our influence will be less than it could be," he told the National Press Club in Washington.

Mr Shultz strongly defended Mr Reagan's policy of "constructive engagement" — quiet diplomacy — with South Africa and said well-intentioned Congressional proposals to impose trade and investment sanctions would reduce American influence.

Bills

Meanwhile, Deputy-Secretary of State Mr Kenneth Dam issued the strongest administration denunciation yet of proposed sanctions against South Africa.

More than 20 bills have been introduced in the Senate and in the House of Representatives calling for economic sanctions of varying degrees. Some of these come from relatively conservative members of Congress.

But in his speech yesterday, Mr Shultz again indicated that the administration is opposed to any form of economic sanctions.

He also made it clear that the US government rejected the use of violence for the achievement of political goals, as well as those who wanted to take the law into their own hands.

"SA is not a closed totalitarian society in which the government controls all aspects of life, all means of communication, all avenues of thought. While the white minority dominates the system, there is in that system a significant degree of openess of political activity and expression: a generally free press, an independent judiciary, vigorous debate within the governing party and in parlement and vocal critics of all viewpoints."

There was nothing comparable in the Soviet Union, he said.

CAPE Times
18/4/81

280

Six men plead on arms charges

BIRMINGHAM. — Two Britons yesterday pleaded guilty in Birmingham Magistrate's Court to charges of conspiring to illegally export military aircraft parts to South Africa.

Mr Michael Swann, 34, and Mr Henry Coles, 72, will be sentenced at the end of a trial at which four other Britons will appear on charges of smuggling arms to the Republic.

The judge, Mr Justice Skinner, ordered journalists covering yesterday hearing not to publish the pleas.

He set the trial to start on June 5. It is expected to last about four weeks.

The four other men who will go on trial are Mr Derek Salt, 60, Mr Michael Gardiner, 56, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 48.

They pleaded not guilty yesterday to charges of conspiring to evade a prohibition order banning the export of strategic goods from Britain to South Africa. They were all freed on bail.

Mr Salt and Mr Gardiner have been on bail since last year. Mr Rowley and Mr Bird were making their first court appearance in connection with the case.

The charge against the four also names four South Africans as part of the conspiracy — Mr Hendrik Botha, Mr Stephanus de Jager, Mr William Metelerkamp and Mr Jacobus le Grange.

They were to have appeared before the court, but in a diplomatic reprisal late last year the South African Government refused to return its citizens for the case.

It took the action in retaliation for Britain's refusal to hand over six men who staged a sit-in at the British Consulate in Durban. — Sapa

RDM 18/4/85

Kennedy in clash over SA sanctions

WASHINGTON. — Liberal and conservative US Senators have clashed over legislation that would impose economic sanctions on South Africa.

Urging passage of the sanctions legislation, liberals Edward Kennedy, an opposition Democrat, and Mr Lowell Weicker, a Republican, compared race policies of the white-minority regime with laws of Nazi Germany.

But Senator Chic Hecht, a conservative Republican who described himself as an orthodox Jew, heatedly rejected the comparisons and advocated working with the white government for change.

"When you were born a Jew in Germany you went to the gas chamber," Mr Kennedy said during a hearing of the Senate Banking, Housing and Urban Affairs Committee. "When you are born a black (in South Africa), you go to the homeland."

Added Democratic Senator William Proxmire: "It's not a gas chamber, but it is living death."

"The Jewish issue has been raised . . . In the same context as Nazi Germany," said Mr Hecht. "I don't buy that concept at all . . . No-one is more mindful of the atrocities of Nazi Germany."

Mr Hecht, who travelled in South Africa last year, said: "I think the Government of South Africa will make the changes we want."

"The parallels between the legal framework of South African apartheid and Nazi anti-Semitism in the 1930s are inescapable," Mr Weicker said.

"What began in both cases as a political appeal to racist elements . . . Eventually became the law of the land." — Sapa-AP.

EEC call for sanctions against SA

280

STRASBOURG. — The European Parliament called on Common Market member states yesterday to undertake to cut all economic, financial, cultural and military ties with South Africa.

The resolution, sponsored by the Communist group, was described by parliamentary officials as the most sweeping call for sanctions against South Africa ever made by the Assembly.

The Community Commission president, Mr Jacques Delors, has told the bloc's Italian presidency the Community must agree as soon as possible on a united approach aimed at forcing the South African Government to abandon apartheid, said External Affairs Commissioner Mr Willy de Clercq.

He told Parliament the Commission did not exclude in advance any measure which could "Lead South Africa to reason," but the test of such a measure would be its efficiency, and this would require a coherent Community approach.

The Communist group's resolution expressed outrage at what it called an escalation of violence and repression against black South Africans which it said had caused nearly 100 deaths in three months.

It was one of three motions on South Africa carried by the Parliament with only about one-quarter of its 434 members present.

A Socialist group motion seeking the end of all investment in South Africa, suspension of sport and cultural links, and a gradual reduction of trade links was passed by 63 votes to 40 with two abstentions. There was no detailed vote count on the Communist motion.

The third resolution, sponsored jointly by the Christian Democrat, Conservative and Liberal groups, did not mention sanctions, but warned the South African Government that its present policies of denying political rights to blacks could only help extremists seeking to replace one form of repression with another.

Mr De Clercq said South Africa was carrying out reforms but they did not go far enough.

"The South African Government does not seem to understand or want to understand that human dignity is indivisible. You cannot half-respect human rights," he said.

The Commissioner said the more South Africa resisted fundamental change, the more it would generate violent opposition, reducing the chances of a peaceful solution.

Mr De Clercq said that before any concrete measures were proposed by the Commission to put further pressure on the South African authorities, Community member governments should examine their options in the framework of political co-operation among the 10. — Sapa-Reuter.

know King promises to get back to him

"The time has come for a bold approach," he continues "The economy will never stabilise until the socio-political order stabilises It's difficult to formulate a monetary policy of high interest rates like in the US and UK when SA hasn't got a social security system — a net to catch the unemployed who become hungry and restless " And as chairman of Operation Hunger, King knows what he's talking about "If you have structures which lead to hardship and on top of this apply economic hardship, it's just looking for trouble," he adds

In recent years, King's social conscience, and his hand, have become increasingly apparent in KG corporate reports. This isn't surprising as he spent time working as a reporter on the *Sunday Express* in his youth The then editor Johnny Johnson, so the story goes, made him the highest offer ever made to a Saan journalist at the time in the hope of retaining his services

A quick thinker, the only time King pauses before answering is on the subject of the KG's victory over the JSE in the Sanki deal "I think they arrived at the right decision," is all he'll say.

Enter Kirsh "I need an answer now, Mervyn," he says And the two scuttle off to whisper behind close doors ■

LIONEL GREWAN

Labour monitor



Grewan . . . "US investors should focus on progressive reconstruction"

Lionel Grewan, national co-ordinator of the Sullivan Code (SC) of labour principles, was working in Iran when the Shah was deposed, so he's accustomed to upheaval Back in SA six years later, with the US disinvestment lobby gaining increasing vigour, he's simply keeping his head down and getting on with the job of ensuring that SC signatories comply with its principles.

Grewan (43) helps US investors in SA structure programmes to achieve their objectives and also helps them overcome obstacles However, his most difficult task is ensuring that the signatories make sufficient progress in dismantling discriminatory structures "This is the only thing that will appease people in the disinvestment lobby," he explains.

However, in Grewan's opinion, the disinvestment lobby is unlikely to provide any answers "It's been a good coercive stick for prodding US companies into taking a long hard look at themselves," he concedes "But rather than disinvest, I think US investors should focus on progressive reconstruction — the upliftment of black communities."

The SC lays down standards for US companies operating in SA and is probably the most highly publicised tenet of foreign investment in this country. "When it was first formulated in 1977, tackling desegregation in the workplace was its major task," Grewan explains "But this was just the first phase, and we've moved beyond that now The second phase involved getting out into the community through upliftment programmes, and the third phase, which we're now in, provides a completely new direction.

"Our main emphasis is on talking to government about removing restrictions and making known to them the kind of inhibiting practices that affect business." Countering criticism that the SC's usefulness has been superseded by increased bargaining power in the workplace, Grewan explains that dialogue with government is now a prime focus.

Grewan was born and schooled in Durban, but he speaks with a foreign twang He left SA in 1964 and worked as an English teacher in Zambia for 10 years before receiving a grant to study maths at the North London Polytechnic In 1977, he found himself in Isfahan working for Bell Helicopter, teaching pilots

"One Friday afternoon I was on the street with my family and we heard shots from the market square," he recalls, "We headed for the nearest hotel and lay low This was the start of the revolution." Soon afterwards, his wife and two children went to the US for safety.

"I saw the Shah go and the Ayatollah arrive," Grewan says, "and three months later the State Department finally decided to evacuate all employees of US companies." Grewan joined his family in America and completed a few courses at Indiana University before deciding to return to SA where he joined Citibank as a training officer Increasingly he found himself dealing with social responsibility issues and last year was appointed SC national co-ordinator.

Though only 140 of the approximately 300 US companies in SA are now Sullivan signatories, the number is rising rapidly. "As pressure in the US intensifies, everyone wants to get on board, so we've had 18 new signatories since February," he says.

But this isn't the whole picture. Last year eight companies received failing grades for their progress, and rather than pull up their socks, they pulled out. Twenty-nine other companies also backed off, unwilling to pay Boston management consultants Arthur D

Little to monitor their progress

"Many companies are naive and, believe it or not, still don't think the disinvestment lobby will affect them They don't realise how serious the situation is. The guys are very gung-ho about establishing and implementing social programmes, but I have a hard time getting them to realise that they have to do more.

"For example, the adopt-a-school programme, is well and good, but it's not enough. It's basically band-aid and doesn't tackle the fundamentals of unequal education, lobbying government is equally important About $100m has been spent on social programmes since the SC's establishment, but financial expenditure isn't enough to qualify for high-score ratings Getting the signatories to focus on long-term issues is very difficult."

Today, the major criticism levelled at the code is that it has no teeth and isn't enforceable — though this could be changing "We can't take action against non-complying companies now, but legislation could well be introduced in Congress this session which will enforce compliance with the code I think coercing people into doing things could be counter-productive," Grewan says "I think we'd lose the creative element if it becomes compulsory" ■

MATHEW NELL

Conquering blocks

SA's black housing problem is seldom discussed without mention being made of the impossible number of houses needed to meet the backlog and the increasing demand resulting from the rising tide of urbanisation But Matthew Nell, GM of the Urban Foundation's (UF) first housing utility company in the Transvaal, the Family Housing Association (FHA), is attempting to find some answers

"Opening up opportunity and options for more people from both the formal and informal sectors to participate in housing supply is far better than attempts at a single uniform co-ordinated response," he says

A housing utility company is entitled in terms of the Housing Act to avoid taxes and to apply to the National Housing Commission for funds "The FHA is run on a non-profit basis. Its purpose is to enable housing to be provided on a non-speculative, affordable basis while operating on competitive business principles," Nell explains.

For seven years, Nell (35) has run the UF's housing programmes in the Transvaal His function has been twofold: to apply pressure for legislative and policy changes in black housing, and to run the foundation's site-and-service and self-help housing projects

These projects, in Soweto, Katlehong and Sebokeng, with a turnover of R20m, have become part of the FHA A smaller, close-knit unit in the UF will continue to concentrate on policy — while the FHA tests and confronts it in the field

Nell explains "Our objective is to increase the supply of housing in the PWV, in a way that's responsive to social and economic realities. We figure out what market demand is, and how to change supply to meet it. Essentially we're not just another construction company because we operate to generate and increase private initiative"

He stresses that the FHA pays and will continue to pay its own way, otherwise its efficacy is limited: "We must be able to compete for resources without relying on subsidies"

The FHA is considering moving into the Pretoria area though its present priority is black housing "But we plan to move into the supply of coloured and Indian housing as well," Nell says

The Association's biggest project is in Soweto's Protea North, providing servicing to 2 500 sites: "We acquired the rights to develop the land, organised design, township proclamation and so on We pre-sold 75% of the sites to formal and informal developers and employers The other 25% is set aside for owner-builders, the man in the street

The FHA also provides a housing service, with a range of options aimed at enabling a family to manage its own building, by providing access to house designs, bulk purchased materials, bond finance and an after-sale technical advice service

A mild and relaxed enthusiast, Nell provides information on his field precisely and easily. "Running a utility company is ideal for an engineer, planner or builder in early- to mid-career It provides the experience of running a company, and the opportunity to make a social contribution as well," he says

Nell studied building science at Wits, and then "for two years I built high-rises, until I knew I wanted to work in low-income housing" He took a master's degree in town and regional planning, and did research into company housing policies for the CSIR's Institute of Personnel Research

In 1978, he joined the UF and started work on its self-help housing project near Carletonville, one of the first in the country Nell spends about half his time on site in



Nell ... structural reform more than changing legislation

Poison SA fruit scare in Denmark

POLICE patrols toured supermarkets and other retail stores in Copenhagen, Denmark, yesterday to warn that South African fruit may have been poisoned by activists demanding an immediate and total trade boycott of SA.

In a letter received by Ritzaus Bureau, the national Danish news agency, a group calling itself "ANC supporters" said that South African fruit had been poisoned at three Copenhagen stores.

The writers said a fruit-poisoning campaign would continue until Denmark cut off all trade with South Africa

By closing time yesterday no poisoned fruit had been discovered - Sapa-AP

Massive anti-SA boycott planned

280 Sowetan 22/4/85

By THAMI MAZWAI

A MASSIVE consumer boycott against South Africa involving most countries in the West and in Third World is being planned.

Plans for the boycott are to be finalised at an international conference on apartheid planned for later this year. At this stage the venue and dates have not been announced.

The conference will not only look at the planned consumer boycott, but will also investigate all actions to be taken against South Africa. While previous campaigns against the country have been at infrequent intervals, the conference is to discuss the launching of a variety of campaigns against South Africa all at the same time.

The existence of plans for a boycott of this nature came to light in a SOWETAN interview with Major General Joseph Garba, chairman of the United Nations Special Committee against Apartheid The interview with General Garba was at the United Nations Part one of the interview appeared in our sister paper, The MIRROR, yesterday.

According to General Garba, the committee and other allied anti-apartheid organisations throughout the West were preparing for the next thrust against apartheid, after the highly successful demonstrations in the United States.

Groups

According to him, the boycott has been started on a small scale in some towns in Great Britain where activists are involved in campaigns that aim at isolating shops and establishments that deal with South Africa.

But the main onslaught, involving all anti-apartheid organisations in the world, will be decided at this conference.

Organisations active against South Africa include the UN special committee, the UN Centre against Apartheid. SA Non-racial Olympic Union and other organisations involved in the campaign to isolate South Africa in all spheres.



ROBERT MUGABE: Zimbabwe Prime Minister.

Mugabe urges sanctions

HARARE — Zimbabwe Prime Minister Robert Mugabe has urged members of the non-aligned movement to pressure the United Nations Security Council to impose sanctions on South Africa until Namibia is free.

In a speech read on his behalf at a meeting of the new movement in New Delhi, Mr Mugabe said member states could increase their material support for Swapo and also step up their efforts diplomatically to pressure the international community into boycotting Pretoria.

Delay

The Zimbabwe leader condemned the issue of the linkage of the withdrawal of Cuban troops from Angola to the independence of Namibia.

He commented that the South African Government and its allies had devised "countless" schemes to delay the independence of the territory.

The victory of the Zimbabwean people over colonialism and white-domination was a clear sign that Swapo's victory was inevitable, he added.

Kaunda: Explosion in SA within two years

Cape Times 24/4/85 (280) (860)

JOHANNESBURG. — President Kenneth Kaunda of Zambia predicts there will be a "violent explosion" in South Africa within two years.

In an interview with Johannesburg's Financial Mail, Dr Kaunda was asked how he viewed the present black unrest in South Africa.

He answered: "I cannot see what is taking place... in any other way than that this is the beginning of sad things to come in South Africa.

'I pray hard'

"As far back as 1972 I predicted a violent explosion for South Africa in 15 years. There are only two of those 15 years left."

He emphasized that it was not something he wanted to see happen and "I pray hard that it does not happen". However, he said: "I can't see God allowing that situation (in South Africa) to go on."

"I can't see it happening any other way, unless of course the four million white Africans — not Afrikaners, Africans — change their stance and accept that, as Africans, they are part and parcel of the human family that found homes in their common country."

Asked if he thought there was still time to change or if he saw the present troubles as the final revolution before majority rule, Dr Kaunda said: "I have been urging the South African



President Kaunda

leaders: Please talk to the African National Congress. Please accept that the ANC is the mouthpiece of by far the greatest majority of African people.

"That is the first hurdle white South Africans must get over. The second is to release Nelson Mandela without conditions and begin talking to him. That might just give us the opportunity, the one and only chance, to save this explosion — an explosion which will envelop the whole region.

"Can we save ourselves from that tragedy? Much depends on what the white Africans of South Africa decide to do in the next six, 12 months — no more than 24 months. No more. In short, what I am saying is: This is the beginning. Whether you can arrest the tide, I don't know."

Dr Kaunda said: "It is sharing of power that I am talking about, not capitulation. Capitulation may lead the four million whites to begin acting as guerillas. We don't want that to happen. No one is asking President Botha or Foreign Minister Botha to surrender power. We are saying: Share it, and share it genuinely.

"But you don't have much time left. You must be a nation in a hurry.

"I mean well for all 30 million people of South Africa. To me, they are all simply human beings who have failed to find a way to live together in peace — and not in pieces."

Sufficient courage

Dr Kaunda said of Mr P W Botha: "I asked whether he has sufficient courage to see these things through. The things he has done so far show that he has courage. But he needs more than that."

On his call for economic sanctions to be imposed on South Africa, Dr Kaunda said that even as he was calling for it he was aware that Zambia would suffer a lot.

"The question we have to ask ourselves is: Which is better, economic sanctions or a violent change of things in South Africa? In our opinion, sanctions would bring to the fore the problems of apartheid within the country itself more than anything else. The only other way is violence, which will leave hundreds of thousands of people dead, black and white." — Sapa

APRIL 24, 1985

280 E. Post 24/4/85

Australian dockers stop work over SA cargoes

Shipping Correspondent

STRIKE-prone Australian dock workers have regarded the events in the Eastern Cape in recent weeks as sufficient justification for laying down tools on vessels carrying cargo from South Africa, and the Dutch-flag Safocean Mildura has been idle at Sydney.

The Firemen and Deckhands Union of New South Wales called their workers off the ship soon after she arrived at Sydney, and the Seamens Union of Australia were reported also to have plans for boycotting the ship if the Firemen and Deckhands lifted their ban.

There are only two ships in regular trade between South Africa and Australia now, the Safocean Mildura belonging to Nedlloyd, and Safocean Nederburg of Safmarine, running a joint service.

All shipping in Australian ports is vulnerable to stoppages, and strikes are fast becoming the rule rather than the exception.

While the Safocean Mildura has been idle because of labour objections on political grounds, tug crews in other ports have been striking in protest at state government intentions to curb strikes.

And at Sydney container terminal there was a strike in protest at the new roster system for workers.

Foreign ships bound to Japan with coal have been subjected to delays by workers who refuse to handle them on grounds of flag.

US SENATE HEARING

Crocker's '12 reasons why sanctions would be wrong'

Dr Chester Crocker says no-one in South or Southern Africa would benefit if South Africa's economy is destroyed. NEIL LURSSEN of the Argus Foreign Service reports from Washington.

DR Chester Crocker said in Washington that the challenge for white and black South Africans was to restructure their country in such a way that "the cure does not kill the patient."

Dr Crocker, chief architect of President Reagan's policy of constructive engagement, appeared before the US Senate's Foreign Relations Committee to argue against sanctions.

He said: "We are seeing today and may see in South Africa for some time to come sporadic violence and governmental repression, coupled with a process of reform.

"It is going to be a sometimes ugly, messy, process — two steps forward, one step back — with unclear goals, unrevealed agendas and unanswered questions.

"It is a complex problem but one we cannot walk away from. Students of history realise it is when reform begins that expectations and polarisation increase."

He appealed for responsibility in American actions and said that no-one in South or Southern Africa would benefit if the South African economy were destroyed and society consumed in racial warfare.

Dr Crocker gave 12 reasons why sanctions would be counter-productive and misguided:

- Nobody could predict any positive results apart from self-satisfaction.
- Sanctions were likely to harden the foes of change rather than the proponents.
- Most SA blacks did not want sanctions.
- Sanctions would harm the black majority.
- There was no majority in the US for sanctions — as polls had shown — even though most Americans wanted an end to apartheid.
- SA was not a "client state" of the US and economics was not the key US leverage.
- It was bad public policy to introduce sanctions against SA today that could be used against some other country tomorrow.
- In societies as strong economically as South africa sanctions were unlikely to have major effect; in fact, sanctions had encouraged SA's arms industry and coal gasification programme.
- US sanctions were not likely to be followed by SA's other trading partners — and US trade and business would be the sufferers.
- SA's neighbours were worried — "as well they should be" — about the effects on their own economies.
- Sanctions would be precisely the wrong signal to send at a time when SA was changing more than ever before.
- "And finally, I urge this body to recognise that sanctions are likely to lead us down the road to ineffective action which will have no postive effect in SA and cause others around the world ... to doubt the wisdom and strength of American foreign and economic policy."

Dr Crocker warned that instability in Southern Afri-

Dr Chester Crocker

ca offered opportunities to the Soviet Union to "fish in troubled waters."

He said it was fashionable in some quarters to dismiss the presence of 30 000 Cuban troops in Angola as an "inconsequential blip on the radar screen of history."

But this was not the view of the Reagan Administration which saw the extension of Soviet power into an area of the world not within its traditional sphere of influence as a matter of concern.

And he said it was a severe distortion of reality to describe current US ties with SA as a "cozy rapprochement or as business as usual."

Big Finnish union urges a boycott of SA goods

HELSINKI. — Finland's biggest trade union federation, SAK, is to urge its members to boycott South African goods.

Finland's official policy is to maintain trade with South Africa.

On Friday, the Finnish Foreign Minister, Mr Paavo Vaeyrynen, told a foreign affairs committee meeting in Helsinki his country would back a UN Security Council embargo, but was prevented by its trade commitments from unilaterally severing trade ties.

Finnish political parties including the two biggest groups, the Social Democrats and the opposition National Coalitionists (Conservatives), have recently adopted an increasingly militant line against South Africa.

But this has not apparently so far affected the government, which consists of Social Democrats, centrists, ruralists and members of the Swedish Party.

Finland's exports to South Africa last year were worth R158m and its imports R36m, both figures well under 1% of its two-way trade. — Sapa-Reuter.

Key Republican break with Reagan over economic sanctions

Two years or else, S A told

WASHINGTON—Key Senate Republicans have broken with the Reagan Administration and proposed US economic sanctions against South Africa within two years unless it reverses its apartheid policy.

The break with President Reagan's no-sanctions policy came as the Senate Foreign Relations Committee chairman, Sen Richard Lugar, and other Republican leaders introduced a sanctions Bill as a protest against apartheid.

The key Republican shift from Mr Reagan's 'constructive engagement' comes against a backdrop of mounting demonstrations and arrests at American universities nationwide against South Africa.

Sen Lugar proposed his Bill even as a chief architect of Mr Reagan's policy towards Pretoria again denounced as 'misguided' any economic restrictions.

Much weaker

The Administration believes that increased economic sanctions against South Africa will be counter-productive,' the Assistant Secretary of State, Mr Chester Crocker, told Sen Lugar's committee.

After further hearings, Sen Lugar said the committee would vote on his sanctions plan, which was co-sponsored by the Senate Republican majority leader, Sen Robert Dole, and Republican senators Charles Mathias of Maryland and Nancy Kassenbaum of Kansas, both Foreign Relations Committee members.

However, the Lugar plan is much weaker than one for immediate economic sanctions being pushed by Democratic Sen Edward Kennedy of Massachusetts and Republican Sen Lowell Weicker of Connecticut.

Exports

Sen Lugar would require President Reagan to impose sanctions in two years if South Africa does not act to eliminate apartheid.

By contrast, the Kennedy-Weicker Bill would prohibit immediately new US business investment in South Africa, loans to the South African Government, exports of American computers, and imports of South African gold coins.

The House of Representatives is expected to propose economic sanctions against South Africa this year.

It approved a Bill last year but it did not win final Congressional passage before Congress adjourned. — (Sapa-Reuter)

International unions call for SA sanctions

BRUSSELS — The International Confederation of Free Trade Unions today called for United Nations sanctions against South Africa for its refusal to grant independence to Namibia.

In a cable to the UN Secretary General, Mr Javier Perez de Cuellar, the ICFTU general secretary, said his organisation urgently called on the UN Security Council to adopt mandatory economic sanctions against South Africa.

The labour organisation condemned "Pretoria's illegal hold over Namibia which it intends to maintain".

It said. "This totally contravenes Security Council Resolution 435 which provides for genuine majority rule in Namibia and once again demonstrates South Africa's systematic violations of its international obligations" — Sapa-Associated Press.

Thatcher opposed to sanctions

Own Correspondent

LONDON. — The British Prime Minister, Mrs Margaret Thatcher, is vigorously opposed to economic sanctions against South Africa.

Spelling out the reasons for her stand in a BBC radio programme yesterday, she said:

"Trade sanctions against South Africa would be highly damaging for all the people of South Africa".

This included 22,8-million blacks, nearly 1-million Indians and 1½-million coloureds.

Struggle

"It would lead to a terrible struggle, much worse than at present, with little hope of South Africa coming out with any improvement in trade and standard of living which is so vital for all of the people living there"

Trade sanctions had not worked and she was very much against them.

Mrs Thatcher was speaking during a BBC Radio 4 phone-in programme, where calls to her were taken from many parts of the world

Mr David Nichols, phoning from Worthing, Sussex, started his question by suggesting that Mrs Thatcher had recently condemned New Zealand's proposed rugby tour of South Africa. But Mrs Thatcher was quick to deny this and claim that she had said nothing at all about the tour

Gleneagles

Invited by the programme's producer, South African-born Sue MacGregor, to give her comment, Mrs Thatcher said that the tour was a matter for the New Zealand Government and for the rugby team in New Zealand

She added: "We are bound by the Gleneagles Agreement (which prohibits sporting links with South Africa)

"So is New Zealand That Gleneagles agreement recognizes that governments can only persuade voluntarily. In the end they must do everything to persuade voluntarily — and we do.

"In the end it is up to the citizens of New Zealand to make their own decisions. We shy away from force in that respect."

Cricket

Reminded that she had commented when the English cricket team went to South Africa, Mrs Thatcher agreed. She said: "We do everything possible to persuade our teams not to go, because those are the terms of the Gleneagles Agreement."

Other questions dealt with Mrs Thatcher's attitude to nuclear weapons, and to the possibility of her meeting the Soviet leader, Mr Mikhail Gorbachev, at the United Nations

Phone calls came from as far away as Nairobi and East and West Germany. This international link-up is highly rated and is a prestige production which is broadcast, at the same time, on the BBC's world service.

CAPE Times
25/4/85

580

Tambo in sanctions meetings

Own Correspondent

NEW YORK. — African National Congress president Mr Oliver Tambo yesterday briefed congressional aides at the start of a week-long visit keyed to the bid to impose economic sanctions against South Africa.

Senator Edward Kennedy and Congressman William Grey — sponsors of sanctions bills — helped arrange the breakfast meeting.

The ANC chief lunched with the editorial board of the Washington Post and later addressed the congressional black caucus.

Mr Tambo's arrival was delayed because of visa difficulties, described by one closely involved source as "tremendous". In particular, the delay foiled the ANC's plan for him to address last weekend's Washington demonstrations

Disinvestment: Many will suffer, Ackerman warns

w/t ARGUS 27/4/85

Financial Editor

SOUTH Africa and Africa had many urgent problems to tackle and a disinvestment campaign would greatly intensify these problems, Mr Raymond Ackerman, chairman of Pick 'n Pay, told a Rotary International Conference in Somerset West yesterday.

He warned that a trade boycott against South Africa could cause serious unemployment problems in Europe and the United States.

In South Africa a total of 300 000 jobs would have to be created each year to absorb the growth in the labour market until the year 1990

Large numbers of people were leaving the land to work in the cities, particularly since the recent drought — a process which was increasing the unemployment problem

FORMIDABLE LIST

In spite of escalating unemployment, there was a chronic shortage of skilled manpower and of trained managers among the black population There was also a need for more housing, training and educational schemes to be introduced immediately for blacks.

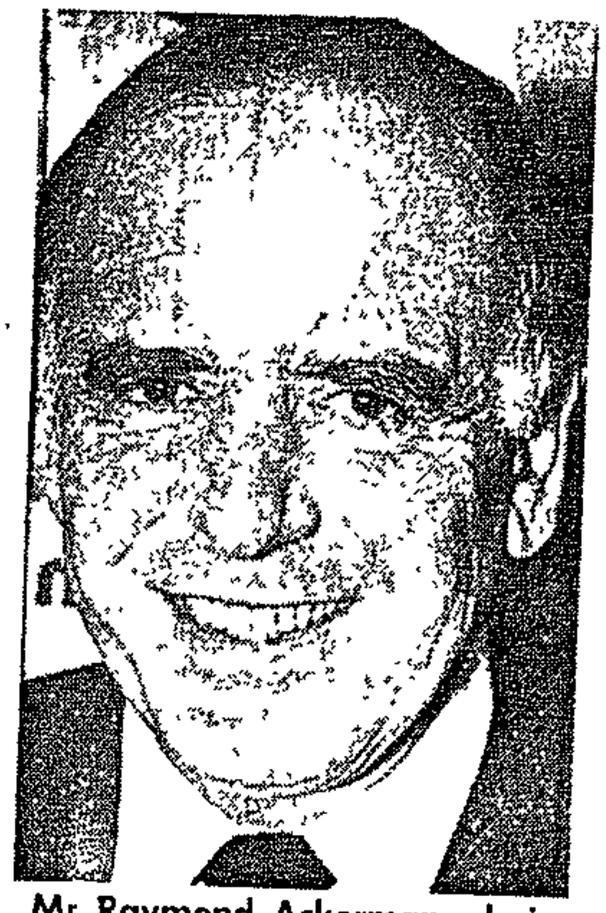
"This may sound a formidable list of problems, but South Africa I would remind you, is infinitely better off than most other countries in Africa. Let us consider the problems facing countries in the southern half of Africa as a whole"

A report by the Nairobi-based United Nations Environment Programme said that between 1970 and 1980 the region's population rose from 68-million to more than 90-million, about 3 percent a year and at the same time food production levels fell

HUGE RESOURCES

United Nations figures showed that in Africa as a whole, about 150-million people — one in every three — was affected by malnutrition or starvation Recent focus on the starving millions in Ethiopia had given a dreadful indication of what many other countries must be suffering

Amid all this gloom on the African continent, South Africa



Mr Raymond Ackerman, chairman of Pick 'n Pay

stood as an exception with its huge mineral resources, well-established infrastructure and transport systems and good financial and agricultural management

Western bankers said that South Africa, in spite of all its present problems, was the best risk in Africa

RIPPLE EFFECT

But disinvestment on a large-scale and backed by most countries could eventually reduce South Africa and its neighbours to the level of Ethiopia and its starving millions

All but four of 50 countries in Africa maintained economic links with South Africa and disinvestment would have an adverse ripple effect throughout much of the continent.

South Africa's imports from other African states rose by 25 percent in 1984 to R406-million, while its exports to Africa rose 20 percent in 1984 to R954,1-million, even though South Africa cut back shipments of essential foodstuffs because of the drought

JOBLESS HORDES

Large-scale disinvestment would have wide-ranging effects

Neighbouring countries would be particularly vulnerable to the disruption in the South African economy, as South Africa was a major provider of employment opportunities in the subcontinent.

Estimates varied, but there could be about 300 000 workers from surrounding countries working on the mines or in industry in South Africa To help South Africa's own blacks, these would have to be sent back to add to the swelling ranks of the unemployed in their own countries

Disinvestment on a large scale would be catastrophic for blacks in South Africa It would create hordes of jobless blacks throughout the country

BANKRUPTCIES

Bankruptcies — already at a record level — would increase, further reducing employment opportunities for blacks

The result of all this unemployment would be to undermine the two most important black power bases in South Africa — the independent trade unions and the fast-growing black consumer power. These two were being used as levers for better conditions by responsible black leaders

TRADE FLOW

In addition, South Africa's landlocked neighbours would suffer disruption in their trade flow because many of their imports and exports came through South Africa's well-developed transport links with the coast

A boycott of South Africa would cost Western countries about 500 000 jobs, including 250 000 jobs in Britain Almost 10 percent of all British overseas direct investment was in South Africa Add indirect investment to this and R11-billion was at stake.

Also at stake was the large American investment. A total of 350 US companies had subsidiaries in South Africa representing an investment of nearly R3-billion Another 6 000 US companies did business with South Africa

For all European Economic Community countries, the embargo on trade with South Africa would cost about 330 000 jobs and an additional 122 000 jobs if the United States were also involved in the boycott If Japan were included, the Western world would lose more than 500 000 jobs.

'They won't lead to improvement in SA living conditions'

Maggie opposes sanctions

London Bureau

BRITISH Prime Minister Margaret Thatcher is vigorously opposed to economic sanctions against South Africa. Disclosing this yesterday she spelt out the reasons for her stand.

'Trade sanctions against South Africa would be highly damaging for all the people of South Africa,' she said, speaking during a programme on BBC radio.

This included the 22,8 million blacks, the nearly 1 000 000 Indians and the 1 500 000 coloureds in South Africa.

'It would lead to a terrible struggle, much worse than at present, with little hope of South Africa coming out with any improvement in trade and standard of living which is so vital for all of the people living there.'

Trade sanctions had not worked and she was very much against them.

Mrs Thatcher was speaking in a Radio 4 telephone-in programme, where calls to her were taken from many parts of the world.

Mr David Nichols, phoning from Worthing, Sussex, started his question by suggesting that Mrs Thatcher had recently condemned New Zealand's proposed rugby tour of South Africa. But Mrs Thatcher was quick to deny this.

Invited by the programme's producer, South African-born Sue MacGregor, to give her comment then, Mrs Thatcher said that was a matter for the Government of New Zealand and for the rugby team in New Zealand.

She added: 'We are bound by the Gleneagles Agreement (which prohibits sporting links with South Africa).

'So is New Zealand. That Gleneagles Agreement recognises that Governments can only persuade voluntarily. In the end they must do everything to persuade voluntarily — and we do.

'In the end it is up to the citizens of New Zealand to make their own decisions. We shy away from force in that respect.'

Reminded that she had commented when the English cricket team went to South Africa, Mrs Thatcher agreed. She added: 'We do everything possible to persuade our teams not to go, because that is the terms of the Gleneagles Agreement.'

She reiterated that governments tried to persuade teams not to go to South Africa or, indeed, to have South African teams back to play in this country.

Attitude

That was the agreement that was signed by the previous government, which she had reaffirmed and which the present government adhered to.

Other questions dealt with Mrs Thatcher's attitude to nuclear weapons, and to the possibility of her meeting Russian premier Gorbachev at the United Nations.

Telephone calls came from as far away as Nairobi and East and West Germany. This international link-up rates highly and is a prestige production which is broadcast, at the same time, on the BBC's world service.

The Natal Mercury, Monday, April 21, 1986

RDM 29/4/85

Maggie airs her opposition to sanctions

280

BY MARGARET SMITH
London Bureau

LONDON. — British Prime Minister Mrs Margaret Thatcher is vigorously opposed to economic sanctions against South Africa.

Announcing this yesterday, she spelt out the reasons for her stand

"Trade sanctions against South Africa would be highly damaging for all the people of South Africa," she said, speaking during a programme on BBC radio

"It would lead to a terrible struggle, much worse than at present, with little hope of South Africa coming out with any improvement in trade and standard of living which is so vital for all of the people living there"

Trade sanctions had not worked and she was very much against them, she said

Mrs Thatcher was speaking on a BBC Radio Four phone-in programme, during which she took calls from many parts of the world

Mr David Nichols, phoning from Worthing, Sussex, maintained that Mrs Thatcher had recently condemned New Zealand's proposed rugby tour of South Africa

Mrs Thatcher was quick to deny this, however, and claimed she had said nothing at all about it

Invited by the programme's producer, South African-born Sue MacGregor, to expand her comment, Mrs Thatcher said it was a matter for the government of New Zealand and for the rugby team in New Zealand.

She added "We are bound by the Gleneagles Agreement (which prohibits sporting links with South Africa)

"So is New Zealand That Gleneagles agreement recognises that governments can only persuade voluntarily In the end they must do everything to persuade voluntarily — and we do

"In the end, it is up to the citizens of New Zealand to make their own decisions We shy away from force in that respect."

Reminded that she had commented when the English cricket team went to South Africa, Mrs Thatcher agreed She added "We do everything possible to persuade our teams not to go, because that is in terms of the Gleneagles Agreement"

She reiterated that British governments tried to persuade teams not to go to South Africa, or, indeed, to have South African teams back to play in their country

What, she said, was the agreement signed by the previous government which she had reaffirmed and which the present government adhered to

When I asked similarly people not to go to the Olympic Games in Moscow — I asked for a specific reason because I thought it might be used politically — I asked them voluntarily not to go and left it to them to make up their own minds

Some of them didn't go, and some of them did"

INTERNATIONAL ARGUS 30/4/85 280

Texan gets 35 years for Salem oil fraud

Argus Foreign Service

AUSTIN (Texas). — Texas businessman Frederick Soudan was today given a 35-year jail sentence in Houston for his role in what has been called the oil fraud of the century.

The case involved the theft of a cargo of oil from the 119 000-ton supertanker Salem, its sale to South Africa and the subsequent scuttling of the tanker at sea to cover the fraud.

He was also ordered to make restitution payments of R9-million out of bank accounts he holds in Switzerland and the Bahamas.

COUSIN

Abdul Al Ghazou, his cousin and brother-in-law, was given a five-year sentence for attempting to conceal Soudan's illegal profits from the US tax authorities.

The order of US District Judge Carl Bue requiring Soudan to make restitution applies only to payments that the prosecution was able to trace directly to him.

His R80 000 Houston home and his business — a Mercedes dealership — have been repossessed.

Before passing sentence the judge threw out a defence motion asking for a new trial. It is understood that an appeal is being prepared by another Houston lawyer — not one of those who defended Soudan in the trial just ended.

10 DAYS

Notice of appeal must be lodged with the court within 10 days of sentencing.

Lebanese-born Soudan, 41, and Syrian-born Al Ghazou, 47, were found guilty on March 26 on 17 counts of a 22-count indictment involving fraud, conspiracy, perjury and tax evasion.

The jury deliberated for about 12 hours before reaching a decision.

Soudan was acquitted on five remaining counts

PICK-
OF-THE-CROP
SPECIALS

Bananas
Class 1
78c per

Large Farm
Fresh Cabbag
14c ea

Everything's
OK
Contractors to Cape Buy Aid We reserve the right to limit stocks While stocks last
EXCLUDING GEORGE WORCESTER MOSSEL BAY AND OUDTSHOORN BRANCHES
OK is everyt

US call for SA sanctions

WASHINGTON. — Two foreign affairs sub-committees of the House of Representatives yesterday approved economic sanctions against South Africa in an attempt to pressure it to abandon apartheid

The bill, approved on a voice vote, would prohibit new US investments in the country and bar the sale of computers or bank loans to the government It also would halt importation of South African gold coins into the US

The sanctions are contained in one of more than 20 bills condemning apartheid that have been introduced into the House this year. Similar measures are pending in the Senate.

Last year, the House approved similar proposals but failed to win Senate approval

However, this year there is wider support in both houses with growing criticism of apartheid in the US since the virtually daily demonstrations began at the South African Embassy last year. — Sapa-AP

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tained his WBA junior heavyweight title, a weekend
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all TV2 music programmes.

Growth 'best defence' against sanctions

NM 1/5/85

280

Finance Reporter

The best defence against sanctions is economic growth, according to Professor Brian Kantor, who called last night for a more serious approach from South Africans to the 'economic game.'

Professor Kantor, the main speaker at an Aiesec discussion on disinvesment at the University of Natal, said that the major force to encourage foreigners to maintain links with South Africa was through economic progress.

'And it is that same economic progress that will offer South African blacks the best possible reason for living peaceably with white South Africans as economic growth can provide the means to compensate for the loss of privileges.'.

Object

Prof Kantor said the object of the disinvestment campaign had been to discourage economic growth in order to make it more difficult for white South Africans to continue to maintain their hold on South Africa.

'While it can be argued that such action will take a very long period of stagnation before the white South Africans became unwilling to maintain their authority, one can also argue with similar force, that a prolonged period of slow growth would cause great suffering, especially for the poor in South Africa,' he said.

'Such stagnation could also incline Government to represssion and become less responsive to Western opinion.

Prof Kantor said the enemies of South Africa would be likely to agree that stagnation would change South Africa for the worse before it would get better in their eyes anyway.

'But the suffering they, our true enemies, whom I loosely describe as the international left, would regard it worthwhile if it were to secure an anti-capitalist, anti-Western South Africa.

'For these enemies of South Africa the logic of disinvestment is inexorable.

'A successful South African economy increases the probability that South Africa will emerge as a Western-type industrial democracy.

Resolution

Prof Kantor said even if the final resolution of the South African problem were a long time in coming, an economically weak and isolated South Africa would be a source of weakness for the Western economies at large, 'just as a vibrant South African economy is an important source of strength for the Western basically capitalist alliance.'

He said the West had a great deal to gain from South African economic development.

Argus 5/5/85 Star 28 Oct

US committee in anti-SA vote



Senator Edward Kennedy

By NEIL LURSSEN
Argus Foreign Service

WASHINGTON — A plan to impose economic sanctions on South Africa passed an important milestone in the US House of Representatives when the House Foreign Affairs Committee approved it by 29 votes to six

The measure adopted was the Anti-Apartheid Act of 1985 — the key effort this year by Democrats, with some Republican support, to punish South Africa for its race policies

The Act, introduced in the House by Congressman Bill Gray of Pennsylvania and in the Senate by Senator Edward Kennedy of Massachusetts, has four main provisions

- A ban on bank loans to the South African Government and its corporations,
- An end to new US investment in the private sector,
- A prohibition on Kruger Rand sales in the US;
- A ban on the export of US computers

Easy hurdle

Four Republicans were among the 29 members who voted for the sanctions All six opponents were Republicans

The sanctions face only one more easy hurdle in the lower chamber of Congress They must go to the vote on the floor of the House where approval is a certainty Congressional sources say this could happen in as little as two weeks

House approval does not mean that the sanctions will become law. They must still get through the US Senate, where their fate is less certain.

While the House committee was approving the sanctions, members of the Senate Foreign Relations Committee were examining them in another committee room.

At this meeting, Dr Chester Crocker, President Reagan's chief Africa policy-maker, had an acrimonious exchange with Democratic Senator Paul Sarbannes of Maryland.

When Senator Sarbannes, a persistent critic of constructive engagement, asked how Dr Crocker could defend his policy when thousands were demonstrating against it, Dr Crocker retorted "There are a lot of people that are on the moral equivalent of a free lunch" — the implication being that they had no personal stake in the situation in South Africa.

Pik denies SA is downgrading links with US

Parliamentary Staff

THE Minister of Foreign Affairs, Mr Pik Botha, has strongly rejected reports that South Africa is downgrading its links with the United States by appointing a comparatively younger man as Ambassador to Washington

The appointment of Mr Herbert Beukes, 43, who was the number two at the Embassy, was announced yesterday. He is to replace Dr Brand Fourie, who took over the post after retiring as Director General of the Department of Foreign Affairs.

Responding to reports that the US considered the appointment as a downgrading of links, Mr Botha said. "Any suggestion of this nature amounts to an insult to the South African diplomatic service"

Mr Beukes joined the Department of Foreign Affairs in 1966 after working as a lecturer at the University of Stellenbosch and as a journalist on the Burger.

Anti-SA move gets OK

Sowetan 2/5/85 280

WASHINGTON — Two foreign affairs sub-committees of the House of Representatives yesterday approved economic sanctions against South Africa in an attempt to pressure it to abandon apartheid.

The bill, approved on a voice vote, would prohibit new American investments in the country and bar the selling of computers or the extending of bank loans to the Government. It also would halt importation of South African gold coins into the United States.

The sanctions are contained in one of more than 20 bills condemning apartheid that have been introduced this year into the House, which is controlled by opposition Democrats. Similar measures are pending in the Republican-controlled senate.

Last year, the House approved similar sanctions to those contained in the bill approved yesterday, but the provisions failed to win senate approval. This year, however, they have wider support in both houses.

Criticism of apartheid has been growing in the United States since virtually daily demonstrations began at the South African Embassy last November.

Democratic representative, Mr Howard Wolfe, chairman of the Africa Sub-Committee that voted on the bill with the International Trade Sub-Committee, said he expected the full Foreign Affairs Committee would take up the measure soon, possibly this week. — Sapa-AP.

IN AMERICA . . .

Republicans walk out of SA hearing

. . . IN BRITAIN . . .



Mr Neil Kinnock

UK opposition leader supports programme of action against SA

Argus Foreign Service

LONDON. — Mr Neil Kinnock, the leader of the Labour Party, has given his full support to the Anti-Apartheid Movement's radical, 10-point programme of action against South Africa.

At a meeting with Archbishop Trevor Huddleston, president of the movement, Mr Kinnock also agreed to speak at the rally the movement is planning for Trafalgar Square on June 16 as a protest against the South African Government's "repression".

Today, Archbishop Huddleston is to see Sir Geoffrey Howe, the Foreign Secretary.

He will urge Sir Geoffrey to take action on the basis of the 10-point programme in an effort to end apartheid in South Africa and to bring SWA/Namibia to independence under United Nations Resolution 435.

The 10-point programme includes:

- The immediate breaking of diplomatic relations with South Africa.
- A ban on all new investment in South Africa and on the sale of Kruger Rands in Britain
- The end of Government promotion of trade with South Africa.
- A ban on the sale of North Sea oil to South Africa.

AGREEMENT

- The strengthening of the arms embargo
- The end of the no-visa agreement between Britain and South Africa.
- A ban on imports of coal and uranium from South Africa, together with a programme to end British dependence on South African minerals.
- A ban on the purchase of South African goods by Government departments.

Argus Foreign Service

WASHINGTON. — Republican congressmen walked out of a US House of Representatives committee hearing when an attempt by one of them to soften sanctions legislation against South Africa was rejected by Democrats.

After the Republicans had left, the Democrats unanimously approved the Kennedy-Gray Anti-Apartheid Act of 1985, sending it on its way to certain adoption by the full House.

Before it reaches the floor of the House, it must go through the formality of approval by the House Foreign Affairs Committee — probably tomorrow.

The Kennedy-Gray legislation would ban US bank loans to the SA Government and its corporations, prohibit new private American investment in SA, stop the sale of kruger Rands in the US, and bar the export of American computers to SA unless they are for schools.

A similar Bill has been introduced in the US Senate.

The hearing was a joint sitting of two House subcommittees that deal with African affairs and international trade. Both have Democratic majorities and chairmen.

Recently visited SA

After a number of technical amendments to the Kennedy-Gray Bill had been approved, Congressman Mark Siljander, a conservative Republican who recently visited South Africa, outlined anti-apartheid legislation of his own.

It, too, envisages tough sanctions against SA — but only if a specially-appointed commission finds after three years that no substantial progress has been made in eliminating apartheid.

If that is its finding, it can recommend all the sanctions in the Kennedy-Gray Bill as well as "changes in diplomatic relations". The Bill includes forced adherence by US companies to the Sullivan Code and the funding of millions of dollars to help black education, trade unions, business and political advancement.

The Democrats rejected the measure immediately, saying that after 37 years of Nationalist rule it was a waste of time to spend three years studying apartheid which had just got worse. The time for sanctions was now.

Congressman Stephen Solarz of New York said the Siljander measure was a classic example of the thinking that had produced the Reagan policy of constructive engagement — "too little and too late".

Congressman Howard Wolpe of Michigan said it was merely a way of trying to avoid sanctions. But sanctions were needed this year as the US answer to increased oppression in SA which included police brutality, the charging of 16 UDF members with high treason and the firing of 21 000 black workers after a strike.

As soon as the measure was rejected, Congressman Siljander walked out, joined by his Republican colleagues, Congressmen Dan Burton of Indiana and Michael DeWine of Ohio.

IN AMERICA... ARGUS 1/5/85

Republicans walk out of SA hearing

ARGUS 1/5/85

...IN BRITAIN...



Mr Neil Kinnock

ARGUS 1/5/85 280

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The hearing was a joint sitting of two House subcommittees that deal with African affairs and international trade Both have Democratic majorities and chairmen

Recently visited SA

After a number of technical amendments to the Kennedy-Gray Bill had been approved, Congressman Mark Siljander, a conservative Republican who recently visited South Africa, outlined anti-apartheid legislation of his own

It, too, envisages tough sanctions against SA — but only if a specially-appointed commission finds after three years that no substantial progress has been made in eliminating apartheid

If that is its finding, it can recommend all the sanctions in the Kennedy-Gray Bill as well as "changes in diplomatic relations". The Bill includes forced adherence by US companies to the Sullivan Code and the funding of millions of dollars to help black education, trade unions, business and political advancement

The Democrats rejected the measure immediately, saying that after 37 years of Nationalist rule it was a waste of time to spend three years studying apartheid which had just got worse The time for sanctions was now

Congressman Stephen Solarz of New York said the Siljander measure was a classic example of the thinking that had produced the Reagan policy of constructive engagement — "too little and too late".

Congressman Howard Wolpe of Michigan said it was merely a way of trying to avoid sanctions But sanctions were needed this year as the US answer to increased oppression in SA which included police brutality, the charging of 16 UDF members with high treason and the firing of 21 000 black workers after a strike

As soon as the measure was rejected, Congressman Siljander walked out, joined by his Republican colleagues, Congressmen Dan Burton of Indiana and Michael DeWine of Ohio

Black opinion counts most in debate on disinvestment



London Dateline
By STANLEY UYS

MR Malcolm Rifkind, Minister of State at the Foreign Office responsible for African affairs, made an admission last week which South Africans should note and digest.

Speaking in the House of Commons on Labour demands for economic sanctions against South Africa, the minister began by saying that a policy of economic sanctions which was effective and sealed South Africa off from the economic activity of the rest of the world would not only damage the Republic but profoundly damage, if not destroy, the economies of a number of its neighbours.

"It is impossible to conceive how Lesotho, Botswana, Swaziland, Zimbabwe or Mozambique could do other than suffer enormously if sanctions were effective," declared the minister.

But then Mr Rifkind added that he freely accepted that "there are many blacks, including responsible blacks, who, whether through a sense of frustration or genuine conviction, believe that this policy would be attractive and that it should be supported"

Outlived its usefulness

This is an ominous statement, because until now Mr Rifkind has steadfastly quoted Professor Lawrence Schlemmer's report on "Black Worker Attitudes" (September 1984) to support the claim that the majority of blacks in South Africa are opposed to sanctions.

This means that the Schlemmer report has outlived its usefulness now as a document which can be quoted to show that blacks themselves in South Africa are against disinvestment.

Therefore, if the anti-disinvestment camp want to stem the tide of the disinvestment campaign now, particularly in the United States, they will have to come up with a new report which establishes, once and for all, how blacks in South Africa feel on this crucial issue.

The Schlemmer report, to recapitulate, found that 25 percent of blacks supported disinvestment and trade boycotts while 75 percent supported constructive engagement. The questions, of course, were not put in this academic phraseology, but in very simple language.

The report, like all Professor Schlemmer's work, was thoroughly professional. It tapped



Professor David Welsh



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the opinions of blacks who, it felt, were most affected by the disinvestment debate, namely, production workers. And some interesting facts emerged — that on disinvestment black men are more radical than black women and that the black radical vote is highest in Pretoria, the "nerve centre of apartheid," and among black consciousness supporters.

But the report has been criticized on two grounds mainly: That the US State Department financed it, and that it is impossible to conduct an accurate survey for as long as the Internal Security Act makes "economic sabotage" a serious criminal offence — "economic sabotage" meaning any "Yes" answer to the question whether the person being polled favours disinvestment.

As the disinvestment debate proceeds, clearly the opinions of blacks in South Africa will become of critical importance. The debate outside South Africa is not being conducted in a calm, intellectual way, but in a highly charged emotional climate, and it will become necessary to match these emotions with more than just coldly rational arguments.

I have just been reading Professor David Welsh's superbly argued article on disinvestment in the latest issue of Leadership magazine (now restyled and looking very classy — the magazine, I mean, not Professor Welsh).

Professor Welsh sums up the situation with these perceptive words: "In debates with proponents of disinvestment I have repeatedly tried to extract from them just how they expect it to contribute to the process of change in South Africa.

"One might hope for some reasonably coherent account of anticipated consequences that would strengthen the forces of change:

"The responses to my probings, however, are invariably evasive, leading me to conclude that no such account exists."

Professor Welsh clearly wins the intellectual debate, but the proponents of disinvestment are emotionally not intellectually motivated, and the only possible counter-argument they would accept is if blacks themselves in South Africa were to be shown, beyond doubt, to be opposed to disinvestment.

In the latest issue of Die Suid-Afrikaan, Professor Hermann Giliomee, the editor, got to grips with this problem. In a discussion with Dr Beyers Naude, general secretary of the SA Council of Churches, he referred to the findings of the Schlemmer report.

Dr Naude recalled that, in 1976, the Christian Institute, of which he was the director, had come out in support of sanctions under certain circumstances.

The white members of the CI's executive had agreed at the time that their views were unimportant and that their black members clearly favoured sanctions. The choice then was seen to be between "meaningful non-violent pressure" (like sanctions), undoubtedly accompanied by suffering, or violence resulting from polarization between whites and non-whites.

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Also, there was the problem of the Internal Security Act which provided for very heavy prison sentences for "economic sabotage" — a situation which had not existed in 1976 and which now, according to Dr Naude, makes free discussion of the disinvestment issue impossible.

Survey a reliable guide

For any new survey of black opinion on disinvestment to be acceptable, therefore, at least three conditions will have to be fulfilled The survey will have to be independently financed, the questions will have to be phrased in consultation with black leaders and the government will have to withdraw or suspend the "economic sabotage" law to make it possible for blacks to express their opinions without fear of being prosecuted.

A new survey, too, would have to be more extensive than Professor Schlemmer's, which covered 551 interviews.

If Professor Schlemmer's survey was a reliable guide to black opinion, then the government has nothing to fear by withdrawing the law In any case, what does the "economic sabotage" law achieve? The disinvestment campaign, in spite of it, is gathering support.

There is still time during the present parliamentary session to withdraw the economic sabotage law and to prepare the way for the testing of black opinion. Or possibly the government could simply give an assurance that nobody who indicates support for disinvestment in an opinion poll will be prosecuted — if such an assurance is acceptable to black leaders.

But if the government moves at the pace of the ox again, and allows events to overtake the proposed poll, the disinvestment campaign will simply continue to gather momentum.

'Yes' to tough anti-SA steps

WASHINGTON.—A congressional committee yesterday approved a bill that would impose tough economic sanctions on South Africa, including a ban on sales of United States computers and South African Krugerrand gold coins.

The 28-6 vote of the House of Representatives Foreign Affairs Committee sends the bill to the full House for action

The Democrat-controlled committee defeated 19-4 a Republican substitute essentially calling for a three-year study of South Africa's apartheid system before sanctions could be considered

It also rejected by 21-4 a Republican move to exempt Krugerrands from sanctions.

'Can't afford it'

"I don't think the American national interest can afford any further accommodation of apartheid," said Representative Mr Howard Wolpe, chairman of the Africa Sub-committee that was a driving force behind the sanctions bill.

Democrats said Republicans who supported President Ronald Reagan's total trade embargo on Nicaragua but opposed sanctions on South Africa were inconsistent.

But Republicans insisted the two cases were different because the leftist Sandinists in Managua were "exporting revolution throughout Central America".

The Senate Foreign Relations Committee recently endorsed a two-year delay on sanctions on South Africa.

Housing, health

The House committee bill would ban bank loans to the South African Government except for housing, education or health programmes accessible to all on a non-discriminatory basis.

It would also ban importation of Krugerrands and new investment to finance US companies in South Africa

The bill carries penalties for violations but allows waivers of sanctions on Krugerrands and new investment if substantial progress is made on eliminating apartheid

DISINVESTMENT

More counter-moves

With the high-profile, high-emotion disinvestment lobby raging on in the US, several counter-moves are in the pipeline

Of these the most effective could be the visit of Mozambique president Samora Machel to Washington, and a trip by two Progressive Federal Party (PFP) MPs to the US

Machel is expected to pour cold water on the disinvestment hot-heads when he tells the US what trade sanctions and disinvestment in SA would do to his country It is almost certain that he will speak out against trade sanctions, not only because many thousands of his countrymen will lose their jobs in SA, but also because SA has been uncommonly helpful in the last few weeks in making the Nkomati Accord work But arguing against disinvestment could cost him a lot of credibility in Africa

PFP foreign affairs spokesman Colin Eglin confirmed to the *FM* that he and the party's spokesman on labour, Alex Boraine, are shortly to leave for the US They will be followed later by other MPs Eglin says they are going on their own initiative to be on hand to give the PFP perspective on SA while the country remains in such sharp focus in the US Their efforts will not be confined to the disinvestment debate

Our Washington correspondent reports that President Ronald Reagan must not be expected to use last week's rebellion in the US Senate over SA policy as a test to reassert his political leadership There are plenty of other challenges to the powers of the lame-duck American president to occupy him when he returns next week from the Bonn summit

SA, by its unilateral actions in Namibia and by the American public outrage over the Uitenhage shootings and the arrest of UDF leaders, is no longer a cause which evokes much Reagan passion these days

Instead of rushing to Capitol Hill to try to defuse the Senate rebellion before it reaches the barricades of the Democratic-controlled House, Reagan is likely to let his Republican Senate leadership try to deal with the problem on its own, that is, if they are of a mind to The sad fact is that any real sympathy for keeping the heat off the Botha government within the White House has been dissipated by Pretoria's defiant pronouncements

The rebellion comes against a South Africa Policy Bill sponsored by Senate leader Robert Dole and Senator Richard Lugar, both men who increasingly are mentioned as aspirants to succeed Reagan when his term expires four years from now The Dole-Lugar proposal would require US firms operating in SA to observe mandatory compliance with the Sullivan Code US firms would have to set up a R30m scholarship fund for black education and government export financing would have to be focused on the creation and expansion of black-owned business in SA

There are no sanctions provisions in the Dole-Lugar proposal and that is the objection of Senate Republicans (and their House colleagues) who face a 1986 mid-term election and an increasingly militant Democratic party which is rallying behind a sanctions Bill being drafted by Senator Edward Kennedy The senator, yesterday's man of US politics, appears to have made the jump back into a political future on the strength of his recent visit to SA

The rebel Republican Bill drafted last week by Roth and McConnell has plenty of teeth for even the most militant anti-South Africans Among the sanctions proposed, the Bill would

- ☐ Ban US bank loans to the South African government or any of its parastatals,
- ☐ Demand that the President enlist the seven-nation summit group to increase pressure on Pretoria,
- ☐ Immediately cancel landing rights for South African Airways in the US, thus severing air traffic links since Pan American World Airways ended its service,
- ☐ Force the closure of at least one South African consulate in the US,
- ☐ End all US government aid to American firms in SA which do not adhere to the Sullivan Code,
- ☐ Ban all nuclear equipment and technology sales to SA until it has signed the nuclear non-proliferation treaty, and
- ☐ Top the aid for black education to R40m

Kennedy whose own Bill has not yet been unveiled, has hinted that he may sign on with Roth and McConnell and give the Bill a bipartisan appeal that would be hard to resist in either chamber of Congress

And with Reagan still sulking down at his end of Pennsylvania Avenue, the South African government may have achieved a legislative feat in the US Congress which even congressman Stephen Solarz of New York did not dream was achievable in this session — a real sanctions Bill could be adopted ■

MINE STRIKES

The great divide

The events at Anglo American's Vaal Reefs and Anglovaal's Hartebeestfontein mines in the past week show that there is still some way to go before SA's giant mining houses and the fast-growing National Union of Mineworkers (NUM) reach real accord Statements issued by the NUM and the companies reveal a gulf in perceptions of the causes of the recent upheavals

The dismissal of 14 000 strikers at Vaal Reefs last Saturday represents the largest mass dismissal in SA labour history while another 3 000 were dismissed from Hartebeestfontein on Friday

Anglo American has agreed to give "preferential consideration" to applications for re-employment from the 14 000 Vaal Reefs



NUM's Ramaphosa ... wary of Anglo American assurances

miners, and has asked the NUM to "co-operate in the elimination of intimidation, violence and lawlessness"

The strike was in protest against the earlier dismissal of hundreds of other miners who had refused to perform tasks — such as the handling of explosives without proper supervision — which they claim they are not entitled to do in terms of the Mines and Works Act Anglo denies that black miners have been required to perform work contrary to the Act

The NUM is not satisfied with Anglo's undertaking because the workers have not received any guarantee of re-employment, and will be monitoring the re-employment process "to see that no deviations occur" An Anglo spokesman says no one will have his application refused as a result of his participation in the strike

The strike was the culmination of weeks of unrest at the mine, including a boycott of the mine's liquor outlets and a strike by 40 000 employees over wages in March According

Disinvestment: a need for black opinion

NM 3/5/85 280

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Speaking in the House of Commons on Labour demands for economic sanctions against South Africa,the Minister began by saying that a policy of economic sanctions which was effective and sealed South Africa off from the economic activity of the rest of the world would not only damage the Republic but profoundly damage, if not destroy, the economies of a number of its neighbours

Suffering

'It is impossible to conceive how Lesotho, Botswana, Swaziland, Zimbabwe or Mozambique could do other than suffer enormously if sanctions were effective,' declared the Minister

But then Mr Rifkind added that he freely accepted that 'there are many blacks, including responsible blacks, who, whether through a sense of frustration or genuine conviction, believe that this policy would be attractive and that it should be supported'

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Britain opposed to disinvestment in SA

NM 10/5/85

280

JOHANNESBURG — Britain is very concerned about what is happening in South Africa, but does not believe disinvestment or trade sanctions would improve matters, British ambassador to South Africa, Mr Patrick Moberly said yesterday.

He told the Institute of Directors' annual meeting 'British ministers have made it abundantly clear that they are not in favour of measures to reduce trade or investment with South Africa, although by no means everyone in Britain agrees.'

Sanctions would hurt underprivileged people and South Africa's neighbours, while pressures for reform had more chance of success in conditions of economic confidence, he said.

But Mr Moberly added: 'Make no mistake, there is very real concern about the situation here. We look for a process of evolutionary change in the direction of dismantling apartheid and extending civil and political rights to all.

Code

'The present system is seen as discriminating against a majority of the people in South Africa, whose support and participation are necessary to the future stability and development of the country.'

The British Government took its task of monitoring whether British companies were following the European code of conduct very seriously, Mr Moberly said

He said 130 companies employing 100 000 workers were reporting under the code.

Britain exported more than £1,2 billion of goods to South Africa in 1984, while about seven percent of all British capital invested overseas was in South Africa. — (Reuter)

sunrise world

Kinnock wants to cut economic ties, downgrade diplomacy

Labour toughens up on SA

Star 11/5/85 280

by
John D'Oliveira,
The Star Bureau

LONDON — Labour Party leader Mr Neil Kinnock will shortly announce a tougher policy on South Africa.

The policy has been redrafted in the light of recent developments in South Africa and it will reflect Labour's belief that the British electorate is ready for a harder line on the republic.

It is almost certain the policy will involve cutting some economic links with South Africa, restrictions on South African diplomatic activity in Britain and official recognition for "liberation movements" like the African National Congress, the Pan Africanist Congress, the United Democratic Front and Swapo.

Labour spokesmen refused to comment today on the new policy, but it is understood that its national executive's international committee, decided in April that Mr Kinnock should hold a media conference to announce it.

A date for the conference has not yet been announced, but observers believe it must be held before Mr Kinnock addresses a rally organised by the Anti-Apartheid Movement in Trafalgar Square on June 16.

He will be the first opposition leader to address an AAM rally since Mr Harold Wilson spoke in 1963 — the year before he became Prime Minister.

It is understood Labour activists believe the violence in South Africa and especially events like the Uitenhage killings have disillusioned many Britons and that it can now win support for economic sanctions.

However, these would involve specific measures like a ban on new investment in South Africa and a ban on the sale of Krugerrands in Britain.

Mr Kinnock has already endorsed publicly the AAM's radical, 10-point programme of action against South Africa and it is clear the new Labour policy will have to make provision for most of these measures.

The AAM's programme includes:

- Downgrading diplomatic relations with South Africa.
- A ban on new investment, bank loans and the sale of North Sea oil to South Africa, a ban on the purchase by government departments of South African goods and on the sale of Krugerrands in Britain.
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- The cessation of government promotion of trade with South Africa.
- The strengthening of the mandatory arms embargo.
- The termination of the no-visa agreement between the two countries.
- An immediate ban on imports of coal and uranium from South Africa, together with a programme to eliminate Britain's dependence on South African strategic minerals.



Mr Neil Kinnock . . . taking a tougher line on SA.

Cape Times 13/3/85

Labour MPs in demo against loans to SA

Own Correspondent

LONDON. — Two Labour Party MPs yesterday joined a demonstration outside four British merchant banks to protest at their participation in loans totalling R4 600-million to the South African Government and its agencies in the past two years.

The rotating picket outside four merchant banks in the City of London, London's financial centre, represents an escalation in the campaign of Eltsa (End Loans to South Africa) — an anti-apartheid pressure group which has up to now focused its attention on the involvement of Barclays and Standard Charter in South Africa

Yesterday's targets were Hill Samuel, Rothschilds, Schroder Wagg and Hambros

Eltsa claims that Hill Samuel participated in 14 loans totalling R1 400-million, Rothschilds in 11 loans (R1 100-million), Schroder Wagg in 10 loans (R1 000-million) and Hambros in 12 loans (R1 100-million) respectively

An Eltsa spokesman said the campaign was aimed at creating an awareness among the British public of which banks were "supporting the apartheid regime".

He said Rothschilds had made a loan of R150-million directly to the SA Government last month

In February, Schroder Wagg had established a formal presence in South Africa by appointing a Johannesburg company to act as its agent.

Although several large American banks, including the massive Citibank, have recently refused to participate in further loans to South Africa, British banks have resisted pressure to do so

Simon Barber reports from Washington that lawyers representing nine Chicagoans arrested for trespass at the city's SA Consulate have called Senator Edward Kennedy as a defence witness.

The defendants, whose jury trial in Cook County Municipal Court is expected to last all week, scored a major victory on Monday when they persuaded the judge to hear a plea that they acted out of "necessity to prevent a more serious crime — the continuation of apartheid".

Meanwhile, in Washington, prosecutors dropped "unlawful entry" charges against five Free South Africa Movement leaders who broke into a "high-security area" at a local precious-metals dealer to protest at the sale of Krugerrands.

News item: Queen Elizabeth, reputedly worth R6-billion, saves string and dislikes waste

ARGUS 15/5/85 280

DISINVESTMENT

'Morality is cheap when someone else is paying'

RICHARD COHEN of The Washington Post discussed disinvestment with the PFP's financial spokesman, Mr Harry Schwarz, in Washington recently. This was the upshot of their meeting

LAST week H H Schwarz, as his business card reads, was working Capitol Hill, telling Senators and Congressmen that it was a bad idea for American firms to pull out of South Africa — not a very surprising position for a member of the South African Parliament, you might think.

Harry Schwarz would shoot you a look for suggesting that. He abhors his Government. But he loves his people.

Schwarz, a member of the opposition Progressive Federal Party, is someone you hate to meet. He's a challenger of convictions, a person who hangs question marks on the end of sentences that should end with ringing certainty.

He does this by asking questions himself. This is one of them: Have you ever looked into the face of a man who has no job?

Schwarz has. It was his father, a German refugee who arrived in South Africa during the depression of the 1930s. He went out one day to seek a job as a clerk at Woolworths and returned still unemployed. Schwarz looked into his father's face and has never forgotten what he saw.

That face many times over would be seen all over South Africa if American corporations pulled out, Schwarz says. Men and women — most of them black — would be thrown out of work.

The 120 000 people working for some 300 US corporations would have to seek work elsewhere. They could work no more for firms that, prodded by American civil rights groups, have integrated their workplace and pay equal wages.

These are firms that are teaching skills, that are developing a black middle class and, in the case of IBM, that have established a trade school for blacks.

Why, Schwarz asks, should the blacks of South Africa have to lose jobs so that Americans can make an unambiguous statement about racism — a statement that costs them nothing? What, he asks, is accomplished by simply washing your hands of South Africa so that you can announce you are morally untainted by apartheid, when doing that means the loss of jobs and the disintegration of families?

Maybe, as some people say, this hardship will forge revolutionaries. The theory is nice. The reality of revolution often is not. The two extremes take up arms and those in the middle tend to get mowed down.

Harry Schwarz robs people like me of the satisfaction of unambiguous indignation — of pretending that the entire South African issue is as easy as being arrested at their embassy.

Maybe the reality and the symbolism of economic sanctions would so jolt the South African Government that it would have to change its policies. And maybe in that case the jobs of a small percentage of the work force is a price worth paying.



Mr Harry Schwarz

But the point that Schwarz makes is that these are hard choices, not easy ones like choosing between good and evil. Morality is always cheap when someone else pays the cost.

This business of either washing your hands of South Africa or punishing it economically is a complicated one. Even black South Africans cannot agree on the proper course.

Of course there is always something to be said for asserting your own morality, for proclaiming something so rotten that it cuts through all complications; something so evil that, as Tevye discovered in *Fiddler on the Roof*, sometimes "there is no other hand". Apartheid ought to be that something. But Schwarz won't permit it.

Schwarz is the other hand personified. He respects university students for their moral indignation, but he wants to tell them it would be best if American corporations remained in South Africa and pressed for reform. It would be best, he says, if the American government consistently denounced apartheid, prodding South Africa to do away with it but exerting pressure in a way that the victims of apartheid do not also become the victims of the anti-apartheid movement.

Schwarz asked: Do you withhold aid from Ethiopia because their government is abhorrent? Do you let people starve because their rulers are communists?

The questions Schwarz asks, however you answer them, complicate what for many people is the moral equivalent of a free lunch. They look upon the face of racism and find it repugnant.

Schwarz asks that they also look upon the face of an unemployed father. It makes this free lunch no different from any other. It has its price.

'Carrot and stick' pressure for reform

Star 15/5/85 280

By John D'Oliveira

LONDON — A key British trade union has adopted a report which concludes that international pressure on South Africa must involve both "carrot and stick".

At its annual delegate conference in Blackpool on Tuesday, the Banking, Insurance and Finance Union (BIFU) considered a lengthy report on the situation in South Africa and the contribution the world's trade unions could make to the peaceful destruction of apartheid.

BIFU has more than 150 000 members and is the biggest and most coherent of the unions operating in Britain's banking, insurance and financial field.

The generally moderate union has been examining the situation in South Africa closely for four years now and a number of resolutions on South Africa are due to be discussed at the conference on Wednesday.

In 1982 the conference declared its total opposition to the "dictatorial and inhuman" apartheid system and called on the Union's Executive Committee to report to the 1983 conference on the activities of British banks and financial institutions in South Africa.

Fundamental change

The report was considered at the conference and adopted by the delegates. It was decided members should study the situation and that the matter should be debated fully at the 1985 conference.

A fresh report was commissioned and this came to the cautious conclusion that international pressure alone would not determine the resolution of South Africa's problems. Fundamental change could only be brought about from within.

However, pressure from abroad could assist the growing internal opposition to apartheid — although purely negative pressures could well prove counter-productive.

"The limited reforms of recent years cannot simply be dismissed out of hand but the essential question is how far they are likely to spill over into concerted, meaningful change.

"It is in the best interests of foreign governments and even multinational business corporations to ensure that this happens in order to peacefully destroy the apartheid system.

"However, international pressure must involve both carrot and stick. Given that apartheid is firmly entrenched, sweet reasonableness alone will undoubtedly remain ineffective."

Clothing exports hit by American anti-SA campaigns

By TOM HOOD

EXPORT profits of Cape clothing manufacturers are being hit as a result of anti-apartheid and disinvestment campaigns in the United States.

There is still business to be done in the US in spite of all the disadvantages, says Mr Simon Jocum, chairman of the Cape Clothing Manufacturers Association, who has returned from a business trip

"But importers are demanding better quality than they are getting and even better prices than they were originally prepared to accept from South Africa, he said this week

"In other words, we have to pay for the additional risk the importer may be involved with as a result of anti-South African demonstrations."

LABOUR UNREST

He also found.

- The arrest of trade union leaders here made would-be importers fear labour unrest and that they would not be able to get deliveries of goods ordered.
- Some importers were also worried about dock strikes such as dockers refusing to offload South African goods.
- Some importers were also refusing to buy because of the "Made in South Africa" label which has to appear on every garment

Exporters also faced a clothing recession in the United States. Clothing from the Far East was being dumped at uneconomic prices, making 1985 extremely difficult to get into the market.

The South African clothing industry provided 90 percent of the country's needs and employed 120 000 people, plus even more employed in supplying inpouts in allied activities.

"The future growth and employment of this industry is in the export markets where so many job opportunities could be provided for our workers.

HEALTHY BASE

"Unfortunately the present recession adds to our difficulties in exporting as it is far easier to export from a healthy export base than during a recession

"Costs which could be passed on to the domestic market, which is usual for exporters, cannot be offset at present which makes exporting even more difficult."

Mr Jocum said he was "absolutely amazed" at the progress made by the anti-South African lobby since his last visit seven months ago.

The result was businessmen were becomming jittery in dealing with South Africans, some of whom said they came from Britain or Australia to avoid unpleasant situations

DETAINEES

The average American who had no concern with South African problems was now exposed to them through daily televison and news media coverage whenever an incident took place in South Africa

"Long before I could get down to the business of exporting clothing to the United States with potential buyers, I was questioned on the politics of South Africa and the future direction, and solutions."

Mr Jocum said overseas contacts — importers, religious leaders, businessmen and politicians — who had visited South Africa in the past six years — complained of difficulty in getting the true picture of South Africa to their friends "because of the way we maintain law and order.

"The actions of the police are bringing the country into disrepute and it appears to them that our police are over-reacting when peaceful demonstrations take place. . .we cannot continue giving so much ammunition to our enemies."

Five priorities were needed to help exporters:

- An urgent convention between the Department of Foreign Affairs and a broad spectrum of businessmen who travel overseas.
- Urgent export incentives should be given to would-be exporters
- "In the name of law and order, we must be careful how we react to normal and peaceful protests."
- More non-white businessmen should go overseas to promote investment in South Africa
- Businessmen should be briefed confidentially on Government plans and intent for future economic and political development.

Sanctions not the remedy, says Bush

280 18/5/85 NM

WASHINGTON—The US Vice President, Mr George Bush, said on Thursday that South Africa was making progress in moving away from racial segregation and asserted that U S economic sanctions against South Africa or the breaking of diplomatic relations 'would be counter-productive'.

Reviewing a series of steps by the South African Government, Mr Bush said: 'It all adds up to progress, not enough, not as fast as we'd like to see it, but enough to make us feel that constructive engagement and pressing for continued change is better than some of the remedies that are being proposed in other quarters.'

'Constructive engagement' is the Administration's policy of maintaining ties with South Africa while applying pressures to relax apartheid.

Some progress

Mr Bush said he and Mr Reagan strongly opposed apartheid.

However, he added: 'There has been some progress in South Africa and we feel that cutting them off — diplomatic relations or sanctions — when there has been progress would be counterproductive.'

'Nobody is suggesting South Africa is perfect at all, I want to be clear on that,' he said.

However, he insisted there was a difference between the way the United States should treat South Africa and the way it treats Nicaragua, the target of a recent U S trade embargo.

'In one area there's movement,' he said, referring to South Africa. 'In the other (Nicaragua), the movement is in the wrong direction as far as we're concerned.' — (Sapa-AP)

FOREIGN RELATIONS

Argus 20/5/85

A critical day looms in US for sanctions on SA

NEIL LURSSEN of The Argus Foreign Service in Washington gives a preview of an important vote on sanctions due to be taken in the US tomorrow

THE political struggle here over economic sanctions against South Africa has become intense with the United States House of Representatives scheduled to vote on the issue tomorrow

On the floor of the House will be the Anti-Apartheid Bill of 1985 introduced by Congressman Bill Gray of Pennsylvania with 145 co-sponsors An identical Bill has been introduced in the Senate by Senator Edward Kennedy and others

It seeks to ban bank loans to the South African Government, stop all new private investment, prohibit the sale of Krugerrands and end the sale of US computers to the South African authorities.

It is certain that the measure will be passed by the Democratic Party-controlled House. At issue on Tuesday will the extent of the victory and how the vote is taken

Proponents of the Bill are lobbying hard for a landslide victory — and are sure they will get it. They argue that a massive Yes-vote in the House will be persuasive if the Republican-controlled Senate passes a softer sanctions Bill later this year and representatives of the two chambers have to hammer out a compromise measure to send to President Reagan

One of the Democrats' strategies is to demand a recorded vote This means that the vote of each congressman will be on the public record A vote against sanctions can be used against congressmen who have significant numbers of black and liberal constituents

Opponents of the Bill want a voice vote in which the individual votes go unrecorded This, they say, will make it easier for Republicans, embarrassed at the prospect of being seen as supporters of South Africa, to vote against the sanctions

Sources in the Democratic camp were confident today that they would secure a recorded vote in spite of intense lobbying against it by their opponents.

The House Rules Committee has set aside two hours for tomorrow's debate — a sure indication that many congressmen want to participate. It is expected that the recent deaths of detainees and the wave of street violence will be cited as reasons to take tough action against South Africa.

Opponents of the Bill will echo the Reagan administration's view that reform is, in fact, taking place in South Africa and that the US must try to retain its influence there during the period of reform by maintaining economic links

Complicating the issue tomorrow will be three amendments — two to soften the sanctions slightly, and one calling for total disinvestment and an end to US exports, the latter from Congressman Ron Dellums of California

But even the softer sanctions would, if accepted, be a major setback for the South African Government. One proposal, based on a Bill introduced in the Senate by Republican Senators Bill Roth of Delaware and Mitch Mc Connell of Kentucky, would add to the ban on bank loans to Pretoria a ban on SAA flights here and a restriction on the number of South African consulates in the US

The Reagan Administration is pinning its hopes on a Bill introduced in the Senate by the Foreign Relations chairman Republican Senator Richard Lugar of Indiana with powerful support from the party leadership

The approach of this measure is to give the South African Government two years to implement reforms before sanctions are applied and, in the meantime, to provide financial support to improve the lot of South African blacks It would also make the Sullivan employment code mandatory for all US firms in South Africa.

Sources on both sides of the debate said today that they expected at least some of the sanctions to be approved by the joint congress this year but were reluctant to speculate on details.

Court told of R8m Escom 'fee'

SYDNEY — South African-born Gert Johannes Rademeyer an Australian citizen wanted in South Africa for fraud, was paid about R8 million to get around an international boycott against selling enriched uranium to South Africa a defence lawyer said in court here yesterday

Mr Rademeyer is facing extradition proceedings to South Africa to answer charges that he defrauded the Electricity Supply Commission (Escom) of R8-million late last year He was arrested by Australian police last February under a hastily-prepared extradition arrangement with South Africa

Mr John Agius, for Mr Rademeyer, told the court the prosecution was political and that extradition would leave him at the mercy of South Africa's rigorous nuclear energy secrecy laws which carry jail terms of up to 20 years

He said Mr Rademeyer obtained the money as commission for securing enriched-uranium contracts contrary to an international ban because of South Africa's refusal to sign the Nuclear Non-Proliferation Treaty

Koeberg

He said Mr Rademeyer was recruited by Escom senior general manager Mr Isak van der Walt, and put suppliers of enriched uranium in contact with Escom general manager (finance) Mr Leendert te Groen — for which he was paid.

Mr Agius said the Koeberg nuclear power station used enriched uranium procured by his client.

Mr Agius sought an adjournment yesterday to allow him to obtain further details of the settlement, including statements from Mr Van der Walt and Mr Te Groen.

He said his client wished to have contacts from the United States, Portugal, Spain and France called as witnesses The further information would detail the prices paid for uranium imported into South Africa and the parties involved

The magistrate refused the adjournment and remanded Mr Rademeyer in custody — Sapa-Reuter

AA warns on driving licences

SUITS

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(PLUS YOUR OLD SUIT)

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Matching Shirt & Tie of your choice
(e.g. Monatic, Consulate etc.)
Total value **R25.1**

Offer only applies to sizes 87 cm — 119 cm in regulars, shorts, longs and portlies Our expert staff will assist you and our master tailor will be in attendance Credit card holders take advantage of your credit facilities and purchase your suit requirements for the next 12 months.

BUS STOP 73 FROM TOWN — 74 FROM SUBURBS
HOURS OF BUSINESS: MON—THURS 8.15am—5.30pm; FRI 8.15am—5.45pm; SAT 8.

Ladies' Man Shop

Escom evidence 'selective'

SYDNEY — South Africa put selective evidence before a court hearing an extradition case against South African-born Gert Rademeyer, an Australian citizen, his lawyer said in court here yesterday

Mr John Agius, for Mr Rademeyer who is wanted in South Africa on $3,6-million fraud charges, said the prosecution had excluded differing sworn testimony by people whose statements the prosecution tendered yesterday.

"There's a very selective choice of what's been put before this tribunal," Mr Agius told magistrate Ms Rosemary Smith

The court heard statements from the senior general manager of South Africa's Electricity Supply Commission (Escom), Mr Isak van der Walt, its general manager (finance), Mr Leendert te Groen, and an accountant, Miss Margaret Hefer

Mr Agius said the same three people had given affidavits for sequestration proceedings against Mr Rademeyer which differed from those tendered by the prosecution

The statements tendered yesterday were made at the behest of the Transvaal's Attorney-General, Mr Klaus von Lieres, who was present in court.

Mr Agius submitted that Mr Rademeyer did not defraud Escom but was paid the $3,6-million as commission for securing enriched uranium to fuel South Africa's Koeberg power station

He said an international ban on selling nuclear fuel to South Africa necessitated Mr Rademeyer's recruitment by Mr Van der Walt and Mr Te Groen, now no longer with Escom

Mr Rademeyer was remanded in custody and the case is due to continue today. — Sapa-Reuter

PRODUCT SHRINKAGE!
10802/3
See page 11

10802/2

Anti-SA lobby wins key vote in sanctions move

WASHINGTON. — Supporters of a congressional Bill to impose economic sanctions against South Africa as a protest against its policies won a key test vote but put off final action until next month.

The Bill would prohibit new loans to businesses in South Africa, loans to the South African Government and loans to any businesses controlled by the Government, and would ban imports of Krugerrands and exports of computer equipment

Before adjourning last night, the US House of Representatives defeated an amendment which would have weakened the Bill by exempting from sanctions US firms in South Africa which follow non-racial employment policies

The vote against the amendment was 256 to 148, a margin its supporters said indicated the Bill would probably pass without major changes.

Supporters of the Bill said it would send a clear message to South Africa of US opposition to apartheid Opponents said it would reduce jobs for blacks in South Africa

A similar Bill was passed by the House last year but was not taken up by the Senate. The Reagan Administration opposes the legislation.

CHANGE

Mr Howard Wolpe, a Michigan Democrat, said "This Bill offers the opportunity to adjust our policy toward South Africa so it reflects our own values

Mr Newt Gingrich, a Georgia Republican, said. "If we discourage American business in South Africa, who will be there to show how change can be made?

"All we would do is weaken their economy, isolate further the whites and create a vacuum to be filled by Arabs, Japanese and Europeans."

Further action was put off until June 3 because the House has scheduled debate for the rest of this week on the federal budget resolution. There is then a recess for the US Memorial Day holiday next week. — Sapa-Reuter.

Ireland bans govt trade with SA

(280)

22/5/85

Dispatch Bureau

LONDON — The Irish Government is to ban the purchase of goods from South Africa by all state departments and companies.

A motion urging such a ban was passed unanimously by Fine Gael, the government party led by the Irish Prime Minister, Dr Garret Fitzgerald, at its annual conference in Cork.

The motion was recommended to the conference by the Irish Foreign Minister and deputy party leader, Mr Peter Barry.

In a sharp attack on the policy of apartheid, he told delegates that it was not a case of the blacks in South Africa choosing to live apart. "The black population do not have a choice . . . they are not free to vote."

He described apartheid as "an appalling crime against humanity. It is the imposition on the vast majority of the population of the will of a tiny minority."

However, the party conference, on the advice of Mr Barry, rejected a motion calling for support of the workers at the Dunnes supermarket chain who have been staging an anti-apartheid strike for the past 10 months.

Mr Barry told the conference the dispute was now being investigated by Ireland's top industrial tribunal, the Labour Court, and that to pass the motion "might be interpreted as prejudging the case," he added: "We applaud the courage of the girls involved in the strike and we endorse their attitude."

France says 'non' to UN trade embargo against SA

Argus 23/5/85 (Th) 280

Argus Foreign Service

PARIS — France has publicly turned down a trade embargo against South Africa

The Minister of Foreign Affairs, Mr Roland Dumas, told the National Assembly that the trade embargo set out in United Nations resolutions "would not work, and in any case might end up achieving the reverse of its aim"

The statement is the first major policy announcement on South Africa made by Mr Dumas publicly since he became Minister last year.

It is interpreted here as meaning that President Francois Mitterrand has no intention of being stampeded into any anti-Pretoria move

Mr Dumas said that an embargo should not be decided at the UN by the General Assembly but by the Security Council.

At this point, of course, France could apply its veto

The French statement was thought here in diplomatic circles to have been made after consultations with Washington and London

It was also noted that trade between France and South Africa increased by 34 percent in 1984 and the trend was continuing

But Mr Dumas made it clear that France did not agree with apartheid He said his Government was "seriously concerned" by the situation in South Africa and by the trial of UDF leaders

Cape Times 23/5/81

280

Escom man's case adjourned

SYDNEY. — Extradition proceedings against Escom's former deputy chief accountant, Mr Gert Rademeyer, were adjourned yesterday until next month after he was taken to hospital complaining of chest and arm pains

Mr Rademeyer, 49, spent several hours undergoing X-rays and cardiogram tests, but doctors said that aside from high blood pressure they could find nothing wrong with him.

He is wanted in South Africa for allegedly stealing some R8 million from Escom and depositing it in banks around the world.

Mr Rademeyer denies the charges.

Although there appeared to be nothing seriously wrong with him, extradition proceedings were adjourned to June 14 so he can seek further medical attention at Sydney's Long Bay jail, where he has been in custody since his arrest in February

The hearing began on Monday and initially was expected to last three days But officials said the hearing would have continued at least an extra day because of the mass of evidence being presented

So far, the court has heard about two-thirds of the 40 affidavits presented in support of the extradition application

On Monday, the court ruled that Mr Rademeyer was not entiled to give evidence or call witnesses on the question of his guilt or innocence. Yesterday, however, his barrister, Mr John Agius, said he would apply to Australia's Federal Court to test that ruling before the case resumes next month

Having denied the fraud allegations, Mr Rademeyer claims the money was legally due to him as a commission fee for introducing suppliers of enriched uranium to Escom

A naturalized Australian, having lived in the country for eight years until 1973, he is South African by birth Following the alleged fraud in late 1983, he arrived in Sydney in January and at South Africa's request was kept under surveillance by Australian police

Since his February arrest, he has appeared in court five times and has not been allowed bail. — Sapa-AP

Lord's Day allegation

Staff Reporter

THE manageress of a City discotheque yesterday appeared in the Magistrate's Court in connection with an alleged contravention of a section of Act 19 of 1895, The Lord's Day Observance Act.

The State alleges that Ms Sue Ann Parsons, 27, of Main Road, Mowbray, illegally kept a public place — The Mix nightclub — open for "the purpose of dancing".

No charges were put to Ms Parsons and she was not asked to plead. She was warned to appear on July 1.

Mr W J P Marais was the magistrate Mr L S Moffitt appeared for the State Mr J J Henry represented Ms Parsons.

INTERNATIONAL

Setback in struggle against sanctions

Argus Foreign Service

WASHINGTON. — The effort to save South Africa from US-imposed economic sanctions suffered a setback here when Republican Senator Richard Lugar said he was ready to consider sanctions immediately.

Senator Lugar, chairman of the Foreign Relations Committee, is a key figure in the anti-apartheid sanctions struggle

Last month, in an effort to head off an attempt by Democratic Senator Edward Kennedy and others to impose sanctions this year, Senator Lugar introduced his own Bill, which proposed that President Ronald Reagan be empowered to order sanctions if South Africa failed to make progress in eliminating apartheid by March 1987.

Surprise

While the Reagan Administration opposes all sanctions, including delayed ones, it saw the Lugar Bill as a time-buying measure in the face of urgent demands among congressmen for immediate sanctions.

Senator Lugar's willingness to consider dropping the two-year delay is a blow to the State Department, which has been telling Congress that economic sanctions could nip South Africa's reform process in the bud

His shift is a surprise in the light of indications this week that a majority in the Senate were leaning towards a delay in sanctions

Saying that the situation in South Africa appeared to be "grim", Senator Lugar announced his new attitude at a committee hearing here on sanctions.

The hearing came a day after the US House of Representatives suspended its own lengthy debate on sanctions in order to deal with the federal budget. The House debate resumes on June 4.

Impatience

Senator Lugar's Bill has been co-sponsored by Senator Robert Dole, Republican majority leader in the Senate and a 1988 presidential candidate It is not known whether he is willing to drop the two-year delay on sanctions.

But their Republican colleague on the Foreign Relations Committee, Senator Nancy Kassebaum, who is responsible for African affairs, has declared her opposition to sanctions at this stage.

She feels, however, that the administration should indicate its impatience with South Africa — perhaps by replacing Mr Herman Nickel with a new ambassador.

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Boost for sanctions

Sowetan 24/5/85

280



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Senator Lugar, chairman of the Foreign Relations Committee, is a key figure in the anti-apartheid sanctions struggle.

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His shift is a surprise in the light of indications this week that a majority in the Senate were leaning towards a relay in sanctions.

Saying that the situation in South Africa appeared to be "grim", Senator Lugar announced his new attitude at a committee hearing here where strongly opposing views on sanctions were offered

Arguing for sanctions were Mr Andrew Young, former US ambassador to the United Nations and now mayor of Atlanta, Georgia, and Mr Randall Robinson, leader of the Free South Africa Movement which is behind the wave of demonstrations throughout the US.

Opposing them were representatives of the US Chamber of Commerce and the National Foreign Trade Council.

Senate angling for compromise SA sanctions Bill

NM 24/5/85

Simon Barber

WASHINGTON—The Senate Foreign Relations Committee is edging towards a compromise South Africa Bill containing delayed economic sanctions, an immediate end to SAA's US landing rights, a mandatory Sullivan Code and increased funding for black education and human rights assistance.

Reports that the panel's chairman, Sen Richard Lugar, was prepared to drop his own legislation in favour of Sen Edward Kennedy's Bill were yesterday described as 'exaggerated' by Mr Lugar's advisers

'All he is saying is he's flexible,' one said

Informal headcounts suggest the Kennedy Bill does not have enough votes to survive as it stands when the committee meets to finalise a South Africa package on June 4, even though the House of Representatives is certain to have passed identical legislation before then.

Senate aides believe Mr Lugar's statement on Wednesday that he is 'ready to consider' alternatives to the Bill sponsored by himself, Senate majority leader Robert Dole and Sen Charles Mathias, is directed at a third bill offered by senators William Roth and Mitch McConnell.

The net result is likely to be as follows

Out All immediate sanctions involving bans on new investment, computer sales, and Kruger rand imports

In. A threat of the above in two years unless South Africa makes substantial progress towards dismantling apartheid, Closure of one South African Consulate;

No South African landing rights,

An end to all nuclear-related sales to South Africa;

Black educational assistance increased to between R30 million and R40 million;

An enlarged human rights fund to provide legal assistance to black detainees and other victims of apartheid;

Financial support for black entrepreneurs; and

Mandatory fair employment standards for U S firms in South Africa.

One grey area is the ban on U S bank loans to the S A Government and its parastatals. Such lending is already minimal. The ban could therefore be included as a sweetener for Mr Kennedy's supporters.

Sullivan in call for 'total U S embargo'

NM 29/5/85

280

Simon Barber

WASHINGTON—The Rev Leon Sullivan, author of the Employment Code, has upped his demands again and is calling for a 'total United States embargo' of South Africa if 'statutory apartheid' has not been dismantled within two years

In a letter to Sen William Roth last month, Mr Sullivan announced his support for Sen Edward Kennedy's S A Bill which would place a moratorium on all new U S investment in the country, including bank loans

Writing in yesterday's Washington Post, the Philadelphia preacher nonetheless insisted that his principles were working, particularly since being tightened to force signatories to campaign actively against apartheid

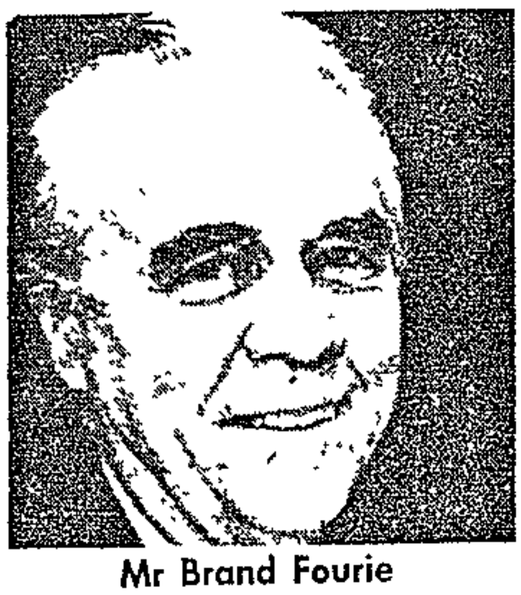
'As a result, U S plants are desegregated, equal pay for equal work is beginning to be paid to black workers, blacks are being elevated to administrative and supervisory jobs, blacks are supervising whites, blacks are being trained with new technical skills, independent free trades unions are being recognised, schools are being built, housing developments are being constructed, health centres and programmes are being initiated and young blacks by the tens of thousands are being assisted with better education,' he said.

Mr Sullivan noted with approval that 'a group of S A companies employing 1 000 000 workers, mostly blacks, is now using the principles The principles have started a revolution in industrial relations across S A'

In light of this, his hardened line might seem ironic However, he wrote, 'time is running out for peaceful change While the principles and the company effort are making progress, South Africa does not have 10 years, or five years, to free its black population before there is a massive conflagration'

US anger over SA Cabinda 'deception'

Argus 4/6/85



Mr Brand Fourie

From NEIL LURSSEN, Argus Foreign Service

WASHINGTON. — American anger and dismay over the military incursion into Cabinda is hanging like a dark cloud over the United States Congress, which today resumes the debate on economic sanctions against South Africa.

Even without the Cabinda incident, the sanctions were certain to have been approved by the US House of Representatives.

The critical issue now is the extent to which Republicans in the US Senate feel let down by a military act which, it is alleged, was aimed at sabotaging an American oil installation and not at gathering intelligence

Their attitude could tip the scales on sanctions.

A spokesman for Senator Edward Kennedy, sponsor of one of the sanctions Bills, said today. "I think the State Department believes it has been deceived by the South African Government.

"They stuck their necks out for a policy of constructive engagement which they thought would be sensible and make progress. Now they have been shot in the back. I can understand their anger."

Their disappointment

What was supposed to be just a farewell call yesterday by outgoing South African Ambassador Dr Brand Fourie on US Secretary of State Mr George Shultz, turned into yet another opportunity for the Americans to express their disappointment at Pretoria's explanation for the raid, sources said.

Since the raid took place, they said, Mr Fourie had been called to the State Department six times. The American Ambassador in South Africa, Mr Herman Nickel, had seen the Minister of Foreign Affairs, Mr Pik Botha, three times

"We have the matter under urgent review with the South Africans," a State Department spokesman said.

"We continue to press firmly at a high level for a satisfactory explanation from the South African Government. We are disappointed that the South African Government has not yet provided such an explanation"

Asked whether he thought the raid would affect US ties with South Africa, the spokesman said: "We take this incident very seriously. It is too early to say what effect it will have on our relationship (but)

Troop withdrawal welcomed



Mr Brand Fourie

date on economic sanctions against South Africa.

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What was supposed to be just a farewell call yesterday by outgoing South African Ambassador Dr Brand Fourie on US Secretary of State Mr George Shultz, turned into yet another opportunity for the Americans to express their disappointment at Pretoria's explanation for the raid, sources said.

Since the raid took place, they said, Mr Fourie had been called to the State Department six times. The American Ambassador in South Africa, Mr Herman Nickel, had seen the Minister of Foreign Affairs, Mr Pik Botha, three times.

"We have the matter under urgent review with the South Africans," a State Department spokesman said.

"We continue to press firmly at a high level for a satisfactory explanation from the South African Government. We are disappointed that the South African Government has not yet provided such an explanation."

Asked whether he thought the raid would affect US ties with South Africa, the spokesman said: "We take this incident very seriously. It is too early to say what effect it will have on our relationship (but) we are clearly entering a serious passage with the South Africans"

In spite of its openly expressed annoyance, the Reagan Administration continues to oppose economic sanctions, fearing they will blunt the movement toward domestic reform and the achievement of US diplomatic goals in the region.

The Democratic-controlled House of Representatives long ago ran out of patience with the administration's policies in Southern Africa and wants tough action this year to express US abhorrance of apartheid and Pretoria's actions against her neighbours.

Period of grace

The Republican-controlled Senate may be able to forestall immediate sanctions and opt for a two-year period of grace.

A clearer idea of what Congress will decide will emerge today when the sanctions debate resumes in two areas.

The first will be on the floor of the House of Representatives where Congressman Bill Gray's package of four sanctions measures — bans on new investments, bank loans, Krugerrand sales, and computer exports — is expected to go to the vote this evening.

The second is in the Senate Foreign Relations Committee earlier in the day, when senators are expected to decide on the form of the South African

(Turn to Page 3, col 8)

Troop withdrawal welcomed

TOS WENTZEL
Political Correspondent

AMERICAN sources today cautiously welcomed the announcement of the withdrawal of South African troops from Calueque.

It was interpreted as an attempt by South Africa to win back world confidence that it was sincere about securing solutions to the region's problems.

The West apparently remains highly sceptical about South Africa's version of why it had reconnaissance commandos in the Angolan enclave of Cabinda.

The last small group of troops at Calueque, on the border of Angola and SWA/Namibia where there is a big hydroelectric installation, had been withdrawn, the Minister of Foreign Affairs, Mr Pik Botha, said.

SA COMMITTED

He said the assurance had been given to the US at a meeting with the American Ambassador, Mr Herman Nickel.

Mr Botha also reaffirmed that the Government remained committed to the implementation of the international settlement plan based on UN Resolution 435 if an agreement could be reached on the withdrawal of Cuban troops from SWA/Namibia.

US anger at Cabinda incident

Cont from Page 1

legislation that will go to the Senate for a vote.

Most expectations are that a Bill by the committee chairman, Senator Richard Lugar, will prevail. It calls for a two-year delay before sanctions are implemented and seeks to aid blacks with education and business grants

IMMEDIATE

However, at the most recent meeting of his committee, Senator Lugar said he was ready to consider other immediate steps.

This has been taken here to mean that he may agree to sanctions from other Bills being attached to his own Bill as amendments.

There is a wide range of options for the amendments, ranging from the ban on new US investments to restrictions on the number of South African consulates in the US and a ban on South African Airways landing rights.

BIPARTISAN

Before Cabinda, analysts had predicted that the immediate sanctions Senator Lugar had in mind would be relatively mild.

They said his compromise attitude was clearly intended to forge a bipartisan approach to the South African question and an attempt to assert Senate leadership in Congress

Now they are not so sure that the amendments will be mild.

AMCHAM AND REFORM

The pressure starts

In the face of initial successes of the US disinvestment lobby, the American Chamber of Commerce in SA (Amcham) has started to make its voice heard more clearly on political and economic reform in SA. Last week, the Amcham board met Finance Minister Barend du Plessis, Manpower Minister Pietie du Plessis, Trade and Industry Minister Dawie de Villiers and senior officials of five government departments for discussions on policy reforms.

Amcham has also presented a formidable memorandum to Constitutional Development and Planning Minister Chris Heunis, as chairman of the special Cabinet Committee investigating black rights. Among other things, the memorandum asks government to announce its intention to grant the parliamentary franchise to blacks, for the unbanning of the African National Congress and Pan Africanist Congress and the scrapping of influx control

Amcham has also sent out a questionnaire to its members, asking them for their views and practical problems on questions like influx control, group areas, business rights for blacks and black citizenship.

The covering letter states. "In order for us to approach the government on issues of reform and change, we need to be as specific as possible about which changes we want to see We need to specify which irritants and constraints we would like to see removed and which suggestions we propose that will lead to a more equitable society and to a more productive work environment."

In the memorandum to Heunis, Amcham states.

☐ Government should announce that it is its intention to grant parliamentary franchise to blacks, and that this will be done when an appropriate formula has been agreed upon by the leaders of all population groups;

☐ Government should also announce that once this formula has been agreed upon, the franchise would be extended also to blacks resident in the homelands;

☐ Blacks should be given representation on the State President's Committee on National Priorities;

☐ This formula can only be arrived at by South Africans themselves through an agreed process of negotiation in which representatives of all race groups and political parties can freely participate. Therefore, the ANC and PAC must be unbanned and their leaders now in prison or exile should be granted an amnesty, subject to their agreement to participate in lawful democratic procedures and to dissociate themselves from violence;

☐ Government must immediately issue a clear statement to the effect that the black local authorities are a form of three-tier government only, and that their establishment should in no way be seen as a substitute for black political rights at other levels;

☐ Government should embark on an explicit programme to phase out influx control and the migrant labour system within a stated period of time;

☐ Continuing to deny blacks the right to own land in freehold, a right which lies at the very heart of the free enterprise system, is likely to undermine black commitment to that system The granting of freehold rights would remove a major piece of discrimination and would be conducive to greater political stability in black townships;

☐ Population removals do grievous damage to SA, both in terms of racial goodwill within the country and in terms of the country's image abroad, and should be stopped immediately; and

☐ CBDs should be opened to all, and discretion should not be left in the hands of local authorities All petty restrictions that inhibit both formal and informal business development in black townships should be removed, and the Welgemoed Commission's proposals restricting minibus taxis should be rejected. ■

Financial Mail May 31 1985

Financial Mail May 31 1985

Aussies cut trade links with SA

CANBERRA — Australia yesterday banned all future construction contracts with South African firms.

The Foreign Affairs Minister, Mr Bill Hayden, and the Construction Minister, Mr Steward West, said the policy would apply immediately to firms with a majority South African ownership.

Mr Hayden said the decision was "consistent with the government's policy to increase pressure on South Africa to abandon the obnoxious practice of apartheid".

Firms wishing to bid on future government construction contracts would be required to prove they were not dealing with a majority South African-owned firm.

The ban was immediately criticised by the opposition trade spokesman, Mr Tom McVeigh, who said it would invite retaliation against Australian companies. — Sapa-AP.

Pressure from US: 'SA Govt won't surrender'

ARGUS 6/6/85

280

From MICHAEL CHESTER
Argus Correspondent

JOHANNESBURG. — Pressure lobbies inside the United States have been warned by Mr Harry Oppenheimer, doyen of big business in South Africa, that the South African Government will not surrender to threats of sanctions and disinvestment.

And the influential former chairman of the Anglo American Corporation has added that the Government stance will be backed by "virtually all the whites, most of the coloureds and Indians and significant numbers of the blacks".

The warning comes in the wake of moves inside the United States Senate to give South Africa an 18-month deadline to show real progress with reforms — or face sanctions.

SLATED

In turn, Mr Oppenheimer has slated the South African Government for moving far too slowly with reforms to dismantle apartheid.

In spite of substantial progress in recent programmes "even reforms that have been agreed in principle seem to be held up interminably by a mass of red tape", he writes in a special publication entitled Disinvestment.

Neil Lurssen of the Argus Foreign Service reports from Washington that rejecting last-minute appeals by three of President Reagan's Cabinet ministers not to vote for sanctions against South Africa, the United States House of Representatives approved by 295 votes to 127 the Anti-Apartheid Act of 1985 that would impose tough new trade restrictions.

OVERWHELMING

Joining the 239 Democrats who supported the sanctions were 56 members of the President's Republican Party.

The Bill's sponsors claimed that Republican support, together with Tuesday's overwhelming vote in the Republican-majority Senate foreign relations committee in favour of a separate group of sanctions, was clear evidence of bipartisan opposition in the Congress to the administration's policy of constructive engagement.

DIFFICULT

This would make it extremely difficult for President Reagan to veto the sanctions when they reach his desk in August or September.

The measure approved by the House was introduced by Congressman Bill Gray of Pennsylvania, a black church leader and chairman of the house budget committee.

It has four sanctions measures:

- A ban on new bank loans to the South African Government or any of its corporations and entities.
- A ban on computer sales as well as spare parts and services to the South African Government.
- A ban on new investments by United States firms in the Republic. This would not affect re-investment by United States firms already operating there.
- A ban on the sale of Krugerrands in the United States.

Leaders urged not to over-react

Mercury Reporter

SPOKESMEN for the Federated Chamber of Industries and the South Africa Foundation have urged leaders of commerce and industry not to over-react to the move towards sanctions against South Africa in the United States Senate and House of Representatives

The Association of Chambers of Commerce, on the other hand, has said in a statement that big business ought to start laying new strategic plans to cope with these developments

At least one computer firm, Apple, is operating in Amsterdam after transferring its subsidiary company from the United States to Holland.

'The company was transferred three months ago,' said Mr David Jones, marketing manager for Apple in South Africa. 'We thought this would happen.'

Restrictions on the sale of computers are mentioned in recommendations from both Houses in Washington.

A spokesman for Burroughs said yesterday the company was taking the possibility of a computer ban very seriously. He said a senior vice-president of the corporation was in South Africa at present for talks with South African Cabinet ministers.

Early days

A spokesman for the FCI said South African business interests should not over-react on this issue.

It was 'early days' in the political process which would undoubtely give rise to some sanctions legislation this year.

The spokesman said it appeared that there was some understanding in the United States that sanctions which would, in effect, damage the South African economy, would create direct hardship to blacks in South and southern Africa

Sanctions which sought to damage the economy or penalise foreign investors were strenuously opposed by the FCI, he pointed out

Mr Peter Sorour, the director of the South Africa Foundation, said it was important to see the moves in the context of the party political fight being waged by the Republican and Democratic Parties in the U S

The majority of the Democrats, he emphasised, had found in the sanctions issue an extremely powerful weapon to bring pressure on the Reagan Administration by indicating that constructive engagement had not worked.

Realism

The attitude of some of the Republicans in the Senate, on the other hand, was that it would be politically disastrous not to be allied with these moves

However, Mr Sorour said, they were trying to steer that sort of pressure into areas that would be less damaging for the American economy

Mr Raymond Parsons, chief executive of Assocom, warned yesterday that South Africa should brace itself for sanctions in one form or another.

The time had arrived for sharp realism, he cautioned

'It would be wishful thinking to assume that the threats by the United States will vanish.

'There are too many people in the United States making a livelihood out of running anti-apartheid lobbies and they will not give up easily'.

U S bid for soft S A Bill could reach deadlock

6/6/85 Mercury

Simon Barber

WASHINGTON—Chances are growing that the U S Congress will not produce a South Africa Bill this year because the two Houses will be unable to agree on compromise language.

'We're headed for a major logjam,' staff members conceded yesterday as the House of Representatives prepared to pass by an overwhelming majority legislation banning new U S investment in South Africa

The prospect of deadlock was raised on Tuesday when the Senate Foreign Relations Committee, in a rare display of bipartisanship, voted 16 to one to adopt a South Africa Bill considerably softer than that sought by Sen Edward Kennedy and Congressman William Gray, chairman of the powerful House Budget Committee

It became clear the committee's package was far milder than the rhetoric of its proponents, including such high profile liberals as Sen Alan Cranston, Sen Paul Sarbanes and Sen Christopher Dodd, suggested

The toughest section, threatening a variety of Kennedy-style sanctions after 18 months, on close inspection turned out not to be binding

Illustrating

It merely requires the President to recommend certain sanctions if, by March 1, 1987, he concludes that South Africa had not made sufficient progress

Said Sen Charles Mathias, a moderate Republican who drafted the language 'We're not forcing anyone to do anything We're just illustrating what might be done'

Significantly, the only clause in the Senate Bill which the State Department fought wholeheartedly was the total ban on nuclear commerce until South Africa signs the non-proliferation treaty

The reason is that the Administration is trying to persuade South Africa to accept full-scope international atomic energy agency safeguards at all its nuclear facilities and sign the treaty, and is willing to provide certain types of technological assistance to help make this possible

Accepted

The computer sales ban, which was drafted with the help of IBM, covers only sections of the South African Government involved with security and the administration of apartheid, and goes just slightly beyond existing U S regulations.

The prohibition on loans to the South African public sector has already been voluntarily accepted by the U S banking community, and reflects prevailing reality.

As of December 31, 1984, 19 American banks reported a total loan to the South Africa Government of only R700 million Since then, much of the debt has been liquidated or sold

Mandating compliance with the Sullivan code has long been accepted by all sides as one of the least controversial anti-apartheid measures being considered

Penalties for non-compliance under the Senate Bill are minimal

Offending companies will not be able to rely on U S Government intercession overseas to help win contracts, but they will still be eligible for export/import bank loans and other forms of taxpayer subsidy

As for the committee's decision to quadruple educational and human rights assistance to black South Africans, the State Department's only real worry is how to use the annual R33 million effectively.

For its part, the House of Representatives is adamant that there shall be bans on new investment, loans across the board and Krugerrand imports — all immediately. So what happens?

This is where things get complicated. The Senate is likely to append its South Africa language to the State Department Authorisation Bill, which is due to be considered before the end of the month, and must be passed if the State Department is to continue operating

The House version meanwhile stands alone as the Anti-Apartheid Act of 1985 without a Senate counterpart.

Support

That means the two chambers have no specific South Africa legislation to negotiate on. The issue will have to be dealt with when they go into conference on the State Department Bill.

As this point the Senate negotiators will say We have overwhelming bipartisan support for our Bill with its South Africa amendments. Take it or leave it

Congressman Dan Mica of Florida, who is responsible for the State Department Bill on the House side, will then be faced with the uncomfortable choice of taking the Senate's South Africa language back to the House, pleading for a compromise which the Senate will unlikely accept, or agreeing to drop the South Africa issue altogether in the interest of ensuring America's diplomats continue to get paid



Mr Derek Salt

Arms trial: Briton pleads g

CAM TIMES 6/6/85 280

From MARGARET SMITH

BIRMINGHAM. — Three British businessmen have now pleaded guilty to conspiring to export arms equipment to South Africa in contravention of the international embargo against the country.

At a trial which opened in a packed Crown Court here yesterday, Mr Michael Gardiner, 59, pleaded guilty, joining two others who had previously pleaded guilty.

Conspicuous by their absence were the four South African alleged co-conspirators who, after returning to South Africa in October last year, estreated bail and failed to return to stand trial. Spare parts for Buccaneer aircraft and magnetrons — components for missiles — have been listed as some of the items which were alleged to have been exported to South Africa in defiance of the United Nations arms embargo, which is controlled through British customs regulations.

Evidence contained in scores of boxes of documents and in wooden crates, was wheeled into court and stacked high. It included metal parts, crucial to the case, for much will depend on the intended use of these components.

Soon after the jury was sworn in the judge, Mr Justice Mars-Jones, adjourned the case at the request of the defence counsel so that they could examine the mass of evidence.

The accused in the dock at the start of the case yesterday were: Mr Derek Salt, 60, of Coventry, Mr Michael Gardiner, 59, of Devon, Mr Arthur Rowley, 52, and Mr Malcolm Bird 48, both of Balsall Common, Warwickshire.

However, Mr Gardiner changed his plea to guilty and the judge agreed that his bail should be extended.

He will not need to appear in the dock again until the end of the trial, for sentencing.

A further two Britons have already pleaded guilty to similar charges. They are Mr Michael Jeffrey Swann, 33, and Mr Henry John Coles, 71, both of Bath. They, too, are not in the dock.

It is understood that at least one of the accused will be called as a state witness.

Any such witness, called by the prosecution, could disclose highly sensitive details of Armscor operations in the UK.

This case is being watched keenly in diplomatic and political circles.

The four South Africans, who are named as co-conspirators, are all senior Armscor officials. They are Mr Hendrick Jacobus Botha, Mr Stephanus Johannes de Ja
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The sensational case first c

Arms trial: Briton pleads guilty

CAPE TIMES 6/6/85

ARET SMITH

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The four South Africans, who are named as co-conspirators, are all senior Armscor officials. They are Mr Hendrick Jacobus Botha, Mr Stephanus Johannes de Jager, Mr Jacobus Francois le Grange and Mr William Randolph Meterlerkamp.

During the hearing yesterday Mr David Latham, prosecuting, asked Mr Justice Mars-Jones if evidence obtained from the United States and now in the custody of the courts could be released.

"Sources" in America had asked for their release as they related to the travels of the South African defendants while in the United States and "those gentlemen" were not present in court.

The judge agreed to this request.

The sensational case first came to light with the arrest of the four South Africans and a Briton, Mr Swann, on March 31 last year.

The British accused are said to have conspired with the four South Africans and others to evade the prohibition of sales of certain military equipment to South Africa.

On May 22 last year, the four South Africans were granted bail of R50 000 each on a series of stringent conditions which included a solemn undertaking by the South African Government to guarantee the return of the four men.

The case continues today.

Support for anti-SA steps

CAPE TIMES 5/6/86

From SIMON BARBER

WASHINGTON. — The Senate Foreign Relations Committee, in a 9-7 vote on party lines, yesterday rejected Senator Edward Kennedy's proposal of immediate bans on new investment in the Republic and on Kruger rand imports into the United States

It also rejected a bid by conservative Senator William Roth to terminate South African landing rights in the US

Nevertheless, the Republican-dominated committee voted 12 to 5 to end all nuclear commerce between South Africa and the US, bar bank loans to the South African Government, restrict computer sales to the South African private sector and to government agencies not involved in the implementation of apartheid, and to make the Sullivan Code mandatory.

Furthermore, the committee overwhelmingly supported threatening Kennedy-style sanctions within 18 months — to start in March 1987 — unless Pretoria was judged to have made substantial progress towards eliminating apartheid

Education

The senators also voted to increase funding for black educational projects to $15-million (R30-million), nearly four times existing levels

They also agreed to extend US Government loans and lending guarantees to black-owned businesses and to require the president to begin consultations with US allies on a concerted programme of sanctions.

A last-minute effort by the chairman, Senator Richard Lugar, to soften the nuclear trade ban, on the grounds that it might prevent the vetoing of the legislation, was defeated.

The senators were unanimously outraged by South Africa's controversial military operation in Cabinda, and called on Mr Frank Wisner, the deputy assistant Secretary of State for Africa, to explain

● There are eighteen members of the committee, not all of whom are necessarily present

Get ready to fight sanctions, SA told

NEWS 5/6/85 280

Argus Correspondent

JOHANNESBURG. — South Africa was advised by big business today to start laying new strategic plans to cope with sanctions that may be imposed by the United States.

The advice came from the Association of Chambers of Commerce on the heels of moves in the US Senate to give the South African Government a deadline to show real progress in sweeping away apartheid within the next 18 months — or face sanctions.

Mr Raymond Parsons, chief executive of Assocom, said it was impossible to predict the precise actions intended by critics in the US, but South Africa should brace itself for the possibility of sanctions in one form or another



Mr Raymond Parsons

"So far there has been more rhetoric than action," he said "But the time has arrived for sharp realism

"Fortunately, we have a few arrows in our quiver that can be used to good effect Obviously we would prefer to avoid disinvestment and sanctions but we are not without remedies if the worst happens. We can handle it if we plan properly"

● The Argus Foreign Service reports from Washington that the Reagan Administration's efforts to save South Africa from economic sanctions received a severe setback when a key committee of the United States Senate voted 16-1 to support sanctions, including a ban on bank loans to the South African Government.

The vote makes it likely that both chambers of the US Congress will approve sanctions this year and that President Reagan will ultimately have to decide whether or not to veto them.

It is a blow to the Administration's policy of constructive engagement, a cornerstone of which is that sanctions will retard the momentum of reform in South Africa.



Mr Raymond Parsons

"So far there has been more rhetoric than action," he said. "But the time has arrived for sharp realism.

"Fortunately, we have a few arrows in our quiver that can be used to good effect. Obviously we would prefer to avoid disinvestment and sanctions but we are not without remedies if the worst happens. We can handle it if we plan properly."

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It is a blow to the Administration's policy of constructive engagement, a cornerstone of which is that sanctions will retard the momentum of reform in South Africa.

After a day of intense debate, the Republican-majority committee approved a Bill introduced by its chairman, Senator Richard Lugar, but added amendments from other Bills that make the original measure much tougher.

The Lugar Bill seeks to aid South African blacks through educational and business grants and directs the President to impose sanctions if no progress has been made in eliminating apartheid within 18 months.

The amendments added yesterday are not subject to the 18-month delay. They are:

● A ban on United States bank loans to the South African Government, except for education, housing and health facilities available to all;

● A ban on all computer exports to South African security forces or agencies enforcing apartheid;

Nuclear trade

● A ban on nuclear trade and co-operation between the United States and South Africa;

● A provision that the Sullivan code become mandatory for the estimated 300 American companies in South Africa.

The committee rejected Senator Edward Kennedy's sanctions package which included an immediate ban on Krugerrand sales in the US and an end to new American investments. It also rejected a move to end all SAA flights to the United States.

While the Foreign Relations Committee was hammering out its sanctions provisions from the many that had been proposed, the House of Representatives was debating its own sanctions measure, the Anti-Apartheid Act of 1985.

This measure, introduced by Congressman Bill Gray of Pennsylvania, is identical to the Kennedy Bill and it is certain to be approved.

The House adjourned without taking a final vote. It did, however, reject by wide margins amendments proposed by Republican congressmen that sought to soften the sanctions by making the ban on new investments subject to the approval of blacks in South Africa, and the ban on Krugerrand sales conditional to its not being in violation of the General Agreement on Tariffs and Trade.

Four accused of defying UN arms embargo

Britons on trial over exports to S Africa

X 280 NM 5/6/85

London Bureau

THE trial of four Britons on charges of illegally exporting military equipment to South Africa opens in the Birmingham Crown Court today amid intense political and diplomatic interest

Spare parts for Buccaneer aircraft and magnetrons — components of missiles — have been listed as items which were exported to South Africa in defiance of the United Nations arms embargo which is monitored in Britain through customs regulations.

British Government sources disclosed yesterday that one of the Britons has turned State witness and could disclose sensitive details of Armscor's operations in Britain.

The trial is expected to last at least two weeks.

Another two Britons have pleaded guilty to similar charges but have not yet been sentenced.

Four South Africans, senior officials of Armscor, failed to appear in the Coventry Magistrate's Court on similar charges last year after the South African Government had given a pledge to a British High Court judge that the men would return for trial.

Damaged

The S A Government made it clear that the non-return of the 'Coventry Four' was an act of direct retaliation for the British Government's decision to give sanctuary to six members of the United Democratic Front who occupied the British Consulate in Durban.

A British Foreign Office spokesman yesterday reiterated that the failure of the S A Government to honour its pledge to return the four had damaged bilateral relations and would continue to do so.

The trial is recognised in legal circles as a highly complex one which has already broken new legal ground

Legal documents and evidence before the Court already runs into thousands of pages.

The four Britons who pleaded guilty at a hearing in April to charges of contravening Britain's export control regulations, by illegally exporting military equipment to South Africa, are: Derek Salt, 60, of Coventry, Michael Gardiner, 59, of Devon, Arthur Rowley, 52, and Malcolm Bird, 48, both of Balsall Common, Warwickshire.

The two Britons who pleaded guilty to the charges at the same hearing were: Michael Jeffrey Swann, 33, from Hertfordshire, and Henry John Coles, 71, from Bath

The Judge who conducted the hearing, however, ruled that the British Press may not report the guilty pleas in terms of the Contempt of Court Act

Implicated

The four South Africans who failed to appear at the committal proceedings in the Coventry Magistrate's Court on October 22 last year were: Hendrik Jacobus Botha, Stephanus Johannes de Jager, Jacobus Francois le Grange and William Randolph Metelerkamp.

The case first came to light with the arrest of the four South Africans and Mr Swann, on March 31 last year.

Between then and April 4 this year a further five Britons were implicated

On May 22 last year the four South Africans were granted bail of R50 000 each on a series of stringent conditions which included a solemn undertaking by the S A Government to guarantee their return.

They returned for a remand hearing on June 25 but on September 24 Foreign Minister Pik Botha told Britain that South Africa had decided not to return the four in line with the 'doctrine of reprisal' in retaliation for the British failure to hand over the Durban Six.

Huge US vote to impose sanctions

Cape Times 6/6/85

WASHINGTON. — The House of Representatives yesterday overwhelmingly voted to impose economic sanctions on South Africa as a protest against apartheid

The bill, passed 295 to 127, would bar all United States loans to the South African Government and its agencies and ban all new US investment in South Africa. It would also prohibit imports of Krugerrand gold coins and exports of US computer equipment to South Africa

A similar measure was approved by the Senate Foreign Relations Committee on Tuesday and the full Senate may act on it later this month.

Last year, the house passed an anti-apartheid sanctions bill, but the Senate never acted on the measure

Supporters said the bill would put pressure on South Africa to change its racial policies, but opponents said it would be counter-productive

"The time for action is now," Democrat Mr Stephen Solarz said "US policy is a failure"

But Secretary of State Mr George Shultz and Treasury Secretary Mr James Baker said the bill would hurt South African blacks and set back efforts to end apartheid

"We cannot simply walk away from South Africa or throw our hands up in an act of moral indignation," he said — Sapa-Reuter

Western governments opposed to sanctions

280

Argus 7/6/85

Argus Foreign Service

LONDON. — The Africa policy-makers for the two major Western powers have clearly demonstrated their opposition to punitive economic sanctions against South Africa.

However, while Britain's Mr Malcolm Rifkind repeated his Government's unequivocal opposition to economic sanctions, America's Dr Chester Crocker hinted that the Reagan Administration might accept elements of a Senate package aimed at encouraging change in South Africa.

Both men spoke yesterday at an expensive, exclusive seminar on South Africa organised for senior multinational corporation executives by a Geneva-based company.

Dr Crocker, Assistant Secretary of State for Africa, said the campaign in America against the South African Government was based on "one-dimensional thinking" and a failure to assess the situation correctly.

"COSY"

He denied suggestions that the relationship between the Reagan Administration and the South African Government was "cosy".

Examining the congressional moves for sanctions, he said the Bill which was now moving through the Senate was a "more thoughtful" measure than the "punitive" Bill jointly sponsored by Senator Edward Kennedy and Representative William Gray, of Pennsylvania.

Mr Rifkind, Minister of State at the Foreign Office, said sanctions had never worked, they would affect not only South Africa but its neighbouring states and those states which imposed them. It was clear blacks in South Africa did not want them.

Thatcher 'no' to SA sanctions

CAPE Times 7/6/85

280

From JOHN BATTERSBY

LONDON — The British Prime Minister, Mrs Margaret Thatcher, yesterday rejected economic sanctions as a means of forcing change in South Africa

Responding to a question by Conservative MP Mr John Carlisle in the House of Commons, Mrs Thatcher said: "I am aware of moves in the United States Congress Several different bills are under consideration We cannot speculate on the outcome

"It remains our view that sanctions and disinvestment will not bring about the changes we all wish to see in South Africa."

Mr Malcolm Rifkind, Foreign Office minister responsible for South Africa, said yesterday that the British Government was not interested in "emotional and symbolic gestures" which made no contribution to achieving reforms in South Africa

Mr Rifkind was responding to votes in the United States House of Representatives approving a range of economic sanctions against South Africa including a ban on US bank loans and new investment

He called on Western companies operating in South Africa to set the "highest standards" by ensuring desegregation in their own places of work and paying wages that were "consistent with the requirements of the situation"

"They must show that the involvement of Western business in South Africa helps the black community and helps economic progress," he said

Mr Rifkind warned that reform in South Africa was "too timid and two slow and has not addressed the fundamental problem of political rights for blacks".

● Meanwhile, spokesmen for the Federated Chamber of Industries and the South Africa Foundation have urged leaders of commerce and industry not to overreact to the bill which has not yet become law.

The Association of Chambers of Commerce, on the other hand, has said in a statement that big business ought to start laying new strategic plans to cope with these developments

At least one computer firm — Apple — is operating out of Amsterdam after transferring its subsidiary company from the US to Holland

"The company was transferred three months ago,' said Mr David Jones, marketing manager for Apple in South Africa

Restrictions on the sale of computers are mentioned in the US sanctions bill.

A spokesman for Burroughs said yesterday that the company was taking the possibility of a computer ban very seriously

Mr Raymond Parsons, chief executive of Assocom, warned that South Africa should brace itself for sanctions in one form or another.

Network 'supplied SA with arms'

Cape Times 7/6/85 280

Own Correspondent

BIRMINGHAM. — The jury in the trial of three British businessmen charged with conspiracy to illegally exporting arms to South Africa were yesterday handed bundles of documentary evidence alleging an international smuggling network.

The details given described a complicated network of firms and subsidiaries set up in Britain, the United States, West Germany and South Africa which, it is alleged, arranged the export of embargoed armaments and components to South Africa

Prosecution barrister Mr David Latham claimed the papers indicated a regular trade in banned military goods for South Africa dating back to longer than seven years.

The items included magnetrons, gun sights, coolers and infra-red detectors which allegedly formed part of a guided-missile system

The prosecution alleges they were being shipped from America via British and West German companies to South Africa

Appearing before Birmingham Crown Court are Mr Derek Salt, 60, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 48.

They have each denied conspiracy to evade the international embargo on the export of prohibited military and engineering items to South Africa

Sapa reports that three other Britons have pleaded guilty to the same charges. They will be sentenced at the end of the trial, expected to last four weeks.

Mr Latham said Mr Salt was managing director of a Coventry-based company, D W Salt Engineering, and had interests in a South African company called Quad Engineering and another in West Germany named GTT.

Mr Rowley was assistant manager of D W Salt Engineering, while Mr Bird was general manager of another Coventry company, Hitech Engineering.

One of the men who has pleaded guilty, Mr Michael Gardiner, was director of a third British company allegedly involved in the illegal trade, Foss Way Securities.

Four South Africans — Mr William Metelerkamp, Mr Stephanus de Jager, Mr Jacobus le Grange and Mr Hendrik Botha — have also been named in the charges, but because of a diplomatic row between Britain and South Africa they did not return for trial in October last year.

It is alleged that a key man in South Africa who was directly involved in the top-secret smuggling operation used the codename "Randy" in messages.

The starting point of the British customs investigation was the seizure of a consignment of embargoed items at Birmingham Airport on March 16, 1984, it was claimed.

Prawns

Business Report today, pages 10 and 11

RUGBY SPECIAL

THE Cape Times will carry a full report of tomorrow morning's second test between the All Blacks and England in Wellington in a special rugby edition. Special editions of the Cape Times will be available on street corners and from major outlets throughout the Penin-

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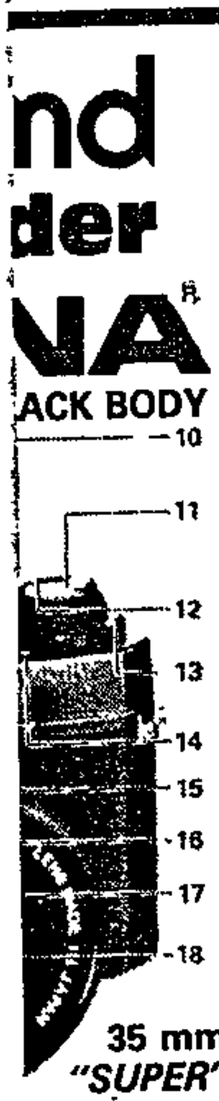

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Prawns

Giving evidence Mr Michael White, an investigations officer for the Customs and Excise Department, said that on March 28 last year at London's Heathrow Airport, he arrested Mr Salt.

He was on an SAA flight from South Africa where, among others, he had met Mr Metelerkamp, one of the "Coventry Four" who allegedly used the code-name "Randy".

Mr Salt said he had had prawns and wine at Mr Metelerkamp's home and had been given a diagram of an engineering item to bring to the UK.

He had claimed he understood the component was for a TV mount, but it was in fact, the court alleges, for use in armaments.

Later investigations of British firms and their subsidiaries had "set the cat among the birds", Mr Latham claimed.

'We're sunk'

Another of the accused, Mr Bird, became "very concerned", Mr Latham claimed.

Mr Bird ordered certain documents to be destroyed. He was alleged to have said: "If the customs find this we are sunk."

In fact, the documents were not destroyed and are being produced in the trial.

The prosecutor said the whole story really started seven years ago when the South Africans started their dealings to bring embargoed goods into the Republic.

Among the array of items which it is alleged

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To page 2

INSIDE

C.T 7/6/85 A

From page 1

found their way to South Africa in this top-secret operation were lead sulphate detectors, cryostat — or coolers — and magnetrons, which are electronic devices used to jam radar

The detectors are small electronic devices which can be used in heat-seeking missiles

Cover

The court alleged that as "a cover" these were referred to in confidential communications with South Africa as "fire safety detectors'

Regarding armaments Mr Latham said equipment for the manufacture of arms was sent to South Africa either directly or through Germany

At yesterday's hearing the judge made an order for all the British accused, who are on bail, to hand in their passports Bail is fixed at R140 000 each

Mentioning the need for this, Mr Justice Mars-Smith referred to the South Africans absconding as 'a dramatic change in circumstances' from the first hearing

Mr Latham said the chief buyer for South Africa was one of the four arrested here Mr Metelerkamp, who later absconded

Confidential telexes and telegrams said to be from Metelerkamp were read to the court

The trial continues today.

Curious logic on sanctions

Cape Times 8/6/89

280

From KOOS COETZEE (Rondebosch):

PROFESSOR David Welsh (Cape Times, May 28 and May 30) reveals rather curious logic in his two anti-disinvestment articles

According to Professor Welsh, "we" (who are "we"? liberals? the government? blacks?) should demonstrate that sanctions are likely to hinder reform in SA

He states in the same paragraph "This has to be a subtle argument that relies on nice distinctions, because I have already conceded that the threat of disinvestment has been one factor in spurring reform".

In other words, the threat of disinvestment (or sanctions) is a spur to reform, but the real McCoy will hinder it — a very "nice" distinction indeed Sanction threats deliver the goods, but as soon as they are given teeth and start biting, you are back to square one Keep up the threat chaps, as long as they are not for real, thank you

Professor Welsh himself does not demonstrate in any way how disinvestment will hinder political reform, although he embroiders on the woes that the economy, and the blacks, will suffer

His argument is in fact so "subtle" that his statements on reform become nonsensical, giving one the idea that he is willing to clutch at straws to justify his viewpoint

Professor Welsh also makes use of spurious logic, besides being patronizing, when he tells blacks, in effect, that they already have job advancement, increasing consumer power (in this economy?) as well as trade union rights and should therefore not look for other means in their struggle for political liberation In other words, forget about disinvestment, forget about internal revolt, forget about fighting a war Be happy with your trade unions, educate yourselves (with Bantu education?), and accept the yoke of apartheid in the interim because one day you will be liberated

How?

Professor Welsh puts it succinctly "It is highly likely that the more economically advanced and better educated a population group becomes, the more it will demand a share of political power and the less easily it will allow itself to be discriminated against"

In other words, become educated, get into executive and white-collar positions, and from there you can smash apartheid.

Giving them this advice, Professor Welsh does not bother telling them how to do it when they reach this "level". (How many political activists do you find in "top positions"?)

Professor's Welsh's argument smacks of the discredited O'Dowd theory which regards the political system of apartheid as a relic from the past which will be made redundant by the demands of a capitalist economy

Apartheid, as we all know, is constantly updated

I think white liberals in this country should stop preaching and prescribing to blacks If blacks have the political finesse to view disinvestment as one arm of a multi-pronged strategy to get rid of apartheid, they should not be given simplistic paternalistic advice to accept their lot

'This year a little slice in America. Next year a little slice in England or France. We are not resisting a specific little piece of legislation. We are resisting the start of a process which is aimed at eventual, total, mandatory sanctions.'

Louis Nel and the Salami Syndrome

by JOHN MACLENNAN, Political Staff

WE are sitting in Louis Nel's huge office on the 16th floor of Cape Town's H F Verwoerd Building. It has wrap-around windows and you can see from here to next week.

"Here," says the Deputy Minister of Foreign Affairs,"we believe in open Government." And the sweep of his arm takes in everything from Table Mountain to Robben Island.

He is in turn providing us with a view of the Government's stance on the disinvestment and sanctions campaign, now causing a furore both here and in the United States.

He seems to be the most visible member of Government talking on the subject at the moment and caused a fuss earlier this week when he warned the United States its efforts would cause great hardship to foreign blacks working here More than a million, he suggested, might have to be fired if disinvestment leads to unemployment.

'Salami' politics

In his view Disinvestment '85 doesn't amount to much. It's the grand plan of Salami Politics which concerns him.

"If it means computers will not be sold to the security forces, or there will be no co-operation in nuclear matters then it will have no effect because there are already laws covering this in the United States.

"A prohibition on the sale of Krugerrands will also not be fatal because there is the possibility we can sell them in many other parts of the world.

"The important thing is that this is not a one-off event. We must see it in its historic perspective. For many years there have been attempts to introduce mandatory sanctions at the United Nations. And they have always failed.

"Now our enemies have decided on another strategy. This is the so-called salami process. This year a little slice in America. Next year a little slice in England or France. We are not resisting a specific little piece of legislation. We are resisting the start of a process which is aimed at eventual, total, mandatory sanctions."

He ticks off the steps which still have to be taken before the US Government can pass the disinvestment legislation it is now considering and concludes "The worst scenario for 1985 is not serious at all. What is serious is the on-going process. We do not know how far it will go."

Investment cake

At stake at the moment are the activities of the 284 American companies with direct investments here. To put them in perspective: 10 per cent of total investment here is foreign and only 25 per cent of this is American EEC countries and the rest of Europe are responsible for about 67 per cent of the investment cake.

He believes in the domino theory and is adamant that if the American disinvestment campaign is successful we can expect this sizeable European element in our economy to be the next target

"Some of the proposed legislation obliges the US President to negotiate with South Africa's trading partners in order to get them to take similar action"

How successful would he be? "It depends on the Government If Labour gets into power in Britain Neil Kinnock is their leader and he has already said he is in favour of sanctions."

Reform programme

If the salami process continues, how will it affect the reform programme, attempts to establish a new deal with more jobs, better living conditions?

He eyes one of two South African flags on his desk and reflects:"Reform is adaption. Reform is change And as far as it affects whites it is also sharing. These things are more easily possible in times of economic prosperity than in times of economic misery."

So what to do? What he says amounts to the bottom line It amounts to a firm Nee, No, Non, Nein, Nyet or whichever other way the foreign audience wants to hear it:"I'll tell you what we cannot do. We cannot accelerate the reform process in an evolutionary manner with the support of our own power base in time of economic distress It's just not possible."

He believes that in sanctions the people he calls "do-gooders" have "got hold of the wrong stick."

Change recognition

Instead there should be constant recognition of changes and the development process taking place in South Africa, greater investment and greater involvement of South Africans in the international arena.

"They want us to apply less apartheid. They want us to mix more and share more. But they want to do it by applying greater apartheid against South Africa as a whole. This is absurdity in top gear.

"If you want to increase the rate of reform, then you have to increase the rate of development."

South Africa might also have to use all its enterprise to stand on its own without the assistance of technological exhanges with the rest of the world. But at best, he feels, we are going to fall far behind.



Mozambican refugees in search of food and jobs in South Africa. They were photographed recently in the Transvaal by a party which went to investigate farmers' reports that illegal immigrants were continually coming over the border.

QUOTE

'The worst scenario for 1985 is not serious at all. What is serious is the on-going process. We do not know how far it will go.'

He has been at pains this week to make it clear that illegal foreign workers might have to be repatriated in orderly fashion if disinvestment leads to unemployment and predicts bluntly:"The rest of Southern Africa is going to suffer. Economic development is extremely difficult as it is. But here are jobs and here is money which goes to various Southern African countries If South Africa is harmed ... she will have to defend herself."

At about this point he brings out a set of colour prints They show a group of blacks — mainly women and children — cooking up a meal in the veld They were in search of food and jobs and are among the many who cross into South Africa continually The pictures were taken when a party, including two members of the Cabinet, went hunting in the Eastern Transvaal recently.

And they, he adds, are the people the "do-gooders" should keep in mind."They will have a wonderful opportunity to show how much they care for the blacks of Southern Africa ... It is easy to make laws without accepting responsibility for your deeds. But if they damage the South African economy the consequences will be hunger and black instability. Disinvestment, successfully employed, is an act of violence against blacks."

He would like to see a preamble to American bills which says something like:"We are prepared to accept the consequences of what we are doing and therefore legislate as follows ...."

Mr Nel says disinvestment "is going to be an incredible moral dilemma for America But we are going to win the fight The campaign is evil and Americans are starting to find it out now."

And at the same time:"We won't beg. We won't go on our knees. And we won't capitulate."

Buthelezi tells of 'distrust'

CM-Times 8/6/85

280

From WISEMAN KHUZWAYO

LONDON. — Chief Gatsha Buthelezi has unveiled a "declaration of intent" which he says President P W Botha must accept in principle before negotiations between blacks and whites in South Africa are possible.

Although he described his plan as "tentative", it sets out in detail the Zulu leader's position in response to President Botha's invitation for talks.

President Botha said Chief Buthelezi should take part in a forum that would examine how the political rights of urban blacks could be accommodated with the Republic's constitution.

Speaking during a two-day private business conference which ended in London on Thursday, Chief Buthelezi said he was absolutely certain that the politics of negotiation between blacks and whites in South Africa would not begin until the government committed itself publicly to a programme of reform contained in a declaration of intent which blacks are prepared to countersign with the State President.

'I would be abandoned'

"I have been chided from a number of quarters for not hearing the State President as being fully committed to bringing about meaningful change. Those who thus chide me are not aware of the deep distrust which exists in black hearts and minds about the stated good intentions of the National Party.

"I would be abandoned by my constituency if I turned to them and asked them to put black South Africa's future in the hands of the State President because I believed he was a good fellow and would not let them down," said Chief Buthelezi.

The Zulu leader's declaration, in its preamble, says power in South Africa should be shared in such a way that no one group can dictate any other's self-determination.

The plan commits black and white leaders to finding an alternative system involving universal adult suffrage, agreeing to common citizenship and to achieving the legitimization of the instruments of government.

Brief comment by Viljoen

Delegates attending the high-level conference included Mr Chester Crocker, the US Assistant State Secretary on Africa, and Mr Malcolm Rifkind, the British Foreign Minister with responsibility for Africa.

Sapa reports that after the conference on future trade and investment links with South Africa, held behind closed doors, ended, South Africa's Minister of Co-operation and Development, Dr Gerrit Viljoen, who was a key speaker, was prepared to make only a brief comment about it.

"The conference enabled the multinational companies to discuss the climate and environment in which they operate (in South Africa)," he said.

"It covered a very broad area of what is going on in South Africa and was aimed at increasing the understanding of the situation in the Republic, both politically and economically."

Dr Viljoen added: "The question of disinvestment only came up incidentally."

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Wilkins French Roberts 2415

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Britain rules out all SA sanctions

10/6/85

LONDON — Britain yesterday rejected the possibility of imposing any form of sanctions against South Africa — even if it meant isolation in the European Economic Community, the Commonwealth and the United Nations.

Minister of State for Southern Africa at the Foreign Office, Malcolm Rifkind — interviewed on the "Weekend World" TV programme — said any responsible government had to take a long-term view of sanctions.

This involved assessing whether sanctions was in the interests of Britain and whether it could serve to quickly and effectively dismantle apartheid.

"We also have to take into account the almost total failure of sanctions wherever else they have been applied," he said.

"Weekend World" looked at three sanctions options, all of which have now been ruled out by Britain:

☐Total economic sanctions against SA;
☐Total disinvestment;
☐A freeze on international loans and new investment.

In the United States, pro-disinvestment legislation appears to be headed for approval by Congress although American politicians and analysts are deeply divided about its impact on Pretoria, *Sapa-Reuter* reports.

The Reagan administration opposes any form of economic sanctions, insisting its policy of "constructive engagement" is the best way to coax reforms.

Own Correspondent

Yet opposition to SA's racial policies has grown so rapidly in the last six months that many legislators believe President Reagan will be unable to veto the sanctions Bill sent by Congress.

Some experts believe, however, that even total US disinvestment would have little economic impact as Pretoria's West European and Japanese trading partners would step in to fill the gap.

This view has been echoed by Assocom's chief executive, Raymond Parsons, who said in Johannesburg at the weekend that US disinvestment could open up new opportunities in the SA market for European businessmen.

Parsons urged businessmen to evaluate the most vulnerable US business interests in SA and plan accordingly.

"No doubt Japanese and European computer firms will be pleased to exploit the proposed ban on computer sales, and the price of Krugerrands may even rise because of the ban on sales.

"One of the more positive consequences of US disinvestment could be for countries with a tradition of neutrality in their international relations to strengthen banking relationships with SA."

Oslo joins sanctions club

OSLO — Norway has approved measures to restrict trade with South Africa that could disrupt vital shipments of crude oil.

The Norwegian sanctions also include licensing of all trade with the Republic and a total ban on imports of South African fruit and vegetable products.

The Oslo government, welcoming moves by the US Congress to impose sanctions against apartheid, said on Saturday it would introduce a compulsory register of all Norwegian ships calling at South African ports.

Oil company sources said compulsory registration, although not representing a ban, would embarrass tanker owners with valuable contracts with Middle East oil producers, who ban oil exports to South Africa.

The Norwegian Shipowners' Association attacked the government move, saying cargoes could be sold many times during a ship's voyage and the limitations would also disrupt shipping trade with other countries.

The Norwegian sanctions were prompted by the award in Oslo last year of the Nobel peace prize to anti-apartheid campaigner Bishop Desmond Tutu. — Sapa-Reuter.

(91)280 Bus Day

Firmer Australia ban on SA work

10/6/85

Business Day Reporter

THE Australian government's ban on construction contracts with South African firms could be extended to include a broader range of government agitation, according to Australian Foreign Affairs Minister, Bill Hayden

He said the federal government's decision not to enter into construction contracts with firms that had a majority South African ownership, would strengthen government's policy to remove unavoidable official assistance to commercial relations between the two countries

The statement was released by the Australian Embassy in Pretoria. It said. "The government will examine the implications of extending this policy on government construction contracts to a broader range of government activity."

An embassy spokesman said the statement could not be expanded on at "this stage".

However, he added that in accordance with government policy, relations between the private commercial sectors of the two countries would not be restricted.

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City Cosmetics Claremont

Britain rules out sanctions

280

CAPE TIMES 10/6/85

Own Correspondent

LONDON. — The British Government yesterday flatly ruled out the possibility of imposing any form of sanctions against South Africa — even if it meant isolation in the European Economic Community (EEC), the Commonwealth and the United Nations.

Mr Malcolm Rifkind, Minister of State for Southern Africa at the Foreign Office, justifying Britain's position on sanctions, said any sensible or responsible government had to take a long-term view.

This involved asking if one were embarking on a process one thought to be right, not only in the interests of Britain but also in the interests of dismantling apartheid as quickly as possible.

"And we do have to take into account black opinion in South Africa, which is divided. We also have to take into account the almost total failure of sanctions wherever else they have been applied," he said.

TV programme

Mr Rifkind said Britain would discuss the whole issue with its allies in the Commonwealth and indicated that Britain would keep a keen eye on the dismantling of apartheid in South Africa, looking at any process that would hasten this.

Mr Rifkind's statement was made on the BBC programme "Weekend World", produced by one of Britain's top political commentators, Mr Brian Walden.

The programme studied the whole question of sanctions against South Africa, which has been an issue for years in the Third World and recently in the United States and increasingly in the EEC and Britain.

Measures examined were total economic sanctions against South Africa, total disinvestment and a freeze on international loans and new investment.

All three were ruled out by Britain, with Mr Rifkind acknowledging that this attitude could place Britain in an isolated position

Mr Walden said that in opposing sanctions against South Africa, Britain could find its worst difficulties in facing the Commonwealth.

While the US approach of "constructive engagement" had seemed to have a chance of working, the British Government had been able to keep Commonwealth critics at bay. Now, however, if the British Government resisted moves against South Africa, it could find the whole Commonwealth against it.

Sir Shridath Rampnal, secretary-general of the Commonwealth, speaking on the same programme, said that Commonwealth countries — including Australia, a member of the Security Council — had already signalled their support for selective sanctions

The pressure on Britain to be part of this would be "really very substantial". Sir Shridath said

'Real issues'

Mr Walden said it was very likely that President Ronald Reagan would not veto action against South Africa and this would also put tremendous pressure on Britain, "because the American lead would be adopted by pretty well everyone else"

Mr Rifkind said the world was unanimous that much more fundamental reform was needed in South Africa However, Britain asked: Would sanctions help or hinder the process of reform? Could they be enforced and, if so, whom would they hurt?

"These, I think, are the real issues, and our conclusion is, in effect, that sanctions — whether against South Africa or elsewhere — do not give rise to the belief that this will actually help the process that we seek."

Pointing to the dismantling of job reservation, Mr Rifkind said the process of reform in South Africa was in some ways assisted by the development and the industrialization of the country.



Mr Malcolm Rifkind . . . we do have to take into account black opinion in South Africa

Gleneagles

Mr Rifkind said Britain already supported two types of "sanctions" against South Africa — the arms embargo and the Gleneagles sports embargo. These "sanctions" were enforceable and there was no debate about them doing more harm to blacks than to the apartheid system.

The issue of economic sanctions, however, was very vigorously debated in South Africa's black community. Chief Gatsha Buthelezi, a respected leader of the black community, was against them, other respected leaders were in favour.

Mr Rifkind said it would be a boon to the ultra-reactionaries in South Africa if the present process of inadequate reform were to lead to sanctions.

● **Divestment: 'No great damage' to SA, page 2**
● **US divided on sanctions impact, page 7**

Norway moves against SA

OSLO — Norway has approved measures to restrict trade with South Africa that could disrupt vital shipments of crude oil there.

The Norwegian sanctions also include licensing of all trade with the Republic and a total ban on imports of South African fruit and vegetable products.

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Oil company sources said compulsory registration, although not representing a ban, would embarrass tanker owners with valuable contracts with Middle East oil producers, who ban oil exports to South Africa.

The Amsterdam-based Shipping Research Bureau, an anti-apartheid group, claims that Norwegian tankers supply Pretoria with oil.

The Norwegian Shipowners' Association attacked the government move, saying cargoes can be sold many times during a ship's voyage and the limitations would also disrupt shipping trade with other countries.

The Norwegian sanctions were prompted by the award in Oslo last year of the Nobel Peace prize to anti-apartheid campaigner, Bishop Desmond Tutu, Anglican Bishop of Johannesburg.

Norway will also push for a Nordic initiative to halt flights by the Scandinavian Airlines System (SAS) to South Africa. SAS is jointly owned by Norway, Sweden and Denmark.

US Congressional moves to impose economic sanctions against the Republic were of "considerable meaning", said the Norwegian Deputy Foreign Minister, Mr Thorbjoern Froysnes.

Such action would act as a spur to other Western European nations to increase pressure on South Africa for freedom, he added. — Sapa-Reuter.

CAPE TIMES 10/6/85

280

US divided on sanctions impact

WASHINGTON. — The first punitive United States legislation against apartheid appears to be headed for approval by Congress, but American politicians and analysts are deeply divided about its impact on Pretoria

The Reagan administration opposes any form of economic sanctions, insisting its policy of "constructive engagement" is the best way to coax reforms.

Yet opposition to South Africa's racial policies has grown so rapidly in the past six months that many legislators believe President Reagan will be unable to veto a sanctions bill sent by Congress

Diluted

The House of Representatives last week approved a bill to forbid new American investment in the Republic, US loans to its government, the export of computer equipment and the import of Kruggerands.

A diluted measure approved by the Senate foreign-relations committee was expected to reach the full Senate next month.

Groups such as the Free South Africa Movement, the organizer of nation-wide anti-apartheid protests since last November, welcome the congressional action, but would prefer total American disinvestment from the Republic

At stake are the interests of about 350 American companies in South Africa, including General Motors, IBM, Ford and Mobil.

Together, they have direct assets of between two and three billion dollars (R4 to R6 billion), mainly in oil and computers, and represent about 20 percent of total foreign investment in South Africa.

In addition, some 6 000 American firms have dealings with South Africa and total US investment in the country, including direct and indirect ties and commercial bank loans, is estimated at some 14 billion dollars (R28 billion)

Some experts believe, however, that even total US disinvestment would have little economic impact, as Pretoria's West European and Japanese trading partners would step in to fill the gap

Ms Carol Rae Hansen, of the Centre for Strategic and International Studies, said legislation imposing economic sanctions would have the same effect as the international arms embargo, which made South Africa self-sufficient

However, Mr David Scott, a representative of the black foreign-policy group TransAfrica, which created the Free South Africa Movement, said there was no indication that American investment could be substituted that easily.

The administration argues that economic sanctions would hurt blacks in South Africa most, with the 120 000 working in US companies being the hardest hit.

Speed pace

Legislators in favour of sanctions say the bill is intended to put pressure on Pretoria to speed the pace of political and social reforms for the black majority.

"I don't believe this particular package of sanctions is going to bring the South African economy to its knees," said Mr Gregory Craig, chief foreign-policy aide to Senator Edward Kennedy, a vocal foe of apartheid. Rather it was to signal that the US would work hard to influence the dismantling of apartheid.

Others, however, deny Pretoria is susceptible to such pressure.

"The idea that the South African Government is going to commit political suicide by dismantling apartheid is laughable," said Mr Stuart Butler, director of domestic-policy studies at the Heritage Foundation, a conservative think-tank. — Sapa-Reuter

Arms trial man tells of SA ties

CALL 7/1/85 11/6/85 (4/280) (154)

Own Correspondent

LONDON. — A Midland businessman accused of being involved in smuggling military equipment to South Africa, told investigators he was unaware that a South African contact was procuring strategic goods for the South African Government.

Mr Derek Salt, 60, the managing director of an engineering firm, is one of three men accused of conspiracy to evade the ban on exporting arms to South Africa.

Customs officer Mr David Westoby told a Birmingham Crown Court jury yesterday that Mr Salt told him he had had meetings with Mr William Meterlekamp, one of the "Coventry Four" South Africans named in the conspiracy charge who jumped bail last year.

Mr Salt said he had been doing legitimate business in South Africa for a company there called Quad Engineering of which he was a director.

He said Mr Meterlekamp had been working for a company in South Africa, Macnay Ltd, at the time but was resigning to set up his own organization, RJ International

Mr Westoby said Mr Salt told him that Mr Meterlekamp had taken him to another company in South Africa called Kentron who did "advanced technology work, very secretive work".

They wanted some gauges, he said.

Mr Westoby said he asked Mr Salt if he knew Mr Meterlekamp's function was "to procure strategic goods for the South African government".

He replied: "I am not aware of that at all."

Mr Salt, of Coventry, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 48, both of Balsall Common, Warwickshire, deny the conspiracy charge. Another man, Mr Michael Gardiner, 59, of Colyford, Devon, has admitted the charge and been remanded for sentence.

The prosecution has alleged that high technology military parts bought in America were illegally shipped to South Africa in breach of the embargo.

Mr David Latham, QC, prosecuting, said Mr Salt and Mr Gardiner had used their companies to beat the embargo and were also involved in the manufacture of equipment for arms to South Africa including gears for heavy gunsights.

Diary

Mr Westoby said Mr Salt was also asked about "project R" mentioned in a letter from Mr Meterlekamp to Mr Gardiner which had been seized, and he said he did not know what it was.

He was also told that his name was in a diary seized by officers at Heathrow Airport from another "Coventry Four" South African alleged to be involved in the conspiracy, Mr Jacobus Le Grange, whom he denied knowing. He also denied knowing a Colonel Botha, alleged to have been part of the conspiracy.

Tiptoeing

He had taken sums of up to R5 200 in travellers cheques to Mr Meterlekamp in South Africa but had never taken strategic parts out for Mr Gardiner.

Customs officer Mr Martin Spillane, told the jury of the arrest how he had arrested Mr Gardiner at his home in Devon after catching him tiptoeing away. He was carrying a suitcase and a wire tray filled with documents that were seized.

The trial continues today.

Trade cuts will hurt Oslo more than SA

By GERALD REILLY

THE Norwegian government's intention to restrict trade with South Africa was distressing, but it would hurt Norway far more than South Africa, according to Assocom.

The danger is, however, says Safto (South African Foreign Trade Association), that the action could spread to Denmark and Sweden.

Assocom's foreign trade secretary, Bess Robertson, said balance of trade between the two countries strongly favoured Norway. And according to the customs and excise division of the Department of Finance, South Africa's imports from Norway are nearly four times the value of SA exports to that country.

During 1984 SA exports to Norway totalled R46,71m, while imports from Norway amounted to R153,44m. In 1983 SA exports to Normay totalled R26,42m compared with R100,54m in imports of Norwegian goods. Major imports from Norway include mineral products, machinery, mechanical appliances and electrical equipment. SA exports are made up mostly of base metals and minerals, processed foodstuffs and tobacoo. The value of canned foods exported to Norway last year amounted to just over R3m and vegetable products to more than R10 000.

The ban, if enforced, Roberston said, would inevitably aggravate South Africa's already serious unemployment problem and would impact particularly on the fruit and vegetable canning industry.

South Africa was already facing fierce competition in this field from EEC countries and to establish new markets would not be easy.

Safto chief executive Wim Holtes said the Norwegian boycott would not have dramatic impact on SA trade. The danger was, however, it could spread to Denmark and Sweden which had stronger and bigger trade ties with South Africa.

"But it is significant that of the 40 signatories to the General Agreement on Tariff and Trade (GATT) who boycott South Africa, Norway was one of the few significant Western customers to do so."

However, because of the favourable trade balance Norway had always enjoyed with South Africa, "they are cutting off their nose to spite their face".

The canning industry would probably be worst affected by the boycott, Holtes said.

threat

UK urged to join sanctions

London Bureau

BRITAIN should push vigorously for a joint European stance to warn South Africa that selective sanctions would follow unless there was 'substantial change', the influential Financial Times said yesterday.

And in the House of Commons 10 Labour Party MPs led by South Africa spokesman Mr Donald Anderson called on the British Government to 'respond positively' to selective sanctions pressure at the United Nations and in the U S Congress.

The Financial Times' call on the British Government — to at least threaten selective sanctions unless there were substantial changes in the South African system — followed the strongest British rejection of sanctions by Foreign Office Minister Malcolm Rifkind in a television interview at the weekend.

Speaking on the programme *Weekend World* Mr Rifkind made it clear that Britain would oppose the sanctions path even if it meant conflict in the Commonwealth, the EEC and the United States.

However, Mr Rifkind has acknowledged recently that the EEC Code of Conduct for European firms operating in South Africa might need to be reviewed.

EEC officials quietly began a review of the EEC Code following a meeting of European foreign ministers in April.

At an international investment conference on South Africa last week Mr Rifkind called on European firms to play their role in promoting change in South Africa by desegregating their places of work and paying reasonable wages to their black staff.

The Financial Times is the only British newspaper to back even the threat of sanctions against South Africa.

Most other mainstream Fleet Street newspapers have, in varying degrees, rejected sanctions as an effective agent for change in South Africa. Some have not yet expressed themselves on the subject.

In a lengthy editorial examining the British Government's options on South Africa after the moves in the U S Congress for a loan and new investment freeze the Financial Times said that if the U S adopted these measures Britain could be left isolated in Europe and the Commonwealth.

'Economic sanctions are not the best way to bring about change in South Africa. They will fall upon a society in which change seems to be unfolding at a pace and in ways which are beyond the society's control,' the Financial Times said.

But recent reforms had been overshadowed by events such as the police shootings at Langa in March, the treason charges brought against the United Democratic Front, the recent action of an 'SADF sabotage squad' in Cabinda, and the 'internal settlement' in South West Africa.

'South Africa's more imaginative politicians and diplomats cannot be surprised, after such a catalogue of blunders, that Western opinion finds it hard to accept the constructive approach and that the sound case against sanctions acquires the taint of appeasement and amoral self-interest,' the Financial Times said.

'The British Government's response to the possibility of selective U S sanctions should be to push vigorously for a joint European stance on South Africa.

'It should warn, as the French are doing, that Europe will have little choice but to follow the U S down the sanctions path unless there are substantial changes in the South African system,' the Financial Times concluded.

The Financial Times noted the embarrassing prospect for the British Prime Minister, Mrs Margaret Thatcher, who had embraced President Reagan's policy of 'constructive engagement' with South Africa, that the 'very articulator of the policy' — President Reagan — would have to shift his stance.

AAM hits at bill to ban blacklisting

B. Day

Own Correspondent

LONDON — The Anti-Apartheid Movement has condemned proposed British government legislation which will ban local authorities from blacklisting contractors with South African links.

A local government Bill, planned for the next session of Parliament, will be aimed at taking action against mainly Labour-controlled councils who have vetted firms on the basis of SA links.

A statement by Mike Terry, executive AAM secretary, said the movement was "outraged that the government is planning to introduce legislation to prevent local councils taking action against apartheid". He said 120 had already taken action against SA.

Effects of US legislation on SA computer industry

280 13/6/85 B/Day

ONE OF the components of the anti-apartheid Bill recently passed in the United States Congress is a ban on the export of computers to South Africa. What exactly does this mean and what are the consequences for SA?

Initial reports from Washington indicated that a total ban on the sale of all computers to South Africa was incorporated in the Bill. This, in fact, is not so: Gray Bill, sponsored by Congressman William Gray and others (including Stephen Solarz and Howard Wolpe), seeks to ban the sale of computer hardware and software for use by the SA government and any of its agencies.

This could have dramatic consequences, because although US companies have long been prohibited from supplying computer hardware and software to the SADF, the SA Police and any other government agencies which are responsible for the enforcement of apartheid, other government departments and parastatal organisations rely heavily on computers sourced from the US.

Organisations such as SATS, SAA, Iscor and Escom all use American computers and software to a greater or lesser extent. However, a milder Bill — the Lugal Bill — is presently before the Senate Foreign Relations Committee. This Bill calls for a ban on the supply of computer equipment only to those parts of the government which have already been denied the use of US equipment by previous legislation during President Carter's term of office.

The fact that the Gray anti-apartheid Bill has already been passed by the House of Representatives does not mean that it will be automatically endorsed by the Senate and signed into law by President Reagan.

If the Lugar Bill is signed into law

PETER VERNON

the leading US computer companies operating in SA — such as IBM, Burroughs and Sperry. They do not supply computers to the military, police or government agencies responsible for maintaining apartheid.

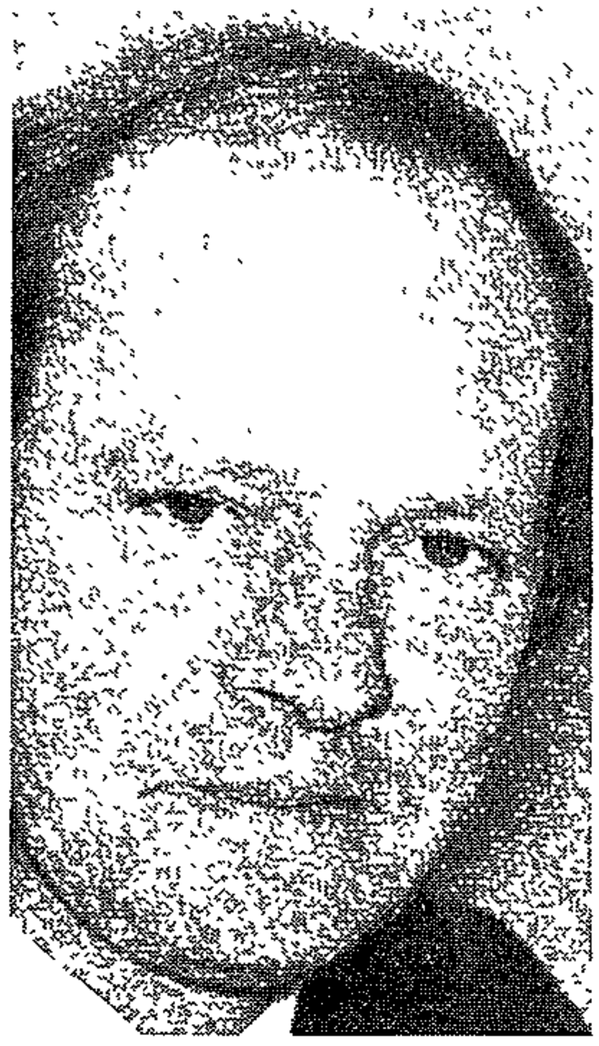
If the stricter Gray Bill does become law, then there will be some contraction of the market for US suppliers, but computers will still be supplied to companies in the private sector. The vacuum caused by a ban on the supply of computers to all government departments and para-statal organisations will doubtless be filled by computers from Britain, Europe and Japan — a fact which will not have gone unnoticed by lobbyists representing US computer interests in Washington.

The Japanese invasion is taken very seriously in the US and American computer companies are unlikely to readily welcome the loss of an export market to the Japanese.

While restrictions on the import of computers from the US provide some incentives for local manufacture, massive investments would be required to set up production facilities and research, development and engineering laboratories to locally manufacture mainframes. This would make a complete import replacement programme impractical.

SA does have the technical capability to produce microcomputers and intermediate-size minicomputers and certain peripherals, such as terminals and some printers.

Tariff protection would probably be necessary to make such activities viable, and tariff protection almost inevitably leads to higher prices, which are eventually passed on to the consumer. Furthermore, protection tends to inhibit adoption of the latest technology — a critical factor in the



● MIAS VAN VUUREN ... "any legislation which withholds technology is bound to put us in a less competitive position"

Even if tariff protection were to be granted, the size of the local market would mean that the capital and technological resources required would be punitive unless export markets could be found.

Other problems face US companies doing business in SA. The strength of the US dollar and the recent import tax imposed by the Minister of Finance means that profits are being squeezed to buffer the effect of higher prices. Furthermore, some customers are deferring decisions on new systems because of higher prices and the

There is also pressure from stockholders for US companies to withdraw from SA. A number of US states and cities have passed legislation requiring the withdrawal of their funds invested in companies doing business in SA; certain educational institutions have also taken similar steps.

US computer companies who do business in SA are united in their attitude towards disinvestment pressures: they point out that they can do more for positive change if they are actually here than if they are forced out; they state unequivocally that they intend to stay unless forced out by American legislation.

IBM's president and chief executive officer John Akers recently stated that: "We believe one of the most important things we can do to promote change is to advance the educational development of the blacks." To underline the fact that it intends to stay in SA, IBM has recently announced a five-year programme to improve the educational and economic development of blacks. This will initially cost R20m and will be funded from the company's SA earnings.

Mike Blumenthal, chief executive officer of Burroughs Corporation in the US, is on record as being totally opposed to disinvestment or disengagement. Mias van Vuuren, chief executive of Burroughs in SA, has pointed out that "any legislation which withholds technology from us is bound to put us in a less cost-effective and competitive position".

Perhaps the most serious threat to SA is in the medium to long term: we need computers to improve and maintain our economic prosperity. Since trade embargoes are never totally effective, they tend to beget yet stricter embargoes. If we lose access to the latest high technology, we will slowly drift backwards. This will benefit no one in this country, black

280 B. Day 13/6/85

FT urges Britain to threaten SA with 'selective sanctions'

LONDON — Britain should push vigorously for a joint European stance to warn South Africa selective sanctions would follow unless there was "substantial change", the influential *Financial Times* said on Tuesday

And in the House of Commons, 10 Labour Party MPs led by SA spokesman Donald Anderson called on the British government to "respond positively" to selective sanctions pressure at the United Nations and at the US Congress

The *FT* call on the British government at least to threaten selective sanctions unless there were substantial changes in SA, followed the rejection of sanctions by Foreign Office Minister Malcolm Rifkind in a weekend television interview.

Speaking on the programme *Weekend World*, Rifkind said Britain would oppose sanctions even if it meant conflict in the Commonwealth, the EEC and the US

The FT is the only British newspaper to back even the threat of sanctions against SA.

Most other mainstream Fleet Street newspapers have rejected sanctions as an effective agent for change.

In a lengthy editorial examining the British government's options on SA after the moves in the US Congress for a freeze on loans and new investments, the *FT* said if the US adopted these measures Britain could be left isolated in Europe and the Commonwealth.

"Economic sanctions are not the best way to bring about change in South Africa... they will fall upon a society in which change seems to be unfolding at a pace and in ways which are beyond the society's control," the *FT* said.

It added, however, that recent reforms had been overshadowed by events like the police shootings at Langa in March, the treason charges brought against members of the United Democratic Front, the recent action of an "SADF sabotage squad" in Cabinda, and the "internal settlement" in South West Africa.

"The British government's response to the possibility of selective US sanctions should be to push vigorously for a joint European stance on South Africa."

UK move to stop SA coal imports

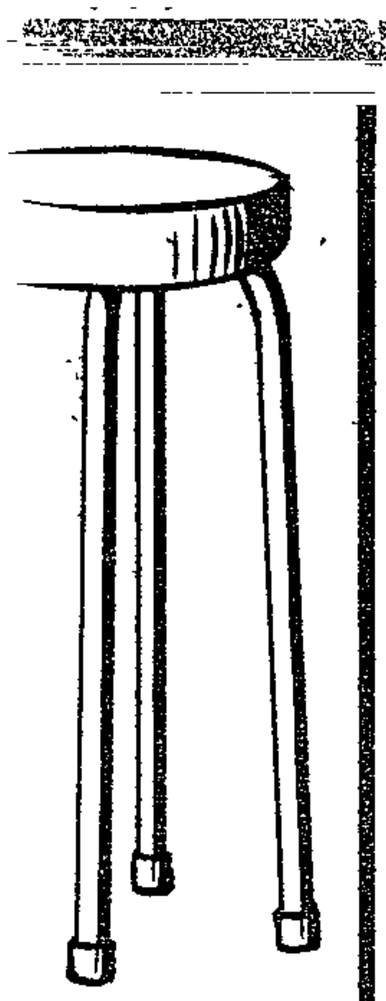
SIX Liverpool MPs yesterday condemned the import of South African coal to Britain through Liverpool.

In a motion in the House of Commons they called for an immediate halt to all SA coal imports.

The MPs condemned the activities of the Banbury Coal company for "importing domestic coal for the Lancashire area from South Africa through Liverpool docks".

They regretted the company was ready to "put at risk" Lancashire mines and jobs in favour of "supporting economically the evil apartheid regime".

They said the government should "show as much support for the UK mining industry" by banning the "unecessary" SA coal



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UN sanctions threat over new SWA govt

Argus 13/6/85

Argus Foreign Service

NEW YORK. — The non-aligned countries have begun privately circulating a draft copy of a new resolution which they would like the United Nations Security Council to adopt at the end of its debate on SWA/Namibia tomorrow.

Diplomats on the council said its contents would be studied today "with a view to making certain changes," to accommodate its authors.

The new draft condemns South Africa "for its decision to install a so-called interim government in Windhoek".

But the most crucial paragraph is one which warns South Africa that if it does not abide by UN resolutions on SWA/Namibia, the council is to meet again to impose "comprehensive and mandatory sanctions" under Chapter 7 of the UN Charter.

Voluntary

In the meantime the draft urges that member of the UN who have not already done so should take voluntary measures to sever all links and dealings with South Africa

These should include

- Severance of diplomatic relations.
- The observance of an oil embargo
- Disinvestment of existing interests, prohibition of new investments and application of disincentives.
- The withholding of overflight and landing facilities to aircraft and docking rights to ocean vessels
- Banning of sales of Kruggerrands and other coins
- Strict observance of the sports and cultural boycott of South Africa

The resolution would also ask the UN Secretary-General to report back to the council on implementation no later than the first week of next September

"Friends"

While the main thrust during this debate has been a barrage of criticism at South Africa for its decision to go ahead with an interim government in SWA/Namibia next week, Western diplomats repeated that "they could still not support" the latest draft resolution

Diplomats added that South Africa's "friends" in the council would insist that the non-aligned countries remove any reference to Chapter 7 — UN parlance for sanctions

Three members of the Western Five contact group, Britain, France and Canada, will speak in the council debate today as India, as chairman of the non-aligned movement, works behind the scenes with Western countries to find a modified version of this latest resolution which so that it can be acceptable to all the council members.

The Argus Foreign Service reports from London that five Conservative Party MPs are to fly to SWA/Namibia for next week's inauguration of South Africa's transitional government, in defiance of Britain's boycott of the event

They have accepted invitations issued by the Multiparty Conference in SWA/Namibia to attend the celebration marking the establishment of the interim government. Their expenses will be paid by South Africa.

FACE TO FACE

PIK BOTHA

History will judge

Pik Botha is Minister of Foreign Affairs. The *FM* spoke to him on issues relating to constructive engagement and the disinvestment campaign.

***FM:* What is your reaction to the measures adopted in the US Congress on SA?**

Botha: They were expected, but that does not mean that they are welcome I think that history will one day prove that this action is one that the US will come to regret It is based on an emotional reaction as a result of liberal Americans' perceptions of the SA situation and not on the facts and realities of the southern African situation. They simply brushed aside not only the views of moderate white South Africans of all political persuasions, but also those of blacks, coloureds and Asians

But, what is worse, they took this action against the publicly-stated views of SA's black neighbouring states. The most important aspect of this action is that this will reduce US influence in the whole of southern Africa; because not only South Africans, but also the neighbouring states, and perhaps further afield, will now clearly see that the US executive is powerless Or rather, they will see that within the US Congress, the House of Representatives and for that matter the Senate, special interest groups can for purely American internal political reasons flout the foreign policy of the executive.

Could the Reagan administration have stopped the legislation going through?

They can only do so once the legislation is eventually submitted to the President. But that of course puts the President under severe pressure. This is a classic example where basically for internal US political reasons punishment is meted out to another country, irrespective of the views of the people whose interests they are supposed to serve It is clear that they are not interested in the views of the black leadership of this country. They were pursuing a US political objective They are trying to get at President Reagan. They couldn't attack him on a number of other issues, such as on economic matters on which he has been successful, so they decided this is the one

Are you saying that the US will be in a weaker position to influence SA if it switches from a policy of constructive engagement to one of direct pressure?

Certainly. The example was in the Carter days. The National Party scored its biggest victory when President Jimmy Carter put



the pressure on.

Will they also lose influence in the rest of the subcontinent?

Yes, certainly. I am not saying this alone. I have been told this by several black leaders from other countries They would perhaps not admit it in public, but you will be surprised to hear which black leaders from other countries, important other African countries, have aired that view in the past two to three weeks. They have told me that it is clear to them that the US is not a dependable ally at all They say if that is what the US is doing to SA when SA has engaged on a process of reform, what are they going to do to black states whose policies they don't like?

From a SA perspective, can a policy of constructive engagement co-exist with a policy of disinvestment and economic sanctions?

It cannot really, unless the executive is strong enough to resist the disinvestment If not, then of course constructive engagement will just not be a realistic policy to follow, not from their point of view or ours.

What damage did the Cabinda incident do to constructive engagement?

Nothing that cannot be overcome, that cannot be mended.

Newspaper reports suggest a build-up of anti-American feeling among SA whites.

Not only white South Africans I think all South Africans I would not say anti-American in the sense of the ordinary American in the street, but certainly against these legislators who allocate to themselves the right to make moral judgments South Africans do not like that, least of all coming from America. They themselves have not yet succeeded in eliminating the differences — the discriminatory effects based on colour, with so many more blacks living in poverty, with the infant mortality rate so much higher, with sophisticated forms of discrimination persisting. This is true even in the states and constituencies of many of the liberal legislators who now are pushing the disinvestment campaign.

How badly does SA need the goodwill and friendship of the US?

SA seeks friendship with all democratic countries But not at all costs Not at the price of its own interests and survival

But wouldn't it influence our security and material survival if we don't have the US as a strong ally?

It all depends on the action of the US government We must wait for that. There is a distinction between the action of Congress and that of the executive So far the executive has fought hard against disinvestment It has made its views clear So there is no reason for the SA government at this stage to change its attitude *vis-á-vis* the American government ■

Pretoria must take some of the blame for the estrangement. When one examines the timing of events such as the military raid into Angola, the recent arrests, and the police shootings, it almost seems as if the Botha government is bent on keeping its thumb firmly planted in Reagan's eye.

But, as always with the US there are other fish being fried on the White House barbecue Reagan is increasingly frustrated in his efforts to quell the Sandinista regime in Nicaragua. It once appeared there was some sort of dialogue about to begin with Fidel Castro; but now Havana's dictator has cut that off The Third World debt crisis is simmering again and America's Latin American allies are restive.

All this means the Reagan determination to get the Cubans out of Angola has been moved forward — yet again — to top of the agenda in the southern African strategy room. The shuttling of Crocker from London to Paris last week amply proves that point And it proves something else: Chet Crocker's job is as safe as houses He runs a *regional* policy

There is another conclusion. "Constructive engagement" may not be dead, but it has certainly been altered. The broad regional policy objectives remain in place — but there is a much harder and far less sympathetic attitude toward SA and its internal problems ■

Arms trial told gear parts could be used as gun sights

London Bureau

AT THE South African arms-smuggling trial at Birmingham Crown Court, a British arms expert yesterday told the jury that gear parts seized at a Coventry engineering factory could be used in heavy gun sights.

Mr Anthony Buxton from Nottinghamshire is an engineer at the Royal Ordinance factory at Chilwell which specialises in gun-systems He was giving evidence at the trial of three Britons accused of conspiracy to evade the ban on exporting military equipment to South Africa.

Mr Buxton, who was shown an American M 137 telescopic gun mount, said the components would not fit into that mount. 'But they are sufficiently similar to carry out a function on a mounting of similar design.'

The parts were seized by Customs and Excise officers at the factory of R W Salt Engineering in Coventry, which is run by one of the three defendants in the case, 60-year-old Mr Derek Salt

Camera mount

Mr Buxton, who was shown Ministry of Defence drawings of gun sight parts, said the actual components had not been built completely to the specifications. But there was 'a close resemblance' and the gear parts would perform a similar function.

He was also shown a drawing of a gear component which Mr Salt is said to have brought back from South Africa. He told customs men it was a drawing of a remote control television camera mount Mr Buxton said 'It seems a trifle vague and large to carry out that function. I have some doubt about whether it would work.'

He agreed with Mr Richard Curtis, QC, for Mr Salt, that the gear parts had a 'versatile' function.

Mr Salt, from Coventry, Mr Arthur Rowley, 52, and Mr Malcolm Bird, 48, both from Balsall Common, all deny the conspiracy charge. The trial continues today.

Argus 17/6/85 (280)

Labour leader's sanctions pledge

Argus Foreign Service

LONDON. — Mr Neil Kinnock says a Labour government would actively support the enforcement of comprehensive, mandatory United Nations economic sanctions against South Africa.

The leader of the Labour Party told thousands of cheering demonstrators at an anti-apartheid rally outside the South African Embassy in Trafalgar Square: "We will isolate South Africa and promote effective action to hasten liberation.

"In sport, in politics, in commerce, in diplomacy, in every sphere contact with apartheid means collaboration with apartheid."

Making the toughest speech so far by a Labour leader on South Africa, Mr Kinnock vigorously attacked the constructive engagement policy followed by the Reagan administration and its "puppet", Mrs Margaret Thatcher.

He said the next Labour government would remove all support from South Africa's "racist" rulers and put Britain on the side of freedom.

Embargo

A Labour government would.

● Give financial and material help for the education and care of the people of the "liberation movements" in SWA/Namibia and South Africa.

● Make the embargo on arms and military materials complete.

● Actively support the enforcement of United Nations comprehensive, mandatory economic sanctions against South Africa.

● Work in Britain and elsewhere to end the economic and military collaboration that was so essential to the "apartheid regime".

Mr Kinnock spoke to a crowd — estimated at 23 000 by the Anti-Apartheid Movement and 8 300 by police — which marched to Trafalgar Square behind five coffins symbolising the people killed in "South African massacres".

Mr Kinnock said constructive engagement was a sham and a failure

"No change, no adjustment, no dilution, no reform has ever come in South Africa from bridge-building and contact.

"The only shifts that have ever been achieved have come as a result of isolation and condemnation — South Africa must be stranded if it is ever to change.

"And everyone, from rugby players to rulers and cricket players to presidents, must learn that truth and understand it."

Mr Kinnock said he had been a member of the Anti-Apartheid Movement for 25 years and in that time the West's investment in South Africa had increased, links with South Africa had been strengthened and exploitation had grown.

"It is time to reverse that course," he said

conducted soon after the blast.

A house-to-house search was

ARGUS 20/6/85 280

UN tones down threat of sanctions

Argus Foreign Service

NEW YORK. — The United Nations Security Council has warned South Africa that if it continues to obstruct UN plans for SWA/Namibian independence it could be faced with punitive measures under the UN Charter, including mandatory sanctions.

The warning came in a resolution approved by the council 13-0, with abstentions from the United States and Britain, at the end of a 10-day debate during which more than 80 speakers took the floor to criticise South Africa for illegally occupying SWA/Namibia and for failing to heed UN resolutions bringing the territory to independence

The threat of sanctions was removed in the final hours before the voting after the French delegation worked behind the scenes with African and non-aligned countries to delete language objectionable to the Western permanent members of the council.

Docking rights

Before the final amendments diplomatic sources indicated that Britain would use its veto, while France and Australia would abstain

The new version eliminated the earlier threat of the imposition of mandatory economic sanctions, as well as the voluntary call that member nations should sever diplomatic relations with South Africa and observe an oil embargo.

A reference to disinvestment was also deleted, as well as one on withholding overflight and landing facilities to aircraft and docking rights to ocean vessels.

The resolution also urges member states to take voluntary measures against South Africa which could include.

- Stopping of new investments and the application of disincentives to this end
- Re-examination of maritime and aerial relations with South Africa.
- The prohibition of the sale of Krugerrands.
- Restrictions in the field of sports and cultural relations.

As expected, the resolution condemned the decision by South Africa to install an interim government in SWA/Namibia this week.

Last night's abstention marked the first time that the Reagan administration had not vetoed a resolution which explicitly mentioned the possible imposition of sanctions against South Africa.

Diplomatic observers here said that was a clear sign that the US wanted to send a message to Pretoria concerning its recent actions in the area

MPs COUNTER DISINVESTMENT

FM 21/6/85

280

A strong parliamentary team will visit the US for nine days next month to "orientate" themselves and help fight the disinvestment drive. But with the state of relations between SA and the US at their current low ebb, the 17-strong team is expecting a rough time.

It will be the first South African parliamentary delegation to include coloured and Indian MPs on an overseas tour. But there will be no Progressive Federal Party (PFP) MPs on the trip as the party has declined government sponsorship for anti-disinvestment campaigning. This no doubt arises from a major row which rocked the PFP recently over the acceptance by the MP for Bryanston, Horace van Rensburg, of government finance for an anti-disinvestment trip to the US. PFP finance spokesman, Harry Schwarz, has also been to speak out against disinvestment, but at his own expense.

The group for the coming tour will include eight Nationalists, two members of the Conservative Party, three MPs each from the House of Delegates and the House of Representatives and an Indian member of the President's Council.

Their programme is being kept under wraps for the time being to avoid the risk of running into anti-apartheid demonstrators in the US.

Wide split between free-market rhetoric and fiscal practice

(280) B: Day 26/6/85

Assocom has submitted to the Margo tax commission a set of recommendations for reform accompanied by a carefully-framed analysis of the deficiencies of the current system.

The gravity of the surviving deficiencies exposed by Assocom is severe enough to show that there is still a wide gulf between government's free-market rhetoric and its fiscal practice.

This gulf must soon be bridged if South Africa is to escape its current difficulties and make the most of future economic opportunities

ASSOCOM'S TAX PROPOSALS/Robin Friedland

SOUTH AFRICA'S fiscal structure still imposes rates of direct taxation that are high enough to eat into economic efficiency and entrepreneurial incentives.

Those rates also encourage the diversion of individual and corporate energies into complicated tax-reducing exercises — like shuffling profits around within a group — instead of into production of goods and services.

The system is still riddled with special incentives which erode the tax base, so that rates are much higher than they need have been if all companies had been paying tax at the same rate.

All in all, the private sector needs to redouble its pressure on government to carry through the process of reform to the bitter end — and bitter the process of reform must be as the authorities disregard the squeals of pain from those who lose special concessions.

The Assocom document also makes essential reading for those politicians persuaded that redistribution is the answer to their constituents's prayers for higher living standards.

This credo — held with determination both in South Africa and abroad — is refuted overwhelmingly by Assocom's cold analysis on a world-wide basis. Those countries which have encouraged enterprise through low tax rates have enjoyed higher rates of growth, while the poorer sections of their communities have enjoyed greater benefits through the growth of the entire cake than their counterparts in countries which have submitted the need for growth to the emotional populist craving to cut the existing cake differently.

Assocom makes it clear that South Africa's tax system has deviated dangerously from the classical criteria of **equity, certainty, convenience and economy**. The criterion of certainty, for example, is grossly infrigned by the "plethora and complexity" of the taxes imposed.

The analysis cites a recent World Bank study of 20 countries, which include Brazil, Japan, South Korea and the United Kingdom. Half of these countries had tax revenues (relative to GDP) below the average for their *per capita* income groups and half had tax/GDP ratios above the average.

The average unweighted annual rate of growth from 1970 to 1979 was 7,3% in the low-tax group and 1,1% in the high-tax group.

A mathematical statistical analysis showed that an increase of one percentage point in the tax/GDP ratio decreased the rate of economic growth by 0,36 percentage points.

The World Bank also found that gross domestic investment grew over the period by an average of 8,9% per year in the low-tax group and 0,8% in the high-tax group. Exports grew by an average annual rate of 9,9% in low-tax countries and only 2,5% in high-tax countries.

High tax rates were found to be associated with low rates of technical progress, and *vice versa*. Significantly, the growth of consumption in the public sector as well as in the private sector fell as tax rates rose. Thus, government expenditure on education, in constant dollars *per capita*, increased faster in the low-tax countries.

Assocom cites technical econometric indicators — such as the "value-added index" and the "opportunity cost index" — to demonstrate the depressing effects which South Africa's high-tax regime has had on economic efficiency.

Additionally, the World Bank study shows that distorted tax structures like ours (the "quality" of the tax system) aggravate the adverse effects of high tax rates. "A country with a higher tax/GDP ratio but a favourable tax structure may outperform a country with a lower over-all tax level that ... imposes an excessive burden on the most productive or innovative segments of the population."

By seven fundamental criteria, South Africa's economy has suffered a serious deterioration in recent years. These criteria are: growth; employment; inflation; balance of payments, both on current and capital accounts; exchange rates; interest rates; and new investment.

To reverse these unfavourable trends, savings, investment and productivity need to be increased. And to these vital ends, it is essential that the proportion of GDP currently taken in tax must be reduced too.

This ratio stood in 1984 at 36,5% reflecting a reversal of the earlier decline from 35,4% in 1977 to 31,7% in 1980.

The tax mechanism should be related solely to net revenue requirements and not any longer to extraneous social or socio-political objectives like decentralisation, training, education or export promotion.

In the context of new regional arrangements (including a payroll tax), Assocom cites the World Bank study to show that employment growth has been retarded in high-tax countries both by payroll taxes and by sales taxes, which have pushed up the cost of labour.

In 1983, unit labour costs in South Africa exceeded unit costs in advanced contries like the United States, the United Kingdom, France and Japan. The new payroll tax, argues Assocom, can only exacerbate this relative position.

The Assocom submission reaches a mordaunt and gloomy conclusion: "Recent constitutional changes have unleashed a revolution of rising expectations and the chances are that the economics of any tax implications will be neglected in the scramble for a larger slice of the fiscal cake."

B. Day 26/6/85 p 20

Role of indirect tax . . .

HEAVY indirect taxes and levies on petrol and diesel are "cost-raising, discriminatory, inequitable and far from neutral," and should be abandoned.

Although Assocom's submissions apply in broad principle both to direct and indirect taxation, there is "much merit" in moving towards proportionately greater reliance on indirect tax. But indirect tax should also be convenient and certain. So the present "multiplicity and complexity" of indirect taxes should be greatly reduced.

Customs duties on imported inputs into manufacturing industries are particularly damaging to export competitiveness through their complexity as well as through their direct influence on costs.

All *ad valorem* excise duties should be abolished, as they constitute an anomaly in respects like point of imposition and collection, methods of valuation applied to local and imported goods and the selection of goods subject to the duties (which appears arbitrary).

The dual-rate sales tax system, which excludes basic foodstuffs, has complicated the collection process, rendered controls ineffective and opened the door to abuses. Assocom has — incidentally to its specific proposals — fired off a broadside against the dangerous use by officials of terms like avoidance and especially "avoision".

The latter term is emotive and conveys an impression that there "is an element of illegality" in arranging one's affairs in a way which results in less tax being paid. This approach is contrary to all canons of taxation, which require that tax be payable only in acordance with the wording of the taxing statute. *Business Day* too strongly adheres to this viewpoint.

The contrary would constitute a dangerous populism with overtones of hostility to the profit motrive as such and the introduction of the "politics of envy". But Assocom correctly argues that taxpayers who deliberately evade tax should be made to suffer the heavy penalties provided in the Acts.

THE accumulated effects of fiscal drag have hoisted the share of individual taxpayers to 30% of the take in 1984/85 from 20% five years ago. This problem is aggravated by joint taxation of married couples. Individuals are resorting to avoidance (like elaborate fringe benefit schemes) and even evasion.

Assocom's remedy lies in a flatter progressive scale subject to lower rates at all levels, with an annual adjustment in the scale to neutralise the fiscal drag caused by inflation.

A much lower maximum marginal rate (say 40%) should be reached only at incomes over R100 000 for married persons.

Married couples should be taxed separately on the basis of their "total income," not only earned income. The dangers of income-splitting can be effectively countered by anti-avoidance measures already in place or to be augmented by future legislation.

The present system now has the disadvantages of discouraging economic participation by married women and already includes blacks in joint taxation.

The system of final PAYE deductions has removed an adminis-

B. Day 26/6/85

280

Proposals for direct taxes

trative obstacle to separate taxation, while South West Africa/Namibia has already had some years' experience of the separate tax system.

The system of incentive allowances has created classes of privileged taxpayers. The system conceals the actual cost to Inland Revenue, although it has been estimated to run into billions of rand each year.

Same basis

Newly-formed companies — which have the greatest need for incentives — are not in a position to benefit, while well-established concerns benefit the most.

The current incentives comprise investment and training allowances, export allowances, concessions for industries in economic development areas and many others.

Assocom argues that all companies should — under a complete reform — be taxed on the same basis. As an interim measure, the currently-available incentives could be split into "social engineer-

discriminates against them in favour of divisions within one company.

It leads to a diversion of executive effort into elaborate fiscal engineering, and should be replaced by a system of "loss transfer" within a group as defined.

The general deduction formula is too narrowly drawn in its present wording, and excludes many classes of legitimate expenditure through requiring a "sufficiently distinct relationship" between the expenditure incurred and the actual earning of the income.

It should be replaced by a more broadly-drawn definition, which would allow as a deduction all expenditure (not of a capital nature) reasonably incurred for the purpose of trade.

Estate duty should be abolished, as an unproductive measure with a considerable administrative burden. It is, in addition, inequitable through taxing all asssets in an estate, regardless whether they have been derived from realised profits which have alredy been taxed once as income. Moreover, estate duty discourages saving.

B. Day 26/6/85

080

ing incentives," which should be removed forthwith, and "capital investment incentives," which might have to remain for the present "for practical reasons."

Important classes of individuals — such as farmers and public servants — have generous and varied tax privileges too. Their position should likewise be reviewed.

Where a specific concession is considered essential it should be paid as an express subsidy, after the anticipated cost has been carefully quantified.

Engineering

Tax-free investments enable some classes of taxpayers to benefit at the expense of others, and have a distorting effect on money and capital markets, so Assocom opposes their retention, too.

The company tax rate of 50% is too high and encourages companies to resort to fiscal engineering to reduce the burden. The rate should be reduced to between 30% and 40%, but all companies — except religious, charitable and educational institutions — should pay this rate.

The present system of taxing dividends as well as company income is unfair. It should be replaced by a system of apportionment applicable to all private companies as defined in the Act, with the exception of quoted companies.

Under a system of apportionment, individual resident shareholders would be credited with tax paid on their behalf by the company.

The present basis of taxation of separate companies within a group

Subsidy

For similar reasons, the introduction of a capital gains tax should be opposed.

Source should be retained as the principle basis of taxation, and not replaced by residence. It is in South Africa's interests to encourage immigrants with means abroad to settle here, while taxing on the basis of residence would have the opposite effect.

It would be undesirable to allow concessions for domestic mortgage bond interest. Such concessions would distort normal interest rate patterns, artificially increase demands for loans, discriminate unfairly between social classes, reduce revenue and exert upward pressure on house prices.

If low-income groups are deemed to requre assistance, it should be given by way of subsidy.

The devolution of power to local or regional authorities need not mean an increase in aggregate tax levels, provided cuts are achieved elsewhere.

Bridging

Assocom has recommended that the whole question of financing local authorities should be referred to the Margo Commission for investigation.

Rather than implement the proposed new regional services levy (comprising a payroll tax and turnover levy) forthwith, government should provide bridging finance at national level pending a satisfactory long-term solution.

UK prepares to oppose sanctions

The Star Bureau

LONDON — The British Government is bracing itself to withstand pressure for economic sanctions against South Africa at the Commonwealth Heads of Government meeting in the Bahamas in October.

A foretaste was given at an emergency gathering of High Commissioners in London this week, called to consider the recent South African raid into Botswana.

British officials, while echoing the Foreign Office's previous condemnation of the Botswana incursion, were isolated in the face of a call for economic action against Pretoria.

Britain, while sharing the general abhorrence of apartheid, remains convinced that sanctions would damage the welfare of black South Africans without succeeding in their main objective.

It also remains conscious of the fact that South Africa is Britain's second biggest export market outside Europe and the United States.

At the last Commonwealth meeting in 1983, South Africa was warned that "appropriate measures" under the UN Charter would have to be considered if it continued to obstruct progress towards a settlement in Namibia.

Britain is hoping that agreement can be reached on a similar kind of resolution in Nassau,

INTERNATIONAL

US warns SA but opposes sanctions

Argus Foreign Service

WASHINGTON. — The United States government will stick to its policy of constructive engagement and it will continue to oppose economic sanctions against South Africa.

But it wants the world to know that it dissociates itself strongly from South Africa's recent military action in Angola and Botswana — and will reject any unilateral attempt by Pretoria to impose an independence settlement on South West Africa/Namibia.



Dr Crocker

This was made clear here today by US Assistant Secretary of State for Africa, Dr Chester Crocker, when he spoke via a satellite hook-up to journalists in East and West Africa.

"What we see is a pattern of negative decision-making coming from (South Africa). We have no intention of aligning ourselves with those decisions," he said.

Much of the news conference dealt with Southern Africa and all of the questions relating to this region were hostile, casting Dr Crocker as a defender of US policies.

Rejecting sanctions and disinvestment as negative steps that would remove US influence, he said that European and Japanese companies were waiting in line to take over from American companies if they pulled out of South Africa.

Dr Crocker emphasised that constructive engagement was a regional policy.

He said: "We believe we have the right approach in Southern Africa and, as President Reagan has made clear, we intend to stick with it.

"At the same time ... we are not about to participate by association with decisions and events and actions on the part of one party in Southern Africa, namely South Africa, with which we have very strong disagreements."

Implications

The US, he said, was determined to dissociate itself from South Africa's recent actions in Angola, Botswana and elsewhere, and was carefully reviewing the implications of those actions.

Dr Crocker said sanctions were not the right course to follow in dealing with South Africa.

"We do not believe that the South African Government is going to be coerced by measures taken against its people and its economy, and so we are going to stick with that position."

● From London it was reported that Britain regards the establishment of the interim government in South West Africa/Namibia as "null and void".

Answering questions in the Commons yesterday, Foreign Secretary Sir Geoffrey Howe said Britain opposed the interim administration because it had no standing under United Nations Security Council Resolution 435.

Nujoma calls for sanctions

The Star Bureau

Star 27/6/85

LONDON — Swapo president Mr Sam Nujoma was told yesterday that the Thatcher Government did not believe sanctions would force South Africa into implementation of UN Resolution 435 on Namibian independence.

250

During a meeting with Sir Geoffrey Howe, the Foreign Secretary, Mr Nujoma urged Britain to match the mood in the US Congress and in the UN Security Council and impose economic sanctions on South Africa.

Sir Geoffrey told him Britain was opposed to sanctions because it believed they would be ineffective.

'Ciskei totally against economic sanctions

BISHO — Ciskei is totally opposed to disinvestment and economic sanctions against South Africa, says President Lennox Sebe

Speaking at the opening of the Ciskei and Belgium Trade Mission in Brussels, he said punitive measures would only lead to massive unemployment in South Africa

"Those who are responsible for promoting these totally negative actions will bear a heavy burden of reproach from thousands of hungry and starving families who will be displaced from their occupations," he said in a prepared speech, a copy of which was released in Bisho.

President Sebe and senior Government officials are on a two-week visit to Europe, to finalise business agreements.

He said his country was not a creation of South Africa or a product of apartheid and not a puppet of any other country.

"Because of the vast misunderstanding which prevails in the nations of the Western world over the political circumstances of our country, it is imperative that we use this opportunity to clear all the prejudice and misinformation which bedevils our relationship with the nations of Europe," he said

● In a resolution adopted in Johannesburg yesterday, the South African Council of Churches (SACC) national conference expressed the belief that disinvestment and similar economic pressures are "now called for as a peaceful and effective means of putting pressure on the South African Government to bring about the fundamental changes this country needs"

This statement was proposed by Dr Allan Boesak, senior vice-president of the SACC and was added to the original resolution dealing with the issue of disinvestment

One speaker said blacks had tried everything to bring about change and, even though one could not be sure of the results disinvestment might bring, it was the one thing they had not yet tried

The SACC said it was deeply concerned about the violent conflict in which South Africans were embroiled, and called on "all foreign representatives and their governments to present themselves in a way which does not lend credibility to the repressive regime which holds the majority of people in South Africa hostage in their own country".

The conference resolved to ask foreign churches to continue promoting economic pressure on South Africa, and to ask its member churches to withdraw economic participation in oppressive systems and reinvest in alternative economic systems such as cooperatives.

Meanwhile in the United States, New Jersey Governor Thomas Kean is to take no immediate action on a Bill to dispose of R2 000 million worth of investments in companies active in South Africa.

He will ask legal aides to study it.

The state Assembly on Thursday voted 45 to 30 to accept a Senate amendment allowing three years for the process, which affects the pensions of 360 000 state employees

State Assemblyman William Brown, the Bill's sponsor, has pledged that the pensioners will suffer no loss

An amendment that would have allowed the pension funds to retain stocks in companies committed to the Sullivan principles was defeated

The Bill needs the Governor's signature to become law.



John Battersby

REPORTS FROM LONDON

Owen sets out his plan for sanctions

280

Cape Times 28/6/85

THE leader of the Social Democratic Party-Liberal Alliance in Britain, Dr David Owen, is not a man of extreme views or irrational policies

All the more surprise then when he used strong language to criticize South Africa's bona fides and called for selective sanctions. He did this in a recent, but little publicized, exchange of letters with the British Foreign Secretary, Sir Geoffrey Howe.

Writing to Sir Geoffrey on May 25 (after the raid on Cabinda, but before the one on Gaborone) Dr Owen said: "Once again, South Africa's word in international negotiations is shown to be worthless

"The South African government dislikes being exposed as international liars and has always had a bogus image of being the upholder of the rule of law.

"In fact, of course, they have frequently lied, frequently broken international law and frequently misled governments with whom they have been negotiating about their true intentions."

Doctor's prescription

It was extremely important, he said, that action should now be taken to pressurize South Africa to abide by the United Nations independence plan for Namibia.

"It is no good the British government and others complaining, saying there is no action that can be taken"

Strong words for a former foreign secretary with direct negotiating experience over SWA/Namibia independence

But what was the doctor's prescription?

A freeze on new investment and international loans to South Africa

The detail provided by Dr Owen gave the first insight into how a Security Council resolution on a loan and investment freeze might work

Establishing his credentials as a man of reason, Dr Owen ruled out total or selective sanctions against South Africa as unworkable in the light of the history of sanctions-busting in Africa.

He also ruled out total economic disinvestment as unworkable for the same reason as well as the fact that it would be "too damaging to black living standards"

But a ban on new investment, Dr Owen insisted, was the "one economic pressure which has a chance of universal acceptance .. and this could be monitored reasonably successfully"

Human economic development

Dr Owen proposed that Britain should take the lead in pressing for a Security Council resolution banning new investments It should empower members to consult companies likely to be affected and identify any special needs the companies might have and accommodate them in any legislation.

"Such domestic legislation would empower the member state, in exceptional circumstances, to grant exemption where a new investment could be shown substantially to have a direct and advantageous effect on black education, training and human economic development," Dr Owen said.

"Any such exemption would have to be reported to the UN and scrutinized by a special UN committee, who could report to the Security Council"



Sir Geoffrey Howe



Dr David Owen

The ban would extend to banks which gave new loans to South Africa It would also prohibit SA companies, or even SA-linked companies, from raising money in any of the member states

What effect would such action have on South Africa?

"Given the present economic situation in South Africa, a restriction on new investment would only bite gradually, but it would be a powerful stimulus to the South Africans to respond and for them to get the international community off their backs — particularly in relation to Namibia," Dr Owen said

Dr Owen appears to have thought through the implications of a loan and investment freeze more thoroughly than many of his counterparts in the United States Congress, who have joined the clamour for disinvestment

But as Dr Owen plays his sanctions card there are indications that the emotive disinvestment tide is giving way to some realities.

□ A limit to which South Africa can be pressured by diplomatic and economic action into doing what the West wants it to do. The SA government's defiance of criticism over the Cabinda and Gaborone raids and the internal administration in SWA/Namibia has made that clear

□ A difference between eliminating apartheid and ending a white monopoly on political power

□ The sanctions package which finally passes through the Congress, even if it includes a ban on new investments which is thought increasingly unlikely, would have a limited impact on the South African economy Its effect would be largely psychological insofar as it added to the international momentum to persuade Western Europe to follow the same course

□ As long as countries like West Germany, Israel and Taiwan continue to increase trade with, investment in and bank loans to South Africa — and as long as Japan engages in such prolific two-way trade — the US moves will remain largely academic

□ Disinvestment which has already taken place by major US companies such as Ford, Coca-Cola, the Perkin-Elmer Corporation and others shows that there is no shortage of local and foreign investors ready to snap up the investments Such disinvestment — made on economic grounds but accounting for the "hassle factor" — is likely to continue for a long time before white domination of national politics is eliminated

□ The threat of disinvestment has concentrated the international focus on South Africa's internal and regional policies, but gestures such as the loans and investment freezes will only have effect as long as South Africa is receptive to pressures in sympathet-

□ Western threats of any stronger forms of pressure, such as total disinvestment or trade sanctions, are a bluff because they would do more harm to the West's economic and strategic interests than they would to South Africa and at the same time would probably curb the pace of reform.

□ Once the moral argument for sanctions — "How can you trade with a system you have branded as evil?" — has been balanced against the practical arguments against sanctions it is difficult to make a convincing case for economic disengagement.

□ The argument that by staying put in South Africa foreign business has more leverage to exert pressure for change is gaining ground and is likely to lead to a more rigorous application of the Sullivan principles for US firms and the EEC code of conduct for Western European firms — even if the Sullivan principles are not made mandatory in terms of pending US legislation.

□ Britain and West Germany are a long way from conceding the principle of sanctions and Japan, Israel and Taiwan never will.

South Africa is vulnerable

In his second letter to Sir Geoffrey, following the raid on Gaborone, Dr Owen insisted that a loan and investment freeze was neither "disengaging nor disinvesting"

"I believe South Africa is vulnerable to a carefully calculated strategy of economic sanctions, neither promising what we cannot deliver nor refusing to take any action in the economic field"

With a rationale like this President Botha's government would be foolish not to call Dr Owen's bluff

What he is saying embraces the implied paradox of selective sanctions: If we impose sanctions which do not harm you, you will take seriously our threat that we will impose more serious measures which will be counter-productive to both you and us.

Sir Geoffrey had argued in his letter to Dr Owen:

"It is, of course, a matter of judgment whether a ban on new investment and new bank loans will force South Africa to finally withdraw from Namibia.

"But, frankly, I doubt whether the SA government will respond in the way we wish.

Little new investment

"They are determined not to have their affairs dictated to them by outsiders and, given its underlying strength, their economy could probably adapt.

"Moreover, there is very little new investment by British companies in South Africa at present, and we cannot prevent companies re-investing profits made there

"I also do not believe that, once imposed, such measures could be easily lifted.

"...now is surely not the time to disengage, to withdraw those interests which give us influence, and perhaps weaken those positive forces for change which we should be encouraging," the British Foreign Secretary said

Dr Owen, clearly, is not convinced and is pushing for a debate in the House of Commons on the desirability of a loan and investment freeze — a position now supported by La-



THABO MOHALE: Has accused DHL International for victimising its shop stewards fired last week.

Trade unions step up sanction moves

LOCAL and international trade unions are to keep up their campaign against multinationals and the policy of apartheid in South Africa.

By JOSHUA RABOROKO

The International Confederation of Free Trade Unions (ICFTU) has called on black unions to increase their pressure on multinationals and stressed that it was their growth and strength that would abolish apartheid.

Meanwhile the Council of Unions of South Africa (Cusa) and the Federation of South Africa Trade Unions (Fosatu) and other emerging black trade unions have jumped onto the bandwagon and attacked multinationals, especially those operating in and near "independent states" for exploiting labourers.

Multinationals currently under attack include Sarmcol's BTR Compay, Raleigh Cycles, DHL International Pty, Winding Wire and others which have "unfairly dismissed" workers during strikes.

Local companies such as AECI and the Chamber of Mines have also come under fire from the South African Chemical Workers' Union and the National Union of Mineworkers over wage disputes.

The national secretary of the South African Scooter and Transport Allied Workers' Union, Mr Thabo Mohale, has accused DHL International for victimising its shop stewards fired last week.

"The union has tried several means to negotiate workers' grievances with the company, but this has been in vain. We have called on the international and local unions to back us in pressurising the company to reinstate the workers and to recognise the union," he said.

The Fosatu-affiliate Metal and Allied Workers' Union has launched a campaign against the British multinational BTR in Natal following the dismissal of about 975 workers who went on a legal strike, although management said it was an "illegal strike".

In a statement the ICFTU has called on governments to build up the following sanctions through administration and legislative action including:

- Extension of arms embargo.
- Ending of all measures to promote trade with South Africa.
- Prevention of new investments in South Africa by multinationals.
- Ending of all commercial operations by multinationals in the "homelands".
- A ban on sale of Kruger rands.
- Ending of all contracts for the expansion of South African nuclear energy and oil-from-coal programmes.

United Nations said to have prompted surveillance order

FBI spying on SA diplomats in report

By Neil Lurssen, The Star Bureau

Washington

South African diplomats in the United States are under surveillance by the FBI, according to a report today in a Washington newspaper.

But FBI headquarters and the US State Department have declined to say anything. Spokesmen for both agencies said they never commented on intelligence matters.

The South African Embassy in Washington and the SA mission in New York also had no comment, but it is understood that they are seeking to establish the accuracy of the report.

Licence numbers

The *Washington Times* report said South Africa had been added to the list of "criteria" countries. This enables FBI agents to spot the cars of South African diplomats from the numbers of their licence plates.

A source familiar with US intelligence methods said the Americans could have decided to include South African diplomats — and defence and commercial attaches — among those who needed watching because of the unmasking of Dieter Gerhard as a Russian spy while he was serving as a senior naval officer at Simonstown.

There is also speculation that the surveillance could be connected to the recent tensions between Pretoria and Washington, but informed sources believe this is unlikely.

The *Washington Times* report said: "The FBI's counter-intelligence division maintains a list of criteria countries — the Soviet Union, East European satellites, and Cuba. The division's agents can recognise the diplomatic vehicles of any criteria nation by letters and digits on their licence plates.

"This means that South African diplomats and defence and commercial attaches will henceforth be treated no differently than suspected spies from East bloc nations.

Dubious

"This was done at the request of the United Nations. The State Department responded favourably. CIA sources were not aware of the change."

Informed sources said they were inclined to believe the thrust of the report because of the newspaper's reputation for having excellent intelligence contacts — but said they were dubious that the surveillance was ordered in response to a UN request.

The Star Wednesday July 3 1985

SA churches must step up calls for sanctions, says Boesak



The Rev Allan Boesak ... does not know what awaits him when he returns home.

DETROIT — South African churches must widen their call for economic sanctions to oppose apartheid despite the danger that Pretoria might take legal action against them, the Rev Allan Boesak said yesterday.

Dr Boesak, president of the World Alliance of Reformed Churches and a patron of the United Democratic Front, who was attending the general synod of the United Church of Christ in Iowa, said in an interview that the South African Council of Churches (SACC), after the endorsement of the principle of disinvestment at its conference last week, "now has no choice but to look at what we want" on specific economic sanctions.

Dr Boesak, an SACC vice-president, said he understood that the ecumenical grouping of 17 Protestant and Anglican churches had been told by its lawyers that the resolution contravened the law which forbids South African citizens from calling for economic pressures against their country.

"If the South African Government wants to invoke the law, they can do that," he said, adding he believed his own "possibility of personal jeopardy is probably higher than before".

But, he said, it was incumbent on the council and its member churches to consult churches in other countries about what economic measures should be imposed.

NOT SURPRISED AT CRITICISM

Dr Boesak said he was surprised that the council's conference had endorsed the principles of disinvestment, economic sanctions and civil disobedience, given the conservative mood most delegates had shown at last week's sessions.

But, he said, he considered the council's action reflective of the wishes of South Africa's majority.

Dr Boesak said he was not surprised at criticism of the SACC by the State President, Mr P W Botha, but added that he was "glad the State President has finally chosen to respond to the South African Council of Churches after ignoring calls for a meeting with church delegates for the past five years".

He also charged that Mr Botha, as head of a minority government, should be "the last one to accuse the churches of being unrepresentative of the people of South Africa".

The Cape Town theologian said South African authorities were stepping up aggressive actions, such as the recent military raid into Botswana, in an effort to give the impression that they would be even stronger in resisting change if the outside world increased economic pressures.

But, he said, such "wild, violent action is just a desperate bluff because, if pressure is consistently put on South Africa, they will have to change".

Dr Boesak said he was excited by the strength of the anti-apartheid movement in the United States

"If the US did vote for sanctions, countries such as Britain would find it much more difficult to justify their support for the South African Government," he said.

Dr Boesak said that, in view of his calls for economic pressure against South Africa, he did not know what would await him when he returned home.

He said his own standing in his community was strengthened earlier this year after church authorities had cleared him of charges of marital infidelity with a white woman formerly employed by the council.

He said the charges resulted from a government-instigated "smear campaign" and predicted: "I don't expect them to let up. Nothing is too low for them to try to achieve their ends." — Sapa-Reuter.

Unions pledge strong support for sanctions

By JOSHUA RABOROKO

THE International Confederaton of Free Trade Unions has advocated for disinvestment to fight apartheid in South Africa.

In a strongly worded statement, the ICFTU called on its affiliates to step up their campaign against multinationals operating in South Africa.

Declaring itself "proud to be in the forefront of the campaign against apartheid", the ICFTU stressed that "the growth and strengthening of independent black trade union movement is the single most effective measure for the repressed majority in South Africa to gain freedom and justice and to abolish apartheid."

The call by the ICFTU has received tremendous support from local trade unions which have called on multinationals to "put their houses in order" in an attempt to avoid industrial action.

The disinvestment lobby is mounting overseas, especially in the United States and part of Europe where radical organisations and leaders have called on their governments to stop supporting the "apartheid regime" in South Africa.

The ICFTU calls on the governments to build up the following sanctions through administrative and legislative action:

- extension of arms embargo;
- ending of all measures to promote trade with South Africa;
- product-by-product steps to switch both import and export trade with South Africa;
- prevention of new investments in south Africa by multinationals;
- ending of all contracts for the expansion of the South African nuclear energy and oil-from-coal programmes;
- ending of all commercial operations by multinationals in the so-called "homelands" or "bantustans";
- ending bank loans to the South African State and publicly-owned companies and of new loans by the International Monetary Fund (IMF);
- punitive action against shippers, oil companies and traders breaking the oil embargo;
- a ban on the sale of Krugerrands and;
- a ban on purchases of South African coal.

A programme of compulsory disinvestment by multinationals operating, especially in the armaments, energy and high technology sectors in South Africa, including all those companies which have been identified by the independent trade unions should be seen as being in violation of internationally accepted standards of labour practice.

These measures should culminate in the adoption of mandatory United Nations sanctions to enforce the economic isolation of South Africa. For its part the ICFTU would:

- initiate campaigns on target companies, in support of the independent black trade union movement;
- undertake an information campaign with the ICFTU affiliates, concerned to discourage white emigration to South Africa;
- work with affiliates, particularly in the main trading and investment partners of South Africa, to press for firm Government commitment to an effective sanctions policy;
- initiate a vigorous campaign on governments to end political collaboration with the SA government;
- continue its campaign for the release of all detained trade unionists in South Africa and;
- utilise the ICFTU SA Co-ordinating Committee to exchange information and to review, encourage and assist trade unions' action to implement the ICFTU's policy on South Africa.

A separate resolution has been adopted by the unions condemning "all collaboration with the South African regime serving in any way to strengthen or maintaining apartheid."

The resolution stresses that all "so-called constructive engagement policies and political exchanges such as visits to heads of governments by South Africa's president constitute such collaboration, providing considerable support to the regime."

The unions also deplored the insensitive statement by the president of the US regarding the killing of innocent people at Uitenhage. It calls on the president to withdraw the remarks, and called on all governments to embark on a vigorous policy of constructive disengagement in line with the ICFTU proposals.

8/7/85 280 B. Day

Vatican lends SA funds

By NEIL BEHRMANN

VATICAN CITY has been a major lender to South Africa between 1982 and 1984. It lent a total of $172m to the public sector and to the Johannesburg municipality.

Out of the total, SA Transport Services received $113,4m, the Department of Post and Telecommunications $38,5m, and Johannesburg $20m.

The loans were made through Banco di Roma per La Svizzera.

The loans by the Vatican City were documented in an extensive report on South African borrowing overseas by the anti-apartheid group End Loans to South Africa. No one at Vatican City was unavailable for comment.

The comments by the pressure group are partisan but statistics are comprehensive and well-documented.

CAPE Times
8/7/85 280

US moves to tough sanctions

WASHINGTON. — American pressure on South Africa to end apartheid looks set to intensify this week as Congress moves closer to tough sanctions

The Republican-led Senate, in a debate starting today, is preparing legislation that would be a sharp rebuff to President Reagan's cautious approach to Pretoria's policies

Barring last-minute hitches, the Senate action would send a strong signal to the South African Government that Congress wants reforms to the apartheid system.

"It is obvious that strong, punitive measures directed at the South African Government are necessary to stop the abhorrent treatment of the black majority," said Republican Senator Mitch McConnell of Kentucky.

Curbs

Recently, the Democrat-controlled House of Representatives overwhelmingly passed a bill for sanctions by 295 votes to 127.

House members approved economic curbs last year, but Congress adjourned before Senate action and the measure died.

The measure that recently cleared the House is considered slightly stronger, and the plan before the Senate is seen as a tough bill.

The Senate bill won approval in the Senate Foreign Relations Committee by 16 votes to one.

Both the House and Senate versions would prohibit new US bank loans to the South African Government, prevent sales of US computers and technology that South African military or police could use in enforcing racial laws — and stop US nuclear technology exports

Both bills would prevent US firms from making new investments or expanding their South African operations and would prohibit Krugerrand imports.

The House bill would apply these latter sanctions immediately unless South Africa quickly enacted reforms, ranging from letting black workers live near their families to allowing blacks to vote

Under the Senate version, the new sanctions would not be imposed for 18 months to give South Africa time to make progress on reforms.

Once passed, the Senate version must be reconciled with the House-approved measure before a final bill can be sent to the White House.

The Reagan administration objects to both bills, contending that South Africa has made progress on lessening restrictions and that sanctions would only hurt working blacks

Filibuster

But in Congress the administration's long-standing policy of constructive engagement with Pretoria is viewed as having accomplished too little

Senate Republican leader Mr Robert Dole of Kansas hopes the bill will be passed in the coming week. Although any senator can block the vote through lengthy debate or tabling multiple amendments, no threats of such a filibuster have been made

Nevertheless, conservative Republican senators such as Mr Jesse Helms of North Carolina are expected to offer strong opposition — Sapa-Reuter

Sanctions would hit blacks hard — Suzman

Star 8/7/85 280

LONDON — Economic sanctions against South Africa could be counter-productive and hit black people very hard, Progressive Federal Party MP for Houghton, Mrs Helen Suzman, said here last night.

Pressure in the United States for trade sanctions had reached "tidal wave proportions ... but I believe them to be counter-productive," she said on the commercial TV Channel Four program, "Face the Press".

"I am not arguing the moral issue," Mrs Suzman said. "That's a decision people must take for themselves.

"But they must remember once they have gone, their influence — the influence they might have exerted on South Africa — has gone as well."

She said the black trade unions in South Africa realised sanctions could mean a permanent loss of jobs.

Mrs Suzman said that sports boycotts had been effective but South Africa had not been rewarded for the progress it had made on the desegregation of sport.

She predicted that unless the South African Government announced its intention to move further on reform there would be growing unrest.

Mrs Suzman said she was "very apprehensive" about the endemic unrest and believed it would not end until the Government moved to stop detention without trial and abandoned forced removals.

— Associated Press.

Sanctions Bill presents problems for Thatch

The Star Bureau

LONDON — Tomorrow the House of Commons will be forced to vote on sanctions against South Africa.

A Bill being introduced by anti-apartheid MPs led by Mr Richard Caborn comes at the same time as:

● Similar legislation is debated in the United States and seems destined to become law.

● The Commonwealth Southern Africa committee meets — in the wake of the Gaborone raid — to discuss sanctions against South Africa to be put to the Commonwealth heads of government meeting in October.

● Canada cancels its double taxation agreement as part of a range of tougher measures against South Africa.

● The European Economic Community is due to discuss a joint approach to sanctions.

● The 66 African, Caribbean and Pacific (ACP) states ask to meet EEC Foreign Ministers to discuss forcing South Africa to end apartheid.

Mr Caborn's Bill will force the Thatcher Government to spell out its position and will test the resolve of Tory backbenchers. It will also increase the pressure on the Thatcher Government to agree to sanctions.

Mr Caborn said that the Bill would provide for a ban on the import and export of oil, coal, uranium, military and strategic goods.

It would also prohibit the import of Krugerrands, gold, the movement of currency, and the payment of any capital monies to any person or body corporate in South Africa.

"It is the first time such a Bill has been introduced in Britain. It will present a problem for the Government," Mr Caborn said.

"The Bill forces a vote on sanctions. Everyone will know where people stand on the issue, which has not been clear before."

Mr Caborn, secretary of the anti-apartheid group of MPs, waited outside the Speaker's office overnight to gain the first opportunity for the Bill in terms of the 10-minute rule.

The rule allows Mr Caborn to introduce and motivate the Bill for 10 minutes. Up to 10 minutes are allowed for opposition to the Bill and it is then put to a free vote.

If this first reading is passed, the Bill joins a long list of government and private members' legislation — and could be shelved indefinitely.

But, by then, Mr Caborn will have achieved his aim — and flushed the Tories out of the woodwork.

The Bill could be a blueprint for a future Labour Government. Mr Neil Kinnock, the Labour leader, is a member of the 60-strong anti-apartheid group and has declared that a Labour Government would support comprehensive, mandatory UN economic sanctions.

And Dr David Owen, a partner in the Liberal-SDP alliance which may hold the balance of power after the next general election, has threatened Sir Geoffrey Howe, the Foreign Secretary, with similar legislation.



Mr Neil
bluepri

Four face jail over arms deals

CAPE TIMES 10/7/85

BIRMINGHAM. — Four British businessmen face prison sentences of up to two years at Birmingham Crown Court today for smuggling arms components to South Africa.

Two of the men, Derek Salt, 60, and Malcolm Bird, 48, were yesterday convicted by a jury. Three others have pleaded guilty to conspiracy charges

After the verdict, the judge, Mr Justice Mars-Jones, ordered Salt, Bird, Michael Swann, 34, and Michael Gardiner, 56, to be held in custody overnight

"To breach the international arms embargo is a matter of the utmost gravity that must be punished by an immediate prison sentence," he said.

He allowed the third man who pleaded guilty, Henry Coles, 72, to remain on bail and said he would not be sending him to prison

Salt is the managing director of his own engineering company, D W Salt Engineering Bird is managing director of a company called Hitech Engineering

In their defence, both men said they had not known that the parts they were sending to South Africa were for arms production.

The prosecution said the equipment was sent to "front companies" in South Africa used by the government to obtain components in breach of the embargo

Four South Africans were named in the conspiracy charge. They were arrested in Britain last year and were due to appear for trial, but in a diplomatic reprisal against the British Government's refusal to evict UDF leaders from the Durban consulate, the South African Government refused to allow them to return

The South Africans were said by the prosecution to have worked for "front companies" and to have had business dealings with the British businessmen

Addressing the court yesterday, prosecutor Mr David Latham, QC, said Swann and Coles had obtained parts for aircraft, including the Buccaneer jet fighter, from British firms and that they sent them to South Africa through the Atlas Aircraft Corporation. — Sapa

Sanctions debate today

The Star Bureau

LONDON — New British investment in South Africa has grown by over 600 percent to R769,6 million a year, since Mrs Margaret Thatcher came to power.

And the Tory Government has funded 85 trade missions to South Africa — at a cost of R1,7 million

The figures were disclosed by Labour Party MPs Mr Donald Anderson and Mr Richard Caborn when they unveiled the Labour Party's Bill to impose sanctions on South Africa, which will be debated in the Commons today.

They said that although the previous Labour Government had not imposed sanctions, it had discouraged trade with South Africa

Prior to Labour being unseated, new investment in South Africa was only R126 million a year.

The Bill, which will probably be defeated if put to the vote in the Commons, allows for a wide range of sanctions

Right-wing Republicans are accused of racism as they try to stall debate in US S

Bitter dispute over anti-SA B

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— Senator Cr

9/7/85 Star 280

By Neil Lurssen, The Star Bureau

WASHINGTON — The clash in the US Senate over economic sanctions against South Africa has turned into a bitter dispute, with angry allegations of racism and blind anti-communism being flung at the right wing.

These charges were made yesterday after the debate was stalled till later this week by Republican conservatives led by Senator Jesse Helms of North Carolina, who threatened to filibuster the sanctions Bill — that is, hold off a vote by talking endlessly.



Senator Jess Helms ... blocking vote.



Senator Alan Cranston racism charges.



Senator Robert Dole ... vote on filibuster

The charges came from Democratic Senator Alan Cranston, a California liberal and unsuccessful candidate last year for his party's presidential nomination

He said. "There seems to be, at the heart of the American ultra-right-wing movement, an undercurrent of racism that rises to the surface every now and then.

"I strongly suspect — and gravely fear — that that dirty undercurrent of racism is rising to the surface again in the tolerance of apartheid and the apparent lack of concern over the suffering of 23 million blacks."

Senator Cranston, one of the sponsors of the sanctions Bill, said that some people would accept any evil, even the evil of apartheid, if it could be enlisted ... "in the unholy crusade of blind, uncritical anti-communism".

The Senate Majority Leader, Republican Senator Robert Dole of Kansas, has moved to foil the Helms filibuster by filing a motion of cloture — a procedure in which a majority of senators vote to end the delaying tactics.

At a Press conference, Senator Cranston predicted that it will be approved, as would the sanctions Bill when voted on in the Senate.

But Senator Helms said he had enough conservative support to beat the cloture.

At the heart of the struggle is the Lugar Bill, which started as an attempt to aid South African blacks through educational and business grants, but which has since been toughened with amendments that would.

- Ban US bank loans to the South African Government.
- Prohibit computer sales to South African security forces or agencies that enforce apartheid.
- End nuclear trade and co-operation with South Africa.
- Make the Sullivan Code mandatory for all US companies in South Africa.

The beefed-up Lugar Bill has already been approved 16-1 by a key Senate committee, with only Senator Helms casting a negative vote

Senator Cranston said yesterday that he expected further amendments to be proposed, including a ban on SAA's landing rights in the US, a provision for the US to mint its own gold coins to compete with Krugerrands and an end to Krugerrand sales.

A separate and tougher four-part sanctions Bill has been approved by the US House of Representatives, and Senator Cranston predicted that President Reagan would sign a compromise version of the two Bills into law — especially because of the support sanctions were getting from Republican congressmen.

Earlier yesterday, Assistant Secretary of State for Africa Dr Chester Crocker agreed that some form of sanctions legislation would probably be approved by Congress this year, but declined to speculate on whether President Reagan would sign or veto it.

On a previous occasion Dr Crocker said he would advise the president, if asked, to veto sanctions.

Yesterday Senator Helms told reporters that sanctions would backfire because they would harm blacks who needed jobs.

In a bitter reply from the Senate floor, Senator Cranston said that blind anti-communism had put the US "in political, economic and sometimes military bondage to virtually every right-wing dictator and virtually every ultra-conservative reactionary movement that appears anywhere on the globe".

"And, most bitter

Sanctions: vote on 'block'

Star 10/7/85

The Star Bureau

280

WASHINGTON — The clash among United States senators over economic sanctions against South Africa continued behind closed doors yesterday with both supporters and opponents claiming things were going their way.

The immediate battle is over a threat by conservative Republican Senator Jesse Helms of North Carolina to "filibuster" the Bill — talk non-stop to prevent it from going to the vote.

The Senate is expected to vote on the filibuster today, and indications are that most senators will agree to limit Senator Helms' speaking time.

"This will clear the way for debate on the Bill.

Most analysts here predict that the Senate will decide in favour of sanctions and that President Reagan will be asked to sign into law a compromise version of measures approved by the Senate and the House of Representatives.

Complicating further the complex political fight is the expected addition of amendments to toughen the already tough Bill.

Two amendments were filed yesterday by Republican Senator Bill Roth.

One is the long-threatened attempt to prohibit SAA aircraft landing in the US. The second is a "pre-emptive" clause which attempts to stop individual states from divesting funds from US companies doing business with South Africa.

A spokesman for Senator Roth has denied that the two amendments are a contradiction in that one seeks to punish South Africa by restricting its official airline, and the other seeks to stop disinvestment.

"There's no contradiction," said the Roth spokesman said. "He wants to send a signal to South Africa that apartheid is unacceptable — and do that with the SAA ban. But he does not favour disinvestment of US companies."

Wing Republicans are accused of racism as they try to stall debate in US Senate

By Neil Lurssen, The Star Bureau

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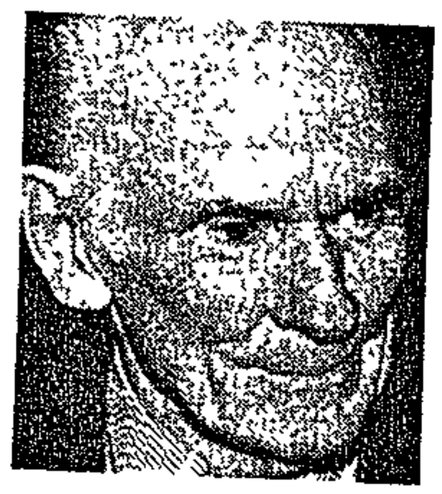

Senator Alan Cranston . . . racism charges.



Senator Robert Dole . . . vote on filibuster

I strongly suspect that the dirty undercurrent of racism is rising to the surface again — Senator Cranston

Star 9/7/85

Bitter dispute over anti-SA Bill

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At a Press conference, Senator Cranston predicted that it will be approved, as would the sanctions Bill when voted on in the Senate.

But Senator Helms said he had enough conservative support to beat the cloture.

At the heart of the struggle is the Lugar Bill, which started as an attempt to aid South African blacks through educational and business grants, but which has since been toughened with amendments that would:

- Ban US bank loans to the South African Government.
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The beefed-up Lugar Bill has already been approved 16-1 by a key Senate committee, with only Senator Helms casting a negative vote.

Senator Cranston said yesterday that he expected further amendments to be proposed, including a ban on SAA's landing rights in the US, a provision for the US to mint its own gold coins to compete with Krugerrands and an end to Krugerrand sales.

A separate and tougher four-part sanctions Bill has been approved by the US House of Representatives, and Senator Cranston predicted that President Reagan would sign a compromise version of the two Bills into law — especially because of the support sanctions were getting from Republican congressmen.

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On a previous occasion Dr Crocker said he would advise the president, if asked, to veto sanctions.

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In a bitter reply from the Senate floor, Senator Cranston said that blind anti-communism had put the US "in political, economic and sometimes military bondage to virtually every right-wing dictator and virtually every ultra-conservative reactionary movement that appears anywhere on the globe".

"And, most bitter paradox of all, it is this anti-communist blindness, when it finds expression in US foreign policy, that drives people into the arms of the communists and brings about the very pro-communist and anti-American governments we are all trying to prevent."

Senator Cranston accused South Africa of sending "terrorists" to destroy US property in Angola and of arresting virtually the entire leadership of the principle black democratic opposition.

US conservatives accused of racism

WASHINGTON — The clash in the United States Senate over economic sanctions against South Africa has turned into a bitter dispute with angry allegations of racism and blind anti-communism being flung at the rightwing.

These charges were made yesterday shortly after the debate was stalled until later this

SPECIAL CORRESPONDENT

week by Republican conservatives led by Senator Jesse Helms of North Carolina who threatened to filibuster the sanctions bill — hold off a vote by talking endlessly on the senate floor.

They came from Democratic Senator Alan Cranston, a California liberal and unsuccessful candidate last year for his party's presidential nomination, who said: "There seems to be, at the heart of the American ultra-rightwing movement, an undercurrent of racism that rises to the surface every now and then.

"I strongly suspect — and gravely fear — that that dirty undercurrent of racism is rising to the surface again in the tolerance of apartheid and the apparent lack of concern over the suffering of 23 million blacks."

Senator Cranston, one of the sponsors of the sanctions bill, said that some people would accept any evil, even the evil of apartheid, if it could be en-

listed . . . "in the unholy crusade of blind, uncritical anti-communism". 10/7/85

The Senate majority leader, Republican Senator Robert Dole of Kansas, has moved to foil the Helms' filibuster by filing a motion of cloture — a procedure in which a majority of Senators vote to end the delaying tactics. Sowetan

This motion will go to the vote today. At a Press Conference, Senator Cranston predicted that it will be approved and that the Senate would then proceed with the sanctions bill which would also be approved

But, at another Press Conference Senator Helms said he had enough conservative support to beat the cloture.

At the heart of the struggle is the Lugar Bill, which started as an attempt to aid SA blacks through multi-million-dollar educational and business grants but which has since been toughened with amendments that would:

Ban

- Ran US bank loans to the SA government;
- prohibit computer sales to SA security forces or agencies that enforce apartheid;
- end nuclear trade and co-operation with SA and;
- make the Sullivan Code mandatory for all US companies in SA.

The beefed-up Lugar Bill has already been approved 16-1 by a key Senate committee with only Senator Helms casting a nay vote.

Senator Cranston said yesterday that he expected further amendments to be proposed, including a ban on SAA landing rights in the US, a provision for the US to mint its own gold coins to compete with Krugerrands, and an end to Krugerrand sales — the latter from Senator Edward Kennedy.

Asked if the gold for US coins would come from South Africa, he said: "No — from Fort Knox"

A separate and tougher four-part sanctions bill was approved by the US House of Representatives and Senator Cranston predicted that President Reagan would sign a compromise version of the two bills into law — especially because of the support sanctions were getting from Republican Congressmen.

At a debate here earlier in the day, US Assistant Secretary of State, Dr Chester Crocker agreed that some form of sanctions legislation would probably be approved by the Congress this year. But he declined to speculate on whether President Reagan would sign or veto it.

On a previous occasion, Dr Crocker said he would advise the president, if asked, to veto sanctions.

After yesterday's clash on the Senate floor, Senator Helms told reporters that sanctions would backfire because they would harm blacks who needed jobs.

Senator Helms said that South Africa opposed the adventures of the Soviet Union in the region and that people who were unaware of the fact that the Soviets were orchestrating upheaval throughout Africa did not know what was going on.

He argued that sanctions would make it difficult for President Reagan's policy of quiet diplomacy to encourage reforms in SA.

In a bitter reply from the Senate floor, Senator Cranston said that blind anti-communism had put the US "in political, economic and sometimes military bondage to virtually every rightwing dictator and virtually every ultra-conservative, reactionary movement that appears anywhere on the globe."

It had alienated the US from honest, democratic reform movements.

'And, most bitter paradox of all, it is this anti-communist blindness, when it finds expression in American foreign policy, that drives people into the arms of the communists and brings about the very pro-communit and anti-American governments we are all trying to prevent," he said.

Senator Cranston said South Africa was already ostracised "rhetorically and symbolically". It was time now to hit the white oligarchy in their pocketbooks.

The newspapers published reports of people dying at the hands of the SA security forces and in riots caused by black fury against those complicit with their oppressors.

"But we do not read about the millions of little deaths that occur in SA every day, the deaths of the human spirit, the trampling of human dignity . . . ," he said.

Senator Cranston accused South Africa of sending "terrorists" to destroy US property in Angola and of arresting and charging with treason virtually the entire leadership of the black democratic opposition.

"We are dealing . . . with a regime akin to the Nazis of 1939 in terms of how they treat their own people," he charged.

Sanctions bill in Commons

Own Correspondent

LONDON. — A private member's bill embracing a wide-ranging package of sanctions against South Africa passed its first reading in the House of Commons yesterday.

The bill was opposed by a pro-South African Tory right-winger, Mr John Carlisle, but the government could not muster enough votes to win a division and opted not to turn out a "payroll vote".

The bill was, therefore, passed "on the nod" and a date set for the second reading on October 25.

The South Africa Sanctions Bill was introduced by Labour MP Mr Richard Caborn, who called on the British Government to prevent Britain become totally isolated in the international community.

Before the debate Dr David Owen, leader of Britain's centrist SDP/Liberal Alliance, gave his backing to the private member's bill.

Dr Owen's move coincided with the first cracks in the 50-nation Commonwealth when the British Government dissented at a meeting of its Southern Africa Committee on Tuesday on Commonwealth support for a UN Security Council resolution threatening economic sanctions if South Africa continued to "block" SWA/Namibian independence

The Commonwealth decision follows an extensive sanctions package announced by the Canadian Government earlier this week and recent moves by Australia, France, New Zealand and the Nordic countries to tighten the economic screw on South Africa.

All Black row shuts down VW

CAPE TIMES 11/7/85

Own Correspondent

PORT ELIZABETH — The row over the loan of 12 VW microbuses for the All Black rugby tour to South Africa led to the shut-down of the Volkswagen plant at Uitenhage yesterday

Production ground to a halt after more than 3 500 workers downed tools in protest against the company's marketing plan to lend the vehicles to the South African Rugby Board for the coming tour.

A company spokesman said he could not say whether VW might change its mind over the loan of the microbuses adding that he could also not say when the plant would reopen.

The regional secretary of Naawu, Mr Les Kettledas, said: "The union is opposed to international links which do not further the interest of oppressed people in South Africa

"Our members at Volkswagen are protesting the building of buses for the pleasure of the privileged minority while the townships burn."

According to Mr Kettledas, union shop stewards were mandated by the workers to forward a request to the company not to lend the buses.

"This request was refused by the company and the workers hearing this stopped work," Mr Kettledas said.

The VW spokesman said yesterday that the matter was being discussed with union officials The outcome of the meeting was not known last night.

He added that the loan was a marketing promotion to boost sales in a depressed market and thus safeguard jobs He stressed that the vehicles were on loan and not a gift and would be sold after the tour, which starts later this month.

He said. "Workers became unhappy when they saw the vehicles painted in the green and black team colours, and mistakenly believed Volkswagen was giving the vehicles away."

About 6 000 people are employed at Volkswagen, but although another 2 500 salaried and non-union workers remained at the plant yesterday it was closed as further production would not be economical, the spokesman said.

Sanctions debate continues

WASHINGTON — The clash among United States senators over economic sanctions against South Africa continued behind closed doors here with both sides, supporters and opponents, claiming things were going their way.

The immediate battle is over a threat by conservative Republican Senator Jesse Helms of North Carolina to "filibuster" the sanctions bill — talking nonstop to prevent it from going to the vote.

SOWETAN Foreign Service.

280 SOWETAN 11/7/85

'Whipping boy for US problems'

The Star Bureau

WASHINGTON — The United States Senate was told yesterday to stop using South Africa as a whipping boy for America's own problems.

This admonishment came yesterday from Republican Senator Steve Symms of Idaho, one of only eight conservatives who tried unsucessfully to prevent a Bill calling for economic sanctions against SA from reaching the floor of the Senate.

Senator Symms said nobody in the US liked apartheid — but nobody wanted to harm the ordinary people of SA either.

"I know of no way of hitting at the extremist supporters of apartheid without striking at moderates too," he said.

South Africa was more fair than any other country in the communist bloc or in Africa.

● UDF leader Dr Alan Boesak was the public gallery when Senator Symms spoke.

Republicans lose battle on sanctions

The Star Bureau

WASHINGTON — Conservatives in the United States Senate appear to have lost their battle to hold off the debate on American economic sanctions against South Africa.

During proceedings marked by bitter exchanges between liberal Democratic Senator Alan Cranston of California and his conservative colleagues, the Senate voted 88—8 to limit a filibuster attempt led by Rightwing Republican Senator Jesse Helms of North Carolina.

The vote limited each senator to one hour of speaking and effectively foiled the Helms plan of delaying a sanctions vote by endless talking.

But a handful of conservatives kept up their delaying tactics, making use of their one-hour allocations to keep the sanctions Bill off the Senate floor yesterday.

The majority leader, Senator Robert Dole of Kansas, said last night that he hoped the Senate would be able to deal with the Bill today.

The vote is seen here as an indication that there will be bipartisan support among the senators for sanctions this year — probably a ban on new US bank loans to the South African Government and restrictions in some trade areas.

The conservatives were angered by the sharp attack on them by Senator Cranston. Earlier in the week, Senator Cranston said there was an undercurrent of racism in US rightwing opposition to sanctions. Yesterday he accused Senator Helms of racism.

"If the senator had been in the Senate 122 years ago, he probably would have opposed emancipation because it would throw four million slaves out of work," he said.

But Senator Cranston aimed most of his invective at the South African Government, calling it a despotic regime that "sends terrorists into other countries to kill those against it".

Senator Helms accused Senator Cranston of violating tradition and displaying a lack of courtesy in calling him a racist.

He said it would be arrogant of the Senate to decide that it had all the answers to the complicated South African situation.

The question was whether the US should undermine a staunch ally because it did not like what was happening there.

Senator Helms said he agreed with President Ronald Reagan's view that sanctions would not help to encourage reform away from apartheid which all Americans opposed.

There was nothing racist about that view. It was common sense.

Any senator who could not see that needed a white stick and someone to guide him around the debating chamber.

Conservative Senator Steven Symms of Idaho also clashed with Senator Cranston, accusing him of "demagoguery" and of being "sanctimonious".

He rejected the allegation that Senate conservatives were "crazy commie-hunters", saying that was an absurd treatment of an important issue.



Senator Jesse Helms

We're not worried — Worrall

The Star Bureau

LONDON — South Africa was not worried by disinvestment, said the Ambassador to London, Dr Denis Worrall.

But he conceded that any withdrawal of international bank loans to the country would hurt in the long-term.

Dr Worrall was speaking at a Diplomatic and Commonwealth Writers' Association lunch yesterday.

He was greeted by a small, but noisy group of anti-apartheid demonstrators who chanted slogans calling for the release of Nelson Mandela and the expulsion of Dr Worrall from Britain.

They later invaded the plush hotel where the lunch was held and hurled abuse and a stink bomb at the guests.

Dr Worrall told a questioner that disinvestment had more to do with internal American politics than with South Africa.

Senate backs anti-SA package

The Star Bureau

WASHINGTON — In the toughest action it has taken against the South African Government, the United States Senate last night voted 80-12 for an anti-apartheid Bill which includes economic sanctions and financial incentives for blacks.

The vote, which comes a month after the House of Representatives approved a much tougher sanctions package, is an indication of impatience in Congress with President Reagan's policy of constructive engagement.

Congress-imposed sanctions face two more hurdles before they can become law: the first is a conference to iron out differences in the separate Senate and House measures; the second is getting President Reagan to sign them into law.

Analysts say President Reagan will probably be reluctant to exercise a veto because of the extensive Republican support for the sanctions in both chambers.

The Senate vote came after a day of sometimes heated debate during which conservative Republicans introduced amendment after amendment to weaken the Bill — notably to impose similar sanctions on communist countries. All failed.

However, the conservatives did succeed in getting a compromise deal in which proposed amendments to ban Krugerrand sales in the US, and prohibit SAA from the US, were dropped.

But one amendment accepted authorises the US to mint its own gold coins to compete with Krugerrrands.

The Bill contains several punitive sanctions, including a ban on new US bank loans to the South African Government, a ban on US computer sales to security forces and agencies enforcing apartheid, and a prohibition on nuclear trade and co-operation.

In an effort to improve the life of South African blacks, it earmarks R30 million to enable them to attend universities and schools.

The Star's Political Staff report that in Cape Town today Foreign Minister Mr Pik Botha said he hoped "good sense will prevail" and the legislation giving effect to the disinvestment campaign dropped. "I simply cannot accept that the majority of Americans agree with this punitive action," he said.

12/7/85

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World leaders may ban oil shipments to SA

(280)

Star 12/7/85

HOMBORSUND (Norway) — World conservative leaders are expected to discuss the possibility of banning all oil transport to South Africa when they meet in Washington later this month, according to the Norwegian Prime Minister, Mr Kaare Willoch

Mr Willoch, interviewed at his south coast summer cabin yesterday, also said he expected the leaders to review other possible measures for bringing pressure on South Africa for a peaceful solution to the country's problems.

At least eight heads of government will be among 25 conservative party leaders attending a conference of the International Democratic Union in Washington on July 25 and 26.

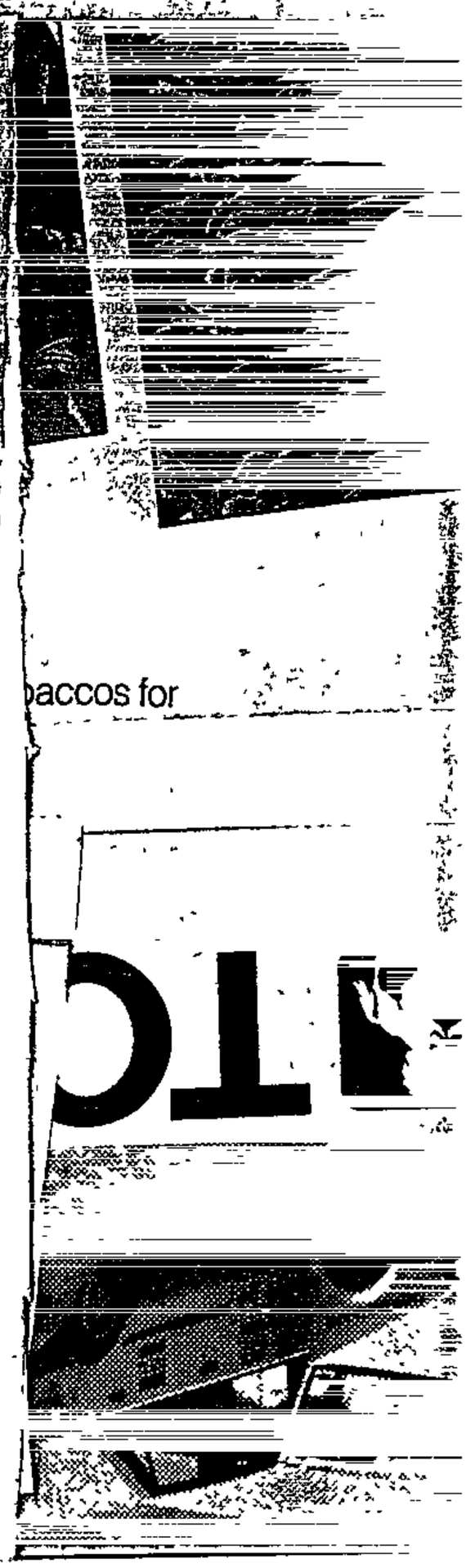
Mr Willoch made clear, however, that there would be no question of any unilateral Norwegian action aimed at changing Pretoria's apartheid policies.

"Unless there is a concerted international action, a Norwegian ban would be a waste of effort," he said, adding that unless all co-operated other shipping nations would move in and take over the market share.

Mr Willoch's centre-Right government is under strong pressure to take action against shipping and trade with SA.

The former Labour Foreign Minister, Mr Knud Frydenlynd, yesterday called for blacklisting of all Norwegian tankers transporting crude oil to South Africa.

The Norwegian Federation of Trade Unions, meanwhile, has campaigned for an all-out boycott of South Africa, saying Norwegian companies suffering financially should be reimbursed from a public fund.



White House says sanctions wrong

WASHINGTON—The White House said yesterday that the limited sanctions the Republican-controlled Senate was calling for against South Africa were 'the wrong way' to hasten an end to apartheid laws

'We continue to believe that sanctions against South Africa are the wrong way to bring about changes that we all desire to see there,' presidential spokesman Larry Speakes said in commenting on the 80-12 vote yesterday by which the Senate joined the opposition Democrat-led House of Representatives in approving sanctions

Mr Speakes said the Administration would continue to pursue its policy of constructive engagement which encourages United States companies to do business in South Africa while seeking changes in the country's racial laws, because 'it is the only chance for the U S to have influence in the region'

He said the Administration applauded the provisions in the Bill which recognised 'the role of the U S in promoting change in South Africa' and which 'commend U S companies for the efforts in supporting change away from apartheid

The Administration also 'welcomes the fact that many of the more extreme sanctions being discussed were not adopted'

Against

But the Administration was against other provisions of the Bill, such as those designed to discourage investment in South Africa by United States companies

During debate on the Bill, Democratic Sen Edward Kennedy said: 'No group has a right in any country to be a master race'

The Mercury's Transvaal News Bureau reports that Foreign Minister Pik Botha said yesterday he could not accept that the majority of Americans supported the United States Senate's 'punitive' action in supporting sanctions against South Africa

Hope

In a statement yesterday, Mr Botha said it would be 'premature' to comment because the Senate vote was essentially 'a further part of the lengthy and complex American legislative process'

'We would hope, nonetheless, that good sense will prevail in the time still available and that the ongoing debate on this issue will serve to better inform U S legislators of the mutually disadvantageous consequences which their actions could bring about

'I simply cannot accept that the majority of Americans support this punitive action'

Dr Beyers Naude, general secretary of the South African Council of Churches, said he hoped the vote would 'cause the Government to realise the abhorence of the apartheid system'— (Sapa-AP)

World bid to ban oil trade with S A

HOMBORSUND—World conservative leaders are expected to discuss the possibility of banning all oil transport to South Africa when they meet in Washington later this month, says the Norwegian Prime Minister, Mr Kaare Willoch.

Mr Willoch also said he expected the leaders to review other possible measures for bringing pressure on South Africa for a peaceful-change solution to the country's problems.

At least eight heads of government will be among 25 conservative party leaders attending a conference of the International Democratic Union in Washington on July 25 and 26.

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Mr Willoch's centre-right government is under strong pressure to take action against shipping and trade with South Africa.

The Norwegian Federation of Trade Unions, meanwhile, has campaigned for an all-out boycott of South Africa, saying Norwegian companies suffering financially should be reimbursed from a public fund. — (Sapa-Reuter)

Anglican chaplains 'not' barred from operational area

Own Correspondent

MARITZBURG. — In a dramatic turn of events yesterday the provincial synod of the Church of the Province of Southern Africa reversed its previous decision to effectively bar military chaplains from the operational area

Up until Wednesday night it had seemed a foregone conclusion that the synod would pass the measure at the third reading.

But it is understood that considerable lobbying took place on Thursday in the wake of a white backlash which threatened to create a widening rift between black and white in the church and threaten its financial stability.

Speaking at the third reading at the last session of the synod yesterday morning, the Rev John Davies of Bloemfontein said he was able to defend everything the synod had done except effectively bar the military chaplains If this was implemented, he said, it would mean discrimination against Anglicans who were in the army as they would not be ministered to

"Let's not punish our young Anglicans," he said

Mr Ian Farlam of Cape Town said the effect of the move would be that conscripts would not receive the church's ministrations.

Voting by houses — Laity, Clergy and Bishops separately, and it has to be approved by all three — the motion was defeated in the house of laity by 35 votes to 17.

Further evidence of white anger at political decisions taken at the triennial synod emerged yesterday when several posters were put up in the foyer outside the hall at the University of Natal, where the synod is meeting.

Under the heading, "What a Load of Rubbish", the poster displayed a picture of the Archbishop of Cape Town, the Most Rev Philip Russell, and the bishops of Natal and Johannesburg, Michael Nuttall and Desmond Tutu, under which was written: "Save Our Church From The Bishop's Group".

Small multi-coloured silk-screened banners were also displayed saying. "God Save Our Church"

Members of the laity yesterday voted against the ordination of women to the priesthood

Delegates decided to request Archbishop Russell to set up a commission to consider the theological and practical implications of ordaining women to the priesthood.

The voting in opposition to the ordination of women was close, with 22 in favour of the principle and 30 against.

An amendment to a resolution calling for the release of Nelson Mandela and other life-sentence prisoners in Pollsmoor prison and on Robben Island was actually approved by a small majority of the synod.

The Rev Sydney Luckett of Cape Town, who moved the amendment, explained that although 68 delegates had voted in favour of the move and 52 against, it was a controversial measure which required the approval of a two-thirds majority. The amendment, therefore, was unsuccessful.

Yesterday the Cape Times reported that the voting had been 52 in favour of the amendment and 68 against.

European MPs call for SA sanctions

The Star's Foreign News Service

BRUSSELS — Labour Euro MPs have called for EEC sanctions against South Africa following the US Senate 80-12 vote to act against Pretoria.

Mr Alf Lomas, the new left-wing leader of the 32-strong Euro Labour Group and Euro MP for London North East, urged an end to EEC trading and cultural links with South Africa, and a ban on investment.

Labour Group secretary Ms Janey Buchan, MEP for Glasgow, wrote to Common Market Commission president Mr Jacques Delors seeking an early announcement of EEC action.

Mr Lomas said: "Sanctions are the only way to make the South African Government change. We have to hit them where it hurts.

"After the US decision it is essential for speedy EEC action. We could be left dragging our feet behind the Americans.

"The Conservatives will oppose sanctions on the pretext that they will hurt black South Africans. But that is a cop-out.

"All the evidence shows black South Africans are overwhelmingly in favour of sanctions because their conditions cannot be made worse."

Pressure for sanctions builds

The Star Bureau

LONDON — Senior officials of the Contact group, including Dr Chester Crocker, meet here tomorrow to review progress on Namibia — and again Britain could find herself alone in opposing sanctions.

British Foreign Office sources are playing down the meeting as "routine", but it is likely to be anything but.

The US Senate voted overwhelmingly in favour of sanctions last week, and President Ronald Reagan has little option but to apply them.

Dr Crocker was the main architect of "contructive engagement" but the South African commando raid into Cabinda — which threatened American lives — killed that policy.

If that wasn't enough South Africa, which had thumbed its nose at the world by creating an interim administration in Namibia, then raided Botswana.

Dr Crocker will have to explain to the meeting just what America intends.

HARDLY COMFORTABLE

Britain's position in the group is hardly comfortable. She is already under considerable pressure from within the Commonwealth to impose sanctions.

Canada, one of the five, has already announced a harder line. The US seems set on sanctions. France has threatened to impose them within 18 months.

The question marks hang over West Germany and Britain, both of whom are major trading partners with South Africa.

In addition Ireland, snubbed by South Africa over the refusal the admit 13 anti-apartheid demonstrators to the country last week, and Holland, which has vehemently protested the invasion of its Pretoria Embassy to recapture one of its citizens, escaped detainee Mr Klaus de Jonge, may take a harder line.

Britain is heading towards a Commonwealth heads of government meeting in October and her anti-sanctions position is looking increasingly uncomfortable.

There are fears Britain may find herself standing alone in the United Nations using her veto to protect South Africa from sanctions — a position which would be virtually intolerable for Mrs Thatcher.



Frolicking in the snow

It's snowtime folks! But the cold and wet certainly didn't put this bunch off as they frolicked in the snow. Mr Bertus Groenewald of Greyton entered into the fun of things at the weekend with his daughters Dalene (left) and Marisa (middle) while young Rykie Swanepoel of Ceres tried to keep Snowy upright.

Political in-fighting could delay the passage of sanctions

Star 16/7/85

By Neil Lurssen,
The Star Bureau

WASHINGTON — A clash is building up between the United States Senate and the House of Representatives over economic sanctions against South Africa.

The dispute may result in political in-fighting that could turn as bitter as the recent debates in the Congress over apartheid — and it is almost certain to delay the passage of a sanctions Bill.

Both congressional chambers have approved sanctions packages with the House version considerably tougher than that of the Senate.

The two versions have to be reconciled at a Senate-House conference and then ratified by both chambers before a sanctions Bill can be sent to the President for signing into US law.

But now there are strong indications that neither side is willing to budge on the sanctions it has chosen to punish South Africa for its race laws.

Also playing a role behind the scenes are officials of the Reagan Administration, who are making a last-ditch stand to hold off or water down the sanctions.

The Senate has already informed the House that the sanctions package it approved last Thursday, the Lugar-Dole Bill, is its final word.

Liberal Democrats in the House will attend a special meeting in Washington today to plot their strategy against the Senate pressure.

Among the sanctions contained in the Gray Bill approved by the House are bans on new American investments in South Africa and on Kruger-

Grade 10

0.00 0.00 17.59 20.22 21.98 23.74 27.72 27.72 31.68 34.76
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Current Hours: 44 Hourly Change 1975 to date: Nominal +0.0% Current Real Weekly Wage: R 19.85

Grade 12

11.88 15.84 19.43 21.58 23.74 25.90 30.24 30.24 34.56 38.16
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Current Hours: 44 Hourly Change 1975 to date: Nominal +425.6% Real +61.2% Current Real Weekly Wage: R 21.79

OAU in sanctions call

The Star's Foreign News Service

ADDIS ABABA — The summit today, the Ministers said the conference should be held next June to coincide with the 10th anniversary of the Soweto riots.

They also called on the UN African group to step up the campaign for the total isolation of South Africa and condemned the Reagan administration's policy of 'constructive engagement.

● See Page 17.

At the end of preparatory meetings for the conference on sanctions against South Africa, in collaboration with the Non-Aligned Movement and the United Nations, has been proposed by Organisation of African Unity Foreign Ministers

Senate-House clash could delay sanctions

There are strong indications that neither the Senate nor the House is willing to budge on the sanctions it has chosen to punish South Africa for its race laws. NEIL LURSSEN of The Argus Foreign Service reports from Washington

A CLASH is building up between the United States Senate and the House of Representatives over economic sanctions against South Africa.

The dispute could result in political infighting that could turn as bitter as the recent debates in the Congress over apartheid — and it is almost certain to delay the passage of the sanctions.

Both congressional chambers have approved sanctions packages with the House version considerably tougher than that of the Senate.

The two versions have to be reconciled at a Senate-House conference and then ratified by both chambers before a sanctions bill can be sent to the president for signing into United States law.

Punish

But now there are strong indications that neither side is willing to budge on the sanctions it has chosen to punish South Africa for its race laws

Also playing a role behind the scenes are officials of the Reagan Administration who are making a last-ditch stand to hold off or water down the sanctions.

The Senate has already informed the House that the sanctions package it approved last Thursday, the Lugar-Dole Bill, is its final word on the subject and that it expects the House to approve it as the one and only measure

A House source said today: "I don't think there is any chance that we are going to accept that."

Liberal Democrats in the House are to attend a special meeting in Washington to plot a strategy against the Senate pressure.

Among the sanctions contained in the Gray Bill approved by the House are bans on new American investments in South Africa and on Krugerrand sales here.

Neither measure is included in the Senate Bill, the strongest measures of which are bans on new bank loans to the South African Government and restrictions on nuclear technology and computer exports.

Leaders of the sanctions campaign in the House, notably congressmen Bill Gray of Pennsylvania, Stephen Solarz of New York and Howard Wolpe of Michigan are especially anxious to include the ban on new investments in the final bill.

They argue that it is a moderate measure, will not remove existing jobs for blacks and will be an effective signal to the South African Government in the midst of otherwise soft sanctions.

Disinvestment

Senators who approved sanctions last week but who do not want to harm South Africa's economy unduly contend that such a measure will open the door to disinvestment, will be unfair to US companies and will harm South africa's blacks.

The Senate has indicated that it is not willing to meet House representatives in conference on the sanctions.

According to sources here, the House may retaliate by attaching the Gray Bill as an amendment to an unrelated bill that the administration needs to carry out its duties.

Typically, this would be an appropriations bill of which there are still many that have to be approved for the 1986 financial year.

Such a ploy would force the Senate to meet on the House bill."There are other political pressures we can apply," one source said — though he did not spell them out.

Squabble

One result of the political squabble is that the South African sanctions measure may not be ready to be sent to the President before the Congress enters a month-long recess on August 3.

If a Senate-House conference does take place on South African sanctions, it is likely to be a lively gathering.

Analysts here predict that the conference will include such disparate forces as Republican Senator Jesse Helms, spokesman for the rightwing in the Senate, and liberal Democratic Congressman Howard Wolpe who has waged a fierce battle against US ties with the South African Government throughout his term in the House.

Move against disinvestment

Star 16/7/85

By Neil Lurssen, The Star Bureau

WASHINGTON — Disinvestment moves against South Africa by American states, cities and other local authorities involving billions of dollars may soon be declared illegal.

Republicans in the United States Senate — including senators Mitch McConnell and Richard Lugar who were behind the recently-approved sanctions Bill — have asked the Congress to take this step because, they say, the many individual disinvestment actions interfere improperly with the United States' foreign policy function.

The two senators have cited a US Supreme Court ruling and a study by the American Law Division of the Library of Congress to back their request.

If their effort succeeds as expected, it will be a major blow against the widespread disinvestment campaign here — the attempt to get American companies to pull out of South Africa and to force investors to withdraw their money from companies that do business with South Africa.

Disinvestment has made little progress in the US Congress, but many states and local authorities have enacted or are considering disinvestment legislation — typically involving millions of dollars in pension funds.

The two sanctions Bills have carefully avoided seeking immediate disinvestment because it would jeopardise black jobs and American profits — but they threaten disinvestment in the future should South Africa make no progress in eliminating apartheid.

Senator McConnell said states, cities and other bodies had drafted an enormous variety of disinvestment measures because of the absence, until now, of federal legislation.

"This variance from state to state has caused confusion and concern on the part of small investors, pension fund administrators and contributors, and corporations with South African business ties.

"It is clear that we cannot afford 50 or more foreign policy agendas and standards."

Congress has preempted state action many times in the past in areas such as the regulation of pension funds and labour-management relations.

"No field is more clearly suited for federal control ... than that of foreign policy," Senator McConnell said.

Senator McConnell was supported by Senator Lugar.

"To have 50 states and hundreds of municipalities all trying to guide US companies in South Africa would lead to chaos.

"The nation needs to speak with one voice on foreign policy," he said.

Another UK Bill seeks sanctions against SA

Star 280 18/7/85

The Star Bureau

LONDON — For the second time in a week Parliament has endorsed backbench moves for sanctions against South Africa.

But both the United Nations Namibia Bill, given a formal first reading in the House of Lords yesterday, and the Sanctions Against South Africa Bill introduced in the Commons last week by Mr Richard Caborn, a Labour MP, have little chance of becoming law.

Their introduction into Parliament is a Labour ploy to increase pressure on the Tories to introduce sanctions. Both will be dropped by the Thatcher Government at the end of this session.

Now Lord Hatch, who introduced the Bill into the Lords, and Mr Caborn will try to reintroduce them in October — to coincide with the next Commonwealth heads of government meeting.

Anti-apartheid campaigners say the Lords move has two benefits — there is no limit on the length of debate, and proceedings are televised.

"When Mrs Thatcher stands up and says Britain is against sanctions, we will make sure all the Commonwealth members have copies of our Bills," Lord Hatch said.

Anti-apartheid groups claim many Conservative MPs favour sanctions and did not attend the debate to avoid voting against them.

AROUND THE WORLD...

Bill to implement SA sanctions

280 Sowetan 19/7/85

LONDON — A second Bill to impose sanctions against South Africa has been introduced in the British Parliament, this time in The House of Lords.

Labour Peer Lord Hatch Brought in the Bill, which was given its first reading on Wednesday

Its aims are similar to those in a House of Commons Bill sponsored by labour MPS which was given its first reading last week.

Neither Bill has any chance of becoming law, and both will automatically lapse when the Houses go into summer recess.

The object of introducing the Bills is to allow debate on the British Government's anti-sanctions policy. To achieve this, the sponsors will have to re-introduce both Bills when the Houses begin a new session and try to get them through to second reading stages.

The bills are designed to give the Foreign Secretary a free hand in imposing trade, travel and currency restrictions against South Africa unless SWA / Namibia is granted independence under the United Nations plan

The Commons Bill contains a mandatory paragraph seeking the immediate imposition of an oil embargo

Lord Hatch said after his Bill was introduced· "We both want to get second reading debates in both houses in October to coincide with the Commonwealth Conference in the Bahamas When (British Prime Minister, Mrs Thatcher) stands up and says Britain is against sanctions, we will make sure all the Commonwealth members have got copies of our Bills" — Sapa.

SA man in R700-m probe

LONDON — Charges of fraud have been levelled at a South African-born businessman — as the British Government announced that police were investigating the R700 million Johnson Matthey Bank crash.

Labour Mr Brian Sedgemore used parliamentary privilege against prosecution to claim that Michael Hepker, a 44-year-old South African and chairman of Sumrie Clothes, a Leeds-based dresswear group, had led Bank of England auditors "up the garden path".

Mr Sedgemore's allegations related to a R4-million loan he alleged JMB had given Mr Hepker — Sowetan Foreign Service

US Congress in clash over SA sanctions Bill

By Neil Lurssen,
The Star Bureau

WASHINTON — The United States House of Representatives has rejected a US Senate demand that the Senate's milder version of economic sanctions against South Africa be sent to President Reagan for signing into law.

This means the sanctions issue — one of the most emotional to be debated in the two chambers this year — is unlikely to be settled before the Congress begins a month-long recess early in August.

If the differences turn into a stalemate with neither side willing to budge, they could leave sanctions on the shelf this year.

But congressional sources say with feelings about South Africa aroused in the US and Congress eager to do something about it, a compromise will eventually be hammered out. They predict a Bill will be sent to the President in September.

This week, however, neither side showed signs of giving way.

At issue is the severity of the punitive measures to be applied against South Africa.

The two chambers have passed different sanctions Bills.

GRANTS

The Senate sanctions are relatively moderate, calling for an end to US bank loans to the SA Government, restrictions on nuclear and computer trade, and adherence to the Sullivan Code.

The Senate Bill also seeks to help blacks with financial and educational grants and loans worth more than R30 million.

The House Bill is tougher. It bans new US investment in South Africa and Krugerrand sales in the US.

When the Senate approved its Bill last week, it sent a message to the House indicating it would go no further with sanctions and the House should scrap its own Bill, approved in June, and accept the Senate one.

"There will be no conference between the two chambers," a Senate source said. "They will have to accept our Bill."

But the House has sent a message back that it has no intention of doing what the Senate wants it to do.

It did this by appointing a number of congressmen, known here as "conferees", to hold a compromise conference with an equivalent number of senators on the sanctions.

The Senate has appointed no conferees — and a well-connected Senate source pointed out that it had not promised to do so.

The source added that this could result in a stalemate for the rest of the session.

Bill in Lords seeks sanctions

LONDON—A second Bill to impose sanctions against South Africa has been introduced in Parliament here, this time in the House of Lords

Labour peer Lord Hatch brought in the Bill, which was given its first reading yesterday.

Its aims are similar to those of a House of Commons Bill sponsored by Labour MPs, which was given its first reading last week.

Neither Bill has any chance of becoming law, and both will automatically lapse when Parliament goes into summer recess.

The object of introducing the Bills is to allow debate on the British Government's anti-sanctions policy. To achieve this, the sponsors will have to reintroduce both Bills when Parliament begins a new session and try to get them through to second reading stages.

The Bills are designed to give the Foreign Secretary a free hand in imposing trade, travel and currency restrictions against South Africa unless South West Africa is granted independence under the United Nations plan.

The Commons Bill contains a mandatory paragraph seeking the immediate imposition of an oil embargo. — (Sapa)

US Senate calls for mild sanctions

Senate's rejected

Argus Foreign Service

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Punitive measures

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Scrap its Bill

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But the House has sent a message back that it has no intention of doing so. It has appointed a number of congressmen, known here as conferees, to hold a compromise conference with an equivalent number of senators on the sanctions.

The Senate has appointed no conferees.

The source said the dispute could result in a stalemate for the rest of the session.

280

AAP draws up a 'hit list' of companies with SA links

280 Star (Fed) 22/7/85

SYDNEY — A group named Australians Against Apartheid (AAP) has committed itself to preparing a "hit list" of companies trading with SA.

Based in Victoria only, AAP has begun to compile a list of the 40 to 50 Australian companies with shareholdings or subsidiaries in South Africa. It says it will pay particular attention to companies that exploit cheap black labour.

"By freezing out these companies, we will make them consider seriously their investment in South Africa," said spokesman Mr Graeme Orr.

Mr Harold Murphy, chairman of the Australia South Africa Association (which represents the interests of Australian companies trading with SA) said Australian companies contributed significantly towards the employment of black workers.

esday July 23 1985

'Sanctions hypocrisy' is given a battering

Star 23/7/85

260

The Star Bureau

LONDON — A top British financial journalist has warned that sanctions against South Africa would mean hunger and real poverty for the poorest blacks

Andrew Alexander of the *Daily Mail* says British progressives are backing two causes simultaneously. rescuing Africans from hunger in Ethiopia and bringing hunger to them in South Africa

"For that is what the sanctions-against-South Africa campaign means It is not intended to be a series of mere pinpricks, it is intended to hurt. And those who would be really hurt would not be the whites but the poorest blacks It is humbug to pretend otherwise."

Alexander says the campaign strategy is to starve South Africa first of capital, and then of export markets and imports, resulting in huge labour lay-offs. Hunger and poverty would soon follow.

"As the situation worsened, what would the sanctions enthusiasts do? Would Senator Kennedy, the sanctimonious hero of Chappaquiddick, declare a victory because black South Africans were starving? Would Neil Kinnock preen himself on the rising tide of unemployment and poverty in South Africa?"

WEAPON OF STARVATION

A total jobloss figure would be hard to predict But American firms alone employ about 150 000, so, with dependants, about 750 000 people would be affected by US withdrawal

"Sanctions campaigners usually excuse their plan by saying blacks want sanctions. It is true that a number of the fat cats in South Africa's black political movement do favour sanctions — they would not suffer, and anyway, they have their eyes on the big houses, limousines and backhanders they reckon they would get if they could overturn white rule.

"The horrors of Ethiopia stem in part from the appalling President Mengistu using starvation as a weapon against the rebels The West's liberals seem ready to echo that policy in Southern Africa

"It would be hard to sum it up better than the US journalist who asked Mondale if it was his policy to starve the blacks until the whites surrendered"

Rifkind, Huddleston in dispute

LONDON — Bishop Trevor Huddleston, president of the Anti-Apartheid Movement, and Mr Malcolm Rifkind, Minister of State at the Foreign Office with responsibility for Southern African affairs, have become involved in a slanging match.

Bishop Huddleston, accompanied by Mr Bob Hughes, a Labour Party MP and chairman of the AAM, and Mr Mike Terry, its secretary, spent an hour with Mr Rifkind.

They had gone to ask that Britain impose immediate mandatory sanctions on South Africa, recall her ambassador from Pretoria and have talks with the African National Congress.

"I'm afraid we got nowhere," Bishop Huddleston told journalists after the meeting. "The discussion was heated."

Mr Rifkind refused to shake hands with Bishop Huddleston when the meeting ended. — The Star Bureau.

EARNINGS PER SHARE

Kinnock calls for action against SA

The Star's Foreign News Service

DAR ES SALAAM — British Opposition leader Mr Neil Kinnock, who is visiting Tanzania, has called for the immediate imposition of United Nations mandatory sanctions against South Africa.

Mr Kinnock told 1 200 students at Dar es Salaam University that a future Labour Government would make a complete break with South Africa.

Earlier, he discussed South African developments in a 90-minute talk with President Nyerere.

CONDEMNED

Mr Kinnock departed from his original text to condemn the declaration of a state of emergency in South Africa. He said this was a brutal and clumsy way of trying to contain feelings and forces in the country.

"What South Africa needs is not a state of emergency — it needs a state of change," he said.

"No panic measures can hide the reality that change is coming to South Africa. It is inevitable. Emergency powers, arrests, penalties don't alter that certainty.

"They just postpone it for a short time and drench it with a lot more blood."

He said sanctions must be imposed and enforced against South Africa.

"If the present British Government does not have the moral conviction and the material commonsense to take the required action, the Labour Government elected at the next election will take that action.

"We will isolate apartheid South Africa and promote effective action to hasten liberation."

Mr Kinnock said the policy of constructive engagement advocated by President Reagan had not achieved, and would not achieve, change.

UK Govt reacts to SA moves

Own Correspondent

LONDON — The British Foreign Minister, Sir Geoffrey Howe, outlined the British Government's response to the state of emergency and other developments in a major policy speech to the Royal Commonwealth Society yesterday

"Let there be no doubt about our abhorrence of apartheid and all the repressive measures used to enforce it," he said

Inequalities

It was given added repugnance by the vast inequalities, in terms of material possessions, education and expectations, which existed between the ruling minority and a majority deprived of power, and which were "built upon foundations of racial discrimination"

He defended Britain's role by saying that it was just because they condemned apartheid so strongly that their efforts to promote change in South Africa through continuing involvement were not always understood.

He did not believe it would be right to "disengage in any constructive sense from the problems

We remain firmly opposed to economic sanctions of any kind"

"Tragically such changes as have taken place have been accompanied by repression in its ugliest form

"The South African Government's call earlier this year for a dialogue with black South Africans has been flatly contradicted — and indeed frustrated — by the arrest of many of those whom black South Africans regard as leaders

"And the state of emergency declared over the weekend will add to the growing numbers who languish in detention without any legal recourse"

Priority

The most urgent priority was action to create a climate of confidence which would permit a real dialogue with the genuine leaders of the black community, whom blacks had to be permitted to choose

The dialogue could not avoid the fundamental question of the political aspirations of blacks This required bold steps by the South African Government

● The unconditional release of Nelson Mandela and other acknowledged political leaders

● An end to forced removals

● An end to detention without trial.

● An early end to the state of emergency.

● The progressive abolition of discriminatory legislation such as the pass laws and the Group Areas Act

● A commitment to some form of common citizenship

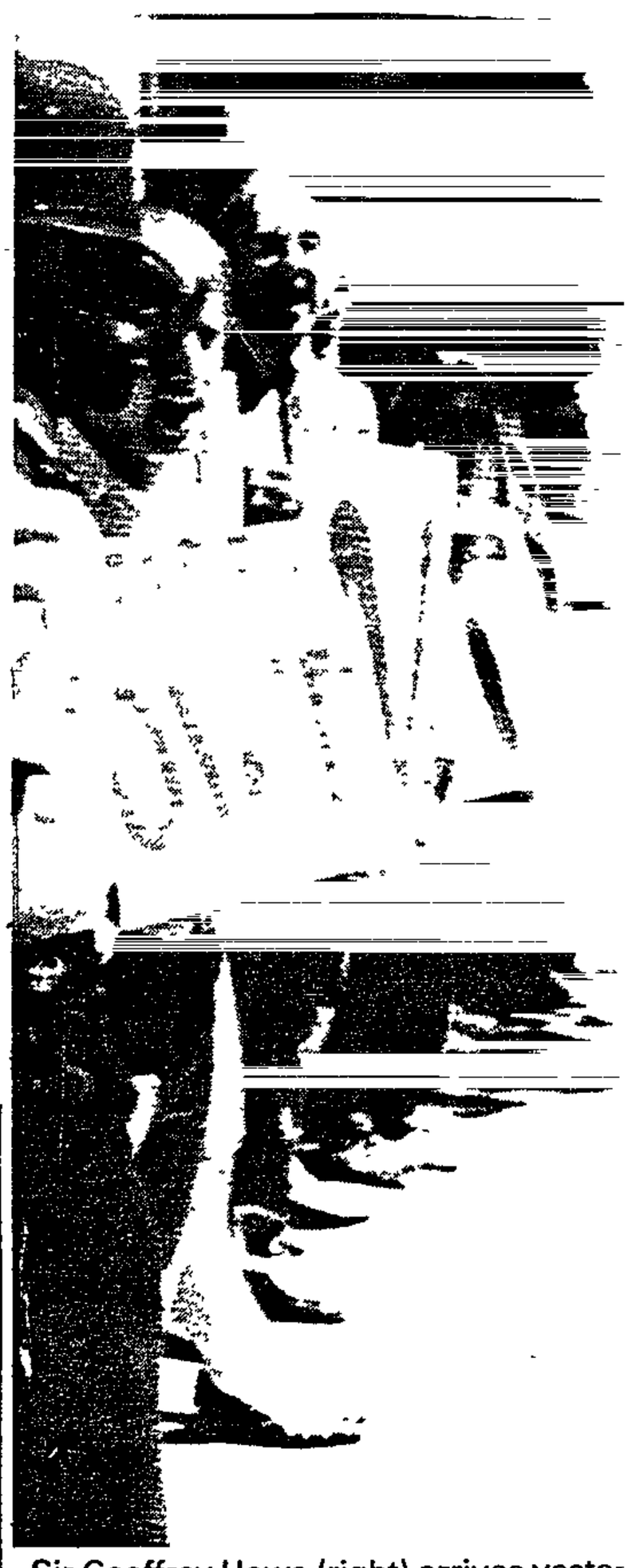
Vacuum

● British and other foreign companies in South Africa could expect to continue their activities there as though they were in a political vacuum, "most playing constructive and positive roles"

He called on the private sector to "play a full part in the broader political life of South Africa, condemning repression and working for peaceful change"

He also criticized the question of SWA/Namibia, a settlement being "long overdue"

Although he condemned the use of violence to bring about change in South Africa including ANC actions, he said, in reference to the recent Botswana raid: "If there is to be any prospect of stability and economic recovery in the region, actions of this kind must cease"



Sir Geoffrey Howe (right) arrives yester
of demonstrators who d

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Howe hammers apartheid — but rejects sanctions

Star 27/7/85

250

The Star Bureau

LONDON — Britain will not impose economic sanctions against South Africa — although it finds apartheid "repugnant, unacceptable, unworkable and indefensible".

Sir Geoffrey Howe, the Foreign Secretary, in a major policy statement after the declaration of the state of emergency, has called for "convincing and effective" action by South Africa to permit dialogue with genuine black leaders

CONDITIONS

Britain wants.

- An early end to the state of emergency.
- The unconditional release of Nelson Mandela and other "acknowledged" political leaders.
- An end to forced removals.
- An end to detention without trial.
- The progressive abolition of discriminatory legislation.
- A commitment to some form of common citizenship for all.

It says white South Africans should be guaranteed their rightful place "but not more than their rightful place" in any future South Africa.

nd British and foreign companies acting in South Africa have been told not to act as if they are in a political vacuum, but to apply the EEC code of conduct and work for peaceful change

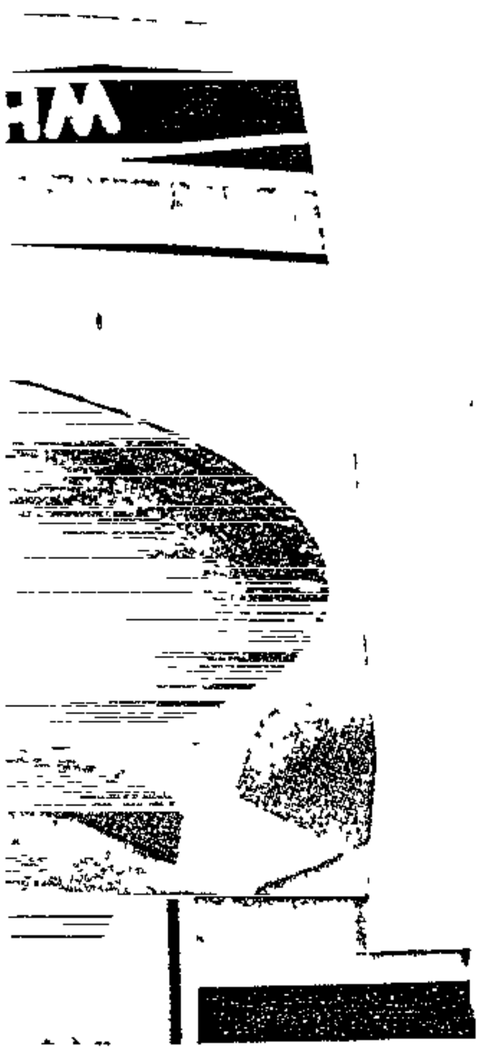
Sir Geoffrey was speaking after renewed calls from the Anti-Apartheid Movement and others for Britain to impose mandatory economic sanctions

Addressing the Royal Commonwealth Society, he said "Let there be no doubt about our abhorrence of apartheid and all the repressive measures used to enforce it"

However, he added "We have been following closely the debate on selective economic sanctions in the United States and other Western countries

"Frankly, I do not believe this would be right We remain firmly opposed to economic sanctions of any kind"

"We oppose sanctions because we believe that economic growth in South Africa offers the most likely route for peaceful political change."





London—Demonstrators demanding sanctions against South Africa greet Sir Geoffrey Howe (right) as he arrives to address the Royal Commonwealth Society yesterday.

NM 24/7/85.

Strengthen economic forces in S A, says Howe

280

LONDON—The British Foreign Secretary, Sir Geoffrey Howe, said yesterday his Government remained opposed to economic sanctions of any kind against South Africa — but he listed steps he believed should be taken to redress 'fundamental grievances'.

He told the Royal Commonwealth Society that the South African Government should

Unconditionally release Nelson Mandela and other 'acknowledged political leaders',

End forced removals,

End detention without trial,

End the state of emergency as soon as possible, and

Progressively abolish discriminatory legislation

'I am sure that all those who are working for peaceful evolutionary change in South Africa know that an outcome must be found whereby white South Africans are guaranteed their rightful place, but not more than their rightful place, in any future South African system,' he said.

He described apartheid as 'abhorrent in social and moral terms' and urged the South African Government to commit itself to 'some form of common citizenship' for all the people

But he questioned whether Western governments should 'disengage themselves' from the problem 'Frankly, I do not believe this would be right,' he said

'We remain firmly opposed to economic sanctions of any kind The effects of economic measures would, of course, be felt most keenly by black South Africans They would also affect the economies of South Africa's neighbours, even if the latter did not formally participate in the sanctions policy'

Sir Geoffrey said Western governments should be looking for ways to strengthen 'internal economic forces' in South Africa, especially the growing economic power of the black community and black trade unions

'The application of sanctions would mean an end to all these activities,' he added — (Sapa)

'Insulting' double standards for Africa

280

NM 25/7/85

MANY of the black African leaders who applaud sanctions against South Africa have themselves 'instituted *de facto* "apartheid" régimes in their own countries against their own black people,' according to an article in the Wall Street Journal.

The article was written by Prof George Ayittey, a native of Ghana and assistant professor of economics at Bloomsburg University in Pennsylvania.

He said 'radically different' standards of morality were applied to South Africa and black Africa.

If South Africa had expelled illegal black aliens, as Nigeria had recently done, or if Pretoria had resettled blacks on 'homelands' during a famine, as Ethiopia had tried to do, condemnations at the United Nations and in the U S Congress would have been deafening, Prof Ayittey said

'As if the skin colour or the ideology of the tyrant makes any difference to the oppressed. Does one see demonstrations in front of culpable black African embassies in Washington or calls for sanctions against any black African countries?

'There are 16 million oppressed blacks in South Africa. But some 400 million people live elsewhere in black Africa, a majority under despotic rule. Why is so little attention given to their plight?'

The article said that if one were to look 'beyond the issue of skin colour' similar characteristics of apartheid could be found in many black African régimes.

'In black Africa the two classes are not whites vs blacks but rather the élites (the educated class and the military) vs the people (peasants).

'The élite minority, which controls the government, does not share power with the people.

'As in South Africa, the élite minority disenfranchises the peasant majority. Until 1984 the peasants of Liberia could not vote in a presidential election unless they had property valued at more than $U S 25 000 (R47 170).'

Prof Ayittey said some African leaders who advocated majority rule in South Africa did not allow their own people the vote.

Many of these leaders had declared themselves 'Presidents for life,' while other black régimes were military dictatorships or 'farcical democracies'.

South African action against the African National Congress could be compared with steps taken against opposition elements in black Africa:

Liz van den Nieuwenhof
NEW YORK

'Many leaders have either outlawed political parties or have declared their countries one-party states and liquidated the opposition

'Many opposition members have mysteriously vanished in Zaire, Kenya, Uganda, Zambia and Guinea.'

The professor said that while black South Africans had to carry passes peasants in black Africa had to contend with curfews and roadblocks

He said the U N did not condemn despotism in black Africa for fear of 'interfering in the domestic affairs of sovereign nations'

'South Africa is not a sovereign nation, it might be argued — its government is illegitimate and unrepresentative of its people. But what black African government is legitimate and representative?

'Virulent condemnation of apartheid without parallel denunciations of tyranny in black African countries only serves to perpetuate the myth of black inferiority.

'Applying a lower standard of morality to black Africa betrays an insulting double standard against blacks,' said Prof Ayittey.

He believed some of the remaining support for apartheid might be caused by conditions in black Africa itself.

In tatters

'When South Africans look across their border they see the same atrocities the black African governments accuse them of committing. Furthermore, these governments have, through misguided policies, reduced their economies to tatters.

'Ian Smith, the former white Prime Minister of Rhodesia, defended his refusal to hand over power to the majority by observing that black Africans were incapable of running a country and managing an economy

'That statement was rightly denounced as racist and invalid, but black Africa's execrable economic record is not a convincing rebuttal.

Irrelevant

To the majority of black Africans, the peasants, the whole apartheid issue is largely irrelevant; many of them would affirm that they fared better economically under the white colonialists. To many, independence has meant oppression and economic deprivation.'

Prof Ayittey concludes: 'If we had to die I and many oppressed Africans would rather be shot dead in South Africa than in an independent African nation under black rule.

'It seems that only in South Africa does the killing and subjugation of innocent blacks prompt worldwide pressure for reform.' — (Sapa)

SA 'danger to world peace'

Star 25/7/85 280

The Star's Foreign News Service

BONN — A West Germany opposition MP has proposed selected economic sanctions against South Africa which could be tightened if necessary.

Mr Guenter Verheugen, a Social Democratic spokesman on African affairs, told a TV discussion group that South Africa had now "become a danger of the first order to world peace".

Pastor Wolfram Kistner, of the South African Council of Churches, said most foreign investment was used not to create new jobs but to modernise industrial plants and eliminate jobs.

South African Ambassador Willem Retief said it had been overlooked that a state of emergency had been declared in only 11 percent of the country.

"But the important thing is that the unrest is taking place in the black areas — black against black," he added.



UK will not punish SA

280

Sowetan 25/7/85

LONDON — Britain will not impose economic sanctions against South Africa — although it finds apartheid "repugnant, unacceptable, unworkable and indefensible".

In a major policy statement after the declaration of a state of emergency, Sir Geoffrey Howe, the Foreign Secretary, called for "convincing and effective" action by South Africa to permit dialogue with genuine black leaders.

Britain wants:

- An early end to the state of emergency
- The unconditional release of Nelson Mandela and other acknowledged political leaders.
- An end to forced removals
- The progressive abolition of discriminatory legislation such as the pass laws and the Group Areas Act and a commitment to some form of common citizenship for all South Africans.

It says white South Africans should be guaranteed their rightful place "but not more than their rightful place in any future South Africa."

British companies acting in South Africa have been told not to act as if they are in a political vacuum, but to apply the EEC code of conduct, condemn repression and work for peaceful change.

Sir Geoffrey was speaking after renewed calls from the Anti-Apartheid Movement and others for Britain to impose mandatory economic sanctions, recall her ambassador from South Africa and hold talks with the ANC.

Howe rejects call for sanctions

The Star Bureau

LONDON — Calls in the House of Commons for Britain to impose economic sanctions on SA and withdraw its ambassador from Pretoria were rejected yesterday by the Foreign Secretary Sir Geoffrey Howe.

He told MPs that sanctions would have the opposite effect to what was wanted And in the present situation in SA, withdrawing the ambassador would be the least helpful thing Britain could do

Sir Geoffrey said he joined MPs in condemning apartheid and wishing to see progress towards its removal. But those who would pay most grievously for any policy of disinvestment would be South African blacks.

Mr Denis Healey, Labour's Shadow Foreign Secretary, said the arguments against sanctions were inconsistent

"If the Foreign Secretary really believes that sanctions are always counter-productive, why did he support sanctions against Poland, and why is he now secretly supporting American sanctions against Nicaragua?" he asked.

Witbank 'clean-up'

WITBANK — Taxi drivers and Congress of South African Students members today raided the homes of six youths in Witbank and handed them over to the police in "a clean-up of crimin[al]
and hooligan element[s]
Police confirme[d]
they arrested th[e] in-
who may be ch[arged]
robbery, loo[ting]
timidation —



Woman shot three times by robbers

East Rand Bureau

A Nigel woman who was shot in the stomach three times by robbers managed to run about 100 m to her husband's shop for help yesterday.

Mrs Maria Richarte (51) of McLennon Street, Jameson Park, Nigel, was confronted by two men who entered her house through the back door

She asked them what they wanted and one of the men pulled out a firearm and shot her three times in the stomach. According to the police she was then dragged to [the] kitchen where she was kicked and hit.

When the [men] searching [Mrs] Richarte [left] the [house] The [woman] when Annelize [Richarte] panicked and [ran] fence. A pole fell [over] Annelize on the head.

MIT allays strategic fears

Scientists say SA minerals not vital

CAMBRIDGE — The United States is concerned needlessly about losing strategic minerals if it imposed economic sanctions against South Africa, a team of scientists has reported.

Writing in the August-September issue of the Massachusetts Institute of Technology's *Technology Review*, the researchers said the US already had sufficient reserves of rare metals, such as chromium and manganese, to protect national security.

Metals for commercial uses could be obtained elsewhere at a higher cost or replaced with other materials, said the scientists, all of whom are affiliated to MIT's department of materials science and engineering

"Thus it is neither necessary nor economically sound for the US government to increase its stockpiles or to invest heavily in untapped resources," they wrote.

The researchers said Washington should not be concerned that South Africa — a major US supplier of chromium, cobalt, manganese and platinum used in weapons systems and electronics — would stop selling the minerals if the US took economic steps to protest against apartheid.

"The US can obtain these critical materials elsewhere — albeit at a somewhat higher cost," the article said, adding that "South Africa must continue selling these metals to someone if it wants to preserve the health of its economy".

The article was written by Dr Joel Clark, director of the material systems laboratory at MIT, and Dr Frank Field, a researcher in the same laboratory. Four other MIT scientists assisted in the article.

The writers agreed with the US Office of Technology assessment that the United States, which has little domestic production of the materials, should increase exploration and development of mineral deposits outside South Africa and the Soviet Union.

But the scientists said the agency's recommendation that the US should build up its stockpiles of the materials and develop new manufacturing processes was unnecessary.

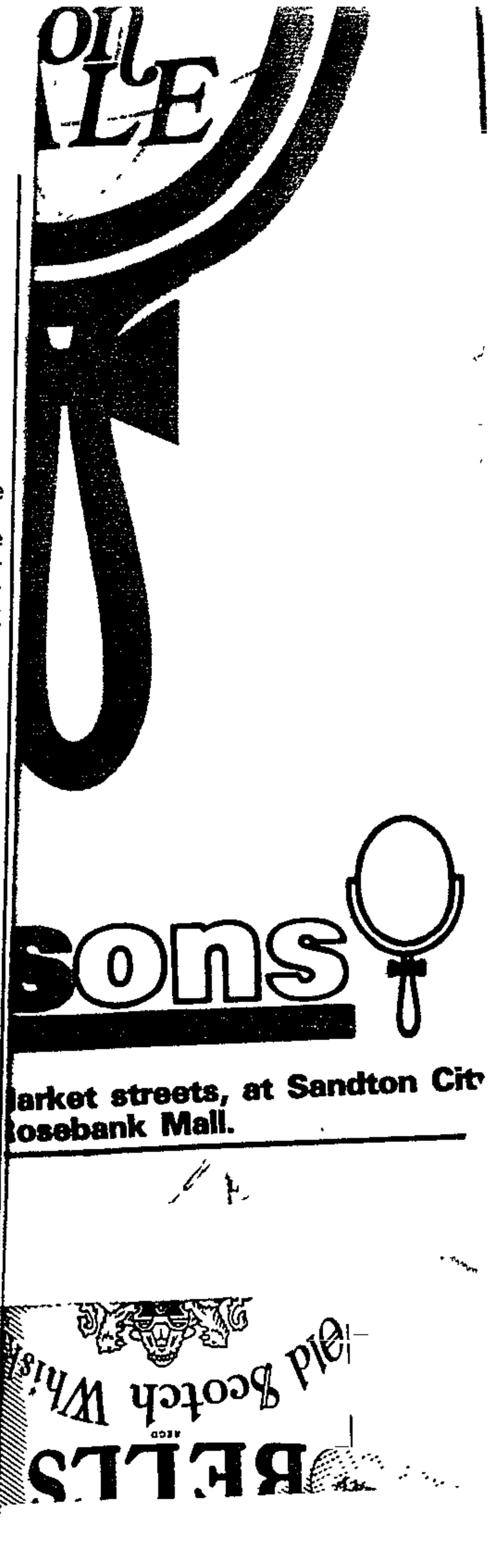
"We believe the existing stockpile, managed by the Federal Emergency Management Agency, is adequate to deal with the threat of disruptions to national security," they said.

In civilian industries, the MIT team noted, a halt in exports of strategic materials by South Africa would "automatically lead to conservation and recycling, and to a much expanded effort to develop alternative materials".

The scientists said chromium was essentially irreplaceable as a key ingredient in stainless steel and other superalloys, but that less of it could be used in the production process. In many cases, they added, stainless steel could be substituted by other materials.

Cobalt, used for high-temperature parts of jet engines and industrial gas turbines, can often be replaced with nickel, although at somewhat higher prices and with slight changes in performance, they said.

Manganese, used to make super-hard steel alloys and dry-cell batteries, can also be substituted by other materials. Ceramics and plastics offer promise as substitutes for the rare metals, the MIT team said. — Sapa-AP.



Sanctions vote in UN tonight

26/7/85 Rdt

NEW YORK — The United Nations Security Council has postponed until tonight voting on a resolution calling for voluntary sanctions against SA in protest against apartheid.

The resolution, introduced by France and Denmark, also calls for immediate lifting of the state of emergency proclaimed in SA and the release of all political prisoners.

The resolution was negotiated at a private meeting between French Ambassador Mr Claude de Kemoularia and several African representatives.

Mr Kemoularia told the council that the international community expected an effective and realistic reaction to the suffering in SA.

South Africa's Ambassador to the UN, Mr Kurt von Schirnding, said the internal situation in his country was not a matter for discussion in the Security Council.

Mr von Schirnding said France's sponsoring of the resolution was "opportunistic" and ironic in view of the French sending troops to its Pacific island territory of New Caledonia to put down unrest there.

LEAD TO CHAOS

US Ambassador Mr Vernon Walters said his country had told the Pretoria regime that apartheid would lead to chaos. But, he added, isolating South Africa would mean "curtailment of external influence to effect change" and even greater suffering for South Africa's 22 million blacks.

British delegate Mr Peter Maxey also expressed reservations about sanctions.

The UN draft resolution condemns apartheid. It calls for the unconditional release of all political prisoners, including Nelson Mandela, African National Congress leader.

The draft urges UN members to impose sanctions against SA and suggests five possibilities: suspension of new investment in SA; an end to imports of Krugerands and other gold coins, no more guaranteed export loans; no new contracts in the nuclear field; and a halt to sales of computer equipment that could be used by the police or the army.

● See Page 13.

ARGUS 26/7/85

280

British PM quotes Suzman in Commons

Argus Foreign Service

LONDON. — Mrs Margaret Thatcher has now entered the debate here on sanctions against South Africa — and has quoted Mrs Helen Suzman in support of her stand against them.

Her reaction to increasing calls by Labour MPs, the Anti-Apartheid Movement and the Commonwealth for Britain to take action came at Prime Minister's question time in the House of Commons yesterday.

Mr Roy Hattersley, deputy opposition leader, asked her if she would tell Vice-President George Bush on her coming visit to Washington why Britain, unlike the United States, had not withdrawn its ambassador from Pretoria and why, unlike the US Congress and Senate, it had not attempted to ban new investment there.

Mrs Thatcher said it was extremely important for Britain to have first-hand reviews of events in South Africa.

Mr Hattersley said: "I think on top of that, because we have so many British companies in South Africa, we should make the code of behaviour which has been established by the European Community for such companies compulsory and not voluntary."

Told that Mr Alan Paton and Mrs Suzman both opposed sanctions, he said: "Much as I respect them, they represent a minority in the white population. I believe the majority of the black population support sanctions."

● In Dar es Salaam British Opposition leader Mr Neil Kinnock has said he hopes a "free" South Africa will one day rejoin the Commonwealth. He told a Press conference: "I am sure that the Commonwealth nations would embrace a non-racist South Africa."

Mr Kinnock repeated an earlier call for mandatory sanctions and said there should be a freeze on new investment.

Western powers oppose Paris

CAPE TIMES 26/7/85

LONDON. — France's decision to take economic and diplomatic action against South Africa appeared an isolated move yesterday when three of the Republic's main trading partners — the United States, West Germany and Britain — said they would not change their policies.

As the United Nations Security Council last night began debating a French resolution condemning the state of emergency declared in South Africa at the weekend, the US State Department said it disagreed with France s decision and reaffirmed its policy of constructive engagement with South Africa

"We believe that such actions as the French Government's decision to restrict new investments both undermine South Africa's economy and create additional hardships for black South Africans," the spokesman said

Both State Department and White House spokesmen said there were no plans for a US-South Africa high-level meeting in Europe.

However, according to diplomatic sources in Washington, South Africa has been canvassing the Reagan Administration for a possible bilateral summit in Europe later this year in hopes of easing the current chill in relations

A well-placed diplomatic source familiar with the South African proposal said the Americans were still smarting from the Cabinda and Gaborone raids "They're convinced SA is up to some kind of monkey business they want to know what its intentions are regionally."

Meanwhile the British Prime Minister, Mrs Margaret Thatcher, told Parliament in London that Britain remained firmly behind Washington on the South African issue

"This government believes that sanctions would hit very badly against the black population of South Africa and would be counter-productive,' she said

Meanwhile the West German Government showed no inclination yesterday to follow the French example

While there was unqualified enthusiasm in Sweden Norway Denmark and Australia for the French move, there appeared to be no immediate plans to follow Paris in Belgium, the Netherlands, Spain, Portugal or Switzerland

Danish Foreign Minister Mr Uffe Ellemann-Jensen said Denmark was considering closing its consulate in Johannesburg

Anthony Johnson reports that the French Ambassador to South Africa, Mr Pierre Boyer, held discussions with the Director-General for Foreign Affairs, Mr Ray Killen, in Pretoria yesterday afternoon

The briefing could well be Mr Boyer's last official task in South Africa as he was ordered back home with "immediate' effect on Wednesday

By late yesterday Foreign Affairs officials remained unwilling to react to the French position but the Minister of Foreign Affairs, Mr Pik Botha said the French initiative in calling for a UN Security Council meeting was "impulsive and opportunistic'.

He said it was noteworthy that the Security Council meeting should have been requested by France, "a country which has only recently proclaimed a state of emergency in New Caledonia, the last vestige of French colonialism in the Pacific Ocean" — Sapa-Reuter-AP and Own Correspondents

● **Danish threat to close consulate, page 6**

● **Leading article, page 10**

Cape Times 26/7/85 UNISA 280

Denmark threatens to close SA consulate

PARIS — Reaction has been mixed in France to Prime Minister Mr Laurent Fabius s announcement on Wednesday of an immediate freeze on new investment in South Africa and the recall of the French ambassador as Denmark said it would consider closing its consulate-general in Johannesburg soon

Danish Foreign Minister Mr Uffe Ellemann-Jensen said yesterday that the move would be considered "in the near future" in protest against South Africa's racial policies "All possibility of a dialogue with Pretoria now seems to have been exhausted, he said

Wider international action

France also called yesterday for an emergency meeting of the United Nations Security Council to press for wider international action

The Communist Party newspaper Humanite called for more sweeping action It said "In the medium term, other efficient means of exerting pressure exist — a re-examination of sea and air links, an embargo on deliveries of arms or oil, monetary restrictions or the breaking of all cultural and sporting relations"

Mr Jacques Toubon, secretary-general of the right-wing Rassemblement pour la Republique (RPR), said· "What measures does (France) plan to take to enforce the respect for human rights and liberties in the Soviet Union Afghanistan Cuba or Vietnam?"

Mr Jean Francois-Poncet, foreign minister under former President Valery Giscard d Estaing warned that while some action was necessary, "we have too many interests in Africa to isolate ourselves

French officials said they hoped France s lead would encourage other countries to apply some form of economic sanctions, but noted that Britain and West Germany had strong reservations about the effectiveness of such a move

The Reagan Administration also opposes sanctions though the US Congress has voted in favour of them

Mr Max Gallo, who was French government spokesman until mid-1984 wrote in an editorial in the socialist daily Matin "Some will say it is not enough The essential point is that one country has taken the plunge Sanctions are effective only if a consensus is created among the major powers"

The liberal daily Monde said "Effective pressure — assuming the South Africans can be brought to compromise — can only come from major trading partners and powerful investors They are to be found in Washington and London far more than in Paris" — Sapa-Reuter

eter Kettle
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Germans urged to dump S Afric

26/7/85 (280) 26/7/85 NM

BONN—West Germany came under strong pressure yesterday to join France in imposing sanctions against South Africa and there were indications that Australia and Denmark would follow the French lead. But Britain and the United States made it clear they would not change their no-sanctions policy.

Sapa-Reuter reported that in a move likely to split Chancellor Helmut Kohl's coalition, members of the coalition Free Democrats and the youth wing of Mr Kohl's own Christian Democrats joined the opposition in demanding sanctions

Following France's decision to withdraw its ambassador from South Africa and freeze investment there, the opposition Social Democratic Party leader, Mr Hans Jochen Vogel, said Bonn should follow suit

'The policy of escalation has sunk the chances of a peaceful solution to almost nil,' he said, referring to emergency powers imposed by South Africa

The Free Democrats' deputy chairman, Mr Wolfgang Gerhard, called

Freeze on S A already costs France millions

26/7/85 NM

ORMANDE POLLOK
Political Correspondent

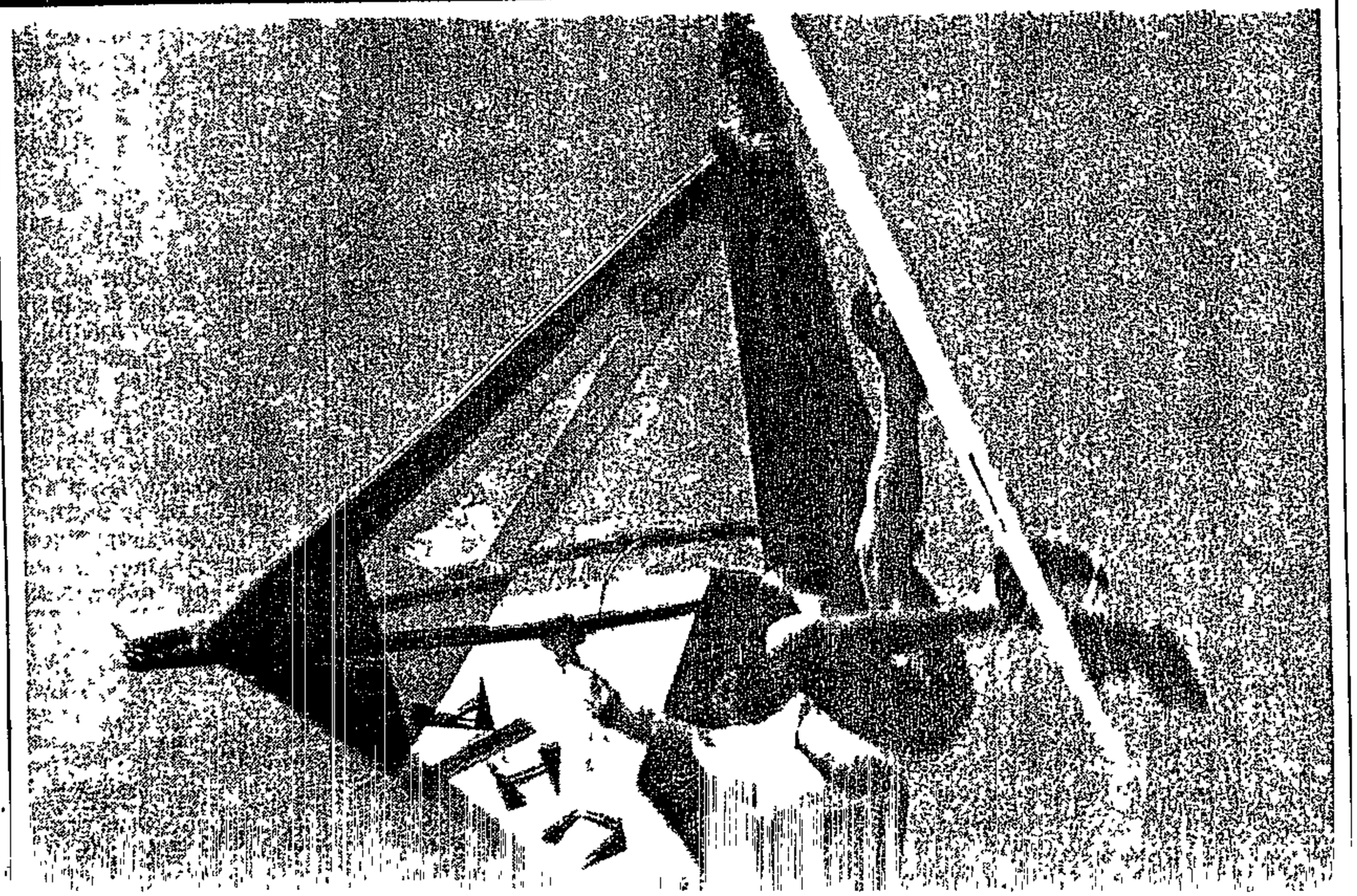
CAPE TOWN—France's freeze on new South African investment has already cost it millions of rands in large-scale industrial orders

Shortly after the surprise move it was learned that a South African company cancelled an order for nearly R150 million worth of French goods and it was expected that other South African businesses could take similar action

Meanwhile, South African Foreign Minister, Mr Pik Botha last night described the French call for a Security Council meeting as 'impulsive and opportunistic'

It was noteworthy, said Mr Botha, that the meeting of the council should have been requested by France, [illegible] proclaimed a state of

Former world champ shows his style



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R150 million worth of French goods and it was expected that other South African businesses could take similar action.

Meanwhile, South African Foreign Minister, Mr Pik Botha last night described the French call for a Security Council meeting as 'impulsive and opportunistic'

It was noteworthy, said Mr Botha, that the meeting of the council should have been requested by France, which had itself only recently proclaimed a state of emergency in New Caledonia, the last vestige of French colonialism in the Pacific Ocean.

According to reports more than 5 000 members of the French security forces have been sent to restore law and order in New Caledonia, an area with a total population of 140 000.

'It is also significant that only yesterday there were clashes between police and demonstrators in the French-ruled archipelago of Guadeloupe.

'Crowds of people are reported to have put up barricades around the capital and set vehicles on fire. Shops and public offices were shut. Those involved were evidently pro-independence supporters protesting against a prison sentence imposed on a militant sepratist,' Mr Botha said.

These developments alone should have reminded France of the difficulties of coping with such emotional issues as civil and political rights.

But it had still seen fit to call this meeting of the Security Council to condemn South Africa for its handling of an immeasurably more complex situation.

Mr Botha said South Africa's ambassador to the UN had been instructed to take part in the debate and to put South Africa's case. — (Sapa)

● See also Page 2 and Editorial Opinion

Sanctions pressure mounts

■ FROM PAGE 1

said yesterday they would not change their policies towards South Africa.

'U S presidential spokesman, Mr Larry Speakes, made no direct comment on the French decision but told reporters in Washington there would be no change in U S policy.

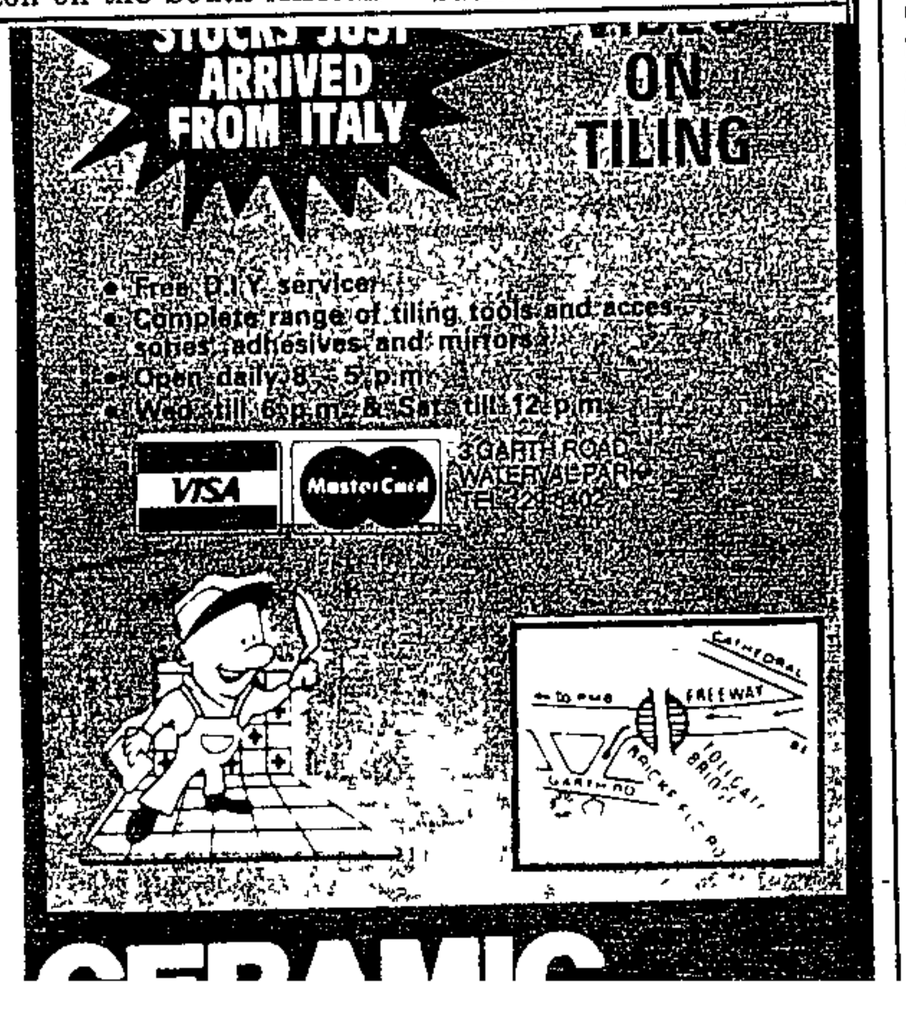
'In our view the policy we have laid out towards South Africa is a correct one,' he said.

British Prime Minister Margaret Thatcher told Parliament in London before leaving on a U S trip that Britain remained firmly behind Washington on the South African issue.

Britain's main opposition Labour Party however urged the Government to impose economic and political sanctions against South Africa.

Labour's foreign affairs spokesman, Mr Denis Healey, warned that South Africa, in declaring a state of emergency, was in 'an accelerating race to disaster'.

Mr Healey told the House of Commons that the use of emergency powers to deal with unrest in black townships had created 'a storm-trooper state in which the agents of the Government are licensed to kill without fear of legal retribution'.



tion has sunk the chances of a peaceful solution to almost nil,' he said, referring to emergency powers imposed by South Africa

The Free Democrats' deputy chairman, Mr Wolfgang Gerhard, called for a progressive series of effective and well-considered sanctions until Pretoria comes to its senses

The chairman of the Christian Democrats' youth wing, Mr Christoph Boehr, also demanded that Bonn withdraw its ambassador

Mounting impatience with South Africa from the liberal wing of Mr Kohl's Centre-Right coalition has been countered regularly with a solid refusal by the Right-wing Bavarian Christian Social Union to countenance sanctions

Civil war

Denmark will consider closing its consulate-general in Johannesburg in the near future, the Danish Foreign Minister, Mr Uffe Ellemann-Jensen, said in a radio interview yesterday

The move would be considered in protest against South Africa's racial policies.

'Pretoria has gone so far in its racist policies that civil war is looming in South Africa,' Mr Ellemann-Jensen said

'The closing of our consulate would not make much difference. All possibility of a dialogue with Pretoria now seems to have been exhausted'

Our correspondent in Melbourne reports that the Australian Cabinet is believed to be considering the recall of a trade commissioner in Johannesburg

With former Prime Minister Malcolm Fraser having been invited to join a UN panel reviewing the chances of success of a trade embargo levelled at South Africa, the Labour Government of Prime Minister Bob Hawke has admitted it, too, is formally reviewing its own contacts

'Right now, on an official basis, we are reviewing our contact with South Africa to see what might or might not be continued

'Beyond that the Prime Minister has already signalled his wish at the Commonwealth heads of government meeting in the Caribbean later this year, for members to test the issue of trade embargoes,' said Foreign Minister Bill Hayden yesterday

But the U S and Britain

■ CONTINUED ON PAGE 4



Mrs Thatcher . . "Boycott will hurt blacks."

'Sanctions will not work'

280 Star 27/7/85

WASHINGTON — British Prime Minister Margaret Thatcher rejected economic sanctions against South Africa today.

"I am against sanctions on South Africa. They will not work," she said in a television interview.

"They will hit out at the black population as well as at the white," she added.

She was commenting on a French decision to halt all new investment in South Africa.

Mrs Thatcher is in Washington to attend a meeting of the International Democratic Union of conservative political parties.

But in Brussels an international trade union leader has called on the European Economic Community to take the lead in the fight against apartheid by concerted sanctions including withdrawing investment from South Africa.

Mr John Vanderveken, general secretary of the International Confederation of Free Trade Unions, said in a statement the community's code of conduct for firms operating in South Africa had proved to be ineffective.

"The code is left to the goodwill of companies investing in South Africa and lacks binding clauses, monitoring mechanisms and sanctions for those violating it," he said.

Vanderveken headed a delegation that put the confederation's case to Luxembourg Government officials, representing the community's rotating presidency.

Community foreign ministers could discuss developments in South Africa on the fringe of a three-day meeting in Finland next week on the 10th anniversary of the Helsinki accords on European security and cooperation, Luxembourg sources said.

(780) Star 21/7/85

● In The Hague yesterday prominent Dutch political, religious and labour leaders led an hour-long demonstration outside the South African Embassy to protest against apartheid and the state of emergency imposed by Pretoria.

The 100-strong protest group included veteran Labour Party leader and former premier, Mr Joop den Uyl, and Mr Mient Jan Faber, leader of the Dutch anti-war movement. — The Star Bureau-Reuter-Associated Press.

Community Foreign Ministers adopted a resolution on Monday condemning apartheid and agreeing to work for the strengthening of the community code of conduct.

That was before France decided to suspend new investment in South Africa and recall its ambassador.

The confederation statement said its affiliates had been asked to step up pressure on their respective governments to force the Community to take tougher action against South Africa.

Meanwhile in Harare the American ambassador to Zimbabwe, Mr David Miller, said South Africa may have missed its chance of coming out of isolation.

DEMONSTRATION

Addressing poultry farmers, Mr Miller said: "It is unclear whether South Africans accurately comprehend the degree of hostility towards apartheid that is growing rapidly in the Western world and whether they recognise that a potentially great opportunity for them to move out of isolation may have come abd gone".

sunrise world

Security Council fails to agree with French proposals on sanctions

UNITED NATIONS — Security Council members failed yesterday to agree on measures against South Africa aimed at repeal of the state of emergency decreed last Saturday and the dismantling of the apartheid system.

After lengthy private consultations, diplomats reported that differences remained between France, which wants the council to endorse limited voluntary economic sanctions, and non-aligned states that favour a mandatory embargo.

The council held a brief meeting yesterday evening during which delegates of Trinidad and Tobago, Madagascar and Senegal reiterated appeals for decisive action. The council was then adjourned again, with a new meeting scheduled for late last night (SA time).

The delegate of Madagascar, Mr Noel Rakotondramboa, thanked France for initiating the council's consideration of the South Africa problem and expressed hope that further private talks would lead to a compromise resolution.

He said the council should take a "more unequivocal position" than that proposed by France, which this week ordered a suspension of new investment in South Africa and wants others to follow that lead.

The United States and Britain informed the council yesterday they oppose sanctions against the Republic.

American Ambassador Mr Vernon Walters said the United States continued to favour a dialogue with Pretoria and sanctions would harm black South Africans they were supposed to help.

Following this, a text was circulated by non-aligned members that would have the council condemn Washington's policy of "constructive engagement."

If pressed to a vote, this proposal appeared certain to draw American and British vetoes.

Some diplomats said privately there was resentment in African circles that France had seized an initiative in what traditionally has been the Africans' prerogative here.

The French delegate, Mr Claude de Kemoularia, was criticized by some Western officials who complained privately that France made its move in the council without prior consultations with its allies.

Mr de Kemoularia had hoped to bring his proposals to a vote last night after a single meeting of the council, but this was opposed by a number of African states. — Sapa-Reuter.

European trade cuts are highly unlikely, says bank

Political Reporter

IT IS highly unlikely that any of South Africa's main European trading partners will be pressurised into taking economic action against this country because of its apartheid policies.

Standard Bank chief economist Nico Czypionka said yesterday the French Government's freeze on new investment in South Africa might cause Denmark, Belgium, the Netherlands and Australia to follow suit

Strong

He said there was also a small possibility Austria, which has a socialist government, might do something.

But, in spite of reports that the German Government was under strong pressure to take economic action against South Africa, this was 'out of the question', he said.

'The German business community is very strong and very pragmatic. There are huge German investments and a large German trade surplus with South Africa.'

There were also a large number of German citizens in South Africa.

'There are elections in Germany in about two years, but even if the socialists gain power, economic sanctions against South Africa are unlikely.'

Mr Czypionka said none of the actions already taken, including those by several Scandinavian countries, had prevented trade with South Africa

'There is likely to be a rising tide of symbolic and other gestures, but they will not have any real impact unless the major players all join in and co-ordinate their activities, which is unlikely.'

Britain's investments in South Africa, and the number of British citizens here, were far too great to make any meaningful economic moves feasible.

'Even a Labour government would probably not do anything,' he said.

Investment and business links with Scandinavia were limited already, and any moves by Denmark to curb ties would not come as a surpise or make much difference.

'Spain and Italy are very pragmatic in their foreign policy and there are large Italian and Portuguese communities in South Africa.'

France bans new SA loans

From NEIL BEHRMANN

LONDON. — The French Government has banned all new loans to South Africa, provided that they are not trade related.

A spokesman of the French prime minister's office said, "the ban on new investment in South Africa would also cover bank loans."

But export guarantees would not be affected

The French Government would, however, "no longer authorize outflows of capital intended for investment in South Africa This would apply to both public sector and private sector loans"

"Each loan would have to be individually examined," the spokesman said

Total French loans to South Africa were 21 billion francs, (R4,9 billion) the spokesman said

The wave of South African securities sales affected the rand in London.

The currency dropped to $0,47 cents at one stage, say dealers before recovering to $0,49.

The Reserve Bank was "swamped" by foreign sales of rands and had to stop supporting the currency, say London dealers

The sales came from institutions and banks and were linked to the dumping of securities.

The rand tumbled by 8,5 percent against the French francs.

Whereas one dollar buys 8,75 francs, R1 receives only 4,3 francs.

At one stage, sterling rose to 2,97 against the rand before falling back to 2,77.

About R3,30 of notes can buy £1

Since April, the rand has fallen by 15 percent against sterling

Following the dramatic drop in South African share values on foreign exchanges, selling abated on yesterday and prices recovered marginally

Dealers said that professionals were covering short positions

But South African bonds on the Eurobond market performed dismally.

The price of a newly issued £40m 12,25 percent Escom Eurosterling bond was priced at 94, six percent below par value.

On Friday, the price recovered to 96 points.

Dealers said that "no-one was prepared to buy South African Eurobonds this week," because of the emergency scare and French sanctions move, but the issues are traded in a very narrow market and the dealers were not prepared to quote prices

FOREIGN OPINION

SA economy in a mess — British paper

PETER MANN of The Argus Foreign Service in London reports on a major examination of the South African economy by one of Britain's most influential newspapers

SOUTH AFRICA'S economy is in a mess and widespread disturbances would have profound implications for Britain, the influential Sunday Times of London has concluded

In a major, full-page business survey the paper paints a gloomy picture of South Africa sliding deeper into recession and wrestling with growing unemployment, increasing emigration and vast sums of "funk" money leaving the country

It notes that 250 000 British jobs depend on South Africa

If Britain attempted to impose sanctions South Africa could retaliate by cutting off strategic raw materials — a move which experts say would cost 180 000 British jobs

The Sunday Times says South African attempts to counter the plummeting gold price and the strong dollar last August, by raising interest rates three percent to an unprecedented 25 percent and imposing "savage" hire purchase restrictions, did not work

The fall of the rand did not stop, it lost 47 percent in a year And South African companies misread the foreign exchange markets when buying dollars forward and lost another R5,2-billion

Inflation was now seven percent. Unemployment was up 68 percent in a year, with an estimated three million blacks unemployed. Half of these were in the "hated" black homelands

"More crucially," says the Sunday Times, "the black National Union of Mineworkers is set to strike over pay in 27 gold mines and collieries

"This would cripple the minerals sector, the one bright spark in the economy"

Port Elizabeth, once the Detroit of South Africa, was now derisively called "the ghost on the coast" The large car manufacturers, General Motors, Ford and Volkswagen, were operating at half capacity.

Only three of the country's 10 car makers expected to make a profit this year Sales figures for June were 52 percent down on June 1984

The housing market had crashed Thatched houses in Johannesburg's elegant suburbs which were selling at R350 000 a year ago were now marked R190 000 and "very negotiable"

Last week, after the announcement of the State of Emergency, prices simply nosedived with falls of up to 50 percent at the top end and 20 percent on homes below R120 000

The outflow of funk money was accelerating In the first quarter of 1985 Reserve Bank figures showed that nearly R2,9-billion left the country for "safer" destinations, the same figure as for the whole of 1984

In April emigration rose by 35.5 percent to 903 people The number of immigrants chasing the good life fell 58 percent to just 608.

British investment was more than twice that of all its partners in the EEC put together.

South Africa was Britain's 12th largest esxport market and she enjoyed a substantial balance of trade advantage — nearly R1,3-billion last year

Four British trade missions had visited South Africa this year and there seemed little likelihood of the Thatcher Government imposing sanctions, despite the state of emergency.

Bonn has decided against sanctions

BONN — West Germany yesterday joined Britain in deciding not to impose sanctions against South Africa, rejecting France's argument that an investments freeze and the withdrawal of its ambassador would force Pretoria to change its race policies.

Chancellor Helmut Kohl, expressing views also held by the British and US governments, said he doubted whether sanctions could change the situation and that political influence was the best way to encourage reform.

French Ambassador Mr Pierre Boyer left South Africa yesterday as Pretoria's clampdown on dissent continued and security forces announced that they were holding 1 166 people under the state of emergency.

'NOT THE WAY'

Mr Kohl, who normally prides himself on close ties with French President Francois Mitterrand, openly questioned France's new policy, saying "Experience in recent years shows overwhelmingly that this is not the way to go about things."

The French move was praised by Norway, Sweden and Denmark. Australia has said it will press for sanctions at the next Commonwealth heads of government meeting. Canada tightened its trade curbs with

● To Page 3, Col 1

Bonn has decided against sanctions

● From Page 1.

South Africa earlier this month.

The Reagan Administration, while adhering to its policy of "constructive engagement", issued a tough statement calling on Pretoria to restore civil liberties and start a serious dialogue with blacks

As pressure for international action mounts, Britain's Prime Minister, Mrs Margaret Thatcher, who is opposed to sanctions, can rely on her large parliamentary majority and expect little internal dissent But Mr Kohl's position is less comfortable.

While some liberals in his centre-right coalition and young members of his own party want Bonn to take action, right-wingers oppose any form of sanctions.

Reaction to the emergency has exposed deep differences and the opposition Social Democrats (SPD) can be expected to press the divided coalition further.

Last year West Germans invested R120 million in South Africa, more than five times France's investment

On Friday, as Britain and the United States cast vetoes in the United Nations Security Council to block a call for mandatory sanctions, foreign investors were already ditching South African shares

Bankers in Frankfurt reported growing unease among West German investors holding South African stock. They said the flow of money was drying up as the risks were reassessed.

"The market is acting as if a financial boycott were already in effect," a banking source said.

In London, analysts said they could see no immediate end to the outflow of funds triggered by the crisis. — Sapa-Reuter.

Agreement on US sanctions against SA now likely

29/7/85

From SIMON BARBER

WASHINGTON — The congressional deadlock over sanctions legislation has been broken Negotiating teams from the Senate and the House of Representatives will meet on Wednesday to start hammering out a compromise package for President Reagan's signature

The Chairman of the Senate Foreign Relations Committee, Senator Richard Lugar, said on Saturday: "I want a Bill . . quickly"

Senate majority leader Senator Robert Dole told a television interviewer "I hope we can finish this by the end of the week".

Adamant

Senator Lugar and his advisers had earlier appeared adamant that there would be no negotiations with the House, which could either accept the Senate's bill, or see the legislation languish until next year

However, their position softened after Pretoria declared a state of emergency

The key dispute between the House and Senate is over bans on new investment and Kruger rand imports

The House would impose them immediately The Senate would urge the president to consider them if Pretoria had made no substantial progress towards ending apartheid after 18 months

Unacceptable

Senator Lugar continued to warn that the House Bill as it stands is unacceptable: it was overwhelmingly rejected by the senate and would force the president into the embarrassing position of having to cast a veto

Senator Dole said he believed that unless the end product was close to the Senate version, Senate conservatives would likely mount a filibuster to prevent the legislation leaving Capitol Hill.

One factor in the new willingness to get the matter settled is the belief, shared by many in the Reagan administration, that no legisation at all would be the worst possible outcome.

Underestimate

Senator Nancy Kassebaum warned that it would send a "bad signal" to Pretoria leading it to underestimate the true depth of congressional revulsion at its policies

Some officials are also understood to believe that deadlock would further alienate black South Africans at a time when the administration is actively considering ways to regain their trust

It is unclear whether the House and Senate will be able to cut a deal before congress goes into its month-long August recess at the end of the week Outlines of a possible compromise are beginning to emerge, however

One possibility is to make stiffer sanctions automatic after 18 months unless the president certifies that has been real reform and both chambers accept that certification

Kruger rand

Another option is for the Senate to accept the House ban on Kruger rand imports

At the end of last week, President Reagan met with his National Security Council advisers on South Africa, and gave his blessing to turning up the volume of official US criticism of Pretoria

After the meeting, White House spokesman Mr Larry Speakes called for the state of emergency to be removed, and warned that continued repression could lead to a "result no-one wants"

Mr Speakes later said specifically that that result could include the administration having its hand forced on sanctions

Voluntary sanctions

Sunday Tan 29/7/85

LONDON — Voluntary sanctions against South Africa were likely to be as effective as optional speeding fines would be in an attempt to cut traffic accidents, *The Sunday Times* newspaper said here yesterday.

In an editorial, *The Sunday Times* said. "The vote in the United Nations to impose voluntary sanctions on South Africa may reassure President Botha as he continues to incarcerate blacks this weekend.

". . . History suggests that every effort to impose economic sanctions has only strengthened the determination of the regime so sanctioned. The existing arms boycott on South Africa has done nothing to reform apartheid and a great deal to bolster South Africa's own arms industry."

The Observer said in its editorial yesterday that the sports boycott of South Africa had undoubtedly forced a degree of reform in South Africa. — Sapa-AP.

'Sanctions can help reformers'

280 The Star Bureau 18

LONDON — Serious foreign pressure, such as sanctions, could strengthen the hand of reformers such as President Botha against the disciplinarians. Star 29/7/85

Sanctions could also be seen as a major political message from the international community to the divided and uncertain whites of South Africa, according to a major article in *The Financial Times* today.

Time is literally running out for both Mr Botha and Nelson Mandela, says writer Ian Davidson.

"President Botha is unquestionably the most reformist white leader South Africa has ever had, even if his reforms so far do not begin to measure up to the scale of the problem. In the process he has permanently alienated a third of the Afrikaner electorate, without endearing himself to the blacks.

"Nevertheless he has clearly and explicity recognised the need for reform, and there is no guarantee that his successor will feel the same.

"Serious foreign pressure — which does not mean sententious speeches and declarations — could strengthen the hand of the reformers against the disciplinarians."

The Government seemed in a state of schizophrenic uncertainty about where to go and how to get there, Davidson goes on.

"In these circumstances the argument that foreign sanctions can only be marginal (ie, ineffective) needs to be re-examined.

"For what is marginal in conditions of relative internal calm, may become critical in conditions of unrest and uncertainty, and what is marginal and ineffective if carried out by one country, may become critical if carried out by many countries.

"This in not to say that a ban on new investment, or a ban on the import of Krugerrands, or a ban on new bank loans, would have a large and immediate economic impact, even cumulatively.

"But the political force of such a message from a substantial majority of the international community might be considerable.

"To the extent that the whites in South Africa may be divided and uncertain about the best way to handle their political quandary, that message may be worth sending even if it has only a small chance of eliciting the right response."

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Grade 12

Current Real Weekly Wage: R 19.85

1985

Senate and House to hammer out compromise

U S breaks deadlock on S A sanctions package

(280) NM 29/7/85

Simon Barber

WASHINGTON—The Congressional deadlock over sanctions legislation has been broken here. Negotiating teams from the Senate and the House of Representatives will meet on Wednesday to start hammering out a compromise package for President Reagan's signature.

Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, said on Saturday: 'I want a Bill . . . quickly.'

Senate majority leader Robert Dole told a television interviewer yesterday: 'I hope we can finish this by the end of the week.'

Mr Lugar and his advisers had earlier appeared adamant that there would be no negotiations with the House, which could either accept the Senate's Bill or see the legislation languish until next year. However, their position softened after Pretoria declared a state of emergency.

The key dispute between the House and Senate is over bans on new investment and Krugerrand imports. The House would impose them immediately. The Senate would urge the President to consider them if Pretoria had made no substantial progress towards ending apartheid after 18 months.

Mr Lugar continued to warn that the House Bill as it stands is unacceptable. It was overwhelmingly rejected by the Senate and would force the President into the embarrassing position of having to cast a veto.

Dole said he believed that unless the end product was close to the Senate version, Senate conservatives would likely mount a filibuster to prevent the legislation leaving Capitol Hill.

One factor in the new willingness to get the matter settled is the belief, shared by many in the Reagan Administration, that no legisation at all would be the worst possible outcome. Senator Nancy Kassebaum warned that it would send a 'bad signal' to Pretoria leading it to underestimate the true depth of Congressional revulsion at its policies.

It is unclear whether the House and Senate will be able to cut a deal before Congress goes into its month-long August recess at the end of the week. Outlines of a possible compromise are beginning to emerge, however.

One possibility is to make stiffer sanctions automatic after 18 months unless the President certifies that there has been real reform and both chambers accept that certification.

At the end of last week, President Reagan met with his National Security Council advisers on South Africa, and gave his blessing to turning up the volume of official U S criticism of Pretoria. After the meeting, White House spokesman Larry Speakes called for the state of emergency to be removed, and warned that continued repression could lead to a 'result no one wants'.

Speakes later said specifically that that result could include the Administration having its hand forced on sanctions.

West Germany 'will not' follow French

BONN—Chancellor Helmut Kohl said yesterday West Germany would not follow France's decision to impose sanctions against South Africa.

'We will not do what out French friends have done in this case,' Mr Kohl told West German radio. 'The question has to be asked whether sanctions ... would actually lead to a change in the situation there.

'Given the very critical situation in South Africa, we should use our influence to achieve a policy of moderation and compromise in that country,' he said.

The French Prime Minister, Mr Laurent Fabius, announced on Wednesday that Paris would end new investment in South Africa and recall its ambassador in protest at Pretoria's imposition of a state of emergency to cope with black township rioting.

Mr Hans-Jochen Vogel, the parliamentary leader of the West German opposition Social Democratic Party (SPD), called on Mr Kohl's government to follow France's example.

Mr Kohl said West Germany supported the stance adopted by the foreign ministers of the European Community in Brussels last Monday. They condemned apartheid and called for an end to the state of emergency but did not advocate sanctions against Pretoria. — (Sapa-Reuter)

Australia to press for sanctions

NM 29/7/85 280

CANBERRA—Australia will press for tough economic sanctions against South Africa at the forthcoming Commonwealth heads of government meeting in the Bahamas, the Foreign Minister, Mr Bill Hayden, said in Canberra yesterday.

Mr Hayden said in a television interview that the Prime Minister, Mr Bob Hawke, would introduce proposals for trade embargoes against South Africa at the meeting.

The Government was considering Australia's own trade policy with Pretoria, Mr Hayden said when questioned about the state of emergency in South Africa.

The Cabinet would also discuss the question of cutting diplomatic ties, he added.

'These things have to be weighed up ... and a decision made through the Cabinet process,' he said.

Mr Hayden said that if South Africa's white minority government were overthrown by the blacks 'the situation would probably be chaotic'.

Australia, a member of the United Nations Security Council, backed the council's demand last Friday that the state of emergency be repealed and its appeal to all UN members to apply voluntary sanctions against South Africa.

The Labour Government has hardened Australia's stand against South Africa's apartheid policies since it took office in early 1983.

In April, it introduced a voluntary code of conduct aimed at discouraging Australian companies in South Africa from exploiting the apartheid system. — (Sapa-Reuter)

PW threatens to expel workers

R800 280 30/7/85 NM

POTCHEFSTROOM—Hundreds of thousands of black foreign workers from southern African countries would be repatriated if their governments continued moves to implement punitive measures against South Africa, President Botha said yesterday.

Addressing a function at Potchefstroom University, he said the United Nations Security Council's call for voluntary sanctions against South Africa was 'an illegal and uncalled-for decision'

Thirteen of the 15 Security Council members voted in favour of the decision taken last week. The United States and Britain abstained.

Mr Botha said the US and Britain had taken 'a realistic approach' which recognised that black people would not benefit from sanctions

In fact, the decision threatens the economic stability and economic development of the whole of southern Africa.

[illegible] the blacks, soon have to make funds available to create employment opportunities for the hundreds of thousands of workers who will return to their countries should the Security Council continue its present illegal action against South Africa.'

Mr Botha said the workers would be told that they were being sent home because of the Security Council action.

Referring to the transport and communications network between South Africa and countries north of her borders, Mr Botha said

'I hope they will note that the Security Council, with the Soviet Union in the lead, will have to be blamed if that infrastructure is no longer available for their imports and exports'

He added: 'Naturally, there are also other important forms of economic co-operation which may fall victims, should the Security Council continue on its present course' — (Sapa)



About 1 000 people march through Guguletu yesterday in protest against deaths due to

PW threatens

Political Staff

THE State President, Mr P W Botha, yesterday threatened to expel 1,5-million foreign black workers from South Africa in retaliation for their countries' support for sanctions against South Africa.

He also said South Africa might now deny neighbouring black states the use of South African roads, railways and harbours for their exports and imports and could end other forms of co-operation

Mr Botha told students at Potchefstroom University that the moves were being considered because of last week's United Nations Security Council resolution advocating sanctions against South Africa.

He said the people repatriated would be informed that the action was "solely due to the decision of the Security Council"

If implemented the mass repatriation would have severe implications for industries such as the goldmines and for countries like Lesotho and Mozambique, where South African companies recruit large numbers of foreign workers

The economies of Zimbabwe, Botswana, Zambia, Zaire and Malawi would be hard-hit, if not crippled, if they could no longer export or import goods through South Africa.

Mr Botha's threat is seen as an attempt to force the neighbouring black states to abandon their support for disinvestment from South Africa and the imposition of sanctions

'Illegal'

Sapa reports that Mr Botha yesterday termed the Security Council decision "illegal and uncalled-for", saying it threatened the economic stability and development of the whole of Southern Africa

"No government with self-respect, no country with self-respect, can tolerate such an unholy decision against it without taking steps to neutralise it," he said

"I have ordered that the relevant South African organizations undertake an urgent further survey of how many migrant workers there are



Mr P W Botha

in the country — and also where they are employed — so that the government may employ effective measures to send them back to their countries of origin

The countries attempting to introduce punitive measures against South Africa will likely follow up their declared concern about the welfare of the blacks with funds for employment opportunities for the hundreds of thousands of workers who will have to return to their countries of origin should the Security Council continue its campaign against South Africa

Mr Botha said the US and Britain, which abstained in the UN vote, had adopted "a realistic approach" which recognized that black people would not benefit from sanctions.

The Security Council would have to be blamed if South Africa's infrastructure was no longer available to Southern African states.

"Naturally there are also other important forms of economic, technical, financial, medical and agricultural co-operation which may fall victim, should the Security Council continue on its present course."

Mr Botha warned that if "the terrorist onslaught" continued, South Africa would meet the threat with its full military force.

Turning to conditions for negotiations, he said that he would not enter into talks with people propagating "communistic godlessness" or civil disobedience

● Sapa reports Bishop Desmond Tutu, Bishop of Johannesburg, as saying last night that sanctions were aimed not at punishing South Africa but at urging it to be welcomed into the family of free nations

He described the possible expulsion of migrant workers from South Africa as "an immature response .. the South African Government is going to end up having no friends left."

● **Anthony Johnson** reports that the Progressive Federal Party's spokesman on labour and foreign affairs, Dr Alex Boraine, described Mr Botha's threat as "an exposure of the government's strategy of economic imperialism on the sub-continent."

Mockery

"This vicious threat makes a mockery of the government's previous statements of concern for the welfare of the Southern African region."

Mr Botha's stance was a clear indication that sanctions as a strategy would not bring about change in Southern Africa as hoped for by its advocates.

"It is tragic that Mr Botha did not use this opportunity and the little time we have left to announce once and for all the end of apartheid.

"This would guarantee economic growth, acceptance by the international community and bring enormous benefits both to South Africa and her neighbours," he said



..u yesterday in protest against deaths due to unrest. Cape Times Newscolour: Ivor Markman

Cape Times 30/7/85

...eatens migrants

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Members of the railways police regional task force after a confrontation with 1 000 marching youths in Guguletu yesterday.

 Argus 30/7/85

200 000 could be expelled from mines



Mr P W Botha

Financial Editor

THE gold-mining industry could lose about 40 percent of its black labour if President P W Botha, were to carry out his threat to expel all foreign black workers.

It is estimated that of the 500 000 blacks employed by the gold mines about 200 000 are from countries such as Lesotho, Mozambique and Botswana.

Industry sources say the foreign blacks could probably be replaced by South Africans But there would obviously be a temporary drop in productivity owing to the need to train the new entrants

● The Argus Political Staff reports that Mr Botha was strongly criticised by the Progressive Federal Party today for his threat

The party's spokesman on manpower, Dr Alex Boraine, said it was spiteful and childish to threaten such action in retaliation against recent moves towards international sanctions

"His position exposes the Government's real attitude towards Southern Africa and makes a mockery of its statements of concern regarding blacks It is tragic that the State President should display such a childish and spiteful reaction

"If he was really concerned about stability, economic growth and the welfare of Southern Africa, his reaction ought to have been an announcement to dismantle apartheid once and for all."

He warned that the threat had far-reaching implications. Not the least of these was the destabilisation it would bring about in neighbouring territories and the suffering involved.

The leader of the Labour Party, the Rev Allan Hendrickse, said Mr Botha's response had to be seen in the light of support by certain countries for pressures against South Africa. Such pressures could cause only hardship and unemployment.

Mr Hendrickse said unemployed black South Africans were the ones for whom jobs had to be provided

"The United Nations and countries in Africa must then provide employment for those repatriated," he said.

● Dr J N Reddy, leader of the opposition Solidarity Party in the House of Delegates, said he believed threats of boycotts, sanctions and disinvestment were intended to force the South African authorities to move urgently to hold discussions with black leaders.

"I sincerely hope these talks get off to an early start."

● The head of the department of politics at the University of South Africa, Professor Willem Kleynhans, said the Government was creating the climate for a general election.

Australian unions to press for South African isolation

MELBOURNE — The powerful Australian Council of Trade Unions (ACTU) plans to increase pressure on the Hawke government to isolate further South Africa in the areas of trade and commerce.

Among action to be considered at ACTU's annual congress in September is closure of the SA consulate in Australia, closure of Australia's trade commission in Johannesburg, and withdrawal of landing rights for SA Airways.

ACTU is already drafting a list of South African multinational companies as possible targets.

Yesterday the Amalgamated Metal Workers' Union (AMWU), the Transport Workers' Union (TWU) and the Waterside Workers' Federation all agreed to push for increased pressure against South African companies operating in Australia and Australian companies operating in the Republic.

"Australia should show a lead to the rest of the world," said AMWU national secretary Jack Kidd.

"I think it calls for very strong measures. Without restrictions

MARSHALL WILSON

(on trade) there is no way Australia is going to talk South Africa out of its policies."

TWU assistant national secretary Ken McGrath said his and other unions were ready to oppose the takeover of a Melbourne-based plastics and textile manufacturer by Industrial Investments, a company with South African ties.

McGrath said the TWU opposed any SA ventures in Australia and would ask ACTU for backing to call on the Australian government to investigate SA's investment in the Argyle diamond-mining joint venture in Western Australia.

He said the union would also make submissions on both Argyle and Industrial Investments to the Cabinet for review. The Cabinet is due to convene in three weeks' time to assess its long-term ties with Pretoria.

However, there are clear indications that most Australian industries believe that business is business, and they are reluctant to withdraw from what has proved to be a lucrative market.

Pressure mounts on UK to impose sanctions

LONDON—Commonwealth governments are ready for a confrontation with Britain over sanctions against South Africa — and the stage they have chosen is the community's summit conference in the Bahamas this October.

The aim of 48 governments is to present a set of selective sanctions which they will all endorse isolating Prime Minister Thatcher and making it very embarrassing for Britain to veto a United Nations Security Council sanctions resolution expected to quickly follow the Bahamas meeting

The pressure has been building in London during the past six months where Commonwealth high commissioners have met regularly to plan strategy

Proceedings of the Commonwealth Southern Africa Committee attended by all the high commissioners in London are behind closed doors but senior diplomats involved say a detailed sanctions plan will be finalised by September

The measures they will propose are expected to be similar to those imposed against South Africa by the French Government — basically a ban on new investment and the sale of Krugerrands

The Commonwealth heads-of-government summit cannot bind member governments to a sanctions policy but it can deliver a strong call for voluntary action and pledge support for Security Council action.

The opposition Labour Party has repeatedly declared its support for sanctions

But Mrs Thatcher's position remains linked to that of the United States, and future American moves are expected to have a critical effect on British policy

Should President Reagan accept some form of limited sanctions, the pressure on Britain to go along with the same sort of manadatory action at Security Council level would increase considerably

'We expect to get a consensus — with the exception of Britain' said one representative 'It will make it that much more difficult for Britain to maintain its anti sanctions policy

The Southern Africa Committee is also understood to be considering the position of South Africa's neighbour states who are members of the Commonwealth

Suggestions are being floated about an international aid programme should South Africa retaliate against them

The British Government is also coming under increasing pressure at home to alter its attitude.

Dr David Owen, a former Labour Party Foreign Minister and now leader of the minority Social Democratic Party, yesterday condemned Britain's abstention from last week's Security Council vote on a French resolution

He released a party policy document calling for a European approach to sanctions which would prohibit new bank loans and investment except for black education and training

The Mercury's London Bureau reports that the Canadian Government has urged the Commonwealth to act as a mediator in setting up dialogue between the South African Government and black leaders

The proposal was made yesterday by Canadian Foreign Minister Joe Clark at a meeting of the Royal Commonwealth Society in London

Mr Clark called simultaneously for an end to the state of emergency and a declaration of intent from Pretoria that its objective was to end apartheid — (Sapa)

PW's R2,2bn threat to neighbours

31/7/85 D. Day

280

PAUL BELL.
Political Correspondent

NEIGHBOURING states would be deprived of at least R2,2bn in repatriated earnings alone if President P W Botha decides to send foreign workers packing.

That represents the earnings of 210 000 mine workers only. The actual cost to these states could be much higher if total earnings of expatriate workers and other SA accruals are taken into account.

This indicates the extent of the threat to the foreign exchange earnings of countries like Botswana, Lesotho, Malawi, Mozambique and Swaziland. The dependance of some of these countries on repatriated earnings for their foreign exchange is near to total.

Botha cited estimates of up to 1,5-million foreign black workers in South Africa and said government was investigating the numbers so that it could weigh up how to repatriate them.

He also threatened to freeze out Frontline states' imports/exports by closing South African rail, air and harbour facilities to them, and to stop other forms of co-operation and assistance with neighbouring states.

The estimate of 1,5-million foreign black workers has been questioned but it is extremely difficult to get an accurate picture of the numbers, although most work in mining and agriculture.

Their total earnings, based on the earning capacity of Chamber miners alone, could run to several billion rands.

In 1983, the number of workers legally in South Africa was put at fewer than 288 000 — drawn from Botswana (26 000), Lesotho (145 800), Malawi (29 600), Mozambique (61 200), Swaziland (16 800), Zambia (700) and Zimbabwe (7 700).

A glance at mining industry figures on the value of this labour to neighbouring states, in terms of foreign exchange earnings alone, indicates starkly the extent of Botha's threat.

At May 31 Chamber of Mines members drew 38,7% of their total labour force of nearly 543 000 from five countries: Lesotho (108 401), Mozambique (50 885), Botswana (18 830), Malawi (18 652) and Swaziland (13 328).

The chamber's recruiting arm, Teba, is also said to have put the total earned by foreign miners in 1984 at about R2,2bn, of which up to half — R1,1bn — went back to their countries through deferred pay, remittances, the purchase of capital goods and supplies and other multiplier effects.

Hard cash earnings by Lesotho, Botswana, Swaziland, Mozambique and Malawi from the Chamber miners alone totalled R418m. The difference between this figure and the R1,1bn is made up of transfers in others forms and purchased goods.

Lesotho, Mozambique and Malawi require 60% of wages to be paid out in the home countries: Lesotho earned R105m, Mozambique R69m and Malawi R84m. Other states gleaned R88m, and a total of R132m was remitted through Teba to families.

These miners, it is estimated, support about 3-million dependants in Frontline states.

Botha's repatriation threat follows that made by Deputy Foreign Minister Louis Nel two months ago. Both threats provoked widespread condemnation at home and abroad.

It is being interpreted as vigorous sabre-rattling in the wake of the UN Security Council's call for voluntary sanctions. Although the UN is the ostensible target, Pretoria probably hopes that it may persuade the Reagan administration to head off looming US Congressional disinvestment measures at the pass.

Observers, displaying a measure of sympathy for Botha's statement, have said his threat against foreign black workers may be the only way to bring forcibly into the sanctions equation an element that has been largely ignored by the US/European and UN anti-apartheid

● Turn to Page 3

'18 months to reform' clause may tilt balance

Reagan set to sign SA sanctions Bill

280 8Star 31/7/85

By Ramsay Milne, The Star Bureau

New York

President Reagan's aides predict he will sign a Bill imposing sanctions on South Africa — provided the measure's provisions are not "excessive" and if the Bill is approved by a large majority in Congress.

The officials continued to insist that the administration remains firmly opposed in principle to sanctions, but said President Reagan would almost certainly bow to the growing domestic political pressures which have accelerated since the declaration of emergency, including very strong pressure from Congress itself.

President Reagan has so far resisted all moves to condemn South Africa outright, and is known vehemently to oppose sanctions now being called for by both the Senate and House of Representatives.

But the disclosure that he is now considering a compromise coincided with the announcement in Pretoria that South Africa is withdrawing its ambassador-designate in Washington, Mr Herbert Beukes.

The two events are reportedly closely related.

His recall is seen in Washington as an act of defiance by South Africa in retaliation for the US withdrawal of its own ambassador in Pretoria, Mr Herman Nickel, and the White House's refusal to accept Mr Beukes's credentials.

His withdrawal marks a new low point in US-SA relations.

President Reagan is facing immense pressure, much of it from his own party. Much will depend on a meeting tomorrow when a House-Senate Conference Committee thrashes out differences between sanctions bills already passed by the two chambers.

Supporters of the sanctions bills in both houses say they hope to have a consensus bill on President Reagan's desk before Friday, when Congress adjourns for its long summer recess.

Key factor

A State Department official said the shape of the bill approved by the committee would be a key factor in the President's decision.

"We'll have to see what the bill looks like," he said. "If it's too punitive, President Reagan may veto it regardless."

The Senate bill, less tough than its corresponding House measure, aims to ban new bank investment and the sale of computers and nuclear technology.

It would also allow President Reagan to impose further sanctions against South Africa in 18 months if a fairer deal is not made in favour of South African blacks in that time.

The House bill would impose an immediate ban on new investment, on loans to the South African Government and on imports of Krugerrrands. It would also ban the sale of computers and nuclear technology.

One possible compromise would be for the Reagan administration to accept the Senate bill with the provision that the additional sanctions be automatically imposed in 18 months if no progress is made.

Sowetan 31/7/83

Deportation

BLACK ANGER WILL RISE PRES BOTHA IS WARNED

BLACK anger will increase as many people will suffer if the Government deports thousands of foreign black workers to their homes.

This was part of the reaction to State President, Mr P W Botha's announcement that black workers from Southern Africa countries would be repatriated to their homelands if their governments continue to support moves for punitive measures against South Africa.

Mr Chris Dlamini, president of the Federation of South African Trade Unions, said. "We obviously feel concerned about the announcement because it will affect most of our members from those states, some of whom live in the urban areas."

Mrs Joyce Harris, the vice national president of the Black Sash said it will be a "terrible blow to a lot of helpless people already suffering"



PRESIDENT BOTHA

international community to stop the criticism of the country's apartheid policies

"It is about time the Government tried to stem the tide of black anger that is rising. This move will add more grievances," she said.

Mr N Hayson, a researcher at the Wits Centre for Applied Legal Studies, said the President was telling the

Azapo's publicity secretary Mr Imran Moosa said the S A Government was trying to force African states to "sing their song" at the UN It was an indication of capitalism and racism

The United Democratic Front has also criticised President Botha for threatening to send back imigrant workers from neighbouring states if the international community imposes sanctions against South Africa

Calling the threat "childish", UDF publicity secretary Ms Zo Kota said only dismatling the apartheid state would bring South Africa back into the world community of nations.

"The Southern African states have survived years of military destablisation by South Africa, through the SADF and its covert wings, such as Renamo.

"This economic threat is a new tactic to bully them into submission."

UK slams SA's expulsion threat

NM 31/7/85

London Bureau

PRESIDENT Botha's threat to expel 1 500 000 foreign blacks was sharply condemned in financial and business circles here.

A London banker said that President Botha's threat was a 'knee-jerk reaction for local consumption without regard to the international and regional consequences'.

The threat to deport foreign blacks in retaliation to the growing campaign for international sanctions was widely seen here as a 'bluff which could backfire'

However, Deputy Foreign Minister Louis Nel told the BBC *World at One* 'It is no empty threat.'

He said that international sanctions would be detrimental for South African blacks and the whole southern African region He said the security council's action was 'economic warfare'

Refusal

President Botha's warning was widely reported on the front-pages of all Fleet Street's broadsheet newspapers yesterday

The reports all linked the threat to his refusal to have crisis talks with Bishop Desmond Tutu

There was disquiet among representatives of South African business here and U K mining house officials said that about 30 percent to 40 percent of the mines labour were foreign blacks

'It would be extremely difficult for the mines to train local black replacements in time,' said a mining house official, referring to the threat.

'No one in his right mind would want to cripple his major industry, so any retaliatory measures would obviously take time.'

Bluff

Brokers, businessmen and bankers emphasised, however, that general economic sanctions were counter productive

The statement of President Botha had no immediate impact on international African mining shares quoted on international markets But the shares remained depressed because of the general concern about the state of emergency and the threat of voluntary sanctions against South Africa.

'People are treating Botha's statement as a bluff,' said Mark Harris of Williams de Broe Hill Chaplin who warned that S A gold shares were vulnerable, especially if the gold price fell.

If the price rose it was likely that international fund managers would take advantage of any share market rally and sell.

Brokers said nations might call President Botha's bluff and carry out voluntary sanctions. He could lose credibility with the conservative electorate if he did not carry out his threat.

Crippling

Presumably, he would start with industrial and farm labour, a mining official said.

But the international publicity following mass expulsions from South Africa could have a crippling effect on the economy.

For a start they could set off large scale sales of South African securities, make it more difficult for banks to borrow money and fuel the international campaign for disinvestment or even harsher economic sanctions

The rand could tumble, South African interest rates would rise and the economy would dive into a deeper recession.

Asked about the likely impact of repatriation of blacks Mr David Willers, London director of the South Africa Foundation, said: 'In repatriating large numbers of workers one may increase the possibility of instability in neighbouring states creating a de facto refugee

S Report

AY, JULY 31, 1985

CAPE TIMES 31/7/85

Botha's threat to expel foreign blacks slammed

286

From NEIL BEHRMANN and JOHN BATTERSBY

LONDON — President P W Botha's threat to expel 1,5m foreign blacks was sharply condemned in financial and business circles here

A London banker said that President Botha's threat was a "knee-jerk reaction for local consumption without regard to the international and regional consequences"

The threat to deport foreign blacks in retaliation to the growing campaign for international sanctions was widely seen here as a "bluff which could backfire".

But Deputy Foreign Minister, Mr Louis Nel, told the BBC World at One "It is no empty threat"

He said that international sanctions would be detrimental for South African blacks and the whole Southern African region. He said the security council's action was "economic warfare".

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SANCTIONS - 1985

AUGUST — OCTOBER.

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ARGUS 2/8/86 (280)

US finance for R50-m resort plan in danger

Staff Reporter

PLANS for a R50-million luxury beach resort on the West Coast may have to be shelved because of political pressure on the American company which hopes to finance the development

More than 113 hectares of prime beach site at Paternoster near Vredenburg has been approved for the development of a playground for the Asian and coloured communities

Plans include a luxury hotel, equestrian centre, yachting marina, sectional title units, a golf course, group housing villages, chalets, a caravan park, youth centre and other sports facilities

DISINVESTMENT

Mr Eric Krohn, spokesman for the owners of the land, said an American company with holdings in South Africa was keen to finance the project and he was optimistic that it would go ahead if the company was not forced to withdraw from South Africa because of disinvestment pressure

"Our plan is unique There is nothing like it on the West Coast and amenities like this are desperately needed," he said

The development has been approved in principle by the Director-General of Constitutional Development and Planning, the West Coast Regional Development Association and local municipalities

Chairman of the West Coast Regional Development Association Mr David Liebenberg said the development was sorely needed

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United States legislators are working against time to send anti-apartheid measu

Congress unites on economic sanctions

By Ramsay Milne, The Star Bureau

NEW YORK — In a clear repudiation of President Reagan's policy towards South Africa, congressional negotiators agreed yesterday on a package of economic sanctions, including a ban on the importation of Krugerrands and a halt to new US bank loans.

With sponsors of the the sanctions vote working against time, the measure could go before the House and Senate for final consideration today.

Experts agree that the measures are likely to have only a slight impact on the South African Government, if any.

But, for the first time, the move would put Congress on record in opposition to apartheid policy and could lead to more drastic action in a year if the South African Government does not take specified steps to end apartheid.

The legislation represents congressional dissatisfaction with President Reagan's South African policy of constructive engagement which has entailed low-key diplomatic pressure for change while opposing economic measures as more harmful to black workers than to the Government.

Several senators and congressmen attending the conference said violence in South Africa, despite the declaration of a state of emergency, had made it more urgent that sanctions be approved.

In addition, sales of Krugerrands in the US have dropped by about 80 percent over the past year although they are still thought to be running at more than R45 million a month.

It is still not clear how President Reagan will react to the agreed Bill.

DETERIORATED

In addition to imposing penalties for the sale of Krugerrands, the agreement also calls for the minting of a new series of American gold coins to help fill the void left for US traders and investors by the ban on Krugerrands.

But, unlike Krugerrands, the US coins could be traded as legal tender and would be valued at between R5 and R110.

Although the Reagan Administration initially opposed the sanctions Bills, relations between the White House and the South African Government have deteriorated significantly since the declaration of a state of emergency on July 20.

The two countries have reca
dors for consultations; the W
manded an end to the state
administration officials have
Reagan's low-key diplomatic
review.

Both Democratic and Repu
sanctions legislation have be
compromise to be sent to P
desk before Congress breaks to
ditional August recess.

Although the House is expec
Bill's final version quickly, fu
Senate may be delayed until Se
Jesse Helms (Republican) lat
as he did last month when he d
first vote on the sanctions Bill

In reaching an accord, the
conference split the differ
House-passed Bill, which imp
nitive measures on South
against its racial separation
milder Senate version.

For House Democrats, the
to abandon a provision that
new American investment in
turn, Senate Republicans ag
House-approved prohibition o

working against time to send anti-apartheid measures for final approval today

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Although the Reagan Administration initially opposed the sanctions Bills, relations between the White House and the South African Government have deteriorated significantly since the declaration of a state of emergency on July 20.

The two countries have recalled their ambassadors for consultations; the White House has demanded an end to the state of emergency; and administration officials have said that President Reagan's low-key diplomatic approach is under review.

Both Democratic and Republican backers of sanctions legislation have been pressing for a compromise to be sent to President Reagan's desk before Congress breaks tomorrow for its traditional August recess.

Although the House is expected to approve the Bill's final version quickly, further action in the Senate may be delayed until September if Senator Jesse Helms (Republican) launches a filibuster, as he did last month when he delayed the Senate's first vote on the sanctions Bill for several days.

In reaching an accord, the joint Senate-House conference split the difference between the House-passed Bill, which imposed tough new punitive measures on South Africa in protest against its racial separation policies, and the milder Senate version.

For House Democrats, the key concession was to abandon a provision that would have halted new American investment in South Africa. In return, Senate Republicans agreed to accept the House-approved prohibition on the sale of Krugerrands. The US is South Africa's biggest market for the sale of the coins.

Included in the complex agreement are provisions that would:

- Impose an immediate ban on most US bank loans to the South African Government and government-run corporations, allowing loans only for schools, housing and health facilities open to blacks as well as whites.
- Halt the sale of all but small personal computers to police, military and other agencies that could use the machines to keep records on blacks and help enforce apartheid laws.
- Forbid the sale of American-made supplies and equipment that could be used in the development of nuclear technology.

WAIVE BAN

In terms of the compromise, President Reagan could waive the Krugerrand ban and some, but not all, of the other sanctions if he certified that South Africa was making progress toward ending apartheid and improving conditions for blacks.

If Congress disagreed with the President's assessment, it could override his action and make the sanctions stick.

Norway recalls consul in protest

CAPE TIMES 1/8/85

NORWAY'S chief diplomatic representative in South Africa, Mr Gunnar Flakstad, who holds the rank of Consul-General, will not return to Cape Town at the end of his leave as a mark of protest at apartheid and the state of emergency, the Norwegian Foreign Minister, Mr Sven Stray, said in Helsinki yesterday.

This follows the recent decisions by France, the United States and Spain to withdraw their ambassadors from South Africa and the Progressive Federal Party spokesman on foreign affairs, Mr Colin Eglin, yesterday warned that the government should start serious negotiations with black leaders to stop the worsening spiral of diplomatic isolation.

Mr Eglin said that while Norway had never had major economic importance for South Africa, the withdrawal of its representative was just another link in the chain of increasing isolation of South Africa.

"It is clear that while the disinvestment campaign against South Africa started in the United States, it has spread very rapidly to Europe The implications of this isolation are not only diplomatic, but economic"

Mr Eglin said the whole question was bound up with the internal situation

"Unless the government can normalize the internal situation and start serious negotiations with black leaders, the spiral of isolation is

Fears are now mounting that the diplomatic isolation could snowball, though a spokesman for the Department of Foreign Affairs declined to comment last night on the Norwegian decision

A spokesman for Norway's Consulate-General in Johannesburg said last night he had "no knowledge" of his government's decision not to return Mr Flakstad.

Meanwhile, the Dutch Ambassador, Mr Hugo Carstens, leaves South Africa for the Netherlands tomorrow, though a spokesman for the embassy stressed that he was merely going on holiday

Isolation

Sapa-Reuter reports that Mr Stray told his Nordic counterparts of the decision at a meeting in Helsinki, Finland, on increasing South Africa's economic isolation. He said Oslo did not expect Sweden, Denmark, Finland and Iceland to follow suit.

The Nordic countries have a joint programme for applying pressure on South Africa.

Diplomats in Mr Stray's party at the 10th anniversary meeting of

Earlier the State Department had no comment on South Africa's decision to recall its Ambassador-Designate, Mr Herbert Beukes, from Washington.

"It's up to the South African Government," said State Department spokesman Mr Charles Redman.

But he said diplomatic contacts between the United States and South Africa would continue unabated, although neither is represented by an ambassador in the other's capital.

Both Mr Redman and Mr Speakes reiterated the opposition of President Ronald Reagan's Administration to imposing economic sanctions against South Africa

They said the US was urging South Africa to begin engaging in dialogue with blacks, to end the violence and the state of emergency, and to restore law and order.

Simon Barber reports from Washington that US anti-apartheid legislation moved into its final stage last night as negotiating teams from the Senate and the House of Representatives convened in search of a compromise bill that

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Diplomats in Mr Stray's party at the 10th anniversary meeting of the Helsinki accords said Mr Flakstad would not return to his post until further notice.

"We can't say we're recalling him as he is already in Norway on vacation, but he will not return until further notice to mark our political disapproval of recent developments," one said.

Meanwhile the White House yesterday renewed its call for an end to the violence and the state of emergency in South Africa.

"Once again we call for the end of the violence, the restoration of law and order and the lifting of the state of emergency," spokesman Mr Larry Speakes said.

He also urged the start of negotiations aimed at a black-white dialogue "leading away from apartheid".

He said the Reagan Administration regretted a new order limiting the number of people attending funerals of blacks in certain areas affected by the state of emergency.

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Simon Barber reports from Washington that US anti-apartheid legislation moved into its final stage last night as negotiating teams from the Senate and the House of Representatives convened in search of a compromise bill that President Reagan would be willing to sign.

Deadlock

The conference's most likely outcome was deadlock, which would delay final action on the bill at least until September, when the legislators return from their summer recess which starts tomorrow.

Aside from threatening a ban on new investment and similar measures after 18 months, the Senate's version effectively does little more than put into law a set of restrictions on bank loans and computer sales to the SA Government that already exist on a "de facto" basis, and render the voluntary Sullivan Code mandatory.

The house is demanding an immediate ban on new investment, an end to all computer sales to the SA Government, voiding existing contracts if necessary, and a prohibition on Krugerrand imports. — Sapa-Reuter and Own Correspondents

Private sector not affected

Computer sales ban made clear

Star 1/6/85 280

By Gary van Staden,
Political Reporter

Legislation presently under consideration in the United States would not effect the sale of American computers to the private sector in South Africa, a spokesman for IBM said in Johannesburg today.

The spokesman was reacting to a report in *The Star* yesterday in which it was stated that, if the anti-South African legislation were approved in America, it would include a ban on the provision of computer technology to this country.

"Although I am not sure about the exact wording of the compromise Bill pending in the United States, both the House of Representatives Bill and the Senate Bill refer specifically to computer sales to certain government agencies in South Africa," the IBM spokesman said.

The ban on computer sales referred specifically to the South African security forces, the Government and state agencies which enforced, or which helped to enforce, apartheid. The private sector would not be affected.

The spokesman added that since *The Star* report appeared yesterday some concern had been expressed in the private sector that computer sales to them would be affected.

"They will not be. In fact, the new legislation in the US imposes no further restrictions on computer sales to the private sector than those which already exist. We have not been allowed to sell computers to government agencies for a long time," the spokesman said

12 countries to call back envoys in S A

NM 2/8/85

280

HELSINKI—The European Community, Spain and Portugal yesterday agreed to summon their envoys in South Africa back to Europe for consultations, but remained deeply split over calls for economic sanctions.

After a long and diffi-
cult meeting which ended
early yesterday, foreign
ministers from the 12
countries issued a state-
ment condemning the im-
position of a state of
emergency.

The 10 member coun-
tries, as well as Spain and
Portugal, due to join the
community shortly, called
for a committee of ex-
perts to draw up a list of
measures that could be
taken 'to contribute to the
abolition of apartheid'
before the next community ministers meet-
ing on September 10

The ministers are
among 35 foreign ministers
ters gathered in the Finn-
ish capital to mark the
10th anniversary of the
signing of the Helsinki
East-West detente ac-
cords

The French External
Affairs Minister, Mr Ro-
land Dumas, who re-
called France's ambassa-
dor last week, said the
other countries would or-
der their envoys to report
to Brussels for consulta-
tions soon.

Individual governments
would have to decide
whether their ambassa-
dors should return to
South Africa.

Far short

Mr Dumas told a news
conference this fell far
short of what France, Bel-
gium and some other
countries had demanded.

He was not totally satis-
fied by the outcome of the
meeting but France was
nevertheless fairly
pleased that the commu-
nity had managed to
make a joint stand and
that some progress had
been made on earlier
positions, he said.

One foreign minister
said there was absolutely
no consensus on taking
economic measures
against South Africa.

Belgium called for
tougher action, including
restrictions on invest-
ments and travel in South
Africa, but ran into strong
British and West German
resistance, ministers
said.

The British Foreign
Secretary, Sir Geoffrey
Howe, told a news confer-
ence Britain still felt
'economic sanctions have
not been shown to be ef-
fective and are not likely
to be effective in this
case'

Opposed

Sir Geoffrey, who
emphasised that sum-
moning ambassadors for
consultations was not the
same thing as a formal re-
call, said Britain was pas-
sionately opposed to
apartheid.

'But we do not believe
we are likely to advance
the process of change by
applying economic sanc-
tions,' he said.

Only dramatic internal
action by the Government
would stop the mounting
international diplomatic
pressure against apart-
heid, Mr Colin Eglin,
Chief Opposition Foreign
Spokesman in the Assem-
bly, said yesterday writes
Ormande Pollok

Underestimated

Commenting on the dra-
matic announcement that
12 countries are to recall
their envoys for 'discus-
sions' — the most concert-
ed European diplomatic
slap in the face for South
Africa in many years —
Mr Eglin warned that no-
body should underesti-
mate the seriousness of
the move.

He said the combined
action of the various Eu-
ropean countries should
not be underestimated.

'It is not just a diplo-
matic move and could
have serious conse-
quences on the economy
and the South African
standard of living,' said
Mr Eglin.

It is all part of a pro-
cess which is going to
continue until President
Botha normalises the sit-
uation in the country, he
added. — (Sapa-Reuter)

Sanctions Bill may still be vetoed by Reagan

(23) (280) Star 2/8/85

By Ramsay Milne,
The Star Bureau

:W YORK — Though the use of Representatives voted erwhelmingly yesterday by votes to 48 to accept a Bill it would enforce sanctions ainst South Africa, informed irces in Washington remain nvinced President Reagan ll veto the measure when and t reaches the White House for approval.

'He is not for it," a senior ofial said, referring to Presit Reagan's position on the asure, which has been consistly to oppose it.

'It is his honest conviction that it is the wrong way to go," the official added.

Further backing for the President's adamant stand against sanctions came, it is learned, from last week's meeting of the National Security Council, which plays a major role in the formulation of foreign policy, when a consensus was reached opposing American sanctions against South Africa.

And yesterday, after the overwhelming House vote in favour of the measure, authoritative administration officials again predicted President Reagan would veto the measure, even though this would set the stage for a sharp confrontation with Congress.

In any event, final action on the sanctions measure was narrowly staved off last night when the Senate postponed a vote on the Bill, the terms of which were jointly agreed on by a joint Senate-House committee on Wednesday, when seven Republican senators said they would join Senator Jesse Helms in a filibuster if the Bill reached the Senate floor.

Both the House and the Senate have already voted for economic sanctions by margins sufficient to overturn a presidential veto, and a coalition of conservative House Republicans has urged President Reagan to sign the Bill.

They warned that support for the president's position was "deteriorating" and said a veto could not be sustained.

Supporters in both Houses had been pushing to complete work on the combined Bill before Congress adjourns today for its August recess.

But that hope was thwarted when the filibusterers led by Senator Helms threatened a filibuster, a delaying tactic under which a speaker takes advantage of the rules to talk uninterruptedly — usually on any subject other than the one under debate.

That was sufficient to persuade Senator Dole to postpone a vote, explaining that it would take two days for the Senate to cut off the debate — and the senators all wished to enjoy their summer vacations, starting this weekend.

This means that the Bill cannot be acted on until Congress reconvenes in September.

The Bill approved by the House would bar sales of Krugerrands in the United States and halt bank loans to the South African Government. Most American banks voluntarily suspended such loans about seven years ago.

The measure would also ban sales of goods used in nuclear production and computers. It would also require President Reagan to impose further sanctions after 12 months if South Africa failed to make sufficient progress towards ending apartheid.

Supporters of the Bill acknowledged that its provisions were largely "symbolic" and unlikely to force any change in apartheid.

Many speakers, however, contended that sanctions should be applied because they represented the strongest American condemnation so far of South Africa's racial policies.

With anti—South African emotions running high, even some conservative Republicans spoke out strongly in support of sanctions.

Britain, West Germany versus France, Belgium over sanctio

EEC split over S

PETER MANN AND JAMES TOMLINS
Argus Foreign Service

LONDON. — The European Economic Community is split wide open over the decision to summon ambassadors to South Africa home for consultations.

Some EEC countries — like Britain — will send their ambassadors back as soon as possible. Others may not send them back at all.

The meeting of EEC Foreign Ministers in Helsinki yesterday went on deep into the night and broke up in disagreement.

The BBC reported that the debate started after the South African Ambassador to Finland gave the EEC details of strategic minerals member countries imported from South Africa.

On one side were Britain and West Germany, opposing sanctions and the recall of the ambassadors, while France and Belgium argued for both moves.

British Prime Minister Margaret Thatcher and French Prime Minister Mr Laurent Fabius were unable to agree on strategy at a meeting at 10 Downing Street yesterday

At a Press conference after the meeting Mrs Thatcher said Britain and France shared an abhorrence of apartheid and had the same object — but they differed on strategy

Fierce pressure

Britain gave in to fierce EEC pressure by deciding to summon its Ambassador from South Africa.

Only last week the Foreign Office was insisting that Ambassador Patrick Moberly would not be recalled.

Today British Foreign Secretary Sir Geoffrey Howe said. "He is not being recalled in that sense of the word." He added that the word "recalling" did not appear in the EEC conclusions

But nobody at the Foreign Office knew when Mr Moberly would return.

Nor could the Foreign Office say when or where the special meeting of EEC political directors for which Mr Moberly has been summoned would be held.

The next meeting is scheduled for next month but officials thought it might take place earlier

Interviewed after the Helsinki meeting yesterday before he returned to Britain, Sir Geoffrey said Britain was at pains to put down the view that the EEC was trying to snub South Africa, or was making a diplomatic political gesture, or even giving Pretoria a rap over the knuckles.

But he was wanted Pretoria to be aware "that we believe apartheid is an intolerable system of Government."

Mr Leo "Rusty" Evans, the Minister at the South African Embassy, told a radio interviewer that South Africa wanted to get on with reform as soon as law and order had been restored.

He said it was ironic that the state of emergency had to be declared when South Africa was involved in a process of "fundamental change"

South Africa wanted to sit around a table with blacks and discuss how they should participate in South Africa, but "at this stage" blacks had not taken up the Government's offer.

However, he said, South Africa would "defend her interests" should sanctions be applied.

In Paris officials were delighted and said they had broken a logjam. They said there were indications that some of the withdrawn ambassadors would not return.

French financial and business circles have become agitated over the dramatic fall of the rand, and reports from South Africa are that investors are switching large amounts of capital out of the country

Currency restrictions

Banking sources said it was almost certain Pretoria would be forced to introduce currency restrictions over the weekend to prevent a further outflow

Diplomats are unhappy at South Africa's "heavy-handed tactics" in refusing Bishop Desmond Tutu a meeting with President P W Botha

South Africa's threats to destabilise neighbouring states by sending back migrant workers are also causing concern, and are portrayed as unnecessarily aggressive

In other developments yesterday,

● South Africa's Ambassador to Rome was handed a document condemning apartheid by a parliamentary delegation The document was signed by 350 Italian MPs from almost all political parties.

● The Australian Foreign Minister, Mr Bill Hayden, said Australia had recalled its Ambassador in South Africa for discussions on a major Government review of links between the two countries, Sapa-Reuter reports

The Natal Mercury, Friday, August 2, 1985

Threat to block US sanctions against SA



WASHINGTON—The White House raised strong objections yesterday to anti-apartheid legislation imposing economic sanctions on South Africa, which was approved by a special joint committee of the Senate and House of Representatives but which could face a Right-wing filibuster.

The committee resolved differences yesterday between Senate and House versions of the legislation and sent the Bill to the full chambers for approval

The Reagan Administration, which has opposed sanctions but in recent weeks has been increasingly critical of apartheid and the imposition of a state of emergency in certain areas of South Africa, made it clear it was unhappy with the Bill

White House spokesman Mr Larry Speakes said. 'We are especially concerned that punitive sanctions will harm the black community in South Africa more than anyone else

President Reagan had not changed his controversial policy of constructive engagement in spite of his criticisms of the South African Government

Bank loans

The US and South Africa had both recalled their ambassadors from each other's country

The anti-apartheid Bill would immediately ban US bank loans to South Africa and sales of South African Krugerrand gold coins in the US.

It would prohibit US sales of computers and nuclear equipment to South Africa

Additional sanctions, including a ban on new US business investment in South Africa, could be imposed within 12 months if Mr Reagan saw no progress towards ending apartheid.

The Bill could be passed and sent to Mr Reagan by the weekend when Congress begins its summer holiday

Block

Mr Speakes refused to say whether Mr Reagan would veto the Bill or sign it.

Senate Republican leader Mr Robert Dole, meanwhile said eight senators were threatening 'extended debate' — a so-called filibuster — to block the sanctions Bill

Mr Dole, who comes from Kansas, did not identify the eight but Right-wing Republican Senator Jesse Helms of North Carolina argued against the measure yesterday and hinted he would try to thwart it — (Sapa-Reuter)

● See Editorial Opinion

US House passes anti-SA sanction

WASHINGTON. — The House of Representatives yesterday overwhelmingly passed a bill imposing economic sanctions on South Africa as a protest against apartheid, but final action in the Senate may be delayed until September.

The House voted 380 to 48 in favour of the legislation, sending it to the Senate where majority leader Mr Robert Dole said up to eight senators were prepared to talk against the measure.

President Reagan is opposed to sanctions and has not said if he will sign or veto the bill

The bill would immediately ban imports of South African Krugerrand gold coins and US bank loans to the South African Government.

It would also ban US exports to South Africa of nuclear equipment. Other economic sanctions, such as a ban on new US business investment in South Africa, could be imposed later.

Supporters of the measure said the moral statement the bill made against apartheid outweighted its economic aspects

"Now is the time for the American people to make this moral statement," House Foreign Affairs Committee chairman Mr Dante Fascell, a Democrat, said — Sapa-Reuter

'Sanctions won't end apartheid'

LONDON — Sanctions which take the form of disengagement tend to strengthen the forces of authoritarianism in South Africa and do not contribute to the ending of apartheid, says *The Economist*.

The most effective forms of pressure on South Africa have been those of engagement, not disengagement, says an editorial in the latest issue.

"The arms and oil embargoes have served mainly to increase South Africa's self-sufficiency and its immunity to future leverage," it adds.

Action against South Africa, if it is to be useful, needs to be related to specific goals which can be reached in a specific time.

And this, says *The Economist*, means the sanction applied has to be aimed precisely at the change it is designed to bring about, it has to be toughly applied, and it should be remitted when specific demands are met.

"It might make sense to impose sanctions on South African passports and on South Africa's airliners if these sanctions are aimed at making the South African Government remove specific restrictions on citizenship and travel, a notorious current feature of apartheid but not just for a misty general objective."

But *The Economist* says the sanctions that have emerged from the American Congress — the end of American bank loans to South Africa, a ban on Krugerrand sales in America and the export of security equipment and a closer monitoring of the Sullivan rules — meet few of the criteria for effectiveness.

Buthelezi,

Cape Times 3/8/85

Suzman meet Thatcher

280

Own Correspondent

LONDON. — Two leading South African politicians told the British Prime Minister, Mrs Margaret Thatcher, yesterday that they supported her refusal to consider sanctions against South Africa.

KwaZulu leader Chief Gatsha Buthelezi and veteran Progressive Federal Party MP Mrs Helen Suzman met Mrs Thatcher separately at Downing Street to discuss the state of emergency and the threat of a mounting international sanctions campaign.

A Downing Street spokesman said Chief Buthelezi had thanked Mrs Thatcher for her opposition to sanctions while Mrs Suzman had urged the Prime Minister not to impose sanctions.



Chief Gatsha Buthelezi and Mrs Helen Suzman with Mrs Margaret Thatcher outside 10 Downing Street yesterday.

'Wrong'

A Downing Street spokesman said after the meetings that Mrs Suzman had told Mrs Thatcher that it was "quite wrong to seek to isolate South Africa through economic sanctions".

Mrs Suzman had asked Mrs Thatcher to keep up pressure for incremental reforms

"Mrs Suzman said economic and industrial progress were the largest factors in contributing to the break-up of apartheid. She said sanctions would interrupt that process.

"She agreed with the line the Prime Minister and the British Government have been taking in this matter," the spokesman said.

Chief Buthelezi said he had urged the Prime Minister to continue applying diplomatic pressure to prepare the ground for a national convention

He said diplomatic pressure on South Africa should be directed towards lifting the state of emergency, releasing Nelson Mandela and other political prisoners and supporting his declaration of intent for reform

Chief Buthelezi said he had told Mrs Thatcher of his concern at cross-border violence and recent official threats that borders with neighbouring states like Lesotho might be sealed.

He said the recall of European ambassadors from South Africa was useful insofar as it conveyed the seriousness of the situation to white and black South Africans, but added that they should return to South Africa.

Chief Buthelezi said he would support sanctions tomorrow if he thought they would "topple the government" but he was opposed to symbolic gestures which did not achieve results.

He said he had congratulated Mrs Thatcher on her "sensible" attitude on sanctions.

Chief Buthelezi said it was tragic that the African National Congress (ANC) was urging the liquidation of black collaborators.

He said the ANC was capitalizing on the current levels of black anger and mob violence but had not caused them.

Only hours earlier an ANC spokesman had told a press conference here that armed struggle was the only course open to the ANC, and criticized Britain for opposing economic sanctions

● It was announced yesterday that a three-man ministerial delegation from Italy, the Netherlands and Luxembourg is to visit South Africa soon on a fact-finding mission.

A spokesman for the Department of Foreign Affairs said it was not clear whether the delegates would be the foreign ministers of these countries The Foreign Minister, Mr Pik Botha, said yesterday that the Netherlands Ambassador had approached him on behalf of the EEC president about the visit.

He said the ambassador was advised that the South African Government would welcome a visit by the three ministers for discussions

Sources at The Hague said it was probable that the three ministers would decide at a meeting on a joint set of demands to be conveyed to the South African Government.

No firm date has yet been set for the trip.

It comes against the background of South Africa's growing diplomatic isolation — the latest steps were the closure of the Danish Consulate in South Africa yesterday and the recall of the Australian Ambassador, Mr Robert Birch, for a review of relations with South Africa.

EEC

Most senior envoys of the EEC countries still represented in South Africa are already out of the country on home leave, and will be staying on until after an EEC meeting in Brussels on September 10, to discuss what new steps might be taken on South Africa.

The countries affected by the recall include Britain, France, West Germany, Greece, Italy, Ireland, Belgium, Luxembourg, the Netherlands and Denmark. The Spanish and Portuguese ambassadors will also attend the meeting

Spokesmen for the Finnish Legation and the Canadian and Austrian embassies said yesterday they had not yet received any notification involving the recall of their senior envoys

The United States withdrew its ambassador from Pretoria in June after the South African incursion into Botswana.

Sanctions

The EEC countries are split over sanctions.

Britain and West Germany oppose sanctions as ineffective and potentially harmful to blacks, and both countries made it clear that they viewed the recall of their ambassadors as temporary

However, backing for economic action has grown within the EEC France and Denmark have already frozen new investment, while Belgium has backed sanctions and the Netherlands has said it is ready to discuss economic measures if they are adopted jointly

Porn mags keep nurses hot

Own Correspondent

LONDON. — Health officials are keeping down the costs of heating a Midlands hospital by burning tons of pornographic magazines.

The Worcester District Health Authority came up with the idea of cutting huge heating bills at the Worcester Royal Infirmary with a new incinerator boiler.

And they're taking supplies of pornography seized by the West Mercia Police Force along with dangerous drugs and other rubbish to use as fuel to keep their patients cosy.

A spokesman for the Health Authority said "The new incinerator is saving us R9 000 a year

"We are charging outside organizations for disposing of their rubbish and at the same time we are getting free fuel for the hospital

Congress fails to approve S A sanctions

NM 3/8/85

280

WASHINGTON — Congress yesterday gave final approval to a 1986 budget but failed to approve limited economic sanctions against South Africa

Clearing their calendar before the summer recess that began yesterday, the House and Senate also sent President Reagan a grab-bag bill of R28 billion for Government operations this year, including the start of R60 million in aid for the Contra rebels in Nicaragua

The last stumbling block to the August recess was the budget resolution

South Africa and its racial policy of apartheid was the other major item on the agenda, and it will be the first item on the Senate calendar when members returns in September, Senate Majority Leader Robert Dole promised

The House easily passed the sanctions against South Africa on a 380-48 vote, with even conservative Republicans warning President Reagan not to veto the measure — and promising to override him if he kills the measure

'If the President fails to sign this Bill, it will be one of the most serious mistakes of his presidency,' said Republican Representative Vin Weber.

Much of the Senate professed a desire to follow suit

'It is time we vote It is time we act,' said Senator Richard Lugar, the Republican who heads the Senate Foreign Relations Committee 'We have a set of mild sanctions'

'Every time a Krugerrand is sold here in the United States, we are helping build the wall of apartheid,' said Democratic Senator Edward Kennedy, arguing it was 'time to end this country's participation in apartheid' — (Sapa-AP)

The Argus;

Reagan likely to veto sanctions Bill

Argus Foreign Service

NEW YORK. — Though the House of Representatives has voted overwhelmingly by 380 votes to 48 to accept a Bill that would enforce sanctions against South Africa, informed sources in Washington remain convinced that President Reagan will veto the measure when and if it reaches the White House for his approval.

"He is not for it," a senior official said, referring to President Reagan's position on the measure, which has been consistently to oppose it.

FINAL ACTION

Further backing for the president's stand against sanctions came from last week's meeting of the National Security Council, which plays a major role in the formulation of foreign policy, when a consensus was reached opposing US sanctions against South Africa.

And yesterday, after the overwhelming House vote in favour of the measure, administration officials again predicted President Reagan would veto the measure, even though this would set the stage for a sharp confrontation with Congress.

In any event, final action on the sanctions measure was narrowly staved off when the Senate postponed a vote on the Bill, the terms of which were jointly agreed on by a joint Senate-House committee, when seven Republican senators said they would join Senator Jesse Helms in a filibuster if the Bill reached the Senate floor.

Both the House and the Senate have already voted for economic sanctions by margins sufficient to overturn a presidential veto, and a coalition of conservative House Republicans has urged President Reagan to sign the Bill.

Supporters in both Houses had been pushing to complete work on the combined Bill before Congress adjourned today for its August recess.

The Bill approved by the House would bar sales of Krugerrands in the US and halt bank loans to the South African Government.

The measure would also ban sales of goods used in nuclear production and computers. It would also require President Reagan to impose further sanctions after 12 months if South Africa failed to make sufficient progress towards ending apartheid.

Tutu 'made clear call on curbs'

Post Correspondent

JOHANNESBURG — Nobel Peace Prize winner and Anglican Bishop of Johannesburg, Bishop Desmond Tutu, had made a clear call for financial and moral support for an American organisation, TransAfrica, which aims to bring political and economical pressure to bear on South Africa and isolate the country diplomatically, a daily newspaper claimed today.

The Citizen said a copy of Bishop Tutu's letter of support for TransAfrica early this year, which had reached their offices indicated the extent of his support for its campaigan against SA.

An open letter by Bishop Tutu has been used in support of the "Free South Africa" campaign launched by TransAfrica in which it is seeking financial contributions in support of a worldwide campaign to isolate SA.

TransAfrica has been at the forefront of lobbying and other actions in the United States aimed at instituting boycotts and bring international political pressure to bear against SA.

Attached to the letter is a form asking for donations ranging from $20 (R 4) to $500 (R1 111) or a financial contribution of any size — issued under the name of Bishop Tutu — "to help you (Bishop Tutu) mobilise public suppport within America and other nations for economic, legislative, political and educational actions that will lead to the abolition of apartheid forever".

In his letter of appeal, Bishop Tutu speaks of "unspeakable horrors" committed in the name of "apartheid, including torture, murder, abduction, incarceration and many other crimes against humanity".

Sweden seeks sanctions

HALDEN — The Swedish Prime Minister, Mr Olof Palme, said yesterday Sweden would like to see tougher economic international sanctions imposed against South Africa.

Mr Palme said Sweden would not, like neighbours Denmark and Norway, withdraw its diplomats from South Africa because the move had little practical effect.

"But we are more than willing to see tougher economic sanctions against South Africa on an international scale," he said.

"The whole myth spouted by Pretoria that the trouble is caused by outsiders, by the ANC or by world communism has been exploded in recent weeks," he said. — Sapa-Reuter.

Games ban on SA disabled

CAA Times 5/8/85

~~225~~ 280

From MARGARET SMITH

LONDON — Disabled South African athletes yesterday took part in the closing ceremony of the Stoke Mandeville paraplegic games for the last time.

They have been banned from this, the major game for disabled people in the world.

By a substantial majority, the International Stoke Mandeville Games Federation Council decided on Saturday night that South African competitors would not be accepted at future events.

Four nations, including the United States and Canada, boycotted the games this year because of South African participation There was also an Anti-Apartheid Movement demonstration at the opening ceremony.

After the closing ceremony, a spokesman for the South African delegation said it was the players, including blacks, who would suffer.

The South African team hopes it can have the ban declared illegal under the paraplegic games' present constitution.

Disinvestment pressure mounts — Syfrets chief

THE pressure for disinvestment in South Africa is proving to be effective — in the past 10 weeks alone foreign investors pulled an estimated R365m out of the economy, the chief executive of Syfrets Trust, Mr Brian Robinson, warns.

He told the International Women's Club in Cape Town that about nine firms had already left South Africa this year and 30 had left between 1980 and 1984

"In June this year foreigners disinvested at least a net R90m through the Johannesburg Stock Exchange

"May disinvestment was R75m and last week alone it was estimated that foreigners were net sellers of equities to the tune of close to R100m and of gilts and semi-gilts to the tune of a further R100m"

Even a minor trade boycott of this country would prove damaging, Mr Robinson said

Although less than one percent of the total black workforce was employed directly by American corporations, a 20 percent effective trade boycott could prove disastrous for the South African worker

"A 20 percent effective trade boycott could eliminate 150 000 white jobs and 500 000 black jobs and cost the country R1 000m in foreign exchange earnings

"Workers have a vested interest in the maintenance of an efficient economy for they would not want to inherit a bankrupt country"

If the necessary level of investment and skills associated were not made available, Mr Robinson continued, industrial growth would decline, racial conflict would sharpen and the laager mentality would become stronger.

"Real earnings could stagnate and unemployment will increase," he cautioned

He said that of the estimated $14 billion United States investment in South Africa, $2,3 billion represented direct holdings, which was equivalent to 20 percent of all the foreign investment in this country

However, United States influence was disproportionately strong in the oil, motor and computer industries

The balance of the $14 billion represented bank loans to local companies and shares purchased through the stock exchange

Mr Robinson warned that, "firms are quietly reducing their South African ties by not increasing capital spending or employment; in effect pulling out through attrition"

Protest at ban on SA disabled

ANGER and disappointment have greeted the decision to ban the South African team from the Stoke Mandeville Games for the disabled.

The chairman of the Western Province Paraplegic Sports Association, Miss Dawn Hare, said this week that the association was "bitterly disappointed"

"We have been traditional competitors since 1962," she said

On Monday in Britain Conservative MP Mr Nicholas Winterton hit out at the organizers of the game:

"I consider it unchristian and uncharitable to hit out at people who merit our support and help."

Mr Winterton said he would be writing to the secretary of the organizing body asking that the ban on South Africa be reconsidered

His feeling was that it would have been better not to have any games at all for the disabled and handicapped, than to discriminate against one country

The Sun

Britain's top-selling daily newspaper, The Sun, criticized the decision to bar South Africa from the paraplegic games.

"These brave men and women are already life's unfortunate victims," the newspaper said in an editorial.

The international Stoke Mandeville Games Federation announced the ban on South Africa after a number of countries pulled out of this year's games in protest at the presence of a team from the Republic. — Staff Reporter and Own Correspondent



President Reagan . . . sanctions harmful

Reagan silent on possible veto of sanctions

STAR 6/8/85

By Neil Lurssen,
The Star Bureau

WASHINGTON — President Ronald Reagan said yesterday economic sanctions against South Africa would harm the country's blacks and neighbouring states — but he refused to say whether he would veto them

Sanctions would "only hurt those we are trying to help", he added.

Mr Reagan is expected to decide on the US Congress-imposed sanctions next month when the Congress returns to Washington from its midsummer recess.

Looking fit at a White House news conference, the first since his cancer operation last month, the President took a softer line on South Africa's state of emergency than some of his top officials have done.

"You are talking about a government reaction to some violence that was hurtful to all of the people We have seen the violence between blacks there, as well as from the law enforcement against riotous behaviour.

"I think we have to recognise some things when actions are taken in an effort to curb violence."

Although he described apartheid as "repugnant", President Reagan's remarks yesterday are being seen by some as backing away from a White House statement on July 26, when the US demanded the lifting of the state of emergency and pointed to apartheid as the "real cause of violence in South Africa".

Yesterday President Reagan defended the policy of constructive engagement, saying it had contributed to reform in South Africa.

Among reforms he listed were the removal of the ban on mixed marriages and the desegregation of hotels.

He added that American businessmen had contributed more than R200 million to black education and housing in recent years.

Sanctions would hur blacks most — Reaga

ARGUS 6/8/85 280

From NEIL LURSSEN, Argus Foreign Service

WASHINGTON. — President Ronald Reagan has warned that economic sanctions against South Africa would harm the country's blacks and South Africa's black neighbours. But he has refused to say if he would veto them.

Sanctions, he said, would "only hurt those we are trying to help".

Mr Reagan is expected to decide on the Congress-imposed sanctions next month when Congress returns to Washington from its summer recess

At a Press conference the President took a softer line on South Africa's state of emergency than some of his top officials have taken

He said. "You are talking about a government reaction to some violence that was hurtful to all of the people. We have seen the violence between blacks there, as well as from the law enforcement against riotous behaviour. I think we have to recognise some things when actions are taken in an effort to curb violence."

Compromise

President Reagan's remarks are being seen by some as backing away from a White House statement on July 26 when the United States demanded the lifting of the state of emergency and pointed to apartheid as the "real cause of violence in South Africa".

Last week the House of Representatives approved a compromise sanctions Bill which includes bans on American bank loans and on the sale of Krugerrands in America but the legislation has been stalled by a threatened filibuster in the Senate.

Asked whether he planned to veto the sanctions, President Reagan said "Let me wait to see what comes to my desk"

The President noted that the Bill contained provisions such as grants for black education and business promotion that could be helpful But he added: "I know that sanctions would not only be harmful to the black citizens there, they would also be harmful to the surrounding black countries whose economies greatly depend on their trade and economic relations with South Africa."

Listed

He defended the policy of constructive engagement, claiming it had contributed to reform in South Africa.

Among reforms he listed were an increase in "bi-racial education", the legalisation of mixed marriages, the opening of business districts to blacks, the growth of black trade unions and desegregation of hotels, restaurants, parks and sports amenities.

He said American businessmen had contributed more than R200-million to black education and housing in recent years

Meanwhile, Democrats predicted that Congress would override a White House veto of the sanctions Bill by securing more than two thirds of the vote in each chamber.

Sweden wants tougher sanctions

280

SOWETAN 6/8/85

HALDEN (Norway) — Swedish Prime Minister Mr Olof Palme said yesterday Sweden would like to see tougher economic international sanctions imposed against South Africa.

He said, however, that Sweden would not like neighbours Denmark and Norway withdraw its diplomats from South Africa because the move had little practical effect

"The whole myth spouted by Pretoria that the trouble is caused by outsiders, by the ANC (African National Congress) or by world communism has been exploded in recent weeks," he said — Sapa-Reuter

Cape Times
Wednesday, August 7, 1985

Reagan defends SA policy

WASHINGTON. — President Reagan has suggested that steps taken by the South African Government to curb township violence were justified.

At his first news conference since the declaration of the emergency in South Africa, Mr Reagan said: "I think we have to recognize sometimes when actions are taken in an effort to curb violence.

"You are talking now about a governmental reaction to some violence that was hurtful to all of the people.

"We have seen the violence between blacks there, as well as from the law enforcement against riotous behaviour."

Mr Reagan said parts of a congressional plan for sterner US action against South Africa "could be helpful" but that he would wait before deciding if it warranted a veto.

However, he again defended his policy of "constructive engagement" with South Africa and expressed misgivings against any form of economic sanctions.

The sanctions bill has passed through the House of Representatives and Senate action is expected in September.

"The sanctions would not only be harmful to black citizens there, but also to neighbouring black countries," Mr Reagan said.

He added that his administration's policy of quiet pressure to bring about reforms in South Africa's racial policies had enjoyed success.

Mr Reagan added that he preferred the policy of "constructive engagement" but that he would wait until passage of the sanctions bill before deciding whether to veto it.

"I never say what I am going to do until the thing gets to my desk," he said.

Without pinpointing which provisions he favoured, he said: "I know some of the things that we are talking about in that legislation were things that could be helpful in the very way that I have been talking.

"I know also, however, that the sanctions would not only be harmful to the black citizens there, they would be harmful to the surrounding black countries whose economies greatly depend on their trade and economic relations with South Africa."

In defence of his constructive engagement policy, the president pointed to increases in spending on education for all races, contributions by US businesses to black education and housing, labour union participation and some desegregation of hotels, restaurants, parks and sport.

Last week, in a compromise between legislation passed by the House of Representatives and the Republican-controlled Senate, House and Senate members agreed on a package of limited economic sanctions, including a ban on sales in the US of Krugerrands. — Sapa-AP

Solarz gets 'new insight' into SA

Cape Times 7/8/85

280

From WINNIE GRAHAM

JOHANNESBURG — Mr Stephen Solarz, a leading American advocate of sanctions, said yesterday the United States did not want to see South Africa begin a "long descent into a nightmare situation".

The United States congressman, on a week-long visit to South Africa, was speaking after a lunchtime meeting with the Minister of Foreign Affairs, Mr Pik Botha He described the meeting as the "highlight" of his visit and said it had given him a new insight into South Africa

"The United States is not in a position to dictate the future of South Africa," he said "This country's government and her peoples will have to decide on their own future."

Asked how his stance was affected by President Reagan's reaffirmation that the United States would not introduce sanctions against South Africa, Mr Solarz said the president was not always against sanctions but, in this instance, he probably thought they would be "unproductive" against South Africa

He stressed he was not in South Africa to "meddle" but to learn how the South African Government hoped to deal with its problems. He hoped to help develop an American policy which would facilitate a peaceful solution

He said he planned to meet whites, blacks, coloureds and Indians during his visit "I recognize the problems are very complex and I would like to hear a wide variety of views"

What happened in South Africa, he said, would have a dramatic impact on the US as his country had an interest in the economic, strategic and humanitarian future of the Republic

Mr Botha said in answer to a question that reform had never yet been introduced through outside pressure: "It retards reform rather than promotes it"

Asked what new reforms were in the pipeline he said the State President had been announcing reforms since January and "the disturbances will not stop us".

 Argus 8/8/85 280

Sanction action against SA still needed — Solarz

TOS WENTZEL
Political Correspondent

UNITED States Congressman Mr Stephen Solarz today had discussions with a number of prominent people in Cape Town and maintained that his basic approach to some sanction action against South Africa had not changed

Mr Solarz arrived in Cape Town yesterday and left for Durban this afternoon

Among the people he saw in Cape Town were the Rev Allan Hendrickse, Mr Franklin Sonn and the Rev Allan Boesak

Mr Solarz, a leading congressional advocate of sanctions, earlier this week gave the impression that his standpoint had softened somewhat after his meeting with the Minister of Foreign Affairs, Mr Pik Botha, in Pretoria

Today he said that his ideas had not been so fixed or concrete before he came to South Africa and that, although he had reached certain conclusions, he was always prepared to learn

Mr Solarz made it clear that, in spite of any impressions that might have been created earlier, he felt that legislation to start sanctions which had been passed in the US was appropriate at this stage

He thought this was in line with his fundamental views on the need for real change and a just dispensation for all in South Africa

Forces working for this could be influenced by such legislation at the appropriate time.

He had not come to South Africa to try to present any particular dispensation As he had stated earlier, these matters had to be worked out by the people of South Africa themselves.

He hoped that the South African Government would start negotiations with the real leadership among blacks



Picture: PETER STANFORD, The Argus

Mr Stephen Solarz, right, and the Rev Allan Hendrickse at a breakfast meeting today.

Aussie dock strikes unnerve traders

FEARS of an Australian consumer reaction to South African goods is causing concern to importers and exporters alike.

Leading freight shippers to Australia complain that SA exporters are over-reacting to reports that an SA ship has been boycotted in Sydney, while Safto spokesman Ann Moore says reports of cancelled shipments "represent nervousness among Australian buyers".

Last week the Safocean Mildura faced a series of 24-hour bans while docked in Sydney. Safocean, which controls most of the SA-Australia shipping market, is jointly owned by Safmarine and Nedlloyd.

ALAN RUDDOCK

Safocean director Bill Thijsse says such bans are sporadic and do not affect the shipping schedules.

"The bans only affected the departure of the ship and not the loading or discharging of cargo. The Mildura is now in Melbourne and we expect a temporary ban, probably another 24-hour one. We can easily make up the time and be back in SA on schedule."

Moore says there is no need to panic. "Though it is worrying, these sporadic strikes do not interfere with the trade flow. While there may be fears in the medium-term about a possible consumer reaction, Australian labelling regulations are not over-stringent and it is legally possible to down-play the country of origin."

Thijsse, meanwhile, is more concerned that a number of exporters who had booked space for the next Australian sailing seemed to panic and telephoned to cancel. "This is overreaction."

Australian Trade Commissioner Nick Smit agrees there is a long history of occasional strikes aimed at SA and other ships, depending on the political mood of the dock unions.

Pressure put on Shultz to support sanctions

280 STAR 8/8/85

By Neil Lurssen,
The Star Bureau

WASHINGTON — A top Republican Senator yesterday urged the Secretary of State, Mr George Shultz, to support the economic sanctions Bill against South Africa which the US Congress is to send to President Ronald Reagan next month.

But Mr Shultz who, like the President, opposes the sanctions, was non-committal in his response.

Senator Richard Lugar, the Foreign Relations Committee chairman who played a key role in getting the sanctions Bill approved by the Senate and later by a congressional conference committee, tried to win over the Secretary of State at a private lunch attended only by the two men and a few aides.

Senator Lugar told Mr Shultz that President Reagan should not wait until September to sign the bill into law but should impose its provisions now while the Congress was in recess.

He argued that the legislation, which seeks to aid South African blacks through educational and business grants as well as ban US bank loans and Krugerrand sales and stop nuclear energy and computer exports, would actually curb the powerful move in the US toward disinvestment from South Africa.

It would enable American businessmen to continue to operate in South Africa and to use their economic clout to help bring about positive change and power sharing, Senator Lugar said.

CONTRUCTIVE ENGAGEMENT

He also told the Secretary of State that this approach was philosophically in line with the policy of constructive engagement that the President has said he will not change.

"Mr Shultz did not flatly say no to Senator Lugar — and nor did he say 'yes," an informed source said afterwards.

Senator Lugar and Mr Shultz have conferred on the situation in South Africa many times since the present session of the Congress started in January.

The Reagan Administration had counted on the senator, through his powerful position on the Foreign Relations Committee, to tone down some of the more strident demands for tough sanctions that it expected — and which were made — during the session.

After last week's conference committee when the final shape of the bill was hammered out, Senator Lugar told Mr Shultz privately: "I did my best."

Moderates in the Congress say that Senator Lugar did an outstanding job in preventing the sanctions measures from becoming too punitive and in keeping them at a relatively symbolic level.

One sanction that had been demanded by the Democrats but which was later dropped in the conference committee was a ban on all new US investments in South Africa.

Senator Lugar's associates say that he wants to achieve an American bi-partisan consensus on South Africa and that he believes the sanctions bill offers the best chance of getting it.

Whether or not that consensus will be achieved depends largely on President Reagan who is likely to receive the bill for signing early in September.

The bill faces one more congressional hurdle before it goes to the White House. Conservative Republican Senator Jesse Helms of North Carolina has threatened to launch a filibuster against it when it goes before the Senate for ratification.

VOTED DOWN

But a previous attempt by Senator Helms to delay the bill with a filibuster was voted down.

President Reagan will not say whether he plans to veto the bill. The expectation here is that he will reluctantly sign the measure if he believes that his veto will be over-ridden by a two-thirds majority in both the Senate and the House of Representatives.



Secretary of State Mr George Shultz . . . a non-committal response after a private lunch.

Sanctions man to pay flying visit

Political Reporter

U S CONGRESSMAN Stephen Solarz, a leading advocate of economic sanctions against South Africa, will pay a brief visit to Durban today and tomorrow

Mr Solarz, who is touring South Africa, arrives here this afternoon and leaves tomorrow morning

The American Consul-General in Durban, Mr Martin Cheshes, said Mr Solarz would hold talks with 'a wide range of people' in Durban

Mr Solarz had a two-hour confidential meeting with Foreign Minister Pik Botha at the Union Buildings in Pretoria this week.

The Congressman is a joint sponsor in the U S House of Representatives of a Bill proposing a ban on the sale of Krugerrands in the U S, bank loans to the South African Government, all new American investment in South Africa and the sale of computers to the South African Government and its agencies

The Bill provides for the sanctions to be lifted if the South African Government stopped the denationalisation of blacks, or repealed the pass laws or agreed to an internationally acceptable settlement in South West Africa

Sanctions: the ace up PW's voluminous sleeve

Botha 280 STAR 12/8/85

South Africa's railways and harbours system acts as a lifeline for much of southern and central Africa. Much more serious than President Botha's threat to repatriate migrant workers of those African countries supporting sanctions against South Africa, would be a total or partial transport ban. BRENDAN SEERY of *The Star's* Harare Bureau reports ...

When President Botha recently warned black African states over the sanctions issue, Press interest centred on his threat to expel thousands of migrant workers presently employed in South Africa.

However, as head of the most powerful country on the African continent, Mr Botha made a far more significant threat to those African nations supporting the UN Security Council motion on sanctions against South Africa.

A flexing of South Africa's economic muscle, he made it clear, is all that is needed virtually to strangle the economies of central and southern African states.

He told a youth meeting at the University of Potchefstroom "It does not take much imagination to realise the consequences for our neighbouring states and even African states further to the north, should the South African railways, airways and harbours not be able to handle their imports and exports any longer."

In the first half of this decade — which saw the formation of the SADCC (Southern African Development Coordination Conference) with its pledge to reduce economic dependence on South Africa — central and southern African countries have become, if anything, more dependent on South Africa's transport infrastructure

Zambian and Zairean copper exports, together with container trains of Zimbabwean tobacco and minerals, all make their way along South Africa's rail arteries and out through its seaports.

Vitally-needed diesel and petrol, new vehicles, machinery and even thousands of tons of food in imports for drought-stricken countries have all flowed north on the SAR routes.

In Zimbabwe's case, reliable trade sources estimate that at present between 80 and 90 per cent of the country's imports and exports go through South Africa either direct to South African ports or via the Komatipoort line and on to Maputo Although Mr Mugabe's country gets its diesel and petrol supplies from the Beira-Mutare pipeline, aviation spirit is still brought in through South Africa.

In the last few years, traffic over the South African routes has increased, largely because the rehabilitation and efficiency of the Mozambican rail links and harbours have not come up to expectation.

Problems of security have also played a large part in the reluctance of Zimbabwean businessmen to utilise the Mozambican facilities.

The Beira-Mutare rail line is operational and the route offers savings of up to 50 percent on the alternative routes from South African ports However, there is only a limited amount of locomotive traction power available to haul traffic along the route, which has difficult gradients. In the port of Beira itself, harbour facilities are being revamped, but are not nearly back to the state they were when the Portuguese withdrew from the country in 1974.

Some of Zimbabwe's tobacco is being exported through Beira, but most of the 90 000 tons of the annual crop is routed along SAR systems at preferential freight rates.

There is no doubt that if the South African transport authorities in some way prevented their system being used by the sanction-supporting African countries, then the Mozambique ports and infrastructure would be totally swamped with the increased, re-routed traffic. The threat of South African anger to countries in the sub-continent is real enough, but the question is will Pretoria actually go as far as a formalised retaliatory transport ban?

Such a ban, while crippling some of South Africa's most bitter enemies, would also badly affect her one "friend" in Africa — Malawi. Most of Malawi's imports of fuel and essential supplies come through Zimbabwe via the South African rail and road links

Also, up to now South Africa's transport relations with its neighbours have been governed by the General Agreement on Tariffs and Trade (Gatt), to which Pretoria is a signatory The Gatt convention specifically bars members from doing anything to stop or hinder exports to other landlocked member countries.

What does seem a more likely form of South African action is the subtle, "unofficial" pressure which can see exports and imports for African countries piling up in South Africa through one or other administrative reason.

That the South African transport and harbours systems can be a great help was amply demonstrated in the past year when, despite the tremendous pressures on them to move thousands of tons of grain imports for their own country, they also moved large consignments of food aid for neighbouring countries

The subtle pressure principle has already been applied by the South Africans on a number of occasions, notably with "delays" of diesel delivery to Zimbabwe to underscore South Africa's displeasure with anti-apartheid propaganda shortly after independence in the early 1980s.

In 1976 Prime Minister John Vorster used similar tactics to force a reluctant Mr Ian Smith to the settlement negotiating table. At that time Rhodesian exporters suddenly found that their shipments were experiencing unusual delays as bottlenecks built up unaccountably on the South African rail system.

More than 16 000 tons of citrus destined for export had to be destroyed and the mining, industrial and agricultural sectors were almost at the end of their tether.

If Mr Vorster could do that to a "friend" in 1976, what compunction would Mr Botha have about doing the same thing to people who are decidedly less than friends in 1985?

U K sanctions would hit 500 000 blacks

280 12/8/85 MERCURY

London Bureau

A BRITISH Government-sponsored trade mission to South Africa reports today that U K economic sanctions would remove the livelihood of half-a-million black people

Its 50-page report, compiled after businessmen from the Northamptonshire Chamber of Commerce visited Johannesburg, Cape Town and Durban, speaks of an 'overwhelming moral argument' in favour of maintaining trade with all countries who suffer under 'misguided governments'

Experience of sanctions against Rhodesia, it says, suggest that the impact on South African Government policy would be negligible

'The impact on the black South Africans is another matter,' the report adds 'Altogether, 143 companies in South Africa are owned wholly or in majority by U K companies

'They employ over 100 000 black people which means that probably between one-third and one-half million black people depend on those companies for their livelihood

Pervert

'To close these companies or to stop further investment in their future would be a strange way indeed to help the black community'

Any attempt to 'pervert' the course of trade to serve political objectives is strongly opposed in the report

'International trade is a healing force throughout the world because the businessman is not concerned about the race, creed or colour of his business partner

'The greater the isolation caused by political differences, the more valuable become the contacts and understanding created by the trading community'

Mr Frank Chamberlain, the mission leader, says the business won on the visit would help to maintain employment in this country and such trade links were also 'a life-line to the peoples of South Africa in their search for a better social and economic future'

Orders worth R1 200 000 were booked during the two-week visit and further business worth R2 100 000 is expected to follow in the next two years

Deliberately addressed to a wider audience in both Britain and South Africa, the report claims that organised business in South Africa has played an active role in fighting apartheid and is 'probably the most powerful and effective force for social reform'.

It states' 'The Association of Chambers of Commerce in South Africa were boycotted by the Government for several years over their outspoken criticism of the Government's policy for racial discrimination in the workplace

'If we really want to help the oppressed people in South Africa, we have a duty to take action which will help and not harm them.'

The report quotes Mrs Helen Suzman, South African opposition MP, as having said 'The best hope for reform in South Africa lies in the economic advancement of the blacks'

Sanctions: UK has most to lose

by

Michael Holman in London and Jim Jones in Johannesburg



For the first time since South Africa's National Party took power in 1948, the prospect of economic sanctions against the Republic is likely rather than improbable, with the US and France leading the way. But were such a drastic step to be taken, Britain has more to lose than anyone.

British Prime Minister Mrs Margaret Thatcher has declared unequivocally that she will not countenance any such measures. But Mr Neil Kinnock, leader of the Labour Party, has made it equally plain that he will

At stake are British investments in South Africa, direct and indirect, worth some £11 billion, and an export market last year of £1,2 billion. Mr John McQuiggan, director of the United Kingdom South Africa Trade Association (UKSATA) hammers home the extent of the ties: "It is Britain's 12 th largest export market, represents between 7 percent and 10 percent of total overseas investment, and some 400 groups quoted on the London Stock Exchange have one or more South African subsidiaries.

"Britain has more at stake than any of our European partners or the US."

But even if there is no early change in official British policy, UK companies with South African interests may find themselves vulnerable through consumer action at home and abroad.

Last March, supermarkets importing South African products (fruit, canned fish and corned beef, clothing) found themselves the target of a boycott, and other retailers — Richard Shops, Fenwicks, Austin Reed — are now being singled out by the Anti-Apartheid Movement because of their imports of South African footwear and clothing.

In Africa itself there are so far no signs of a boycott of British imports and services, but some African diplomats believe that could, in time, change — and possibly be an issue at the Commonwealth heads of state conference in October.

Such a threat would once have seemed hollow. Weak African economies have little leverage, but as Western opinion of sanctions changes, and the US itself moves towards selective measures, leaving Britain increasingly isolated, a policy of discouragement (by giving preference in tenders to non-UK firms, for example) becomes at least conceivable.

The weapon is not insignificant Nigeria (which in 1979 nationalised BP's assets in the country in protest over Britain's handling of Rhodesia's illegal declaration of independence) imported $768 million from Britain last year, and several major British companies operate in both Nigeria and South Africa.

British company involvement in South Africa is pervasive. The two banking groups, Barclays National and Stanbic, are the two largest banks in the Republic. The London-headquartered Consolidated Goldfields has a more than 40 percent share in Gold Fields of South Africa, which produces about a quarter of the country's gold. Rio Tinto manages the Phalaborwa copper mine, and Rossing the uranium production in Namibia. Lonrho controls Western Platinum, and BP and Shell both have coal-mining operations which between them account for 10 percent of the country's coal exports.

Household names in the insurance industry include Legal & General, Prudential, Commercial Union and Norwich Union. In pharmaceuticals, Smith & Nephew and Boots are prominent. In rubber products BTR has a substantial part of the market.

According to UKSATA almost 10 percent of all British overseas direct investment is in South Africa, with a market value put in 1982 at £5 billion.

Researchers of the Anti-Apartheid Movement and the UN Centre against Apartheid, compiling a study of trade and investment links, broadly agree with UKSATA'S calculation that direct and indirect investments come to at least £11 billion, representing 40 to 45 percent of total foreign investment in the Republic.

Where sharp differences emerge, however, is over the impact a total trade embargo would have on jobs in Britain.

UKSATA, citing a mid-1970s survey of British companies in South Africa — around 600 according to a UN study — asserts that up to 250 000 jobs could be lost. Barclays, with a 50,4 percent shareholding in Barclays South Africa, which in turn has a major share of the Republic's banking business, claims that UK-South Africa trade provides 150 000 jobs in Britain.

The Anti-Apartheid Movement researchers disagree, claiming that the loss could be as low as 10 000, arguing that companies would adapt and find new markets.

It would be impossible to establish an accurate figure. The chief executive of one major UK engineering company in Britain estimates, for example, that the South African market is worth 300 jobs — and claims that if trade was cut his South African subsidiary would retrench 2 500 workers, most of them black.

What is clear is that the ties extend through most sectors of the UK economy — banking, engineering and electrical equipment, computers, machinery — and the links are actively reinforced by the British Overseas Trade Board. Four British trade missions have visited South Africa this year alone, and the board supported 84 such missions between 1977 and 1982 — disproportionately higher than any other market of equivalent size, even outside Africa, says a UN report.

"Each trade agreement, each bank loan, each new investment is another brick in the wall of our continued existence," said the late Mr John Vorster in 1972, when he was Prime Minister, and despite the go-it-alone current mood in South Africa, that is probably as true today.

British banks have been providing several of those bricks. A recent study by an anti-apartheid organisation, End Loans to South Africa, identified new loans worth $2,44 billion from 202 banks in 1982-84, with UK banks, led by Hill Samuel, playing a leading role and involved in nearly half that amount. Of the total assets of South Africa's top 20 banks, says the report, 62,3 percent belong primarily to foreign-owned banks of which the two biggest are Barclays and Standard Chartered, which make substantial contributions to parent company profits — 14 and 20 percent respectively in 1982.

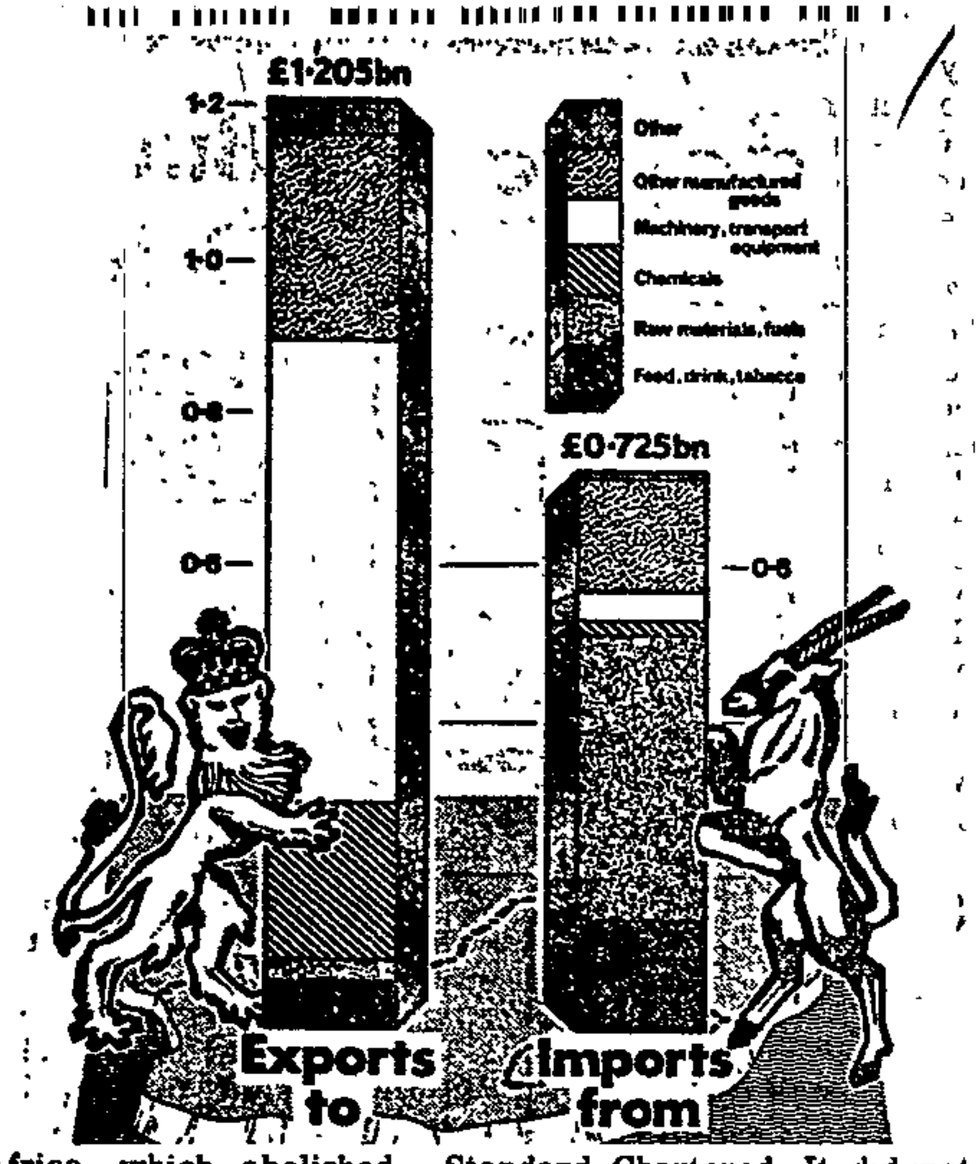
MAJOR BRITISH COMPANIES

Figures in Rm

	Total assets	Net profits
AECI*	1 606,9	144,4
Metal Box†	493,2	51,3
Blue Circle‡	410,2	29,9
NEI Africa*	169,1	11,7
Dunlop	167,8	18,3
Barclays	8 030,0§	
Stand Chartrd.	7 880,9§	
Hill Samuel	188,4§	
Legal and Genl	1 500,0	
Prudential	1 388,1	
Comrcl Union	491,7	
Norwich Union	334,0	

Figures for year to end of 1984 except * to end-1983, † to end-September 1984, ‡ to November 1984. § Deposits.

Source: Financial Mail.



British companies also play a major role in strategic areas of the South African economy — fuel, military equipment and computers.

AECI, an associate of ICL, has been working on another oil-from-coal project, Castrol is contributing to South Africa's capacity for specialised oil products, while Perkins Diesel is contributing to a R260 million plan near Cape Town which will produce diesel engines and end South Africa's dependence on foreign suppliers.

Although there has been a UN arms embargo since 1977, anti-apartheid researchers claim that British supplies of equipment play an indirect role in South Africa's military capacity.

It is pressure from customers both in the British high street and in the Commonwealth, rather than the prospects of selective or broader sanctions, which will make companies reasses their links with South Africa.

But foreign investors find pulling out a less-than-painless process, in spite of the fact the South Africa, which abolished the financial rand in 1983, has so far not re-imposed foreign exchange restrictions. "We have become currency hostages," said one investor ruefully as he surveyed a week in which the rand has steadily fallen.

There are several reasons why disinvestment is unattractive. As one broker in Johannesburg put it: "First, who would buy? Second, what rand price would be paid, given that the foreign controlling shareholder might be seen as a forced seller, and also taking into account the fact that interest rates are high and profits have been hit by the recession?"

Although many companies have been badly affected by the recession, and their distributable earnings have fallen, several leading companies have maintained their rand-dominated dividends — Metal Closures and Barclays National Bank are two recent examples.

Rather than pull out of South Africa, several British (and US) firms have decided to maintain their presence but not contribute additional expansion capital needed by their South African offshoots. An example here is Standard Chartered. It did not follow a rights issue by Standard Bank Investment Corporation (Stanbic), its South African arm.

Instead, Standard Chartered renounced its rights in favour of a South African insurance group, Liberty Life. The move ties Stanbic more closely to Liberty which should improve Stanbic's profit potential.

It may well turn out that company and investor response to the South African crisis owes less to the prospect of sanctions than to complex calculations about the future strength of the rand, the profitability of the market and the difficulties of disinvestment. This raises a further issue. "We are reaching the point where although we get 10 percent of our profits in South Africa, it's taking up 50 percent of our boardroom time," one US company executive has observed.

It is this "hassle factor", with all the economic and political uncertainty, which is likely to have an impact long before sanctions — if they are adopted — begin to bite. — *The Financial Mail*, London.

NEWS FROM AROUND THE WORLD

Support sanctions, Shultz urged

WASHINGTON — A top Rebublican senator yesterday urged the Secretary of State, Mr George Shultz, to support the Economic Sanctions Bill against South Africa that the US Congress is to send to President Ronald Regan next month.

But Mr Shultz who, like the president, opposes the sanctions, was non-committal in his response.

Senator Richard Lugar, the Foreign Relations Committee chairman who played a key role in getting the Sanction Bill approved by the Senate and later by a Congressional Conference Committee, tried to win over the Secretary of State at a private lunch attended only by the two men and a few aides.

Senator Lugar told Mr Shultz that President Reagan should not wait until September to sign the bill into law but should impose its provisions now while the Congress was in recess.

He argued that the legislation, which seeks to aid South African blacks through educational and business grants as well as ban US bank loans and Krugerrand sales and stop nuclear energy and computer exports, would actually curb the powerful move in the US toward disinvestment from South Africa.

It would enable American businessmen to continue to operate in South Africa and to use their economic clout to help bring about positive change and power sharing, Senator Lugar said.

He also told the Secretary of State that this approach was philosophically in line with the policy of constructive engagement that the president has said he will not change.

"Mr Shultz did not flatly say no to Senator Lugar — and nor did he say yes," an informed source said afterwards.

Senator Lugar and Mr Shultz have conferred on the situation in South Africa many times since the present session of the Congress started in January.

Solarz still backs sanctions

Political Correspondent

THE US Congress will almost certainly push ahead with sanctions against South Africa when it reconvenes after its summer recess.

And Congressman Stephen Solarz, who has been conferring with leaders both inside and outside of government on his current lightning tour of the Republic, will not be fighting to stop such action when he returns to the United States next week.

This has emerged after his latest round of talks in Cape Town yesterday with Dr Allan Boesak, Mr Franklin Sonn and the Rev Allan Hendrickse.

Earlier this week, conciliatory remarks by Mr Solarz following a lengthy meeting with the Minister of Foreign Affairs, Mr Pik Botha, led to speculation that the outspoken Democrat might be ready to discard his mantle as doyen of the pro-sanctions lobby.

Buthelezi call for Israeli pressure

JERUSALEM. — The Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, told Israeli Prime Minister Mr Shimon Peres yesterday that he could not negotiate with the State President, Mr P W Botha, without an agenda.

In a memorandum to Mr Peres, Chief Buthelezi pleaded with the Israeli leader to bring every possible pressure to bear on the South African Government to make them understand that there would be no conference table unless all parties knew what they were going there to negotiate about.

"The State President knows that there will be no negotiation with me unless he makes a declaration of intent with black leaders, and unless we have an agenda within which blacks could find it possible to negotiate," he said.

The Chief Minister said he pursued the politics of reconciliation and the kind of statement of intent he was calling for did not tie hands but opened doors.

Chief Buthelezi said those who were attempting to alienate South Africa from the international community were gravely mistaken.

It would become immune to the kind of pressures which were needed in the black struggle.

The international community had to realize that the need was not to punish white South Africa, but to strengthen black South Africa in its democratic, non-violent demands for change.

After the meeting Mr Peres yesterday pledged Israel would take a tough stance against South Africa.

"Israel should never support discrimination," Mr Peres told reporters after meeting Chief Buthelezi who arrived in Jerusalem on Sunday for a 10-day visit.

Israel, one of the few Western countries not to have condemned South Africa's declaration of a state of emergency, has trade and military links with South Africa.

Israeli leftists and moderates, among them former foreign minister Mr Abba Eban, have urged the government to speak out more forcefully against apartheid

State radio said Mr Peres now planned to liaise with foreign governments on efforts to fight apartheid.

Chief Buthelezi told reporters: "Israel should use her diplomatic clout as much as possible to influence South Africa to move toward a negotiated future." — Sapa-Reuter and Own Correspondent



Chief Buthelezi

Senate will approve US sanctions, says Solarz

STAR 280 13/8/85 737

By David Braun, Political Correspondent

Anti-apartheid legislation passed by the American House of Representatives will be approved by the Senate next month, visiting US Congressman Mr Steve Solarz predicted in Pretoria last night.

His view remained that the US had a better chance of facilitating peaceful change through the application of pressure as opposed to the "continuation of measures which are limited ... to the exercise of gentle persuasion".

Mr Solarz told a Press conference after a one-hour meeting with the President, Mr P W Botha, and before he left the country last night after a week-long visit, that he was not optimistic about prospects for peaceful solutions to South Africa's problems.

Reforms that the Government appeared to have in mind would not be sufficient to resolve South Africa's problems in the short-term, and his outlook for the future of the country was "profoundly pessimistic".

Mr Solarz had further gained the impression that the Government was not prepared to release Nelson Mandela unconditionally.

He said his conversation with Mr Botha made "a cold shower warm by comparison" and made it very difficult for him to sustain a sense of optimism about the South African Government's plans for reform.

His views were in marked contrast with those he expressed after a three-hour meeting with the Minister of Foreign Affairs, Mr Pik Botha, at the outset of his visit.

He said then that he had a new appreciation of the complexity of the South African situation and that if changes outlined to him were implemented they would be considered quite significant in the US.

(He said last night that after this statement he had received numerous calls from friends in South Africa and America expressing concern as to where he stood on apartheid).

After the meeting with Mr Pik Botha, Mr Solarz said that no country in the world could dictate to South Africa how to go about resolving its problems.

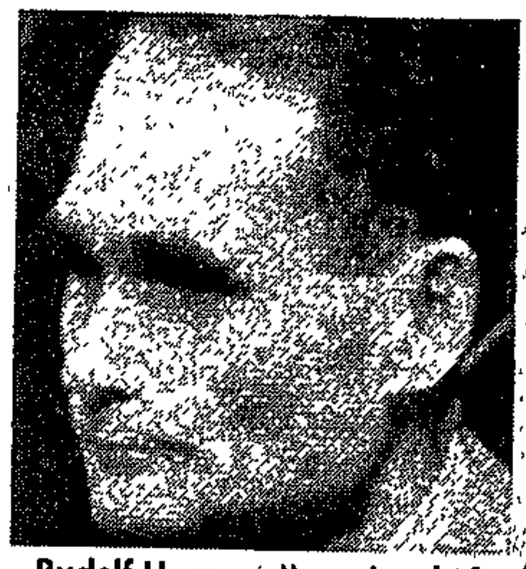
Last night he reiterated this, but added that "neither is the Government of South Africa in a position to dictate a viable future to the black majority of this country".

Mr Solarz said he had concluded that in the five years since he was last here there had been a significant change in the thinking of whites.

They now recognised apartheid was more part of the problem than part of the solution and that the time had come to address the real grievances of blacks.

He was also struck by the "rising tide of anger of the black people".

"The key to solving the problems," he said, "lies in the willingness of the Government to release Nelson Mandela and begin negotiations with him and others in exile as well as those black leaders who have remained inside the country."



Rudolf Hess . . . "convicted of monstrous crimes".

Comparison with Hess angers Solarz

United States Congressman Mr Steve Solarz showed anger last night that President Botha had compared the detention of Nelson Mandela with the imprisonment of Rudolf Hess, the former Nazi leader.

Mr Solarz told a Press conference in Pretoria after a one-hour meeting with the President Botha: "It seems to me that this comparison is totally without validity or foundation. Rudolf Hess was convicted of some of the most monstrous crimes in the history of the human race.

"For anyone to suggest that there is a comparison between the ANC and the leadership of the Nazi Party is to suggest a total misunderstanding of history and as to what Nazism is all about," Mr Solarz said.

Mr Solarz said he gained the impression the Government was not prepared to release Nelson Mandela unconditionally.

CAPE TIMES

US may be forced to impose sanctions

WASHINGTON — The mood in Congress and American public opinion could force President Ronald Reagan to impose economic sanctions against South Africa even though he opposed them, White House spokesman Mr Larry Speakes said yesterday

Talking to reporters on board Air Force One as Mr Reagan and his closest advisers headed for a California holiday Mr Speakes confirmed that the White House was pressing South Africa to accelerate movement away from its apartheid policies

"What we have been saying in public and in private through diplomatic channels, we've now said from a high level in our government and from the White House." Mr Speakes said



President Reagan

He was referring to a meeting that National Security Adviser Mr Robert McFarlane had last week in Vienna with South African officials, including the Minister of Foreign Affairs, Mr Pik Botha

Mr Speakes said Mr McFarlane told Mr Botha that economic sanctions that had passed the US House of Representatives and had wide support in the Senate were a "distinct possibility" and that South Africa should institute reforms before the measures were enacted

Mr Reagan's decision on whether to veto the sanctions "will be based on his own personal opinion of the pros and cons of the sanctions — the advisability of the legislation", Mr Speakes said

He added, however, that even if Mr Reagan did veto a sanctions bill, an "override" of the President's veto "depends on what the mood of Congress and the public understanding is" of the situation in South Africa

Overriding a presidential veto requires a two-thirds majority in both the House of Representatives and the Senate

'Likely to pass'

The sanctions plan, believed likely to pass Congress because it was worked out by a House-Senate conference committee, would ban further imports of Kruger rands and stop US bank loans to South Africa

Mr Speakes repeated the administration's call for an end to the violence in South Africa, the lifting of the state of emergency and resumption of black-white dialogue in the country

The administration still favoured its policy of "constructive engagement" — diplomatic pressure rather than sanctions — "because that's the only way we can have influence".

He said the administration was waiting for action from Pretoria and "when and if they make a decision we would study it and certainly have a viewpoint on it".

— Sapa-AP

D-day for US sanctions Bill is drawing closer

PW's plans for reform will influence the Reagan veto

STAR 12/8/85 250

The Star Bureau

WASHINGTON — Sources close to President Reagan say he will base his decision on whether or not to veto economic sanctions against South Africa largely on what the South African Government does about racial reform in coming days and weeks.

President Reagan is recuperating from his cancer surgery at his ranch in California and is expected to have a light work-load — but the situation in South Africa is high on his limited agenda and he is said to be personally concerned about developments there.

His top officials are waiting to hear from South africa this week about reform moves — and the expectation is that the steps will be spelled out on Thursday by President Botha. They say that what Mr Botha says could make the difference between sanctions or a veto

President Reagan must make up his mind about the sanctions early next month when the US Congress returns to Washington from its midsummer recess. The House of Representatives has approved a compromise sanctions package. It has been temporarily stalled in the Senate, but is expected to be cleared and on the way to the White House for signing within days of the session resuming.

Mr Reagan's National Security Adviser, Mr Robert Mc Farlane, is said to have told Foreign Minister Mr Pik Botha at their meeting in Vienna last week that the president will base his decision on reform steps taken in South Africa.

Mr McFarlane said at the meeting that Mr Reagan continued to support constructive engagement with South Africa but that, in Mr McFarlane's view, there was an emotional climate in the US that would make it impossible for the president to sustain a veto unless there was an "accelerated movement" toward fundamental changes in the country.

It is understood that the Administration, faced by the Congress sanctions demand, has decided to use the sanctions as a lever to persuade South Africa to introduce sufficient reforms to beat them. This could happen especially if black leaders respond favourably to the reforms

The President will not be able to sustain a veto if two-thirds of the members of each chamber vote for sanctions. They already have this support in the House.

Another official, who asked not to be named, said that if Mr Reagan decided to veto the sanctions, nothing would sway him — not even an overwhelming demand by the Congress that he sign them into law.



Chief Gatsha Buthelezi, the Chief Minister of kwaZulu, rides a c tour of the Old City of Jerusalem yesterday. Chief Buthelezi is '10-day tour during which he is scheduled to meet the Prime Shimon Peres, and other top officials.

Robert McNamara supports sanctions

Cape Times 15/8/85

280

From RICHARD WALKER

NEW YORK — Economic sanctions are America's best bet to save South Africa from self-destruction, says former United States defence secretary and World Bank president Mr Robert McNamara.

"This is the most constructive action we can take," he wrote in an appraisal of his recent visit to the Republic

"The final battle lines have not yet been drawn in South Africa Fundamental political change, without prolonged large-scale violence, is still possible" if the government could be jolted in time

If not, "internal disorder will continue and violence may become so great as to lead to a confrontation with forces supported by the Soviet Union", he maintained.

Noting how three years ago he had predicted that tensions would "finally explode" within five to 10 years, Mr McNamara submitted "I was wrong — the process of fundamental change has already started

"It is irreversible and it will not end until the blacks share political power with the whites"

American policy "should be based on the recognition that the success of the black nationalist struggle in South Africa can at most only be delayed — and at immense cost — but clearly not permanently denied", he said

Sanctions — a spectre that won't go away

STAR 280 15/8/85

American Congressman Mr Steve Solarz predicted at the end of his visit to South Africa this week that the anti-apartheid legislation passed by the American House of Representatives last week will also be approved by the Senate. What does this legislation entail? HANNES DE WET reports.

The American sanctions Bill against South Africa carries a fine of up to R2,17 million for violations by a company. The maximum fine for individuals is more than R100 000 and/or imprisonment of up to five years.

The Bill, "The Anti-apartheid Action Act of 1985", was passed by 380 to 48 votes by the House of Representatives on August 1. It is expected that the Senate will pass the Bill in September.

President Ronald Reagan could refuse to sign the Bill — but his veto would be overridden by a two-thirds majority in both Houses.

The full text of the Bill, on which a joint Senate-House conference had agreed, was released by the United States Information Service this week.

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Included in the complex agreement are provisions that would:

● Impose an immediate ban on most US bank loans to the South African Government and government-run corporations, allowing loans only for schools, housing and health facilities open to blacks as well as whites.

● Halt the sale of all but small personal computers to police, military and other agencies that could use the machines to keep records on blacks and help enforce apartheid laws.

● Forbid the sale of American-made supplies and equipment that could be used in the development of nuclear technology.

● Prohibit the importation of South African Krugerrands.

In terms of the Bill the American President could waive the Krugerrand ban if he could certify that South Africa was making progress towards ending apartheid and improving conditions for blacks

The Bill also prescribes wider economic sanctions against South Africa not later than 12 months after the date of its enactment — "if significant progress has not been made towards ending the policy of apartheid".

The President would have to provide Congress with a yearly report on the extent to which the South African Government had taken steps in this regard.

□ □ □

This would have to be a detailed assessment of "significant progress towards meeting the following conditions":

● Eliminating the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment.

● Eliminating all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa.

● Eliminating all policies that make distinctions between the South African nationality of blacks and whites.

● Eliminating removals of black populations from certain geographic areas on account of race and ethnic origin.

● Eliminating all residence restrictions based on race or ethnic origin.

● Entering into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political and economic life in that country — and to end the discrimination based on race or ethnic origin.

● Achieving an internationally recognised settlement for Namibia.

● Freeing all political prisoners.

If the President should determine that significant progress had NOT been made, he would make a recommendation on which of the following sanctions should be imposed:

● A ban on new commercial investment in South Africa.

● A denial of most-favoured-nation status to South Africa.

● A ban on the importation of coal, uranium ore, and uranium oxide from South Africa and Namibia.

● Other economic or political sanctions.

If the American President should determine that "the system of apartheid in South Africa has been abolished", and this was approved by Congress in a joint resolution, the Act would be terminated.

"The abolition of apartheid" includes:

● The repeal of all laws and regulations that discriminate on the basis of race.

● The establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political and economic life in that country.

sisted with violence of problems

Top Reagan aide criticises sanctions proposals

STAR 14/8/85

SANTA BARBARA — President Ronald Reagan's national security adviser yesterday criticised some proposals pending in Congress for sanctions against South Africa, saying they would hurt the interests of blacks in the white-ruled nation.

Mr Robert McFarlane made the comments to reporters at the beginning of a top-level administration strategy session held at a seaside hotel geared to mapping out the agenda for President Reagan's second term. The aides had accompanied the President to the Pacific coast while he recuperated from cancer surgery and vacationed at his nearby ranch.

Mr McFarlane said he did not know when South Africa would announce its expected package of reforms of its apartheid system, but predicted it would be "within the week".

PRESIDENT'S VIEW

Asked whether South Africa's announcement would have any effect on Mr Reagan's decision to veto or sign any possible sanctions passed by Congress, he replied: "I think the President's view as to what helps and what hurts is pretty much on the public record.

"It's clear that a number of features of the current Bill are harmful to the interests of blacks in South Africa. Consequently, it's bad law in many respects."

The House of Representatives and the Senate have passed bills to impose economic sanctions, but the Senate has delayed final action on a conference report until it returns from its August recess.

White House spokesman Mr Larry Speakes has said that no matter what Mr Reagan decides to do about the Bill, the administration intends to pursue its policy of "constructive engagement," or quiet diplomacy.

The package of sanctions before the Congress includes a ban on the import into the United States of Krugerrands. It would also bar some sales of goods used in computers and nuclear production. — Sapa-Associated Press.

to do it now (and) in what manner to do it ... not whether it should be done," he said

Mr Beukes said he hoped Mr Botha's announcement could help shift sentiment in the US Congress away from imposing economic sanctions.

VOTE

The Senate is expected to vote next month on legislation already approved by the House of Representatives, including a ban on new US investment in South Africa and on imports to the United States of South African Krugerrands.

Mr Reagan has not said whether he plans a veto

Mr Beukes, while admitting that the Senate was likely to approve the Anti-Apartheid Act, said he believed Congress might uphold rather than override such a veto.

But he conceded that it would depend on what the reaction is of moderate black leaders such as Bishop Desmond Tutu to Mr Botha's statement and later actions

Mr Beukes summed up South Africa's short-term goals as "to terminate violence ... restore law and order and cool down passions so we can get on to a political dialogue." — Sapa-Reuter.

● See Page 21.

re than 12 000 hours to his credit and the survivors were seated towards the back of the aircraft.

Sanctions call grows

ATLANTA (Georgia) — United States House of Representatives Budget Committee chairman, Mr William Gray, yesterday called for economic sanctions against South Africa.

Mr Gray, a Democrat, is the author of anti-apartheid legislation which would ban the sale of technology to South Africa and forbid American bank loans to businesses in the country. The proposed legislation has passed the House and Mr Gray said he expected Senate approval after Congress' Summer recess.

The first black to chair the House Budget Committee, Mr Gray spoke to the national convention of the Alpha Phi Alpha, a black men's service fraternity. He said his bill would stop American financing of racist policies.

"The sale of Krugerrand gold coins in the US alone generates 600 million dollars (about R1 200-million) for the South African Government," he said.

Mr Gray criticised President Ronald Reagan's administration for the policy of "constructive engagement".

"What constructive engagement means is that the South African Government can do anything it wants," he said. "And the only ally the South African Government has in the world is Ronald Reagan."

SA guards kill gatecrasher

MBABANE — A Swazi motorist died "in a hail of bullets" when South African border guards opened fire after he accidently crashed a borrowed car through a border fence near Gege last Saturday night.

The Times of Swaziland yesterday quoted a police spokesman as saying the vehicle had since been returned to its owner, who had lent it to the unnamed man.

A passenger escaped being hit and was later questioned by the SA patrol.

He was released when the patrol realised the car had not been on a "crime run", *the Times* said.

The driver had apparently been giving people lifts after a party when the car "went out of control" and crashed through the fence

Negotiations are reportedly under way for the return of the body. — Sapa.

12 MONTHS TO PAY

Pay as you wear

FOREIGN RELATIONS

Australia holds SA sanctions at the ready

ARGUS 13/10/85 280

GEOFF KITNEY, The Argus Foreign Service correspondent in Canberra, reports on the Australian government's preparations for sanctions against South Africa

AUSTRALIAN Prime Minister Bob Hawke is determined to show the world that, despite the rebel cricket tour, Australia's anti-apartheid stand remains undiminished. But his problem is how to show it, for the domestic political reality is that the majority of Australians don't like the government's tough policies towards South Africa.

The complexities of this problem were revealed yesterday when the Australian Cabinet met to decide the question of new sanctions against South Africa. Mr Hawke and his senior Ministers wanted to get from this meeting agreement on a series of new measures that would strongly reinforce the anti-apartheid policies previously adopted by the Whitlam and Fraser governments and endorsed by the Hawke government when it came to power two years ago.

Mr Hawke is extremely conscious of the international attention now focused on Australia by the decision by 15 of the nation's top cricketers to ignore Australia's commitment to the Gleneagles agreement on limiting sporting contacts with South Africa and play in South Africa over the next two summers.

The sports policy was seen by the international community as a highly effective sanction against white South Africa and Australia, because of its status as a rugby and cricket playing nation, was critical to the success of the policy.

The rebel cricket tour has seriously undermined the effectiveness of the policy. Although the international community generally has recognised that the Australian government tried hard to dissuade the cricketers from going ahead with the tour the Hawke government now believes it has to do more to maintain Australia's reputation as an opponent of apartheid and a supporter of the rights of black South Africans.

While it cannot be said that Australians support apartheid there appears to be a strong view in the community that sport and politics should not be mixed. When Cabinet met yesterday to consider toughening Australia's anti-apartheid policies its deliberations were held in the shadow of the impending announcement by the South African State President Mr P W Botha of new reforms.

Cabinet Ministers were concerned that to announce tough new sanctions against South Africa on the eve of this statement could increase domestic political hostility towards the government's South African policies.

The Cabinet decided that the most sensible course that the government could take was to decide in principle about new sanctions but not to announce the details until after president Botha's statement.

Foreign Minister Bill Hayden said at a news conference at which he came under intense questioning about this



Prime Minister Hawke

compromise strategy that the government had decided that it would be unreasonable to make any announcements of new sanctions until the contents of the Botha statement were known.

He said that there was a possibility, even if it was a slim one, that the South African Government might at least have recognised the need for an orderly process of change which would lead to the emergence of a multi-racial society based on universal suffrage.

Mr Hayden said that Australia's ambassador to South Africa, Mr Robert Birch, who was recalled two weeks ago for consultations, would return to Pretoria on Sunday and would report to the Australian government on political developments in South Africa.

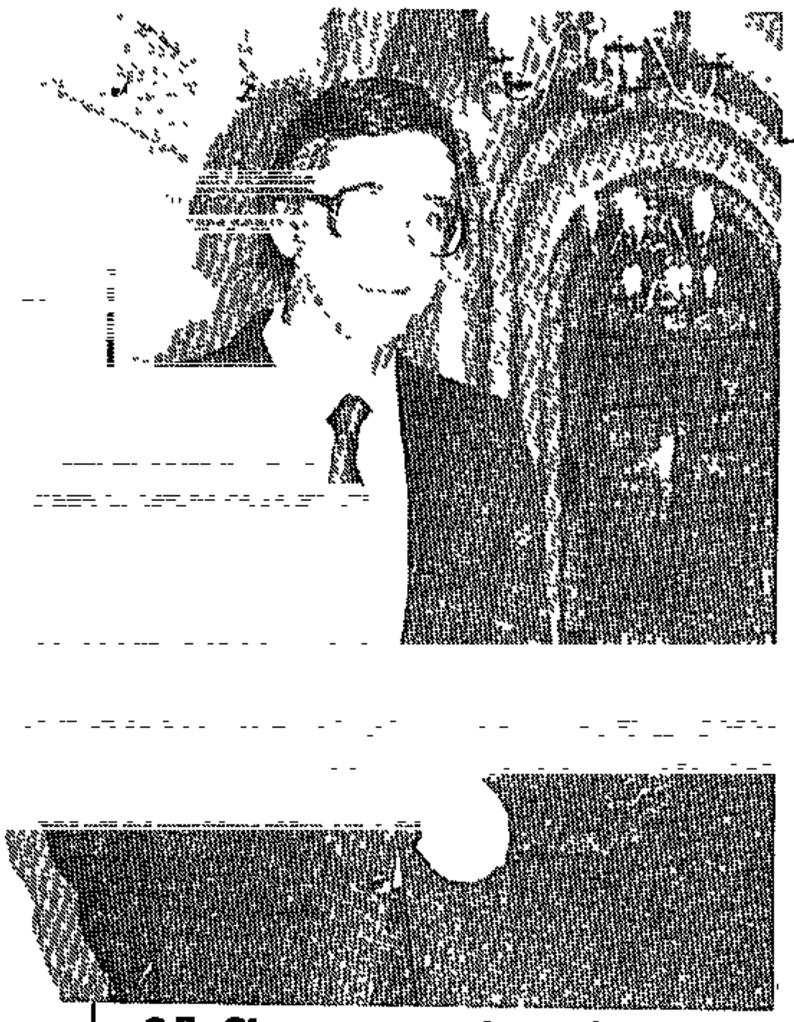
The Australian Cabinet would then decide whether or not to implement its in-principle decisions.

Details of the decisions are being kept secret but reports today indicate that they include banning the sale of Krugerrands in Australia, closing the Australian trade commissioner's office in Johannesburg, ending government support for companies trading with South Africa and removing incentives for investment by Australian companies in South Africa.

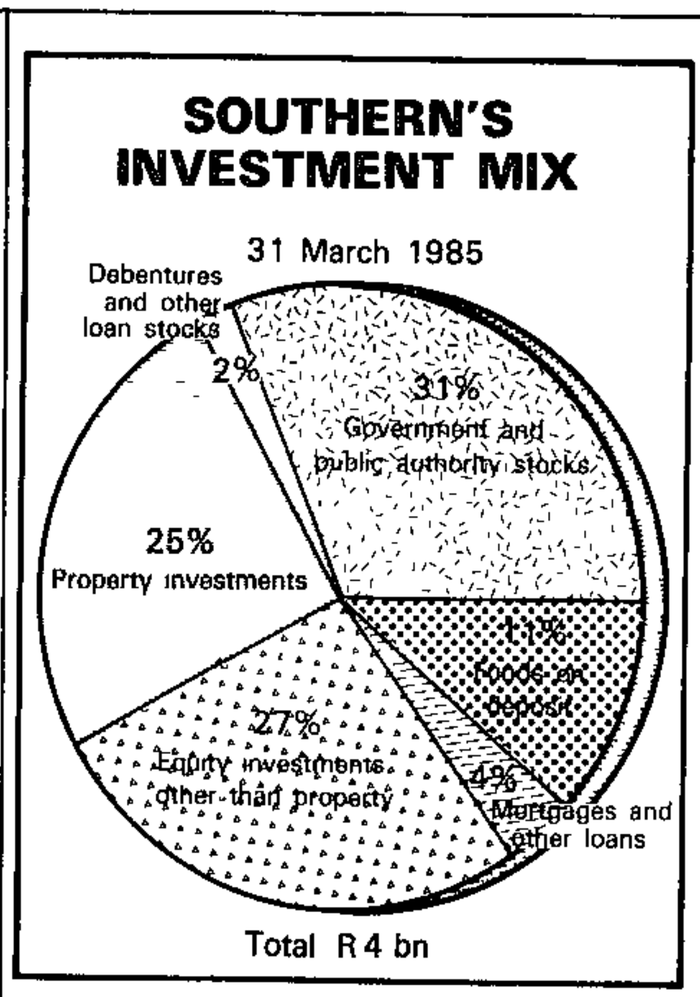
The government is also considering a strategy for imposing economic sanctions on South Africa which it hopes to win support for from heads of government of the Commonwealth at their meeting in Nassau in October and from the United Nations Security Council, of which Australia is currently one of the rotating members.

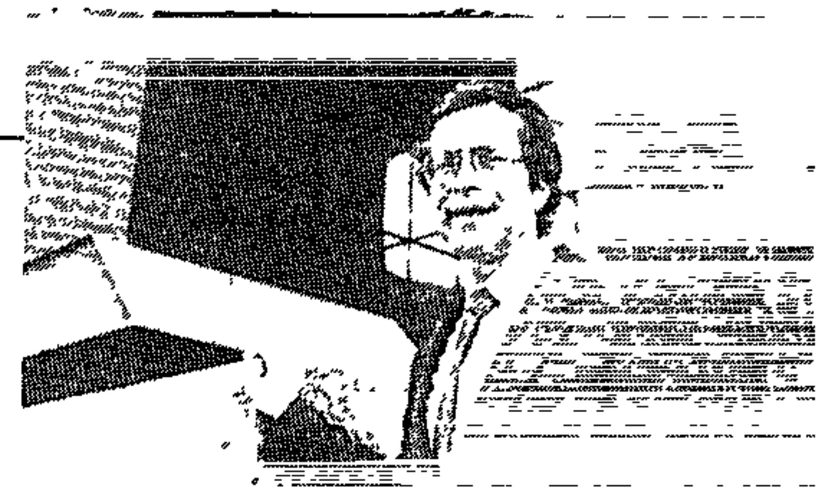
According to senior government officials the view at yesterday's Cabinet meeting was that if the reforms announced by president Botha on Thursday were judged by the international community be inadequate then Australia's policy initiatives would be seen as being consistent with international action against South Africa.

Although this would be unlikely to win the government a lot of domestic political kudos it would mean that Australia would be seen to be still playing an important part in applying pressure for change in South Africa.



CE Chapman ... huge investor confidence





Deputy CE Bernstein ... winning the merger

difficult to generate new business. Historically, both AAL and SLA have produced creditable investment results, with both generating good returns over several years when compared with the rest of the industry.

However, stockbrokers were initially worried that the merged investment department would find it difficult to react quickly to changing market conditions, given the diverse investment philosophies of AAL and SLA. This view was reinforced when it was learnt that an investment committee, which included directors from both Anglo American and Barclays Bank, had been established to support the investment department As one stockbroker's analyst commented: "Investment decisions have to be made fast. If you have to refer to a committee each time then nothing will get done."

But brokers' initial worries were fraught with misconceptions, argues Jan Calitz, Southern's executive director, investments. The liaison with members of Barclays Bank and Anglo American was considered extremely useful, he claims, "because of their undoubted financial expertise in such areas as money and capital markets."

Calitz emphasises, however, that while the committee helps on overall investment strategy, "it has nothing to do with the daily execution of investment decisions, which is left entirely to the various investment managers." As for the prospect of clashing philosophies, Calitz contends that AAL and SLA managers learnt early in the merger that they share "remarkably similar views" on overall strategy — although specific decisions, he says, are still hotly debated.

In fact, the investment department, handling assets totalling some R4,5 billion, produced excellent results last year. Investment returns on both life and pension assets were among the best in the industry, according to Bernstein, who notes that the rate book quotes a prospective yield of 14,8%.

Overall, Southern appears to have emerged from its recent reconstruction with all its essential elements firmly intact. It would be naïve to assume it has overcome all its merger-related problems. There may yet be further defections, particularly from middle management. But, provided the executive team continues to run smoothly together — and this is often where the crunch comes for big mergers — the most difficult phase could well be over.

"Last year must be recognised as the first and worst year of the merger," a senior executive at one of Southern's larger competitors concedes. "From here on things can only improve." But the rate and extent of growth achieved in future will be critical to a valuation of Southern and its share price. The pace will have to be a blistering one if Southern is ever to justify a rating in line with the likes of Liberty.

Neville Glaser

COMPUTERS

The Eastern front expands

Jimmy Carter's 1978 ban on the sale of US computers to certain SA government clients had a fairly predictable outcome. Japanese and European computer vendors have ever since been guaranteed a large slice of the market.

Overall, government probably makes up 25% of SA's R1,5 billion-R1,9 billion computer market. So the temptation to sell where the US is or may be barred has proved irresistible to some. SA is ICL's largest market outside the UK, making up some 10% of its turnover. And high-flying Persetel, part of the Barlows group and local suppliers of Japan's Hitachi mainframes, has never had it so good.

Persetel is now aiming to be the second largest supplier after IBM in the next couple of years. In its six-year life, the company has already built up an installed base of some R300m and, increasingly, it is selling into the private sector which is looking for alternatives to IBM.

Fears of extended US sanctions against SA in the computer and high-tech fields are leading buyers to look to products from the Far East. There could be certain dangers inherent in such moves — and one scenario holds that in the end SA may be compelled to develop its own computer industry, which would be not be a bad thing for the industrial base.

It is worth noting in passing that Australia has also proved a good market for Japanese computers and high-tech. That country is often used as a test market and, like SA, is easier to sell into than Europe or the US.

The fact that many more SA buyers will be looking east (*Business* August 9), because of fears about continuing supply in the event of sanctions or disinvestment, is a natural result of political moves against SA.

Anglo American, possibly the largest computer user in SA's private sector, with computer investments of some R600m, is sending a delegation to investigate Japanese manufacturers at the end of this month — a sign of the times

It is always comforting to have alternative sources of supply. But there is, however, an

FM 16/8/85 ~~191~~ 280

inherent danger that companies may be tempted to buy unsuitable equipment for the sake of safety. In the long term, this could be costly for the company and the country as a whole.

In general terms, it seems that in the range up to R20 000, there could be disappointment in purchases from the Pacific Basin. But Japan's major sales are in the R20 000-plus bracket, an area where their mainframes have proved their good quality. In most instances their computers have had to be more powerful, at least as reliable and, of course, cheaper than their US counterparts to sell into the private sector.

And they seem to have managed. They tend to guarantee 100% uptime, and defects are few and far between. They are also at least 10% cheaper than their US rivals.

When it comes to computer buying, most South Africans are known to be highly selective and they prefer to take their time. They realise that a large mainframe bought now could be around for more than a decade. Indeed, upgrade paths for mainframes are able to increase original power by as much as 10 times.

But their buying habits may be forced to change.

While many US computer vendors are adamant that, in the event of sanctions, product would still be available through third parties, there will always be doubts. Says one industry source: "US subsidiaries cannot go against the law — IBM has already stated that it won't. And since the Carter legislation some US vendors have ceased to service their machines installed at certain government sites for fear that backlashes would hurt the mother company in the US."

SA companies need look no further than the former Rhodesia for graphic proof of just how effective sanctions can be.

In that case, although many foreign computer manufacturers maintained at least a nominal presence in the country, Rhodesian buyers found that while they could get the hardware — if they had the foreign currency — delivery was often delayed because of the route the equipment took from the factory, or because they could not buy the most suitable (or modern) equipment for their needs. They were often offered outdated models which were being withdrawn from the world markets.

In the end, the cost of a computer delivered to sanctions-bound Rhodesia was often much higher than elsewhere.

US computer manufacturers have to obtain export licences for every unit leaving the country. They have to inform the US government who the buyer is and what the machine will be used for. The US Consul's checking mechanism in SA has proved effective in at least one recent case. US equipment headed behind the Iron Curtain through an SA-registered company was soon traced and seized before it reached its destination.

On the software side, the outlook becomes more complex The majority of Japanese mainframes are driven by US software. "But it's easy to bring software in. A tape costing R500 000 fits into a pocket, and controlling inflows would be as difficult as it is to control movies and music that's banned in SA," says one source.

Many SA companies have already secured rights to copy foreign software and from one master tape it is possible to run off hundreds of duplicates that could be adapted to suit various and different needs.

Any move to initiate a software ban could provide new opportunities for SA-developed systems. Hardware costs are decreasing by some 20%-30% a year, while software prices are increasing at similar rates. The price factor alone will lead to more locally produced software — and SA's relatively low labour rates alone are a big plus factor, already allowing SA-made product to be exported successfully.

It should not be forgotten that even Japanese manufacturers could be banned from selling into SA. And it is widely believed that the Japanese foreign ministry's recent threat could have been motivated by a desire to keep in step with its big trading partner, the US.

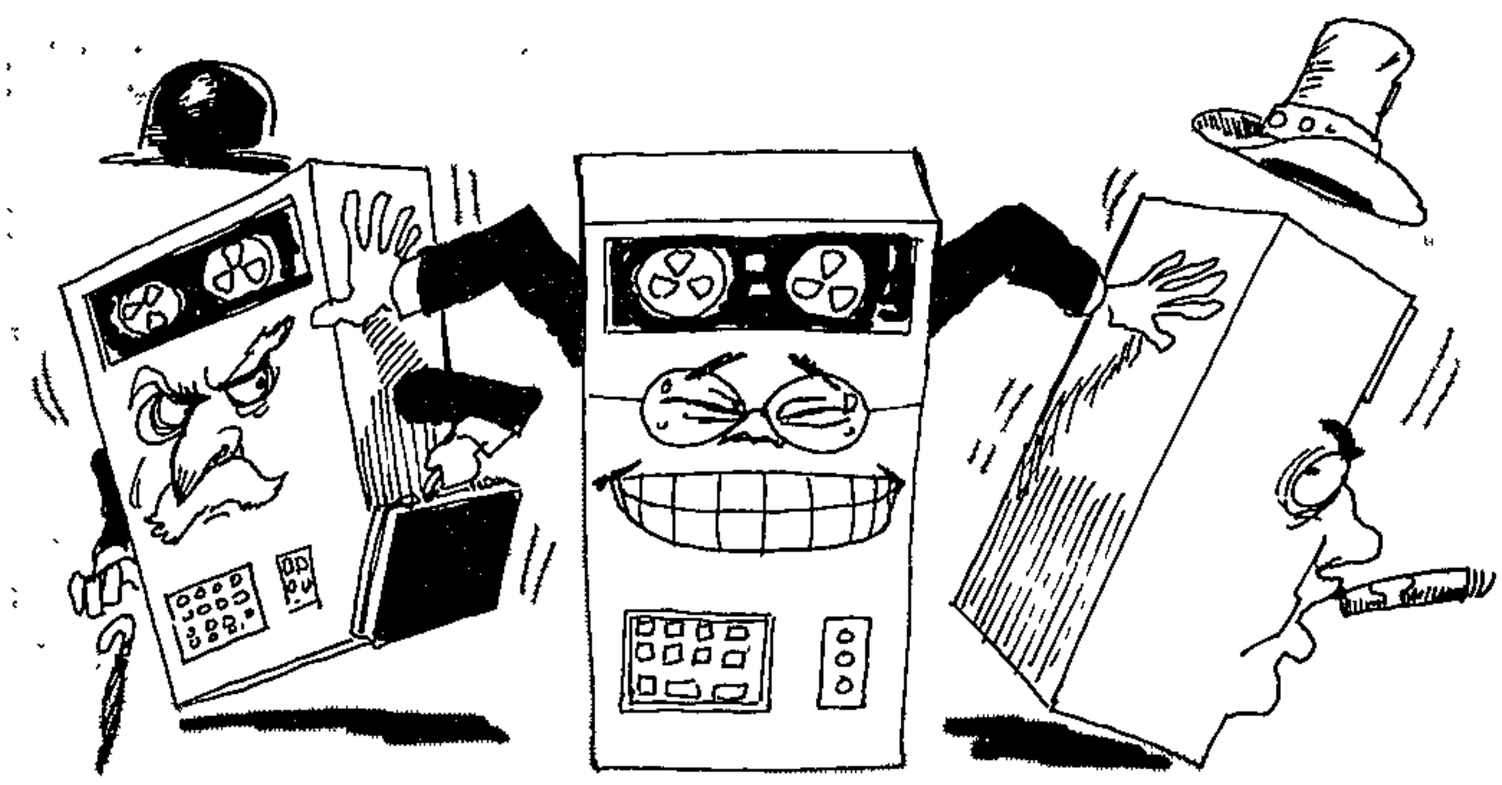
The Japanese government obviously would not like its manufacturers to be seen to be profiting at the expense of US companies complying with US law.

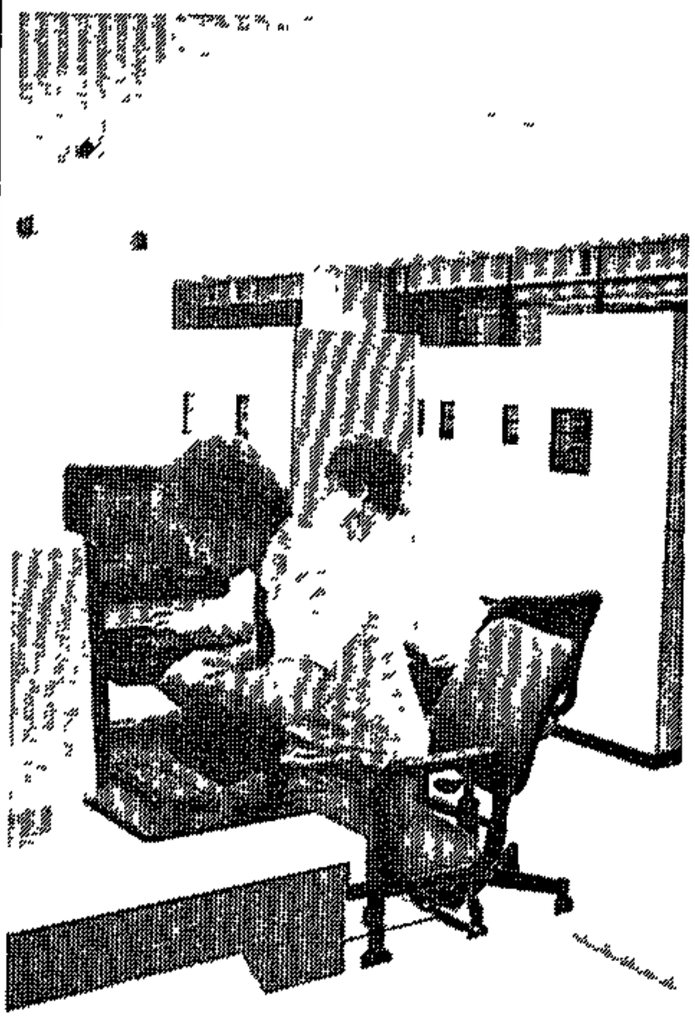
But even if Japan falls into line with Washington, there is yet another potential supplier in the Far East. Taiwan, which sees its traditional markets being eroded by South Korean exports, is making a major drive to get into the high-tech field and computers are obviously high on the priority list.

If anything, the Taiwanese are even more aggressive marketers than the Japanese. They have to be.

And finally, in the unlikely event that all foreign supplies do dry up, SA could be forced to plough millions of rands into the development of a computer industry — just as it did to circumvent the arms embargo.

The promising growth of SA's embryo high-tech industry indicates that this is certainly not beyond reach. The development of a local computer industry would free the country from reliance on imports and speed up the move away from a raw materials-based economy. ■





Far Eastern hardware ... strategies for a US embargo

CITY/NATIONAL

Most blacks 'reject economic boycott of SA'

Argus Correspondent

PRETORIA. — Most blacks in the PWV area are opposed to economic boycotts of South Africa

This is one of the findings of three separate surveys conducted by a division of the Human Sciences Research Council.

The study was conducted among adult blacks older than 18 living in black residential areas during July last year, February 1985 and May 1985

In the July 1984, February 1985 and May 1985 surveys respectively, 80,9 percent, 54,3 percent and 75,8 percent of male respondents rejected boycotts.

During the same surveys respectively, 13,8 percent, 29,7 percent and 20,8 percent of the black males supported economic boycotts.

The PWV area was chosen for the surveys because it contained the biggest and most concentrated population of blacks.

Statistics show that about 2 705 819 blacks live in this area Another reason for choosing this area is that, historically, blacks there have proved they play an important role in political events.

Another finding indicated that while most black males in the PWV area — 61,3 percent in February 1985 — believed they would be affected most by sanctions, only 9,5 percent in the same survey believed whites would be affected most.

Questions specifically on disinvestment were only included in the survey conducted during February this year.

Almost seven out of every 10 blacks — 67,3 percent — supported further foreign investment in South Africa

SANCTIONS (280)

SADCC airlift?

More references at last week's SADCC summit at Arusha to the possibility of a Berlin-type airlift into Zimbabwe, Zambia, Botswana, Lesotho and even Malawi and Zaire suggest that frontline leaders acknowledge some of the implications of economic sanctions against SA

That such an airlift is totally impractical given distances, costs and the bulk nature of the materials (food, fertiliser, fuel, mineral ores, and so on) that would have to be ferried thousands of kilometres primarily from east coast ports such as Maputo, Beira, Dar-es-Salaam and Mombasa to their inland destinations is another matter.

The harsh reality is that economic sanctions against SA would bring down her small and economically-weaker neighbours long before the primary target was substantially affected.

Zimbabwe is extremely poorly-placed to become involved in the sanctions campaign and even if Harare stands aloof — and Foreign Minister Witness Mangwende says she won't — the country is dangerously vulnerable to SA counter-measures

For Zimbabwe — and, to a lesser extent, for Zambia — the most serious problem would be transport. Accurate figures of Zimbabwean dependence on SA ports are not available, but, according to informed sources, upwards of 90% of imports and more than 80% of exports use the SA transport system.

PM Robert Mugabe told parliament in Harare last week that his government was prepared to send as many as 30 000 troops into Mozambique to protect the country's three vital transport lifelines to the sea — the Beira-Mutare oil pipeline, the Beira-Mutare railway and the Maputo-Zimbabwe rail link

The Maputo line has been effectively out of action for most of the year, but would be absolutely essential to Zimbabwe if Pretoria should lower the boom at Beit Bridge and Mafikeng.

If both Beira and Maputo were working efficiently then Zimbabwe might survive economic sanctions though not without substantial reductions in both export earnings and import levels. The cost would be retrenchment and unemployment and a reversal of the hard-won improvement in the balance of payments. The sending of 30 000 troops — as against less than 4 000 in Mozambique today — across the border would have catastrophic effects on the government budget, unless friendly countries provided substantial financial support.

A more plausible scenario is that it would simply be impossible to maintain transport services through Mozambique at a level that would enable Zimbabwe, Zambia and Zaire to impose sanctions, or to survive SA retaliation if it took the form of closing the borders with Botswana and Zimbabwe. There are those who argue that Pretoria, having witnessed the failure of Ian Smith's border closure with Zambia 13 years ago, would not repeat his mistake.

Roughly one fifth of Zimbabwe's foreign trade is with SA and, as last year Zimbabwe had a tiny trade surplus with Pretoria, mutually-applied sanctions would mean a loss of some Z$230m of exports to both sides.

Clearly, the relative impact would be far greater on Zimbabwe, especially as SA industry could provide most — if not all — the items imported from the north. Zimbabwean industry could not. Indeed, there are those who believed that the 1964 SA trade agreement with Rhodesia — and renewed by Zimbabwe — would be an early casualty of economic sanctions, since Pretoria would need to adopt a similar import-substitution strategy followed by Rhodesia in the Sixties, even in the absence of fully-fledged sanctions being applied against one another by the two countries.

Zimbabwe would suffer other ill-effects, including the need to find a new refinery to process its gold production. But the transport stranglehold would be the killer — if SA decided to retaliate by closing its borders.

Not that Pretoria can take too much comfort from this analysis. It's argued by some influential OAU strategists that anything that raises the stakes in the confrontation with SA will speed the "liberation" process. In other words, if SA were to adopt tough retaliatory measures that rapidly brought neighbouring countries to their knees, the rest of the world would be forced to intervene — so the argument runs — to prevent a catastrophe in the frontline states. This, the strategists argue, would significantly speed up progress to majority rule in SA.

The richest irony in the whole debate over sanctions against SA is the British attitude. The self-same Whitehall advisers who throughout the Rhodesian affair insisted — despite all evidence to the contrary — that sanctions were working, if only in decades rather than years, are today claiming that everyone knows sanctions don't work.

The truth, of course, is that sanctions against Rhodesia were the easiest way out of

Tutu considers calling for punitive sanctions

280 STAR 16/8/85

Religion Reporter

Bishop Desmond Tutu says he is considering calling for the implementation of punitive sanctions against South Africa following Mr P W Botha's speech yesterday.

Bishop Tutu, the Anglican Bishop of Johannesburg, said he was devastated by President Botha's speech.

"I think the chances of peaceful change are virtually nil, and I don't say this lightly. We are going to need a major miracle," Bishop Tutu said at a Press conference today.

RECONSIDERING

Bishop Tutu said he was now seriously reconsidering the original timetable he set for calling on the international community to take punitive economic measures against South Africa.

When he was enthroned as Bishop of Johannesburg in February this year, he said he would call for punitive sanctions if apartheid was not being actively dismantled within 18 to 24 months.



Bishop Tutu . . . "we need a miracle".

That, he daid today, was at a time when things seemed to be moving in the right direction and it was worthwhile waiting.

"But now I am not talking academically. I am talking about the death of our children."

He lashed out at the international community, saying it ought not be necessary for him to call for sanctions.

"He (Mr Botha) had a golden opportunity to go down in history as the man who presided over the demise of the vicious and immoral system of apartheid — and he fluffed it," Bishop Tutu said.

Instead of acting like a statesman, Mr Botha acted like a hack politician for the sake of a few votes.

"Mr Botha is aware of his military strength and he wants to bludgeon the blacks into submission.

"He knows he will be supported by Mrs Thatcher and President Reagan and Chancellor Kohl. They have made it clear that in their view, blacks are expendable," he said.

Bishop Tutu called on Mr Botha to release Nelson Mandela.

"And let us have free elections. Nobody will beat Nelson Mandela."

Bishop Tutu was also interviewed on the US Public Broadcasting System's television programme, the "MacNeil-Lehrer News Hour" last night.

"It's certainly going to make people in our community desperate, and when people are desperate they will use desperate means to attain their ends," he said.

Reagan still opposed to SA sanctions

The Star Bureau

WASHINGTON — After listening carefully to Mr P W Botha's Natal speech, President Ronald Reagan remains committed to constructive engagement and is still opposed to economic sanctions.

He has not yet decided, however, whether he will try to veto the sanctions Bill demanded by the US Congress.

President Reagan's National Security Adviser Mr Robert McFarlane told reporters the President's attitude towards sanctions had not changed and that he believed aspects of the sanctions legislation were harmful to South African blacks.

"He will study further the speech and examine the contents of the sanctions Bill when it arrives at the White House. He has not yet reached a decision," Mr McFarlane said.

But the President believed strongly that his policy towards South Africa had resulted in constructive change in the past four years and that the US must stay engaged there and use its influence for future change, Mr McFarlane said.

Last night Mr McFarlane read a cautious statement approved by Mr Reagan within hours of the president's listening to the full speech and consulting with advisers.

The statement said: "The South African President has made an important statement and we are studying it carefully. We hope that the steps President Botha has outlined will advance the end of apartheid."



President Reagan ... studied speech.

Tutu lashes West's leaders

Cape Times 20/8/85

LONDON — Nobel peace laureate Bishop Desmond Tutu yesterday accused US President Ronald Reagan, British Prime Minister Margaret Thatcher and West German Chancellor Helmut Kohl of sustaining apartheid

He told the British Broadcasting Corporation that Western governments were doing absolutely nothing to help bring about reforms in South Africa

Referring to last Thursday's speech by President P W Botha, Bishop Tutu said "Now Mr Botha, as you saw was an arrogant man, a man who was showing an escalating intransigence knowing full well that he would be protected by President Reagan, by Mrs Thatcher and by Chancellor Kohl"

He described the three leaders as "people who pretend they are opposed to racism"

Sanctions

Bishop Tutu said Mrs Thatcher had supported sanctions against Argentina during the 1982 Falklands war and Mr Reagan had supported a trade boycott on Poland after the 1981 imposition of martial law

"Why do they not support sanctions against South Africa?" he asked

Meanwhile the United States yesterday criticized Bishop Tutu for refusing to join a church delegation that held talks with Mr Botha.

Worsens prospects

"The refusal by any party to meet and negotiate only worsens the prospects for understanding in South Africa," State Department spokesman Mr Charles Redman told reporters when asked about Bishop Tutu's boycott of the meeting yesterday

While not criticizing the Nobel Peace Prize-winner by name, Mr Redman said that "at this critical time in South Africa, it would be argued that it's vitally necessary for all parties in South Africa to take advantage of opportunities to meet".

Only some three weeks ago, Washington criticized Mr Botha for refusing to take up Bishop Tutu's offer of a meeting to discuss the imposition of a state of emergency

Mr Redman's comments followed expressions of disappointment by senior officials at Mr Botha's failure to announce concrete steps towards reforms in last Thursday's eagerly anticipated speech. — Sapa-Reuter

Australia clamps down on SA trade

ARGUS 19/8/85

280

CANBERRA. — Australia today announced a series of economic measures against South Africa because of apartheid, including the closing of its trade office in Johannesburg.

The Labour Cabinet expressed "grave concern and extreme disappointment" over what it called a negative and unhelpful policy speech by President P W Botha in Durban last Thursday, said Foreign Minister Mr Bill Hayden

Canberra had delayed the measures pending Mr Botha's address.

On Friday it said it would delay the return of its envoy to Pretoria.

Krugerrands

The Government also announced a ban on direct investment in Australia by the South African Government and its agencies, a ban on the imports of Krugerrand gold coins and an end to all export assistance for Australian firms trading with South Africa.

Two-way trade was worth about $240-million (about R600-million) in the the year to June 30. About 70 Australian companies have interests in South Africa.

Australia, a member of the United Nations Security Council, would work to develop a strategy to seek positive action in the UN for effective sanctions against South Africa, Mr Hayden said.

More concessions

● It was reported from New York that President Reagan's national security adviser, Mr Robert McFarlane, who met Mr Pik Botha in Vienna in the days leading up to the speech, said he had been led to believe that the address would contain more concessions to South Africa's blacks.

"The (South African) Government has laboured and produced a cloud," Mr McFarlane said.

"I think the spectrum of possibilities discussed in Vienna included more than was announced last Thursday."

● Speaking on CBS's Face of the Nation television programme, Bishop Desmond Tutu said yesterday it would take a miracle to prevent a "bloodbath" in South Africa and added that he might some day have no alternative but to back violence.

Bishop Tutu attacked President Reagan's South African policies as an "unmitigated disaster for our people". — Sapa-Reuter and Argus Foreign Service.

Clergymen to meet P W over situation in S Africa

FOUR delegations of clergymen are to hold talks with President P W Botha in Pretoria today.

The first group will be led by a Baptist leader from the United States, Dr Jerry Fallwell. Dr Fallwell has said he and his group will do everything to oppose the disinvestment campaign in the United States against South Africa.

The second and third groups consist of theologians from the Methodist, Catholic, Presbyterian and Congregational churches.

The last group consists of members of the Nederduitse Gereformeerde Kerk.

The talks are being held in response to concern expressed by church leaders about the situation in South Africa.

The Anglican Bishop of Johannesburg, Bishop Desmond Tutu, has decided against joining a delegation.

He told reporters last night that it would be "the miracle of the century" if anything came of the meeting.

He was snubbed by Mr Botha last month after Bishop Tutu sought an urgent meeting to talk about the months of rioting and the imposition of a state of emergency.

Bishop Tutu said that while he was still willing to meet the President privately, "now this can occur only if he retracts his latest demand for black leaders to renounce civil disobedience as a means of protest". — Sapa.

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Cape Times 19/8/85 250

US urges end to bloodshed

WASHINGTON. — Blacks in South Africa should press the government to spell out social and political reforms rather than resort to bloodshed, the White House National Security Adviser, Mr Robert McFarlane, said yesterday.

Mr McFarlane, speaking in a television interview, warned that without negotiations, both blacks and whites "are looking into the abyss of massive violence".

Does it cost?

Mr McFarlane said President Reagan continued to oppose legislation to impose economic sanctions on South Africa, but he stopped short of saying Mr Reagan would veto the measure.

Other administration officials have said that Mr Reagan would veto the main sanctions bill if it came to him in its present form

Mr McFarlane said blacks should not be too hasty to dismiss the remarks of President P W Botha last week which offered few immediate changes but held out a possibility of more substantive future reforms

Blacks should ask themselves "Does it cost us that much to sit down, challenge this government, ask them to put their money where their mouth is, turn the rhetoric into reality," Mr McFarlane said

Mr McFarlane described two instances of limited sanctions he said the President could accept — a prohibition on the sale of computer equipment to government agencies that enforce apartheid and loans to people who discriminate by race.

Meanwhile, opposition Democrats yesterday challenged President Reagan to support economic sanctions against South Africa and said his administration had shown callous disregard for civil rights here and abroad

An influential Republican, Senate Foreign Relations Committee chairman Mr Richard Lugar, was quoted yesterday as saying there was enough support in Congress to override a presidential veto of the sanctions legislation.

However, the Reagan Administration reaffirmed its embattled "constructive engagement" policy, but called on the the white minority government to take further steps to dismantle apartheid.

Assistant Secretary of State Mr Chester Crocker said the administration did not intend to sever contacts with South Africa.

Gesture politics

● The British Government has repeated its opinion that sanctions against South Africa would be not only unproductive but could also be counter-productive.

In the mass of reaction to President Botha's speech, contained in the Sunday national newspapers here yesterday, this stand is repeated in every leading article and special feature.

The Sunday Times concludes: "Britain cannot afford to indulge in gesture politics, as some European countries can"

The Mirror says simply that the British Government "is right to resist international pressure to impose economic sanctions".

However, when the heads of government of the Commonwealth meet in the Bahamas in October, it is likely that the British Government will find itself out of step with everyone else on the question of sanctions.

Fuelled

The Commonwealth's secretary-general, Sir Shridath Ramphal, is convinced that, by that time, much of the rest of the world will be well down the road to sanctions.

Asked if expectations had not been fuelled by the South African Government, Sir Shridath said that this government had a long record of leading the world up the garden path

He said the basic message of Mr Botha's speech was that apartheid would stay.

● The prime ministers of Finland and Sweden on Saturday called for mandatory sanctions against the "deeply shaken" Pretoria regime to make it accept a peaceful dismantling of apartheid.

"The actions of the Pretoria regime over the last few weeks indicates it is deeply shaken, and that a violent eruption may be closer than we anticipated," said Social Democratic party leaders from Finland, Sweden, Denmark and Norway.

The joint reaction to President Botha's recent specch was signed by Mr Olof Palme, Sweden's Prime Minister, Danish opposition leader and ex-premier Mr Anker Jorgensen, Norwegian opposition leader Mr Gro Harlem Brundtland and party leader Mr Kalevi Sorsa of Finland.

"One thing is certain, that the apartheid policy is doomed," the four said. "The opposition cannot be stopped. The oppression by the white minority cannot last, the question is only how violent the transition must become." — Sapa-Reuter-AP, UPI and Own Correspondent

Machel against trade bans but . . .

Zimbabwe supports anti-SA sanctions

Zimbabwe will support US sanctions against South Africa, but its main ally — Mozambique — feels they will not be effective, a group of four American Congressmen said in Johannesburg yesterday.

For a period of 12 days the group, comprising Republican Congressmen opposed to sanctions, visited South Africa, Zimbabwe and Mozambique at the invitation of the South Africa Foundation

They were Mr Howard Nielsen, Mr Dan Schaefer, Mr Norman Shumway and Mr Gene Chappie Another Congressman, Mr Mr Stanford Parris, was also part of the visiting group but was not present at yesterday's Press conference

"During our stay in Harare we met with two Government Ministers who stated that they supported any move to bring sanctions against South Africa," Mr Shumway said

"When we pointed out that Zimbabwe was heavily dependent on South Africa they replied that they were prepared to suffer to bring about changes in this country"

President Samora Machel of Mozambique told the Congressmen, however, that United States sanctions would not be effective

INEFFECTIVE

"President Machel said sanctions against South Africa would only be effective if all the major Western powers — France, West Germany, Britain and the US — agreed in co-ordinating sanctions Otherwise he felt they would be totally ineffective," Mr Shumway said

Mr Howard Nielsen said he doubted that even if those major western powers applied sanctions they would be effective

"We are told that even if that was to happen other countries, like Japan, would move in to replace them," he said

Mr Dan Schaeffer said the visit had enabled the group to have a better view of the complexities of the South African situation

"This visit has enabled us to have a better understanding of the complexities of the South African problems Most of the people we met from all races and political points of view feel that changes should be brought about peacefully," he said

Mr Shumway said although nobody could prescribe a solution to the South African problems he felt the Government should announce its willingness to take part in a constitutional dialogue to look for solutions.

The Congressmen, who left for America last night, did not meet prominent anti-apartheid activists on their trip

280

Blacks back sanctions - report

By JOSHUA RABOROKO

A LEADING trade unionist says she does not believe the findings of a poll that the majority of South African urban blacks are in favour of violence and economic sanctions against South Africa.

Mrs Lucy Mvubelo, the general secretary of the National Union of Clothing Workers (NUCW), says she does not believe blacks would be in favour of their own suffering.

The poll carried out by Markinor, the Gallup affiliate in South Africa, was commissioned by the London Sunday Times.

It says since the present troubles began 69 percent of urban blacks believe the civil war is now inevitable, 43 percent support violence to bring about the end of apartheid and 77 percent favour economic sanctions against South Africa.

The poll says an overwhelming 90 percent want the unconditional release of jailed African National Congress (ANC) leader, Nelson Mandela.

The poll showed that the violence since the new constitution, in which more than 630 people have been killed in the past 11 months, has sharply radicalised blacks.

Only 29 percent of blacks polled now believe that a peaceful solution is possible in South Africa.

Blacks from Durban, women, and those over 50 are only marginally more optimistic than the average. However, blacks are divided on whether violence to change apartheid is justified, 43 percent believe it is, while 52 percent believe it is not.

Commonwealth hopes UK will give sanctions backing

STAR 24/8/85 16 280

NEW DELHI — Commonwealth heads of government hope Britain will back them in imposing sanctions on South Africa when they meet in October, Commonwealth Secretary-General Sir Shridath Ramphal said yesterday.

"Britain is the only country that is against enforcing sanctions. We hope it will join us," he told a Press conference in New Delhi.

"The vexed problem of South Africa, and in particular Namibia, will be a major issue at the meeting," he said.

The lack of international cooperation on the arms race, the Third World's debt problem and the South Pacific's stand against nuclear weapons would also be discussed at the meeting in the Bahamas capital of Nassau, Sir Shridath said.

"We will also examine the role of the United Nations today. Are we under such pressures that we have lost the vision we had in 1945?" he asked.

On the decision by several South Pacific countries to ban nuclear weapons in their region, Sir Shridath said: "We will wait to hear what stand those countries want us to take before making a decision."

The International Monetary Fund's policies on re-structuring Latin America's debt would be a major topic at an October 2 and 3 meeting of finance ministers in the Maldives, he said.

"The current system of rescheduling interest payments has left some of those countries mortgaged in perpetuity," he said. — Reuter.



Sir Shridath Ramphal . . . hopes Britain will stop holding out against sanctions.

Arms sales ban could hit SA where it really hurts

An international threat which could have far more effect on South Africa than the sanctions legislation going through the United States Congress is hanging over the Republic — a mandatory ban on buying South African arms of war

While the limited sanctions proposals expected to be passed by Congress are widely regarded as more of a "slap" than a crushing blow to South Africa's economy, an effective arms embargo is known to be causing some consternation in Pretoria

International arms sales are an important part of the multi-million-rand industry built up by the Armaments Corporation of South Africa (Armscor) since the Republic was banned from buying arms by a mandatory United Nations embargo in 1977.

Massive production costs require that South Africa sells as many arms as possible overseas after the Armscor production lines have run off the country's own needs.

But the "groundwork" for a mandatory UN Security Council ban on buying arms and ammunition produced in South Africa has already been laid

Last December the Security Council adopted by consensus a resolution calling on the nations of the world not to buy South African arms.

The resolution called for voluntary and not mandatory action.



A mandatory ban on SA arms sales overseas would deal a truly serious body blow to Armscor's multimillion-rand industry. Such a ban has long been envisaged by the UN Security Council. A voluntary ban is already in existence, but ANDREW WALKER (above) who recently spent a period of secondment in New York, reports that a mandatory ban could be closer than we like to think.

But at the time some officials involved in behind-the-scenes negotiations told me it was planned in future to try to get a mandatory ban on SA arms sales

The threat is taken seriously by some South African officials, who are also deeply angered at the "hypocrisy" behind the present voluntary arms sales ban

Asked to comment on what effect the voluntary arms embargo on SA-produced arms has had, all an Armscor spokesman would say was "It has had no effect."

But fears of the effects of a mandatory ban are fuelled by South Africa's experience with Security Council resolutions stopping the Republic importing arms.

In 1964 the council passed a resolution calling for a voluntary end to selling arms to South Africa It had little effect.

In 1977 the council introduced a mandatory embargo — an action regarded as one of the council's most effective measures in the international arena for many years.

All overt arms sales to the Republic stopped It is known that some arms and technology still found their way into South Africa, which since has built up its own highly sophisticated arms industry.

Among the weapons which South Africa has marketed abroad, aiming for a R100 million a year share of the international arms industry, are its G5 mobile howitzer, "frequency-hopping" radios and air-to-air missiles.

But with the relatively limited amount needed for the South African Defence Force, Armscor has been carrying on an international marketing campaign to help recoup its huge outlay in development and production costs.

CAPE TIMES 22/8/85 (280)

Common Market may decide on sanctions

Own Correspondent

LONDON. — The foreign ministers of the 10 European Economic Community (EEC) countries are to meet in Luxembourg on September 10 to decide on a common policy against apartheid, which could include economic and other sanctions.

The form and potency of the "binding" policy to be adopted at the Luxembourg meeting will be heavily influenced by the proposals of the foreign ministers of Holland, Italy and Luxembourg, who start an unprecedented fact-finding mission in South Africa on August 29.

The three ministers are Mr Jacques Poos of Luxembourg, president of the EEC council of ministers, Mr Hans van den Broek of Holland and Mr Giulio Andreotti of Italy.

They will be accompanied by senior EEC officials including Mr Willie de Klerk, the EEC commissioner in charge of foreign relations.

They expect to meet leading members of the South African government including President P W Botha as well as unspecified "members of the opposition".

An EEC spokesman has declined to comment on speculation that they will request a meeting with ANC leader Mr Nelson Mandela an other unelected black leaders.

In a carefully worded statement the EEC Commission said: "Their mission in South Africa will be to inform themselves of the situation in the light of recent developments. They aim to meet members of the government as well as representatives of the opposition."

There was no comment on claims that the three ministers will tell President Botha that a common policy of economic sanctions may be unavoidable unless there are prompt moves towards power-sharing with South Africa's black population.

All the EEC's present ambassadors and some senior diplomats accredited to South Africa have been provisionally recalled to brief the three foreign ministers and the EEC Commission during a two-day meeting in Luxembourg tomorrow and on Saturday.

The French ambasador, recalled to Paris last month when President Francois Mitterrand's government became the first major West European country to impose limited economic sanctions on South Africa, is expected to lead calls for the policy to be adopted by all 10 member countries.

France has been angered by the EEC's failure at a series of meetings to accept a common policy to combat apartheid.

Britain remains at the forefront of countries opposing the use of sanctions, but is under increasing pressure to change its views.

Britain has said that EEC countries would merely be losing trade to countries like Japan, Korea, Taiwan and possibly the United States.

There is speculation at the EEC Commission headquarters in Brussels that some ambassadors may propose specific areas of sanctions like a total ban on the export of high technology to South Africa.

A Brussels source said: "The ambassadors will clarify the position in South Africa and the possible courses of action that can be taken.

"They will help the three ministers to present their case in South Africa and to decide exactly who they should try to meet among government as well as black and white opposition leaders."

He said the three ministers would have a mandate to act on in South Africa.

Seamen call for boycott

STANLEY UYS

LONDON — The leader of Britain's merchant navy union called on unions around the world yesterday to help impose oil sanctions against South Africa.

The call is one of many from various organisations and governments in the wake of President P W Botha's speech in Durban last week. It has triggered international impatience over the absence of adequate apartheid reforms.

Jim Slater, secretary of the National Union of Seamen, said yesterday: "It is now up to unions to take direct action against apartheid because many governments throughout the world have ignored, deliberately or otherwise, demands to the international community for an end to oil supplies to South Africa."

Slater was speaking in support of an international organisation, Maritime Unions Against Apartheid.

Concern over sanctions pushes rand to new low

NEW YORK — The American dollar turned broadly higher yesterday but finished below its highs of the day after some interest rates fell in the United States

Currency dealers said traders focused most of their attention on the South African rand, which fell to a new low against the dollar because of concern over possible US economic sanctions in protest of the government's apartheid policy

The price of gold was mostly higher. Republic National Bank of New York said gold bullion was bid at $336,75 a troy ounce at 16h00 EDT (22h00 SAST), up $1,10 from the late bid Monday

Trading resumed in Britain, Singapore and Hong Kong, where financial markets had been closed for a three-day holiday weekend The dollar failed to hold on to all of its gains, giving ground late in the day as bond market interest rates dipped in the United States

Mr Howard Kurz, chief currency dealer at Bank of America's trading centre in New York, said most talk among traders centred on the rand, which fell to a new low of 35,75 US cents in Johannesburg, plunging from its opening level of 38,50 cents.

"All South African companies are needing dollars," Mr Kurz said

He said South African traders told him that businesses in their country are buying dollars and other foreign currency because of fears that foreign credit lines will be withdrawn and foreign loans will not be renewed in an economic protest at the racial turmoil and continued state of emergency.

By the end of the trading day in the United States, the dollar had settled at 237,025 Japanese yen, against 236,75 yen late Monday. The British pound was quoted at $1,3985, down from $1,4005 late Monday. Other dollar rates in New York at 16h00 EDT (22h00 SAST), compared with late rates Monday, included:

- 2,77135 West German marks, up from 2,7676,
- 2,2720 Swiss francs, up from 2,2645;
- 8,4650 French francs, up from 8,46125;
- 1,35975 Canadian dollars, up from 1,35795.

On the New York Commodity Exchange, gold bullion for current delivery closed at $337,10 a troy ounce, up $1,20 from Monday — AP.

Australian unions out to cut off SA

MARSHALL WILSON

MELBOURNE — SA telex and telephone links with Australia could be disrupted by the country's trade union movement as it gears up for a relentless anti-apartheid campaign.

SAA landing rights could also be cancelled.

Although not due to meet at its annual congress in Sydney until September 9, state delegates predict the ACTU's stance against South Africa will be supported by Bob Hawke's socialist labour government.

A former president of the powerful Australian Council of Trade Unions, Hawke has lately allowed his government to take a mild economic line against South Africa.

The ACTU in the past has supported action by maritime and stevedoring unions in enforcing the United Nations oil sanctions against Pretoria.

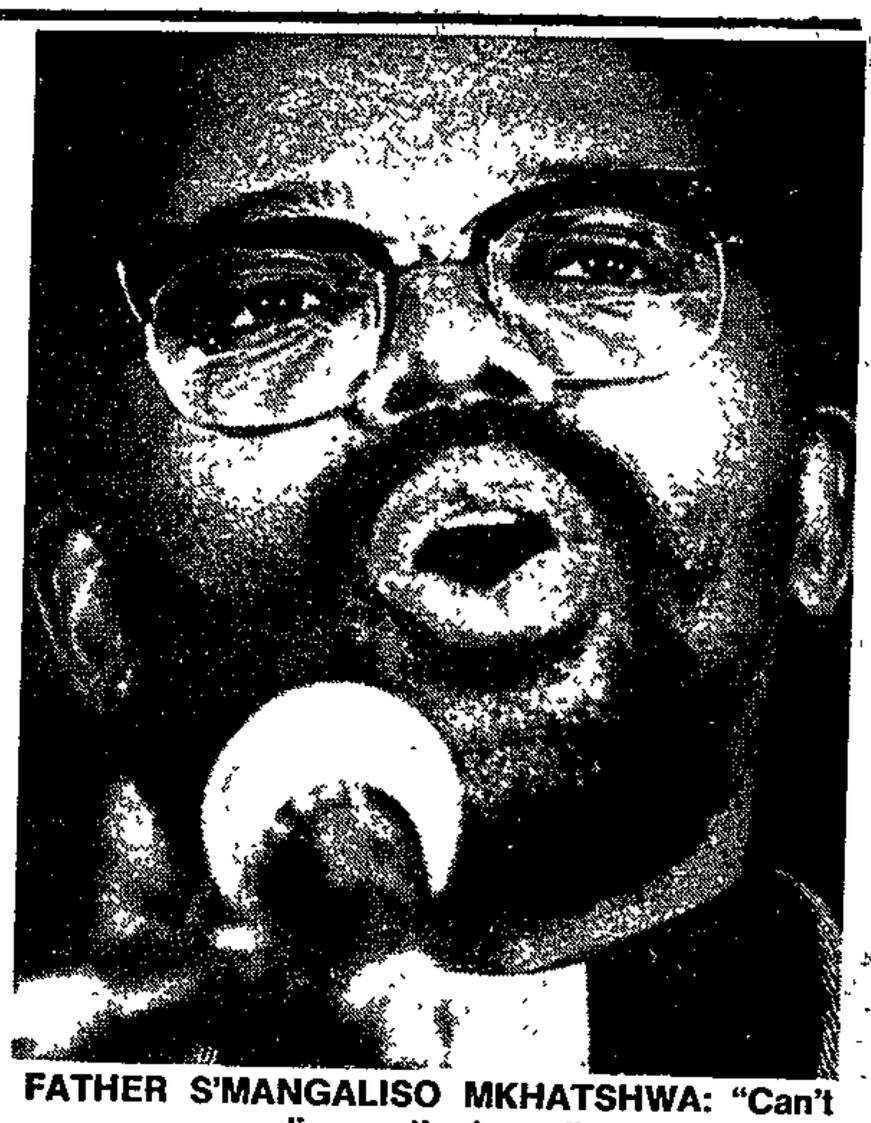
Now spokesmen are known to be canvassing airline industry union members for ways to act against SAA.

Other unionists are planning a communications blackout to end all telephone calls, telex transmissions and telegrams to and from South Africa.

SOUTH AFRICA has never faced a more serious threat of economic sanctions that it is facing now, especially since the start of the current wave of unrest and the declaration of a state of emergency by the State President, Mr P W Botha.

Sanctions a reality SA must face now

FOCUS Sowetan 27/8/85



FATHER S'MANGALISO MKHATSHWA: "Can't discuss the issue."

By SAM MABE

Highlighting the seriousness of the issue is the concern of several top South African businessmen who are believed to be planning to meet the ANC's leadership in Lusaka to discuss the deteriorating situation in South Africa.

The ANC, which has been blamed for the current unrest, is one of many local and foreign organisations which have over the past years been drumming up support for sanctions.

The matter has become one of the most controversial in recent times. It is worrying many whites in this country. And the Government too..

Deputy Minister of Foreign Affairs, Mr Louis Nel, was recently reported as saying the United Nations was a factory for anti-apartheid propaganda, and that in the past two years it had spent R50 million to "churn out anti-South African resolutions."

He also said there were 25 international radio stations that were broadcasting anti-South African propaganda.

The Government in turn is also believed to have spent about R2-million on lawyers and consultants to lobby against the legislation being proposed in the USA to ban new investments and bank loans to South Africa and to end Krugerrand sales in America.

But to what extent is the call for sanctions supported by blacks and what are its implications for South Africa?

Many blacks shy away from discussing the issue because Section 54 of the Internal Security Act makes it a criminal offence to advocate economic sanctions.

Recently the general secretary of the South African Catholic Bishops Conference, Father S'mangaliso Mkhatshwa, was quoted as saying the SACBC was not free to discuss the issue and take position because of legal constraints.

Since it is not illegal for anybody to oppose sanctions, those who feel constrained from talking about them are of necessity in favour of them.

Recently, however, trade union federations such as Cusa and Fosatu have openly declared their support for sanctions.

And the first scientific study in this country, a poll carried out by Markinor showed that 77 percent of blacks were in favour of economic sanctions against South Africa.

Some whites who say they sympathise with the black cause have sought to introduce an element of morality for their argument against sanctions by saying the employment offered by foreign investors was like "a half-a-loaf of bread, which is better than no bread at all."

They argue that sanctions would create conditions of economic chaos which would lead to greater unemployment and starvation for blacks.

But those who support sanctions feel that blacks have suffered long enough under apartheid and that a little more suffering could be tolerated if it would weaken the Government and lead to speedy and meaningful reform.

They say that foreign investments in South Africa must be seen for what they are — advancing first and foremost, the interests of the investors. For the investors it is a question of maximum profits at minimal costs.

Hence their reluctance to disinvest from South Africa where they pay lower wages than in their home countries, where they face powerful trade unions whose members enjoy the full protection of their countries' constitutions and labour laws.

A recent report of the Institute of European Economic Studies on the impact of disinvestment and trade boycotts has shown that without South Africa's vital minerals, factories all over the world would be unable to function.

South Africa had 89 percent of the world's reserves of platinum and 93 percent of manganese ore. Without these metals, and others like cobalt and chromium Western countries would not be able to produce jet engines, motor cars or build power plants, the report says.

The report also says that trade boycotts could lead to increased inflation and the loss of one million jobs in the West. Of these, 250 000 are British, 130 000 are West German and 122 000 are American.

From this report, it is clear that the ball is in the court of Western workers to show how much they are prepared to sacrifice for workers in South Africa.

Australian workers seem set to take the dive. Last week the Australian Council of Trade Unions warned that its members would refuse to handle goods destined for or coming from South Africa.

This could disrupt trade, transport and communication links between Australia and South Africa. Are workers in other Western countries prepared to follow suit?

Finns won't stop paper supplies to SA

HELSINKI — Finland's powerful paper manufacturing industry said last week after talks with the Foreign Trade Minister, Jermu Laine, that it would not voluntarily cut its relatively small sales to South Africa.

The foreign trade and foreign ministries, trying to hit at apartheid, say they are studying ways of reducing Finland's insubstantial economic ties with Pretoria short of ending them.

The Foreign Minister, Paavo Vaeyrynen, views outright severance as violating Finland's traditional policy on international trade.

The industry body, the Finnish Papermills Association (Finnpap), called its exports stance definitive, saying new buyers would not be available to replace South African ones.

Finnpap said Laine told its representatives of his ministry's examination of business links with South Africa. Finnpap sales there were worth some 180-million markka (R75m) last year.

A Finnish Government statement said it had decided, in line with a United Nations ruling, to ban South African arms imports — seen as a token move as these are virtually non-existent. — Sapa-Reuter.

Sapa-AFP

Blacks favour sanctions - poll

Sowetan
260
26/8/85

LONDON — Most blacks in South Africa favour international economic sanctions as a means of exerting pressure on Pretoria to end apartheid, according to a British opinion poll published yesterday.

The Mori poll of blacks for the *London Sunday Times* shows that 77 percent of them believe the world should obstracise South Africa economically unless it changes its racial policies. — Sapa-Reuter.

etained



Mrs Dorothy Boesak with her children (from left) Allan, 7, Belen, 12, and Pulane, 9, soon after security police had officially informed her of her husband's detention yesterday.

New call for sanctions follows news of arrest

Own Correspondent

LONDON. — Demands for punitive economic sanctions against South Africa mounted last night amid international outrage at the detention of Dr Allan Boesak.

In Geneva Dr Edmond Perret, secretary-general of the World Alliance of Reformed Churches, of which Dr Boesak is president, was preparing to fly to South Africa to seek urgent talks with President P W Botha

In London and capitals throughout Western Europe, foreign ministries expressed alarm and concern at the detention of Dr Boesak.

There were widespread calls for the trio of European foreign ministers due to fly to South Africa tomorrow to be empowered with a mandate to warn Mr Botha that there may soon be no alternative to sanctions

A joint statement by Mr Emelio Castro, secretary-general of the World Council of Churches, and Dr Perret expressed deep concern and indignation at Dr Boesak's arrest and called on all churchgoers, world leaders and public opinion to condemn "this manifest act of intolerance by the South African Government".

The statement "demanded" the release of Dr Boesak and all the other "genuine leaders of South Africa".

Dr Perret said messages of condolence and demands for Dr Boesak's release were pouring into his office from all over the world.

The British Foreign Secretary, Sir Geoffrey Howe, was last night given the full details of the arrest and Whitehall sources said the Foreign Office would issue a statement today reflecting Britain's serious concern at developments in South Africa.

In Washington, a State Department spokesman said they were aware that Dr Boesak's detention had resulted in calls for more countries to follow France's unilateral decision to impose sanctions on any new investment in South Africa.

He said the US had protested against Dr Boesak's arrest to South Africa's ambassador-designate in Washington, Mr Herbert Beukes.

"We believe detentions of this sort are not the proper way to lead South Africa out of this crisis, but we continue to oppose the use of sanctions"



Sanctions: Survey could be wrong, says Buthelezi

CHIEF Gatsha Buthelezi.

THE Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, yesterday said the Markinor survey, which showed that 77 percent of blacks were in favour of economic sanctions against South Africa, could be wrong.

By SAM MABE

He said that while he respected surveys by research institutions and universities, he would rely more on the views expressed by his own constituency, which has never spoken in favour of sanctions.

"I am responsible for millions of people and I speak for ordinary black workers and ordinary peasants when I voice their rejection of sanctions. Surveys can also be wrong and I can quote many instances when wrong surveys have been published. That is why I rely on what people say rather than on what surveys say," he said.

The poll also showed that 43 percent of blacks were in favour of violence. Chief Buthelezi says he is opposed to violence.

"I spoke to tens of thousands of people in Soweto and other townships on sanctions and not once have I heard a voice among the throngs of people I address say that they want sanctions to be applied.

Doubts

"Anyone who doubts this needs to go and see the length of queues of work-seekers at the pass office in Johannesburg, Durban, Port Elizabeth and other cities to see that every black person who stands in a queue at these pass offices seeking a job is voting against sanctions with the feet as he stands in the queue looking for work.

"Salaried people who live comfortably with their families can easily advocate sanctions because this will not affect them — since they are secure with their families," said Chief Buthelezi.

Swazis won't help SA to beat sanctions

STAR 28/8/85

280

By Gerald L'Ange
The Star's Foreign News Service

MBABANE — South Africa cannot look to Swaziland for help in getting around international economic sanctions, says the Cabinet Minister most directly concerned.

Mr Derek von Wissell, Swaziland's Minister of Commerce, Industry and Tourism, made it clear in an interview in Mbabane that, even though Swaziland would be hard hit by sanctions against South Africa, it would not help circumvent them.

Sanctions would seriously affect Swaziland's economy, he said. Apart from the many Swazis employed in South Africa, Swaziland obtained 90 percent of its imports from or through South Africa and about a quarter of its export earnings.

NO TAMPERING WITH CERTIFICATES

Nevertheless, Swaziland would refuse to tamper with certificates of origin to help South Africa evade trade sanctions.

"We will not issue a certificate of origin unless it is valid," he said. "We do not intend to be soft on the rule. We will not jeopardise our international position. If only one consignment were found to be suspect, all our products would become suspect."

Mr von Wissell said his department had received many inquiries from firms with South African operations, and from South African firms, about Swaziland's requirements for certificates of origin.

He said Swaziland could gain by having firms establish themselves in Swaziland to take advantage of its foreign trade freedoms.

"We want to create employment for Swazis," he said, "but we will not break rules to do it."

'HUNGER IN A MAN'S FACE'

While restating Swaziland's opposition to South Africa's racial policies, Mr von Wissell said: "We cannot support disinvestment or sanctions because it would definitely hit back on our economy."

It was easy for people to stand up in the United Nations and call for action against South Africa when they did not have to see the hunger in a man's face in Swaziland. But Swaziland had to look to the interests of its own people first, he said.



Mrs Dorothy Boesak with her children (from left) Allan, 7, Belen, 12, and Pulane, 9, soon after security police had officially informed her of her husband's detention yesterday.

New call for sanctions follows news of arrest

Own Correspondent

LONDON. — Demands for punitive economic sanctions against South Africa mounted last night amid international outrage at the detention of Dr Allan Boesak.

In Geneva Dr Edmond Perret, secretary-general of the World Alliance of Reformed Churches, of which Dr Boesak is president, was preparing to fly to South Africa to seek urgent talks with President P W Botha.

In London and capitals throughout Western Europe, foreign ministries expressed alarm and concern at the detention of Dr Boesak.

There were widespread calls for the trio of European foreign ministers due to fly to South Africa tomorrow to be empowered with a mandate to warn Mr Botha that there may soon be no alternative to sanctions.

A joint statement by Mr Emelio Castro, secretary-general of the World Council of Churches, and Dr Perret expressed deep concern and indignation at Dr Boesak's arrest and called on all churchgoers, world leaders and public opinion to condemn "this manifest act of intolerance by the South African Government".

The statement "demanded" the release of Dr Boesak and all the other "genuine leaders of South Africa".

Dr Perret said messages of condolence and demands for Dr Boesak's release were pouring into his office from all over the world.

The British Foreign Secretary, Sir Geoffrey Howe, was last night given the full details of the arrest and Whitehall sources said the Foreign Office would issue a statement today reflecting Britain's serious concern at developments in South Africa.

In Washington, a State Department spokesman said they were aware that Dr Boesak's detention had resulted in calls for more countries to follow France's unilateral decision to impose sanctions on any new investment in South Africa.

He said the US had protested against Dr Boesak's arrest to South Africa's ambassador-designate in Washington, Mr Herbert Beukes.

"We believe detentions of this sor are not the proper way to lead Sout Africa out of this crisis, but we cor tinue to oppose the use of sanctions.

Tutu praises Swedish move on sanctions

280 STAR 4/9/85

The Star Bureau

LONDON — Bishop Desmond Tutu has praised Sweden's latest moves towards sanctions on South Africa, claiming these could contribute to solving the problems "which have brought our country to the brink of catastrophe".

But the Swedish Metalworkers' Trade Union congress has refused to sell its 5 000 shares in Sandvik SA, claiming they are "a foot in the door" which could help South African trade unionists.

Bishop Tutu's message to the Swedes came in an interview with the mass-circulation evening paper, *Aftonbladet*, yesterday. He praised "all Scandinavian countries for showing extraordinary support in our peaceful campaign for justice".

And South African miners' union general secretary Mr Cyril Ramaphosa, seen on a Swedish TV special from South Africa, said on hearing of the Swedish measures: "Good, good, good. We are not the only ones who must sacrifice something in the fight against apartheid."

But a row over the metal workers' union stand threatens to grow. General secretary Mr Leif Blomberg said: "I do not understand those who are more interested in illustrating differences instead of working collectively to a common purpose."

SA high on agenda of US Congress

WASHINGTON — Sanctions against South Africa and trade protectionism are among the major issues facing the US Congress as it returns today from a month-long summer recess

The legislators will also be confronted again with the growing US Government spending deficit when they decide whether to raise the public debt limit over $2 trillion (about R4,5 trillion), or leave the government unable to finance its operations.

President Reagan is determined to press for his No 1 domestic goal — tax-reform legislation.

The House of Representatives convenes today, but the Senate — which does not return until Monday — is likely to be the scene of the first major legislative battles.

The House has already approved a compromise version of the South Africa sanctions Bill, and the Senators will take up the issue as soon as they come back.

The compromise, worked out by House-Senate negotiators in July, is tougher than the version passed by the Senate earlier that month, and a few conservative Republican Senators have said they might try to block its passage.

POSSIBLE BANS

Any obstruction, however, would be only temporary because the majority of the Senate favours sanctions and can easily vote down any parliamentary manoeuvres to sidetrack the Bill.

The Bill would ban:

- The importation of Krugerrands into the US.
- The export of US nuclear technology to South Africa.
- Sales of computer equipment and accessories to the South African Government to prevent their use in enforcing apartheid.
- New bank loans to the South African Government.

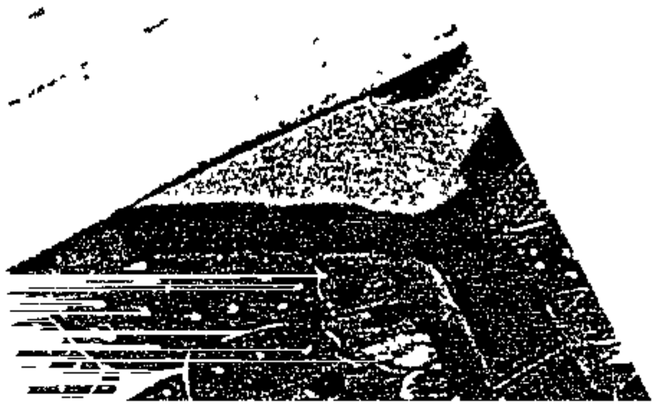
Mr Reagan, who has argued that he opposes the sanctions on the grounds that they would hurt black South Africans and lessen US influence with the South African Government, might veto the compromise if the Senate passes it.

The House, controlled by opposition Democrats, can be counted on to vote overwhelmingly to override a veto. It is also possible the Republican-led Senate would come up with the necessary two-thirds majority to complete the override

The House has a light schedule this week, but controlling Democrats are expected to begin pushing for action erecting bars to imports in reaction to the record size of the US trade deficit, expected to reach $150 billion (about R330 billion) this year.

RETALIATION

Economists have attributed the size of trade deficit largely to the high value of the dollar against other currencies, but the imbalance has served to spark anger against trade protectionism used by other countries and fuel a desire for retaliation, especially against Japan. — Sapa-AP.



Sanctions may break Frontline countries

4|9|85 - STAR

280

By Robin Drew,
The Star Bureau

HARARE — Sanctions against South Africa could mean the collapse of the economy following the closure of mines and factories, an exodus of people, mounting discontent by those remaining, riots and even the overthrow of the government.

But the scene of desolation would not be in South Africa, but in its neighbouring states such as Zimbabwe, Botswana, Zambia, Malawi and even Zaire, as a result of South African retaliation.

ASSISTANCE

This is the bleak picture drawn by Western diplomats whose views have been made known to the government in Harare, which has backed the call for sanctions while acknowledging that the Frontline States will need special assistance.

A document outlining the effects of sanctions on these states should South Africa carry out its threat to pass on the effects, says Pretoria's options include total interruption of road and rail traffic.

Alternatively it could deny transit traffic while permitting two-way trade with South Africa itself, tying the landlocked economies of its neighbours even more closely to its own.

By closing two frontier points at Beit Bridge and Mafikeng, 85 percent of the traffic to and from Frontline States would be cut overnight.

Improvements to alternative routes through the Mozambique ports of Beira and Nacala would take at least two years and cost R2,2 billion.

If the efficiency on the Tazara railway line to Dar es Salaam from Zambia could be doubled and if the aid needed for Beira and Nacala were made available, then about 65 percent of traffic could be moved.

The document discounted the notion of an airlift as wholly unrealistic because of the amount of cargo, distances and costs involved.

Furthermore the diplomats predict that sanctions against South Africa are unlikely to have much of an impact on the target itself if the Rhodesian experience is anything to go by.

They say that 60 countries continued to trade with Rhodesia despite comprehensive mandatory sanctions and businessmen proved much better at evading sanctions than civil servants were at enforcing them.

Indeed in Rhodesia, they said, the real standard of living of the white community rose steadily during sanctions at the expense of the black community.

INSTABILITY

On the political effects of South African countermeasures, the document says political instability in the Frontline States would increase.

Riots and military coups could not be excluded.

"It is difficult to see how governments in the countries concerned could avoid, sooner or later, coming to terms with South Africa.

"It would also seem likely that multiple Nkomati-type agreements of this kind would set back rather than advance the liberation struggle in South Africa itself," added the assessment.

EEC backs away from sanctions

The EEC team that visited South Africa discovered widespread feelings among whites and blacks that apartheid had to be dismantled. The Argus Foreign Service reports from Brussels

EUROPEAN ECONOMIC COMMUNITY

THE European Community is apparently backing away from a sanctions policy against South Africa now that the three EEC foreign ministers and a senior EEC commissioner have returned from their visit to the Republic.

The leader of the four-man team, Luxembourg Foreign Minister Jacques Poos, told reporters he would not recommend the imposition of sanctions when foreign ministers of the 10 EEC member states meet in Luxembourg on Tuesday to consider the situation in South Africa.



Mr Jacques Poos ... would not recommend sanctions

Mr Poos, president of the EEC Council of Ministers, said sanctions would be of "second rate importance" compared with other pressures on South Africa from both home and abroad.

But he said that if violence continued in South Africa and there was no movement towards reform the EEC would have to reconsider its position.

"Then we won't be able to avoid talking about sanctions," he said.

Mr Willy de Clercq, the EEC Commissioner for External Relations and Trade Policy, said the EEC team had discovered there were widespread feelings among both whites and blacks that apartheid had to be dismantled.

Speaking at Brussels airport on his return, he said: "Everybody we spoke to was convinced that apartheid has to be abolished, but there is no consensus on the means to achieve it.

Mr Willy de Clerq ... SA apartheid must go

"There is currently a lack of direction in that country which is exaggerated by the uncertainty prevailing today."

Mr de Clercq, referring to the run on the South African rand, said he believed sanctions arising naturally as a result of economic forces were more powerful than any that could be imposed by political decision.

"Business leaders in South Africa are of the opinion that EEC sanctions would be foolish," he said.

"They would hamper the process of dialogue and they believe that sanctions should be the last of all peaceful means to be used to bring about change in South Africa."

It is not yet clear whether the EEC team's retreat from sanctions resulted from what they saw and heard in South Africa or from fear of a joint EEC sanctions policy being sabotaged by member states on Tuesday.

At least three EEC states — Britain, West Germany and Belgium — are known to be opposed to sanctions.

The EEC is South Africa's most important trading partner: annual trade between the two is worth about R35-billion. Of that total, trade with Britain is worth more than R8-billion and with West Germany more than R7-billion.

Together, Britain and West Germany supply more than 25 percent of South Africa's imports.

Belgium does not want sanctions because South Africa supplies more than R3,5-billion worth of diamonds each year to the Antwerp gem-cutting trade.

France, which has been at the forefront of demands for sanctions, has lost what moral weight it carried with fellow EEC states following allegations that its secret service blew up the Greenpeace ship Rainbow Warrior in Auckland harbour

● The Argus Foreign Service reports from The Hague that Holland could decide to go it alone and unilaterally introduce sanctions against South Africa if the majority in favour in the Dutch Parliament continues to grow.

The country's three main political parties in Parliament — the Christian Democrats, the Liberals and the Labour Party — all agree that the EEC troika's mission to South Africa was disappointing.

And should MPs of the ruling Christian Democratic Party, CDA, decide to back the Labour opposition, Holland would be in a position to take unilateral action against South Africa.

Liberal MP Mr Frans Weisglas says Holland should take the inititiative in pressuring South Africa to dismantle apartheid.

Labour Party MP Mr Jacques Wallage attacked the troika for claiming the South African visit was a success.

"I get the impression that the South Africans have taken the mickey out of the troika members," he said.

"Otherwise I cannot explain why they should be satisfied about their mission. Apparently the troika members lent a more attentive ear to Mr Botha than to Bishop Tutu."

Mr Wallage said the time had come to increase political pressure. Holland should immediately cease investing in South Africa and at a later stage positive disinvestment should begin, he said.

The Christian Democrats, however, seem less adamant, largely because of Britain and West Germany's stand against sanctions.

But CDA MP Mr Harry Aarts is calling for "drastic steps" against South Africa. He also demanded that Dutch Foreign Minister Mr Hans van den Broek disclose what President Botha told him during the visit.

SA sanctions Bill likely to bring a damaging defeat

Reagan faces mounting political headaches

280
3/9/85
STAR

The Star Bureau

WASHINGTON — President Ronald Reagan headed back here yesterday at the end of his 23-day Californian convalescence to face mounting political headaches — of which the South Africa sanctions Bill is one of the biggest.

Top Reagan Administration officials say Mr Reagan is determined to veto the Bill. But that could result in a damaging defeat for him if, as expected, the United States Congress musters sufficient votes to over-ride the veto.

Mr Reagan has not been helped by recent news reports from South Africa. The cumulative effect of recent TV news coverage here has been an impression of a white regime unravelling politically and economically, and resorting to police brutality to repress the legitimate demands of the black majority.

Even if the truth is more complex than that, it has created a political climate in which any attempt by the US Government to protect the South African economy from sanctions will add to Mr Reagan's troubles and could weaken his hand with other important issues that face him as the Congress returns to business.

Those issues include the Reagan Administration's determination to resist more than 300 trade protectionist Bills that run counter to his free-trade philosophy but which carry enormous political weight in areas where cheap imported goods, mostly from the Far East, threaten local jobs.

He also needs support on issues such as the Budget, a farm support Bill which is politically sensitive because of the many farmers in financial trouble, and the federal debt ceiling.

Mr Reagan will need all the stamina he can generate, for in the midst of his difficult domestic agenda in coming weeks, he must also prepare for the November summit meeting in Geneva with Soviet leader, Mr Mikhail Gorbachev.

But analysts say it is doubtful Mr Reagan will be able to drum up much public support for a veto of the anti-apartheid sanctions Bill — even though a majority of Americans said in a recent poll that they had no opinion on the issue.

The indications are that most congressmen and senators will ignore his appeal for support and will vote the way they have voted in recent months — that is, for moderate sanctions to be implemented.

Wavering senators will undoubtedly be influenced by the fact that they will be publicly denounced by the anti-apartheid lobby as "friends of the racists" if they vote against the sanctions, but there is also a genuine abhorrance of apartheid even among many conservatives here.

The minerals factor appears to have disappeared in recent months with many saying that South Africa will continue to supply them to the West since it needs the revenue as much as the US needs the minerals.

USA

Sanctions: Holland may go it alone

STAR

280

The Star's Foreign News Service

3/9/85

THE HAGUE — Holland could decide to go it alone and unilaterally introduce sanctions on South Africa if the majority in favour in the Dutch Parliament continues to grow.

If the ruling Christian-Democratic Party (CDA) decides to back Labour opposition demands, Holland would be in a position to take unilateral action against South Africa.

Liberal MP Mr Frans Weisglas said last night that Holland should take the inititiative in pressurising South Africa to dismantle apartheid.

Labour Party MP Mr Jacques Wallage yesterday attacked the European Economic Community's "troika" mission to South Africa for claiming the visit was a success.

"Apparently the troika members lent a more attentive ear to Botha than to Bishop Tutu," he said.

A CDA MP, Mr Harry Aarts, has demanded that Dutch Foreign Minister Mr Hans van den Broek disclose what President Botha told him during the visit — although "I do not expect Mr Botha to have said anything that could make us happy."

● Anti-apartheid demonstrators in the towns of Delft, Bodengraven and Alphen Aan Den Rijn yesterday broke windows and stoned businesses said to have South African connections.

The sanctions dilemma

Devastating toll of neighbours to be expected

Mercury 280 3/9/85

THE ECONOMIES of South Africa and its black-governed neighbours are so intertwined that sanctions against South Africa could have severe repercussions for all of southern Africa.

South Africa's railways, roads and ports provide the outlet for much of the region's goods; its mines employ three-quarters of Lesotho's wage-earners; its communications network links its neighbours with the rest of the world.

Even some of the bitterest foes of South Africa's racial-segregation system acknowledge that effects of sanctions could take a devastating toll of neighbouring economies.

But President Julius Nyerere of Tanzania and others argue that sanctions may be the only way to get South Africa to change its policies, because its economy also would suffer gravely if it clung to apartheid.

Doomed

'It is a doomed struggle, and the cost both in terms of human suffering and economic damage to neighbouring states will be high,' Nyerere told a meeting of black southern African leaders in Arusha, Tanzania, on August 9.

Nonetheless, he declared: 'We want mandatory sanctions.'

The Arusha meeting brought together the nine members of the Southern African Development Coordination Council (SADCC), formed in 1980 to lessen economic dependence on South Africa.

Of its members only two — Tanzania and Angola — are not heavily reliant on South Africa for trade, transport and communications links to the rest of the world. The other SADCC members are Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe.

Zimbabwe Prime Minister Robert Mugabe, for one, has long advocated sanctions in principle. But he has insisted that practical realities dictate that his landlocked nation could not impose them. Zimbabwe's main trading partner is South Africa.

Michelle Faul HARARE

Mugabe may not have the choice. Angered by the latest U N Security Council resolution for an economic embargo, the State President, Mr P W Botha, threatened on July 29 to deny neighbouring black states such as Zimbabwe access to his country's transport and communications network, to cut trade with them and expel about 1,5 million migrant African workers.

Some Africans argue South Africa would hurt itself as much as the black states by such retaliation.

The SADCC's executive secretary, Simba Makoni of Zimbabwe, warned on August 15 that Pretoria 'also stands to suffer' because of the jobs in that country held by citizens of SADCC countries.

Rukudzo Murapa, head of Zimbabwe University's political science department, commented: 'We should not minimise the market value of the African region for South Africa ... South Africa cannot afford to cut off those trade links without being adversely affected.'

But South African trade figures for 1983, the latest available, show the country buys about R400 million worth of goods from black Africa while exporting to 47 African countries around R1,8 billion worth. Its purchases from black Africa amount to about 2,5 percent of its total imports.

Claude Cheysson, former French foreign minister and no friend of South Africa, warned the U N Committee on Apartheid last year: 'History shows that an embargo has never succeeded against countries with natural resources, whereas the weaker neighbours who are affected by it suffer horribly.'

Most threatened are Botswana, Lesotho and Swaziland. They are landlocked, bound by a customs union with South Africa and almost entirely dependent on their giant neighbour. Pretoria would only have to expel some 152 000 Lesotho mineworkers to cripple that country's economy.

R320 million

The mineworkers make up three times the number of wage-earning people in Lesotho itself. Their remittances of R320 million last year was roughly equivalent to Lesotho's gross domestic product.

According to figures from the three black African governments South Africa supplied 99 percent of Lesotho's imports last year, 91 percent of Swaziland's and 88 percent of Botswana's.

In Botswana all but one of the major industries are directly or indirectly owned by South Africans. The exception is the diamond industry, a joint venture between the Botswana Government and South Africa's De Beers company It accounts for two-thirds of that arid country's total export earnings

Zaire, Zambia and Zimbabwe rely on South African road and rail routes to ship their goods. Their direct trade with South Africa ranges from 50 to 85 percent.

Black African countries bought South African grain in 1980, according to South African figures.

Botswana, Lesotho and Swaziland are almost wholly dependent on South Africa for electricity, and parts of Mozambique and Zimbabwe get power from their white-ruled neighbour. South Africa also plays a key role in channelling petroleum products to neighbouring countries.

Before it became black-ruled Zimbabwe in 1980, this country was itself a target of U N-imposed sanctions. They were ordered after Ian Smith, premier of what was then called Rhodesia, rebelled against the British crown to entrench white-minority rule.

Rhodesia retaliated then by cutting oil supplies to Zambia, while British and other companies continued to supply Rhodesia illicitly.

Jorge Jardim, former director of Mozambique's national oil company, wrote in a book called *Sanctions Double-cross* that 'the lack of fuels for the Zambian market was far more serious than the shortage Rhodesia had to face in its must crucial stage'.

10 000 jobless

After Mozambique became independent from Portugal in 1975 the new marxist government closed its border with Rhodesia in compliance with the sanctions. A U N mission of experts estimated in April 1976 that the move cost Mozambique between 108 million and 134 million dollars (about R270 and R335 million) a year and put more than 10 000 people out of work.

Nevertheless, many black Africans remain committed to their moral obligation to sanctions and shrug aside arguments that it will hurt South Africa's blacks more than their white rulers. — (Sapa-AP)

280

Black African leaders back sanctions despite logistics

HARARE — The economies of Southern Africa are so intertwined that sanctions against South Africa could have severe repercussions for the whole region.

South Africa's railways, roads and ports provide the outlet for much of the region's goods, its mines employ three-quarters of Lesotho's wage-earners, its communications network links its neighbours with the rest of the world.

Nevertheless, Tanzanian President Julius Nyerere told the nine members of the Southern African Development Co-ordination Council (SADCC) — formed in 1980 to lessen economic dependence on SA — in Arusha, Tanzania, on August 9: "We want mandatory sanctions".

Of the SADCC members only two — Tanzania and Angola — are not heavily reliant on South Africa for trade, transport and communications links to the rest of the world. The other members are Botswana, Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe.

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Most threatened are Botswana, Lesotho and Swaziland. Pretoria would only have to expel some 152 000 Lesotho mineworkers to cripple that country's economy. Their remittances of R320m last year was roughly equivalent to Lesotho's gross domestic product.

According to figures from the three black African governments, South Africa supplied 99% of Lesotho's imports last year, 91% of Swaziland's and 88% of Botswana's.

At least 11 African countries bought South African grain in 1980, according to SA figures.

Despite this many black Africans shrug aside arguments that it would hurt South Africa's blacks more than their white rulers. — Sapa-AP.

Sanctions out say EEC men

CAPE Times 2/9/85

280

JOHANNESBURG. — The European Economic Community delegation will not recommend immediate sanctions by the EEC against South Africa.

However, the situation would be watched closely, the delegation's leader said at the end of a two-day fact-finding tour of the country in which the government told them that it was "actively" continuing its reform programme.

However, the leader of the delegation and Foreign Minister of Luxembourg, Mr Jacques Poos, said if the situation did not improve within a reasonable time, the European government would be under considerable pressure from the electorate to take measures.

"We will continue to watch the situation closely," he said.

Mr Poos said he and the other two delegates — the Foreign Minister of the Netherlands, Mr Hans van den Broek, and the Foreign Minister of Italy, Mr Giulio Andreotti — "came to urge concrete measures to end apartheid but not to prescribe formulas."

"We have noticed a broad sense of urgency between black and white circles for fundamental changes in this country," Mr Poos said.

Mr Poos said that during the delegation's meeting on Saturday with President P W Botha, they put forward the European Community's view on South Africa.

Mr Poos named five prerequisites the government should follow in a process leading to negotiation, which included the release of all political prisoners, especially ANC leader, Mr Nelson Mandela.

He said the negotiation should have an open-ended agenda and should include representatives from all groups.

There should also be an end to the state of emergency and "a clear commitment by the government to end apartheid and eliminate racial discrimination".

Mr Poos and Mr Andreotti left last night, but Mr Van den Broek is to remain for an extra day. Diplomatic sources said that he is staying to discuss the issue of Dutch citizen, Mr Klaas de Jonge, who has been in the Dutch Embassy in Pretoria for more than a month. — Sapa

Disinvestment: ECC Ministers to hold fire

ARGUS 2/9/85 (280

Argus Correspondent

PRETORIA — The three European Foreign Ministers ended their South African tour last night with the undertaking that they would not immediately recommend disinvestment to their EEC colleagues

However, a final statement by Mr Jacques Poos of Luxembourg said action would be considered if there was no significant reform within a "reasonable" period of time

The three declined to comment on a declaration of intent issued to them by President P W Botha and would not say whether the Government had given them any confidential notice of reforms that were in the pipeline

Opposition

They will be reporting to an EEC summit in Luxembourg on September 10.

Mr Poos and Italy's Mr Giulio Andreotti have gone back to Europe after their three-day tour during which they met Mr Botha, members of the Cabinet as well as opposition politicians and religious and business leaders

Mr Hans van den Broek of Holland has remained for an extra day to try and resolve the Klaas de Jonge issue

In his statement, Mr Botha again committed his Government to what he called an "active programme of reform" providing for political participation by all communities at all levels and he undertook not to prescribe which black leaders came to the negotiating table as long as they renounced violence

He also reiterated his commitment to reviewing influx control and promised R1 000-million for the improvement of undeveloped towns and cities over the next five years

Detainees

He also gave the assurance that the state of emergency would be lifted as soon as violence abated, saying the situation of detainees would then be reviewed

Mr Poos said if violence did recede and real negotiations were initiated, there was no reason for his delegation to recommend sanctions

He said the ministers had urged Pretoria to abolish apartheid

They had cited as prerequisites for negotiation, the liberation of political prisoners including Nelson Mandela, an end to the state of emergency, an open-ended agenda for negotiations and negotiations with all leaders, including those in prison

Answering questions after the departure of the Ministers, South African Foreign Affairs Minister, Mr Pik Botha, said the Government's reform programme was under way "and there is not very much more we can do"

Slabbert welcomes Govt pledge

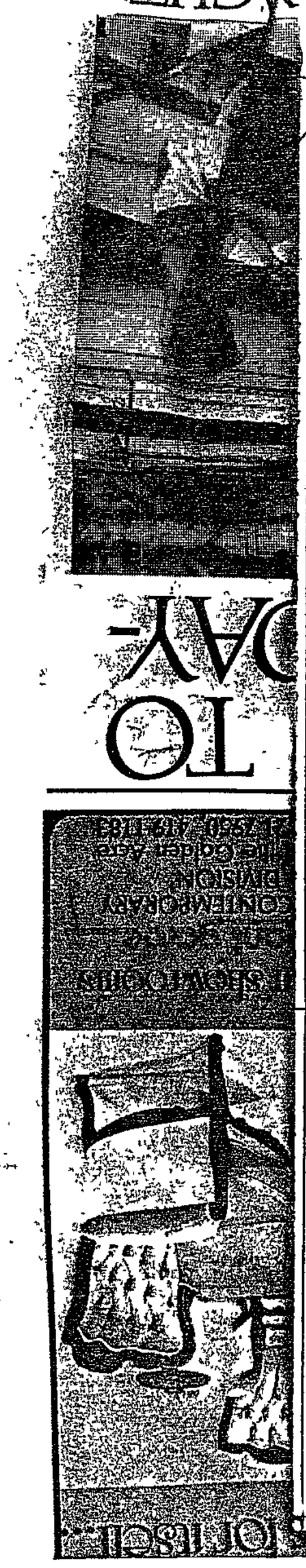
TOS WENTZEL, Political Correspondent

A GOVERNMENT commitment to open-ended negotiations was welcomed in Opposition circles today.

Reacting to a Government statement issued last night to coincide with the visit of three Foreign Ministers of the European Economic Community, the leader of the Progressive Federal Party, Dr F van Zyl Slabbert, said a reference to open-ended negotiation in the statement was worth exploring

He pointed out that such negotiations would inevitably focus on apartheid policies and practices still being applied.

In the statement the Government again committed itself to "active" reform and the removal of race discrimination.



CMC Times 31/8/85

EEC team meets unionists

280

From PHILLIP VAN NIEKERK

JOHANNESBURG. — The threat of sanctions against South Africa featured high on the agenda when a delegation of three European Economic Community Foreign Ministers met clergymen, trade unionists and Inkatha in Pretoria yesterday

Dr Beyers Naude, the general secretary of the SA Council of Churches, and Bishop Desmond Tutu, the Anglican Bishop of Johannesburg, told the delegation that imposing sanctions was one of the few remaining non-violent measures left to bring about change in South Africa

Cusa

Two leaders of the Council of Unions of South Africa (Cusa) urged selective sanctions against South Africa and a ban on new investment.

Leaders of the Federation of South African Trade Unions (Fosatu) and the National Union of Mineworkers (NUM) were invited to be part of the delegation but did not arrive

The EEC delegation met Mr Pik Botha, the Minister of Foreign Affairs, and Dr Gerrit Viljoen, the Minister of Co-operation and Development, over a working dinner in Pretoria last night.

They were met at Jan Smuts Airport at 11am by the Minister of Finance, Mr Barend du Plessis, and the Deputy Minister of Foreign Affairs and Information, Mr Louis Nel.

Mr Jacques Poos, the Luxembourg Minister of Foreign Affairs and leader of the delegation, told newsmen the aim of the visit was to make known the strong preoccupation of EEC countries with the abolition of the apartheid system

Speaking on behalf of the 10 EEC countries as well as Spain and Portugal, Mr Poos said they wanted to discuss the recent serious developments in South Africa

Accompanying him on the tour are Mr Giulio Andreotti of Italy, Mr Hans van den Broek of the Netherlands and Mr Willie de Clerq, the EEC Commissioner for External Relations

Mr Poos said the mission wanted to gain further information from the government on envisaged projects alluded to by the State President, Mr P W Botha, in his recent Durban speech

'Disastrous'

Chief Mangosotho Buthelezi, the Chief Minister of KwaZulu and leader of Inkatha, told the EEC Ministers that the threat of sanctions had had beneficial results in South Africa

However, large-scale sanctions would be "absolutely disastrous".

The delegation leaves for Cape Town today where they will meet Mr P W Botha

Sanctions are like chemical warfare

Political Correspondent

The economic "scorched earth" policy being applied by the international community to South Africa is as much a weapon of warfare as the chemical warfare, Mr Louis Nel, Deputy Minister of Foreign Affairs, said today.

Speaking on labour relations seminar in Pretoria, Mr Nel said sanctions are a "totally unacceptable and immoral way of trying to bring about change in South Africa".

Mr Nel said the purpose of sanctions was to force the South African government to change its policies.

"It is indefensible that millions of people, including children, should suffer in order to achieve political objectives which are unacceptable to the majority of South Africans," he said.

"Sanctions are a primitive weapon which will affect the entire economy and the standard of living of all South Africans, black, brown and white."

New poll may harm Reagan stance on SA

WASHINGTON — A new poll which claims that most of South Africa's urban blacks favour economic sanctions threatens to erode President Ronald Reagan's argument that sanctions shouldn't be imposed because they would hit blacks hardest

Mr Reagan is clearly leaning toward vetoing sanctions, but apparently wishes to ensure that lawmakers won't vote to override his veto before committing himself on the issue Congress is expected to send him a sanctions Bill soon after returning from its recess this month

The Bill has already been approved by the House of Representatives and is awaiting Senate approval, which is seen as certain It would put curbs on sales of nuclear equipment and computers, ban imports of South African gold coins and bar new loans to the South African government

In an interview, Mr Reagan said sanctions would increase unemployment and cause "setbacks in gains that have been made by labour and by the blacks in South Africa" He said "They would hurt the very people we want to help"

The Reagan administration argues, with evidence to back its claim, that US economic ties provide a vehicle for encouraging fair employment practices for blacks

But a poll conducted by the Sunday Times of London found that 77 percent of responding urban blacks favoured economic sanctions as a means of putting pressure on the Pretoria government to dismantle apartheid.

The newspaper said its poll marked a reversal of previous surveys showing "a slim black majority against sanctions"

One poll that showed an overwhelming black majority against sanctions was conducted in August 1984 and was partly financed by the US State Department It showed that 74 percent of those surveyed said they would oppose such extreme sanctions as withdrawing foreign investment from South Africa

The State Department has frequently cited it as evidence for its view that blacks oppose economic sanctions.

Sizeable number

Most illustrative of toughening black attitudes was the finding in the Sunday Times of London poll that 46 percent of those responding said they expected to be hurt personally by sanctions

Nonetheless, a sizeable number who said they would suffer personally favoured sanctions

The newspaper said the poll, conducted among 400 blacks in a string of South African cities by Markinor, had a margin of error of about minus five percentage points

Assuming it fairly reflects the views of urban blacks, the poll is not good news for Mr Reagan

The US administration's strategy lately has been to seek sufficient conservative support in the Senate to block an override attempt if Mr Reagan vetoes the bill. — Sapa-AP

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g you news from around the world

SANCTIONS: JOBS IN DANGER

280 5/9/85 Sowetan

LONDON — Sanctions which seriously interrupt trade between Britain and South Africa could jeopardise 400 000 jobs — 250 000 of them in Britain.

This is estimated by the United Kingdom-South Africa Trade Association (Uksata) which has a membership of 300 companies.

Uksata calculates that about 350 British companies have subsidiaries in South Africa and many more trade with the country. Direct investments by British companies total about R15,5 billion.

In addition, Britain has indirect investments totalling about R19 billion through insurance, banking, tourism and other interests.

The association says South Africa rates as Britain's 12th largest trading partner. Britain sent about R3,80 billion in "visible" exports there last year, and "invisible" earnings were worth about R4 billion.

A further R1,02 billion was collected from re-exports.

Goods

The trade balance between the two countries is largely in Britain's favour, with South Africa selling Britain goods worth only about R2,30 billion last year.

Although Britain's trade with South Africa increased over the past five years, it has now dropped to fourth place in the league of the Republic's own trading partners behind the US, West Germany and Japan. — **SOWETAN Foreign Service.**

Sanctions could make 250 000 Britons workless

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Argus Foreign Service

LONDON. — Sanctions which seriously interrupt trade between Britain and South Africa could jeopardise 400 000 jobs — 250 000 of them in Britain.

This is estimated by the United Kingdom-South Africa Trade Association (UKSATA), which has a membership of 300 companies.

UKSATA calculates that about 350 British companies have subsidiaries in the Republic and many more trade with the country. Direct investments by British companies total 5-billion sterling.

In addition, Britain has indirect investments totalling about 6-billion sterling there through insurance, banking, tourism and other interests.

The association says South Africa rates as Britain's 12th largest trading partner. Britain sent £1,2-billion in "visible" exports there last year, and "invisible" earnings were worth £1,3-billion.

A further £350-million was collected from re-exports.

The trade balance between the two countries is largely in Britain's favour, with South Africa selling Britain goods worth only £720-million last year.

Although Britain's trade with South Africa increased over the past five years, it has now dropped to fourth place in the league of the Republic's own trading partners behind the US, West Germany and Japan.

Reagan to make final bid to avoid sanctions defeat

5/9/85 STAR

250

By Neil Lurssen
The Star Bureau

WASHINGTON — President Reagan is to meet his top advisers at the White House today in a last-ditch attempt to find a way of avoiding a damaging political defeat over the South Africa sanctions Bill.

At this stage all indications are that a presidential veto will be overridden by Congress, which is expected to cast its final vote on Tuesday.

It is understood that at today's meeting the President will be given an up-to-date review of the situation in South Africa.

DAILY PLEAS

White House officials have made it known that South Africa's internal situation will be a factor in his decision whether or not to veto the sanctions.

US officials have called, almost daily, for an urgent start to negotiations between the South African Government and black leaders. To their dismay, they have seen no sign of such a process getting under way and of the country's turmoil coming to an end.

Adding to the pressure on Mr Reagan is the public perception here of events in South Africa — a view that has been shaped by daily media reports of unrestrained violence and police whipping of young demonstrators.

The President has not decided what he will do when Congress sends him the sanctions Bill next week. Expectations here are that he will probably make up his mind on the basis of today's meeting.

He is faced by sharp divisions among his senior staff, some of whom urge him to get tough with South Africa, and some of whom oppose this course at present.

White House communications director Mr Pat Buchanan is said to be the strongest of the anti-sanctions advocates and is thought to be behind the President's recent controversial description of the South African Government as "reformist".

Heading the White House team trying to find the best option for dealing with the sanctions Bill are Mr Donald Regan, the President's top political adviser, and Mr Robert McFarlane, his chief national security affairs adviser.

Mr McFarlane's recent emergence as a prominent figure in the South Africa issue has been a clear sign of deepening White House concern.

According to reports here, both men are anxious to avoid a legislative situation which will result in defeat of a presidential veto — a damaging development that will weaken the President's hand in the conduct of foreign policy and reduce his image as a strong leader.

The issue was on the agenda at a meeting of the White House Legislative Strategy Group on Tuesday — the day after the White House staff returned to Washington from holiday.

UPHILL SLOG

Conservative groups also held strategy meetings in Washington this week in an effort to persuade the Senate not to ratify the sanctions package that has already been accepted by the House of Representatives.

But their effort appears to be an uphill slog at this point.

President Reagan is opposed to sanctions because he believes they will harm the interests of South African blacks.

Whatever his decision tomorrow, it is not expected here that he will order a change in his policy of constructive engagement with South Africa.

Sanctions - Tutu lauds Swedes

LONDON — Bishop Desmond Tutu has praised Sweden's latest moves towards sanctions on South Africa, claiming they could contribute to solving the problems "which have brought our country to the brink of catastrophe".

But the Swedish Metal Workers' Trade Union congress has refused to sell its 5 000 shares in Sandvik SA, claiming they are "a foot in the door" which could help South African trade unionists seek better working conditions.

Elsewhere on the continent, Italian trade unionists have announced a week-long boycott of South African ships and aircraft using Italian ports and airports.

A joint statement by the three big confederations, CGIL, CISL and UIL, said they were protesting at Pretoria's regime of "blood, violence and terror". The boycott is planned from September 9.

Bishop Tutu's message to the Swedes came in an interview with the mass-circulation socialist evening paper *Aftonbladet* in which he praised "all of the Scandinavian countries for showing extraordinary support in our peaceful campaign for justice".



BISHOP DESMOND TUTU

Reagan to decide

(280) Sowetan

WASHINGTON — President Ronald Reagan met his top advisers at the White House yesterday in a last-ditch attempt to find a way of avoiding a damaging political defeat over the South Africa Economic Sanctions Bill.

All the indications are that a presidential veto will be overridden by the Congress which is expected to cast its final vote on the sanctions next Tuesday.

The president was given an up-to-date review of the situation in South Africa.

White House officials have made it known that South Africa's internal situation will be a factor in President Reagan's decision whether or not to veto the sanctions.



PRESIDENT Reagan.

US officials have called, almost on a daily basis, for an urgent start to negotiations between the SA Government and black leaders. 6/9/85

To their dismay, they have seen no sign of such a process getting under way and of the country's turmoil coming to an end

The president has not decided what he will do when the Congress sends him the sanctions Bill next week. — **SOWETAN Foreign Service.**

U S Congress 'would kill' sanctions Bill veto

Mercury 6/9/85

250

WASHINGTON—Leaders of the U S House of Representatives and Senate, returning here after a month-long holiday, said yesterday that President Reagan would almost certainly be overridden if he decided to veto legislation imposing economic sanctions against South Africa.

The White House has yet to say whether Mr Reagan would sign or reject the measure, expected to win final congressional approval in the Senate soon.

But the President said last month he would look with 'jaundiced eye' on such legislation.

In spite of Mr Reagan's views, Mr Richard Lugar, chairman of the Senate Foreign Relations Committee, said yesterday there were more than enough votes to break conservative-led parliamentary attempts to kill the measure and win final passage

Strong support

Furthermore, said Mr Lugar, a Republican, there were 'a substantial number of votes in addition to the two-thirds required' to override a veto of the Bill

In the Democratic-controlled House, Speaker Thomas O'Neill told reporters 'I think we probably could override any veto'

An aide to House Republican Leader Robert Michel added there was 'no doubt' that that was the case and that an override would have strong Republican support

The confrontation over the sanctions legislation looms as merely the opening round in a struggle between Congress and a President bent on launching an offensive to push his conservative agenda, with jousting over tax reform, spending Bills, the volatile trade issue and farm legislation also in the wings

The South Africa Bill was left hanging when Congress adjourned last month

Nel's warning

Our Johannesburg correspondent reports that the Deputy Minister for Foreign Affairs, Mr Louis Nel, in a bid to persuade the U S not to impose economic sanctions yesterday warned of the effects disinvestment would have on the country's neighbouring states

At an international Press conference, Mr Nel said he would produce 'incontrovertible evidence' that it would be impossible to apply punitive sanctions against South Africa only

Mr Nel warned that the American decision could start a train of events which the U S would find impossible to control

'In judging the effect of possible sanctions, South Africa does not only focus

TURN TO PAGE 2

'Veto would be overridden'

Mercury 6/9/85

250

FROM PAGE 1

on the contents of the proposed legislation presently before the Congress

'The truth is, however, that the American decision will influence, strengthen or weaken the disinvestment and sanctions lobbies in other Western countries as well'

Mr Nel said about 350 000 foreign blacks were legally employed in South Africa and estimated that nearly 2 000 000 women and children depended on them for their livelihood

'If employment opportunities were to be reduced further by extraneous forces, such as sanctions, the Government would be obliged to give preference to the needs of its own citizens

'This would not be retaliation, as has been alleged After all, charity begins at home, even in international exchanges'

Mr Nel said sanctions would affect the weaker southern African states first and that the South African economy would be better able to deflect the punitive measures

South Africa was not motivated by vengeance or a desire to see other countries suffer

'We have as great an interest in a stable and flourishing southern African region as any of our neighbours

'The choice is between sanctions on the one hand and political, social and economic progress on the other

'The Western world will have to decide whether, in their efforts to pressurise the South African Government through sanctions, their acts can genuinely be described as morally justified'

Call for sanctions

LONDON — Representatives of 8,5 million trades unionists have urgently called on Britain to impose sanctions on South Africa.

Their leaders, representing 34 British trade unions — including the 16 largest unions — have signed a letter to Sir Geoffrey Howe, Britain's foreign secretary, urging him to back a package of measures, including economic sanctions, when EEC foreign ministers meet in Luxembourg on Tuesday. 6/9/85

Sanctions veto: Reagan may yet avoid a defeat

6/9/85

STAR

280

By Neil Lurssen,
The Star Bureau

WASHINGTON — As President Reagan met top advisers here yesterday in an attempt to solve the dilemma facing him over sanctions against South Africa, key senators involved in the dispute said the President might yet be able to pull off a veto.

The President, determined to avoid a massive foreign policy defeat on the issue, was given a detailed briefing on the situation within South Africa.

Republican senators and congressmen have warned him that he faces certain defeat if he tries to veto the Bill.

But the view that a veto might yet succeed came from Republican Majority Leader Senator Robert Dole and California Democrat Senator Alan Cranston. Both back the Bill.

They agreed that if the President simply refused to sign the Bill, his veto would be overridden.

But if he took some of the sanctions — such as the ban on computer sales — and converted them into executive orders, he might get the 34 Senate votes he needs to sustain his veto.

Other prominent senators disagree. Foreign Relations chairman Senator Richard Lugar said through an aide that a veto would be beaten, come what may.

He has been pushing the Administration hard to accept the Bill. Yesterday he phoned Secretary of State Mr George Shultz to repeat his earlier argument that a veto would be unwise and would fail.

But Mr Shultz was unconvinced. Today, according to sources, he told a closed-door meeting of Republican congressmen that sanctions would weaken the South African Government, and if it fell there would be an increased risk of a communist takeover.

— BP

Sanctions will be 'immoral', Nel tells BBC

280 STAR 7/8/85

The Star Bureau

LONDON — Deputy Foreign Minister Louis Nel has conceded that the present United States attitude towards South Africa is "negative".

But this was no justification for sanctions, he said in a BBC radio interview. The imposition of sanctions would be an immoral act.

"In other words, the Americans cannot justify what they are trying to do to the whites in South Africa, or to the Government in South Africa, by referring to the mood in America.

"Our point of view is that the effect of sanctions would be such that they would be completely unjustifiable.

"The Americans will find themselves here on the low ground of morality, and history will prove that."

OPEN DOOR

On reports that the South African business community was becoming more outspoken on the need for reform and that business leaders were said to be going to Lusaka for talks with the African National Congress, Mr Nel said: "The South African Government is committed to reform. President (P W Botha) has made a very strong statement as far as this is concerned.

"There are no obstacles in the way of negotiating a constitutional dispensation for South Africa which will satisfy the reasonable aspirations of all our population groups.

"I do not think there is any need to call for more reform. The business community, or whoever might be calling for more reforms, are pushing against an open door.

"The ANC is committed to a violent revolutionary overthrow of the Government. And until such time as they undergo a change of heart and are prepared to say they want peaceful reform, the South African Government will not talk to them.

"As far as we are concerned, the business leaders of South Africa are not justified in talking to the ANC. It will not help in any way whatsoever."

He added that he was not aware of any Government interest in the Lusaka talks.

Mr Nel said President Botha had addressed all the old obstacles in the way of negotiating a constitutional dispensation for all South Africans, including citizenship for blacks, participation by blacks in the central government, influx control, and the negotiation of a constitutional dispensation for South Africa.

"We are committed to a process of give-and-take leading to peaceful reform, and we will continue on that road."

Asked when the Government would try to institute a dialogue with black leaders, including Nelson Mandela, he said: "The Government is at the moment setting various acts in motion to bring about such negotiations.

"As far as negotiations with Nelson Mandela are concerned ... to call for that you cannot possibly find yourself on the right side of morality.

"We are prepared to release Nelson Mandela unconditionally if he applied civilised norms, and that means he must renounce violence as a means of achieving political aims.

"If he were prepared to do that he would be released unconditionally — not conditionally — but he is not prepared to do so."

sunris

Markets will force SA change — Howe

LONDON — Britain believed persuasion and the pressure of world markets would force political change on South Africa, while economic sanctions would be counter-productive, the Foreign Secretary, Sir Geoffrey Howe, said yesterday.

Sir Geoffrey was speaking in a British Broadcasting Corporation radio interview about a series of foreign trips he is making next week in which the issue of economic sanctions are to be discussed.

He is to travel to Belgium on Sunday and the Netherlands on Monday, and then fly to Nigeria on Monday night. At all stops, his talks are expected to concentrate on the South African situation.

Britain, while condemning South Africa's apartheid system, does not want "compulsory trading sanctions of a kind that we think would be more likely to drive the South African Government in the wrong direction at the cost of doing damage to African interests," Sir Geoffrey said.

With a long history of links with South Africa, Britain believes it can help persuade Pretoria to "change your system and change it quickly," he said.

"We think it is more likely to promote a sensible response, along with the pressure that the rest of the world is already bringing to bear through economic judgment on the political consequences of what's been done in South Africa so far."

In another development, the Governor of South Africa's Reserve Bank, Dr Gerhard de Kock, left London for Europe to explain to financiers there the impact of the moratorium on the repayment of short-term debts which South Africa imposed last weekend.

SHUTTLE DIPLOMACY

Dr de Kock came to London at the end of last week and was in the United States until Wednesday, when he returned to Britain on what he called "shuttle diplomacy".

Dr de Kock told a news conference in London that the New York branch of Nedbank, his country's third largest bank, had been given assurances of full backing that had permitted it to re-open yesterday.

The New York comptroller of currency had issued a "cease and desist" order on the Nedbank branch, Dr de Kock said. The branch was believed to have come under heavy pressure from American banks demanding repayment of loans, while Nedbank had to resist because of the moratorium on debt repayment imposed by Pretoria.

"The South African Reserve Bank will stand behind Nedbank," Dr de Kock said. The Reserve Bank was taking "all steps to return (Nedbank) to normalcy," he said.

Dr de Kock said he believed the rand would recover after financial markets understood that the moratorium would mean an accumulation in South Africa of dollars that could not be sent abroad in terms of the moratorium.

The rand has been driven down by a shortage of dollars in circulation in South Africa as foreign capital was sent abroad.

Asked if his mission would have been easier if the financial world were confident that political change was accelerating in his country, Dr de Kock replied: "Yes, that is so."

But he said foreigners were wrong in thinking that South Africa's economy was threatened by racial unrest, adding: "This is so far removed from the truth that it is quite ridiculous."

— Sapa-Associated Press.

Sanctions start to bite

LONDON — The sudden onset of dramatic financial difficulties in South Africa shows how private financial sanctions can be swift, simple and disturbingly powerful, commented The Times in its main leading article yesterday.

But banking confidence has now found itself on "the same hook" as sporting sanctions, the paper reported.

It is now clear that the pressure which caused South Africa to close its markets and re-introduce two-tier exchange control at the weekend "stemmed almost entirely from political pressures on American banks." The pressures were essentially private.

The Times warns that unless the South African Government can rapidly patch up support, it will not be easy for the country's finances to return to normality.

weaker neighbours first

Govt warns US: sanctions will hurt SA's

By David Braun, Political Correspondent

The Government bluntly warned the United States last night that sanctions against South Africa would hit weaker neighbouring economies first.

A comprehensive booklet entitled "South Africa — Mainstay of Southern Africa" was simultaneously released for foreign consumption.

It details regional dependence on South Africa in the fields of employment, development capital, electricity supply, transport services, posts and telecommunications, monetary and fiscal co-operation, trade, petroleum supplies, health and technology.

Addressing a media conference in the Union Buildings in Pretoria, the Deputy Minister of Foreign Affairs, Mr Louis Nel, emphasised that it was not South Africa's intention to retaliate against surrounding countries in the event of international sanctions.

It was, however, impossible for the US to impose punitive measures against South Africa only, he said. "Let us be frank. Our neighbouring states will suffer before we do."

The South African economy, with its greater depth and resilience, would be better able to absorb the impact than would its neighbours.

The choice was between sanctions and political, social and economic progress. Sanctions would be incompatible with the action foreseen in the recently released Government declaration of policy and would impede progress in implementing that policy, Mr Nel said.

"Let us be practical: we cannot do what we want to do and contend with the impact of sanctions or disinvestment at the same time. The outside world has a responsibility to us, as well as to themselves ... do they want to encourage the negotiating process in South Africa or do they want to retard it?

"If they undermine our economy, push up the temperature in the country and polarise opinion — which will be the effects of sanctions — then they will inevitably be retarding the negotiating programme."

Mr Nel said the decision of the American Senate next week would influence (strengthen or weaken) the disinvestment and sanctions lobbies in other Western countries. The decision could start a train of events which America would find impossible to control.

● About 350 000 foreign blacks (excluding those from Transkei, Bophuthatswana, Venda and Ciskei) are legally employed in South Africa. More than 80 percent work on the mines and regularly send some of their earnings home.

These workers support an estimated two million women and children at home.

● About 1,2 million foreign blacks are working illegally in South Africa on any given day. They are repatriated at the rate of 1 500 a month.

● The two largest public sector borrowers in South Africa are Escom and South African Transport Services. The infrastructure and services of these utilities are indispensable for the economic well-being of a substantial part of the region.

Loans raised by Escom (totalling R3 500 million in 1984) are used to build large new power stations to meet the needs not only of South Africa but also of several neighbouring states. Escom supplies 100 percent of Lesotho's electricity, 79 percent of Swaziland's, 52 percent of Botswana's and 60 percent of Maputo's.

● The South African post and telecommunications administration also borrows large amounts on international capital markets for development programmes which benefit the entire region. All Lesotho's and Swaziland's telecommunications and some of Botswana's are via South Africa.

● South Africa is a substantial creditor of sub-Saharan Africa, with both the public and private sectors providing credit. The Government has lent a total of R1 600 million to the TBVC states and R214 million to other African countries. Hundreds of millions have been extended in short- and long-term credit.

● Major benefits are derived from membership of the Southern African Customs Union, with revenue flowing to the BLS states (the most important source of their income), rising in relation to the growth of the South African economy.

● South Africa trades with 47 African countries, exporting, in 1983, goods worth R1 800 million and importing goods to the value of R400 million.

● Many neighbouring states rely on South Africa for their supplies of fuel and petroleum products. If an effective oil embargo were to be imposed it could mean a sudden and catastrophic cut-off of supplies to at least the BLS countries.

● South Africa provides comprehensive human and animal health services to surrounding countries.

Tutu for sanctions

OSLO — Bishop Desmond Tutu has appealed to the international community to introduce stronger sanctions against South Africa in a bid to change the country's race policies by peaceful means.

He said in a telephone interview with Norwegian radio on Saturday, he was disappointed with the world community's reaction to violence in South Africa.

The Anglican Johannesburg bishop particularly criticised the United States and Britain, saying they had failed to take a decisive economic sanctions bill today.

Bishop Tutu, who was awarded the Nobel Prize in Oslo last year, appealed to Nordic governments to strengthen sanctions against Pretoria. — Sapa-Reuter.

Stroll with Tutu led to sanctions

PARIS. — The Prime Minister of France, Mr Laurent Fabius, said here that a stroll through the streets of Paris with Bishop Desmond Tutu in May inspired a French decision two months later to declare sanctions against South Africa.

During a rare television interview, Mr Fabius said he had been opposed to sanctions but had been convinced of their necessity while walking from the Prime Minister's residence to the National Assembly with Bishop Tutu.

Mr Fabius said Bishop Tutu had not raised the subject of economic sanctions but made a strong impression on him when he said, "A white minister walking with a black bishop without police protection — that's freedom."

France also withdrew its ambassador from Pretoria and sponsored a United Nations Security Council resolution calling for international action against apartheid. — Sapa-Reuter

● France will not stop self-help projects in South Africa or student bursaries. Mr Fabius has announced an increase in France's aid to black South Africans to "express solidarity" with the black community here.

A statement from the French embassy in Pretoria said that France condemned apartheid but supported the black community — "a victim of apartheid" — by setting up an aid and co-operation programme.

The programme, which costs France R1 526 700, will be raised by R381 700 this year and a further R1 100 000 in 1986.

Senate vote might be shelved

Reagan plan to soften sanctions

280

9/9/85
STAR

By Neil Lurssen, The Star Bureau

Washington

The United States Senate might delay its vote on economic sanctions against South Africa until next March or April if President Reagan announces his own sanctions plan today — as is expected.

This was stated at the weekend by Senate Majority Leader Mr Robert Dole as the White House and Congress headed towards a dramatic clash — and what looked like defeat for the President — on the anti-apartheid issue.

The delay, if it can be arranged, will save the Administration from a highly embarrassing upset on a major policy Bill.

The President opposes sanctions, but by announcing his own moderate measures he hopes to keep the conduct of foreign policy in his own hands.

It is expected the President will also announce that US Ambassador Mr Herman Nickel will return to South Africa soon, carrying a personal letter from Mr Reagan to President Botha strongly urging progress on reform.

Senator Dole said: "If the President makes a strong statement and does things that are already in the legislation, we would declare victory all of us."

One voice

"It is much better, from (America's) standpoint, to have Congress and the President working together with one voice on foreign policy."

Senator Dole backs the sanctions Bill.

It is speculated that the President's plan might include:

- A ban on Krugerrand sales in the US — provided the measure is approved by GATT (General Agreement on Tariffs and Trade).
- A ban on new US Government loans to the South African Government, unless they contribute to the welfare of blacks in health, housing and education.
- An end to the supply of US computers to South African Government agencies which use them to administer apartheid.

'US action will hurt millions'

By David Braun,
Political Correspondent

The Government today lamented the pending American Congress vote for sanctions as the start of a process leading to misery and suffering for millions of innocent blacks in the entire region.

The Deputy Minister of Foreign Affairs, Mr Louis Nel, said in a statement released in Pretoria today that it was "quite extraordinary, but sadly true", that Congress was going to vote on sanctions against South Africa without having done any research on their effects and implications.

No objective or scientific detailed investigation of any nature had been done by either the House of Representatives or the Senate to determine the probable result of sanctions on the quality of life of millions of blacks in South Africa and its neighbouring states, he said.

"It would seem that the American Congress is going to vote on an important issue, blindfolded to the real and indisputable consequences of its decision," Mr Nel said.

Mr Nel warned that an American decision to impose sanctions, however mild or limited, would fuel the pro-sanction lobbies in other Western countries.

Sanctions would impede peaceful reform in South Africa. They would result in more unemployment which, in turn, would increase tension and frustration and radicalisation of communities.

The Deputy Minister appealed to Congressmen to consider their moral culpability for the poverty, misery, hunger and even death which their decision could inflict on numerous African people.

The Natal Mercury, 1

Common Market delegation's view on SA relieves British Govt

Apartheid reform set to stall push for sanctions

London Bureau

TO THE relief of the British Government, the powerful drive building up in the Common Market to impose economic sanctions against South Africa has apparently been headed off by the latest developments in the Republic.

A special delegation sent to Pretoria by the EEC is certain to tell Community foreign ministers tomorrow that the South African Government should be given more time to reform apartheid and that EEC sanctions at present would have little effect.

France and Denmark are still likely to press for tough action, but the majority of ministers are expected to follow the lead of Britain and West Germany by deferring a decision.

The three-man EEC delegation was composed of the foreign ministers of Holland, Italy and Luxembourg. Since their return last week, all three have spoken positively of assurances given to them by the Pretoria Government and none has called for sanctions to be applied.

This may not rule out some action by the EEC, though the indications are that it will be largely confined to a strengthening of the existing code of conduct.

Conditions

The code provides for fair working conditions for the black employees of EEC-owned firms operating in South Africa.

Sir Geoffrey Howe, the British Foreign Secretary, is expected to support moves to extend the code, though the Government may oppose attempts to make its provisions binding rather than voluntary as at present.

Britain is by far the largest foreign investor and employer in South Africa, as well as being the country's largest trading partner.

The EEC delegation is expected to argue that financial pressures on South Africa are now such that a community trade embargo would be largely irrelevant.

It is also likely to point out the damage that severe sanctions could have on black workers and on the economics of black African nations.

'Radical changes' to EEC expected

BRUSSELS—West European foreign ministers formally open a series of meetings today to consider the most radical changes in the Common Market since its birth a generation ago.

Foreign ministers of the 10 nations of the European Economic Community plus their Spanish and Portuguese counterparts will attend the meeting in Luxembourg.

Spain and Portugal will be represented because they are scheduled to become EEC members at the beginning of next year.

The ministers will be studying major revisions in the 1957 Treaty of Rome that is the EEC's main charter, aiming to broaden the EEC's voice in the world, to help it operate more fluidly, to transform it into a political as well as economic union.

Approved

The idea has been kicked around European capitals for years, but the EEC's leaders always appeared too preoccupied with other problems to do more than talk about the possibility of seeking political union.

The process of revising the Treaty of Rome is expected to be long. Any amendments have to be approved by all the member nations.

No formal proposals are expected to be tabled before the middle of October and all that is expected from today's meeting is agreement on when the ministers should meet again. — (Sapa-AP)

Reagan bans S. African trade

WASHINGTON—President Reagan yesterday ordered selective economic sanctions against South Africa and immediately won a year-long delay of action planned by the Republican-led Senate.

But in Pretoria, President Botha immediately issued a statement regretting the action, saying sanctions would not solve South Africa's problems.

The British Government quickly made it clear it would continue to oppose sanctions.

Mr Reagan, who signed an executive order which implemented his sanctions immediately, banned all exports of computers to the South African Police and security forces and to other arms of the Government enforcing apartheid.

He forbade the export of nuclear technology except when material would be required to oversee nuclear non-proliferation or for humanitarian purposes.

He banned loans to the South African Government except when needed to improve the economic circumstances, health and education of all races.

He intended consulting United States allies on possible banning of US imports of Krugerrands.

Party leaders said the Republican-led Senate was prepared to drop a move of its own on sanctions because of the President's action.

Veto

Aides told reporters final action on a congressional sanctions Bill could be postponed for a year.

Mr Reagan said that if Congress sent him the sanctions Bill it was debating, 'I would have to veto it'.

Other White House measures outlined briefly by Mr Reagan included a ban on United States Government export assistance to any US company employing more than 25 people in South Africa which did not adhere to what the US considered fair and non-discriminatory employment practices.

Mr Reagan urged all US corporations to abide by the terms of the Sullivan Code, a set of non-discriminatory hiring and promotion practices laid down by a black clergyman and civil rights leader, the Rev Leon Sullivan.

Asked what steps would be necessary for him to consider lifting the sanctions, Mr Reagan said the South African Government must begin negotiations with moderate black leaders for moves leading to participation in government by the black majority, culminating as soon as possible in the end of apartheid.



President Reagan ... no computers for police or SADF

Letter

'We will have to wait and see whether the steps are taken in a forthright manner,' he said.

Mr Reagan said he was sending ambassador Herman Nickel, withdrawn from Pretoria three months ago in protest against a South African raid into Botswana, with a personal letter to President Botha.

He said that in the letter he had assured Mr Botha of the US desire to be of help.

He was sending South Africa the same kind of message he had sent previously, which he described as persuasion, but was also indicating

Pretoria, Mr Botha said yesterday he regretted Mr Reagan's decision. He said it was ironical that the move had come at a time when the Government was actively pursuing its reform programme.

'Sanctions cannot solve our problems,' Mr Botha said, adding that Mr Reagan's decision had obviously been influenced by events in Congress

'Co-operation should not be based on coercion. Such actions diminish the ability of the US to influence events in southern Africa.'

Although Mr Reagan's executive order was 'less harmful' than legislation proposed by Congress, 'it is nonetheless to be regretted'.

Another aspect of the action which would not escape world attention, Mr Botha said, was the fact that 'the tendency of the US Congress to intrude in the field of foreign policy contains serious implications for the whole of the southern African region'.

'Leaders in southern Africa will surely reassess the situation in the light of the US Congress's latest intrusion in the field of foreign policy.'

Our London Bureau reports that Britain will continue to oppose sanctions and that this was made clear yesterday by a spokesman for Prime Minister Thatcher.

Revulsion

Commenting on the Reagan move, a Downing Street spokesman said the measures had been noted but did not affect British policy toward South Africa.

'We understand the intention to dissociate the US from apartheid without damaging the South African economy,' he said.

'We have a revulsion of apartheid which we have made clear, but we don't see the need for compulsory sanctions.'

In Johannesburg, Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said the American move set an unfor-

● TURN TO PAGE 2

● FROM PAGE 1

tunate precedent although the measures were milder than those contemplated by Congress

'The presidential decision is in stark contrast to the views expressed by the EEC foreign ministers who visited South Africa recently, that economic sanctions would do more harm than good to the reform process.

'Organised commerce believes that President Reagan's decision stems more from political pressures in the US than from serious defects in the policy of constructive engagement.

'A presidential order of this nature at least has the advantage of flexibility,' Mr Parsons said — (Sapa-Reuter)

What Reagan's decision will mean to SA

The Star Bureau

WASHINGTON — These are the anti-apartheid measures announced by President Reagan as an executive order:

- A ban from October 11 on the export of nuclear goods or technology to South Africa except where they are needed to implement nuclear proliferation safeguards of the International Atomic Energy Agency or to protect health and safety.
- A prohibition on US loans to the South African Government except those that improve economic opportunities or educational, housing and health facilities open to South Africans of all races. This comes into effect on November 11.
- A ban, from October 11, on the sale of computers and computer technology to SA Government agencies that enforce apartheid.
- A possible ban on the importation of Krugerrands depending on the legality of the step in terms of the General Agreement on Tariffs and Trade.
- A directive that the US Treasury report on the feasibility of a one-ounce American gold coin to be minted as an alternative to the Krugerrand.
- A ban, effective from October 11, on the importation into the US of any military goods manufactured in South Africa.
- A ban on export assistance to any US company employing more than 25 people in South Africa but failing to adhere to the Sullivan Code by the end of this year.
- Creation of an advisory committee of "distinguished Americans" to report within 12 months on recommendations to encourage peaceful change in South Africa.
- An increase of $8 million in scholarship funds for black South Africans and an extra $1,5 million to support human rights programmes, one-third to be used for legal assistance.
- A directive that US agencies in SA buy more goods and services from black-owned businesses.

CAPE Times 10/9/85

280

UK Govt still against sanctions

LONDON. — Britain yesterday reaffirmed its opposition to economic sanctions against South Africa and said it was ready to stand alone on the issue

A Foreign Office spokesman said President Reagan's decision to opt for limited sanctions would not change British policy

"We have made our views quite clear. We have taken steps we think necessary .. and we have spoken bluntly when necessary directly to the South African Government," the spokesman said

"We don't think that it makes sense to add compulsory sanctions to that," he said

Arms sales

The spokesman said Britain was already banning arms sales to and discouraging sporting links with Pretoria

Official sources say national interests are at stake, including the welfare of 100 000 Britons living in South Africa

Opposition to further sanctions also derives from a belief that by themselves such measures would not force South Africa to abandon apartheid

The government of Prime Minister Margaret Thatcher has stood firm against sanctions in the face of growing pressure at home from opposition parties and the powerful trade unions

Loudest

Officials say that a freeze on bilateral trade would throw 150 000 to 200 000 Britons out of a job at a time when unemployment already stands at a record 3,25 million.

The sources said there was a clear pattern over sanctions Nations with minimal economic involvement were the ones which clamoured most loudly for them

They said Britain remained convinced that sanctions would have an adverse effect on neighbouring states and the black majority inside South Africa — Sapa-Reuter

ANC presses the EEC to impose sanctions on SA

280

STAR 10/9/85

The Star's Foreign News Service

LUXEMBOURG — An African National Congress delegation met senior European Economic Community officials yesterday for the first time to try to persuade them to impose sanctions on South Africa.

The EEC also met Organisation of African Unity and Caribbean and Pacific delegations, who were making the same plea.

Today the ANC delegation will meet Mr Jacques Poos, the Foreign Minister of Luxembourg, which holds the EEC presidency, and Mr Willy de Clerq, the EEC commissioner for external affairs and trade.

Yesterday's meeting took place as the EEC Council of Ministers met to try to thrash out a policy on South Africa.

The EEC troika of Foreign Ministers, which visited South Africa on a fact-finding mission recently, ignored calls to travel to Lusaka to meet ANC leader Mr Oliver Tambo.

The meeting today will fuel pressure for British Prime Minister Mrs Margaret Thatcher to meet Mr Tambo when he visits Britain for the Labour Party congress later this year.

Britain has consistently refused any such meeting — because the ANC is trying to overthrow, by violent means, a country with whom Britain has diplomatic relations.

But opponents point out Britain has talked to Swapo and Unita. They say if South African businessmen and the EEC are prepared to meet the ANC, there is little reason for Britain not to.

Weekend statements by Mr Malcolm Rifkind, Britain's South Africa expert, identifying Nelson Mandela as one of the most important leaders in South Africa and the ANC as one of the most important groups, will add to this pressure.

The EEC also met the Anti-Apartheid Movement yesterday, after 12 AAM branches from eight EEC countries met in Brussels on Sunday. They called on the EEC to impose sanctions, implement United Nations Resolution 435 for Namibian independence, and consult the ANC as the "legitimate representative of the people of South Africa".

● See Page 17.

Measures aimed at 'the machinery' of apart

US IMPOSE SANCTIONS

10/9/85 Sowetan

280

WASHINGTON — President Ronald Reagan yesterday ordered selective economic sanctions against South Africa aimed at "the machinery" of its apartheid system.

By Sapa-Reuter

He banned all exports of computers to the South African Police and security forces and to other arms of the Government that enforce apartheid.

He forbade the export of nuclear technology except when material would be required to oversee nuclear non-proliferation or for humanitarian purposes.

He banned loans to the South African Government except when needed to improve the economic circumstances, health and education of all races.

He said he would consult US allies on possible banning of US imports of Krugerrands, South Africa's gold coins.

Mr Reagan called a White House news conference to announce his actions.

Before television cameras he signed an executive order putting the measures into immediate effect.

Party leaders said the Republican-led Senate was prepared to drop a move of its own on sanctions because of the president's action.

Aides told reporters final action on a Congressional Sanctions Bill could now be postponed for a year.

Other White House measures outlined briefly by Mr Reagan included a ban on US Government export assistance to any US company employing more than 25 people in South Africa which did not adhere to what the United States considered fair and non-discriminatory employment practices.

Mr Reagan urged all US corporations to abide by the terms of the so-called Sullivan Code, a set of non-discrimnatory hiring and promotion practices laid down by black US clergyman and civil rights leader, the Rev Leon Sullivan.

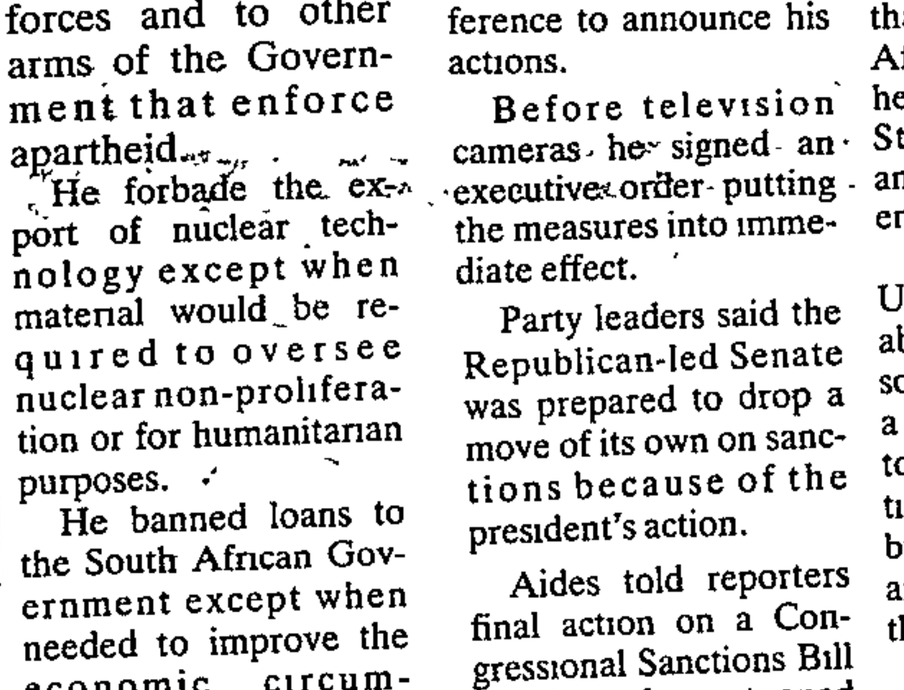
Steps

Asked what steps would be necessary for him to consider lifting the sanctions, Mr Reagan said the South African Government must begin negotiations with moderate black leaders for moves leading to participation in government by the black majority, culminating as soon as possible in the end of apartheid.

Mr Reagan said he was sending US Ambassador Mr Herman Nickel — withdrawn from Pretoria three months ago in protest against a South African raid into Botswana — with a personal letter to the State President, Mr P W Botha.

He said that in the letter he had assured Mr Botha of the US desire to be helpful.

Meanwhile Britain yesterday reaffirmed its opposition to economic sanctions against South Africa and said it was ready to stand alone on the issue even if President Reagan imposed measures against Pretoria.



CONGRESSMAN William Gray (right), is congratulated by Mr Howard Wolpe after the American House of Representatives last week approved economic sanctions against South

'Canute' Reagan and the Congress sanctions charade

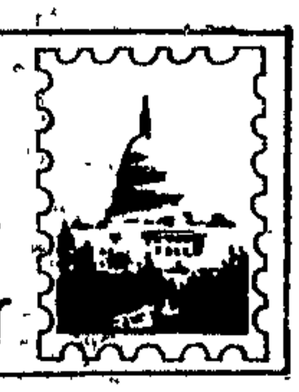
280 10/9/85 Mercury

BY THE END of last week it was largely immaterial whether the Senate formally signed off on the compromise sanctions Bill endorsed by the House of Representatives last July. American policy towards South Africa is no longer being made in Washington by the White House or the Congress: the banks are calling the shots.

Of course, Washington still acts as though it is in control. Being in control is its *raison d'etre* after all. Answering blindly to that imperative, Congress and the administration continue to play out what frankly has become the farce of the U S Government's attempts to alter the course of history in South Africa.

Washington Letter

Simon Barber



With a month of games to go, the Baltimore Orioles, Washington's favourite baseball team, are utterly out of contention for the championship this year but nonetheless have to finish their season. The only thing this once-great team can salvage now is pride.

So it is with the contest between the Reagan Administration and its congressional opponents, with regard to South Africa at least.

Consider the sanctions Bill, that product of almost three years' agonising. With apologies to Mr Louis Nel, who last week wasted considerable breath in its denunciation, today it is absolutely meaningless.

So it bans U S bank lending to the S A Government: To all intents there is none, and U S banks intend to keep it that way. Nor is there any nuclear commerce. Under existing regulations U S computer sales to the South African Government are already restricted, and were going to become more so whether or not the Congress acted. IBM officials actually helped draft that section of the current legislation.

As for Krugerrands, the only transactions that can be detected in the U S are from existing stocks. There have been no imports for months. The Chamber of Mines should be grateful to be spared the cost of minting the things.

The legislation has been overtaken by events. Canute-like, however, the administration refuses to countenance it anyway and brandishes a presidential veto as though this might somehow intimidate the waves. Congress resolutely refuses to be intimidated, and if the President insists on playing that game there are more than enough votes for the two-thirds majority needed to override him.

This is where the fight gets really silly. In order to beat back Congress the White House is now considering imposing sanctions almost identical to those in the Bill by executive order. It's as though Canute, having failed to drive back the tide and finding himself up to his neck in water, turned round and said: 'Actually, this is what I asked the sea to do.'

Well, that's one way of saving face.

Other options under consideration by the White House as it tries to salvage its prerogatives from Congress by co-opting the congressional position are perhaps still more laughable. They include naming a special envoy to visit South African — former majority leader Howard Baker and Edward Brooke, the former black Republican senator from Massachussets have been mentioned as possible candidates — who would draw up a list of recommendations. The job could also be handed to a presidential commission, similar to that empanelled under Henry Kissinger to develop a bipartisan approach to Central America. In other words, anything rather than letting Congress win.

Capitol Hill is not about to be bought off. The Senate began final deliberation on the Bill last night, and majority leader Robert Dole is predicting an 80 to 20 margin in its favour. He, Foreign Relations Committee chairman Richard Lugar and Roth are not the only Republican heavyweights pleading with the administration to go down gracefully, arguing that a veto cannot be sustained and that, besides, the Republicans have enough on their plate for next year's midterm elections without the additional burden of being seen pandering to Pretoria.

For its part, the White House is determined to vindicate itself at any cost, and even though whoever 'wins', the practical outcome will be identical.

I predict that it will not be long before some administration spokesman explains that 'constructive engagement' never ruled out economic sanctions as a tool 'of our overall purpose of staying involved with Pretoria'.

It will be entertaining, as Washington politics always are. The real debate — over whether to turn the life-support system off — will be going on in the boardrooms of Chase Manhattan *et al.*

CAPE TIMES 10/9/85 280

Mixed feelings on sanctions

THE limited sanctions announced by President Ronald Reagan received a mixed South African reception yesterday.

Bishop Desmond Tutu said President Reagan was "bending over backwards" to save the South African Government from the consequences of its own actions.

He said hundreds of blacks had been shot to death by police in anti-apartheid rioting but the White House reacted with equanimity.

"If Mr Reagan were my president I would be very ashamed of him," the 1984 Nobel Peace Prize-winner said.

An Azanian People's Organization spokesman said: "This is a face-saving and time-buying device designed to stave off the ever-increasing clamour by black people for national self-determination."

Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said the selective sanctions set an "unfortunate precedent".

"Organized commerce believes that President Reagan's decision stems more from political pressures in the US than from serious defects in constructive engagement," he said.

Ms Ellen Khuzwayo, president of the Soweto-based Black Consumers' Association, said she supported Mr Reagan's announcement.

"One is fully aware of what sanctions are going to cost all of us in this country, but I fully support them," the black civic leader said.

Professor Carel Nofke, professor of American Studies at the Rand Afrikaans University and one-time senior Foreign Ministry official, said that instead of knifing South Africa in the back, as Congress intended, President Reagan had reluctantly cut off a finger.

The leader of the Herstigte Nasionale Party, Mr Jaap Marais, said the sanctions would have a sobering effect on South Africans.

"The simple fact is that there has been a consistent effort to make things difficult for South Africa with a view to changing our internal policy."

The general secretary of the Council of Unions of SA (Cusa), Mr Phiroshaw Camay, said his organization hoped "that President Reagan will now follow a policy of constructive disengagment from South Africa".

— Sapa, UPI and Own Correspondent

'Congress influenced sanctions decision'

President Botha said yesterday that he "regretted" President Reagan's decision to impose limited sanctions against South Africa.

He added that it was ironical that the move came at a time when the Government was actively pursuing its reform programme.

"Sanctions cannot solve our problems," Mr Botha said in a statement in Pretoria.

He said President Reagan's decision was "clearly influenced" by events in the US Congress, which had been preparing for sanctions legislation

"Co-operation should not be based on coercion," said Mr Botha "Such actions diminish the ability of the United States to influence events in Southern Africa"

IMPLICATIONS

He added that though Mr Reagan's executive order was "less harmful" than the legislation proposed by Congress, "it is none the less to be regretted".

Mr Botha also noted: "The tendency of Congress to intrude on the field of foreign policy contains serious implications for the whole of the Southern African region."

He said US Ambassador Mr Herman Nickel, who was recalled three months ago, would be returning to South Africa and bringing him a "personal message" from Mr Reagan.

He said he would wait until he had studied the contents before commenting.

Referring to the lobby for sanctions in Congress, Mr Botha said the Government noted that no attempt had been made to analyse the harmful effects punitive economic measures would have on the people of Southern Africa.

"None of the protagonists of sanctions have indicated what responsibility they will assume for those who will suffer," he said.

"We are obliged to conclude that Congress's pressures are mounted in disregard of the welfare and interests of our region."

Mr Botha said it was "ironical" that sanctions were coming at a time when the Government had declared its rejection of racial discrimination, injustice or inequality, political domination by any community over another, and the exclusion of any community from political decision-making.

"Despite outside pressures, the South African Government will actively pursue its programme of reform," Mr Botha concluded. "We remain committed to negotiation with all leaders who renounce violence."

In Cape Town, the Progressive Federal Party spokesman on foreign affairs, Mr Colin Eglin, said the Government had tragically squandered the borrowed time given to it by the Reagan Administration

He said that President Botha now had to act quickly because time was running out for South Africa.

"President Botha, through his disastrous Durban speech and his Government's repressive handling of the emergency situation, has succeeded in pulling the rug out from under President Reagan and his policy of consutructive engagement.

"Recent events inside South Africa, combined with Mr Botha's failure to deal with fundamental reform, have discredited constructive engagement and made some form of US presidential action inevitable

"While Mr Reagan's manner remains mild, the decisions he has announced are tough.

"Surely this latest move l President Reagan will dri home to Mr Botha and his cc leagues that only by the swi dismantling of apartheid ai the negotiation of a new deal, which all citizens of our counti can participate, is there ai prospect of us living in peace home, and with respect abroad

"Mr Botha must act, and a now. Time is running out — ar fast."

Bishop Desmond Tutu sa President Reagan was "bendi over backwards to save tl South African Government fro the consequences of its own a tions"

He said: "If he (Reagan) wei my President . I would l very ashamed of him. If he supporting a racist polic doesn't that make him a racist'

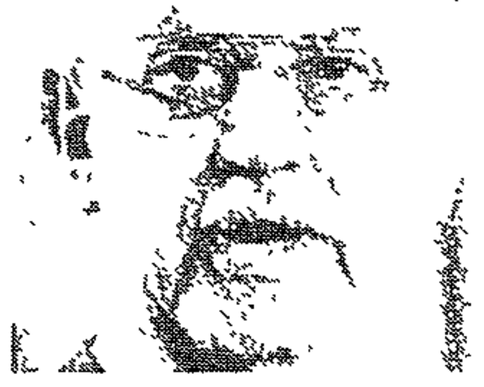
Bishop Tutu maintained th the Government was thrilled Mr Reagan's limited measure "They are laughing all the wa to wherever they are going."

Mr Raymond Parsons, chi executive of the Association Chambers of Commerce (Ass com), said in Johannesburg tha President Reagan's selectiv sanctions set an "unfortunat precedent".

"Although the measures ai nounced are milder than thos contemplated by the legislatic currently before Congress, tl fact remains that they set an u fortunate precedent.

"The presidential decision in stark contrast to the view expressed by the EEC Foreig Ministers, who visited Sout Africa recently on a fact-findir mission, that economic san tions would do more harm tha good to the reform process.

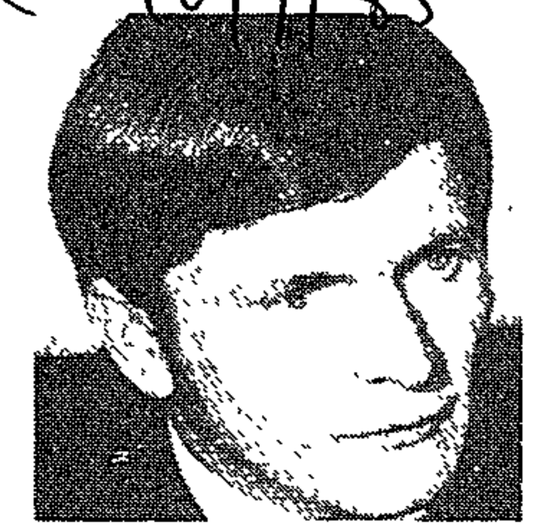
"Organised commerce b lieves that President Reagan decision stems more from polit cal pressures in the US tha from serious defects in the pol cy of constructive engagement — Sapa-Associated Press.



Mr P W Botha: Sanctions cannot solve our problems.



Mr Colin Eglin: Govt has squandered borrowed time.



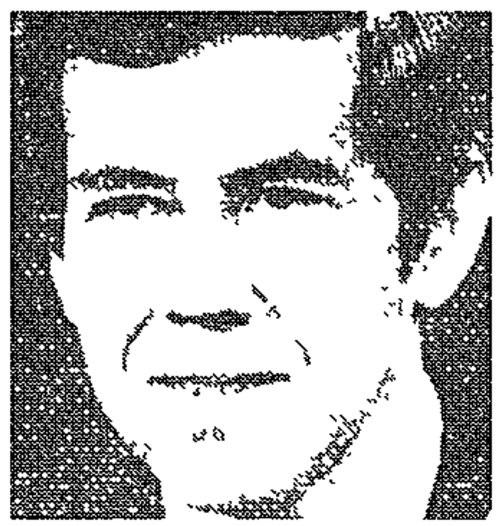
Mr Raymond Parsons: Sanctions set an unfortunate precedent.



The Rev Jerry Falwell: Spineless congress, biased media.



The Rev Jesse Jackson: An attempt to appease Mr Botha.



Senator Richard Lugar: The President has spoken for us.

Reagan fails to appease either left or right wing

By Neil Lurssen, The Star Bureau

WASHINGTON — By announcing his own sanctions package, President Ronald Reagan seems to have avoided a damaging clash with the US Congress, but his move has done little to stifle the heated debate here over South Africa.

Some of the strongest criticisms of the Reagan plan have come from the American right wing, a leading member of which yesterday called for Dr Chester Crocker, US Assistant Secretary of State for Africa, to be fired.

On the left, anti-apartheid activists and liberal congressmen dismissed the President's announcement as too trifling to bother the South African Government or help blacks throw off apartheid.

Denouncing the sanctions, Mr Howard Phillips, head of the Conservative Caucus, said yesterday's announcement was not because of "evil intent" on the part of President Reagan but because the President had failed to do his homework and had relied too much on the bad advice he had received from Dr Crocker and Secretary of State Mr George Shultz.

Mr Phillips said most Americans would support the sanctions because they had been presented as a referendum on apartheid which nobody liked, including the right wing.

But attitudes would shift when Americans realised that Southern Africa was in danger of being pushed into the control of the Soviet Union and when they saw the choice was not between a government of President Botha and Chief Buthelezi or Bishop Tutu but between a Botha government and one of Oliver Tambo.

The Rev Jerry Falwell, a prominent conservative evangelist, said it was despicable that "President Reagan should be forced by a spineless Congress and a biased media into slapping the wrists of such a good friend as South Africa".

But he added that the sanctions were relatively mild and painless under the circumstances.

One of South Africa's most vocal critics, the Rev Jesse Jackson, said the President's sanctions plan was aimed more at stopping the anti-apartheid protest in the US than at ending apartheid. And they were an attempt to appease President Botha, he charged.

Mr Jackson said the Reagan measures were riddled with loopholes for the South African Government and that President Reagan was trying to confuse the American public with them.

In Congress, the sanctions were welcomed by the Republican leadership which noted that they were similar to the measures in the Bill that was to have been sent to the President for signing.

Republican Senator Richard Lugar said: "The South African Government and the world must know that Americans speak with one voice. The President has spoken for us."

But Democrats and liberals accused Mr Reagan of being too soft on the South African Government.

The Speaker of the House of Representatives, Mr Tip O'Neill, a liberal Democrat, said: "This package will play (win approval) in Pretoria. It will be seen for what it is by the people suffering under the yoke of that government." The President's plan was a clever political move that would sidetrack tougher sanctions, the House Speaker said.

One of the chief sponsors of harsher sanctions, Democratic congressman Mr William Gray, said the White House plan was an ill-advised attempt to circumvent the overwhelming consensus in Congress. The President should have signed the sanctions Bill demanded by Congress, he added.

Senator Edward Kennedy, whose own sanctions plan was rejected earlier this year by Congress, said the President's move was well-intentioned but ill-advised.

Congressman Mr Howard Wolpe, chairman of the House Africa Sub-Committee and a leading figure in the anti-apartheid effort, accused President Reagan of helping to support South Africa's "repressive white minority regime by removing the stiffest sanctions".

(280) Star 10/9/85

Embattled Thatcher stands by her policy despite Reagan move

The Star Bureau

LONDON — In Fleet Street, President Reagan's limited economic sanctions are seen more as a political signal to South Africa than punitive measures designed to bring Pretoria to heel.

The President's decision leaves Britain standing almost alone in its opposition to any form of sanctions but Home Office and Whitehall sources yesterday reaffirmed this policy.

The *Financial Times* said that for Britain to continue to assert that sanctions were futile "risks sending a contrary signal of blanket support for the Botha Government and would be doubly paradoxical in the light of Mrs Thatcher's publicised ban on any Bank of England help for the South African Reserve Bank.

"The choice facing Western governments is not between sanctions and no sanctions but whether to send an unmistakeable political message to Pretoria that change, long overdue, is now urgent and unavoidable."

The Guardian said that, one day, Britain would be talking to the leaders of the majority black community when they were enfranchised in government — and most of them welcomed sanctions.

"It is no longer credible for Britain to declaim against apartheid from on high while remaining one of the few countries not doing anything about it in practice."

The Times urged strongly against sanctions. Anticipating a round of Pommie-bashing at the forthcoming Commonwealth conference, the newspaper said:

"The Commonwealth, certainly its African section, is no advertisment for democracy or economic efficiency. When its leaders want to hasten the collapse of South Africa into the sort of ruin, anarchy and despotism which so many of them have imposed on their own people, their advice should be treated with the cynicism it deserves."

The *Daily Telegraph* said Mr Reagan had probably started something he would be unable to stop and, sooner or later, he would have to agree to tougher sanctions.

The leaders of Britain's three main opposition parties all criticised Mrs Thatcher's stand on sanctions.

Labour leader Mr Neil Kinnock said yesterday: "President Reagan's announcement, while it may not go as far as it should, shows that he is willing to start using the pressure of economic sanctions. It is therefore welcome.

"It does, however, put Mrs Thatcher on the spot. She had followed the President in his policy of constructive engagement. That has proved fruitless. She should now follow the approach of economic sanctions which, as the President acknowledged, and we have long said, are the way to assist in bringing peaceful change to South Africa."

Liberal leader Mr David Steel said: "It is shameful that, at a time when the latest poll among blacks shows that three-quarters of them are in favour of sanctions, our Prime Minister stands alone in a posture of indifference to the plight of those suffering from apartheid"

Social Democrat leader Dr David Owen predicted that, eventually, Britain would be forced to join the worldwide move towards sanctions. President Reagan had "pulled the rug from under Mrs Thatcher", he added.

EEC may decide on sanctions today

The Star's Foreign News Service

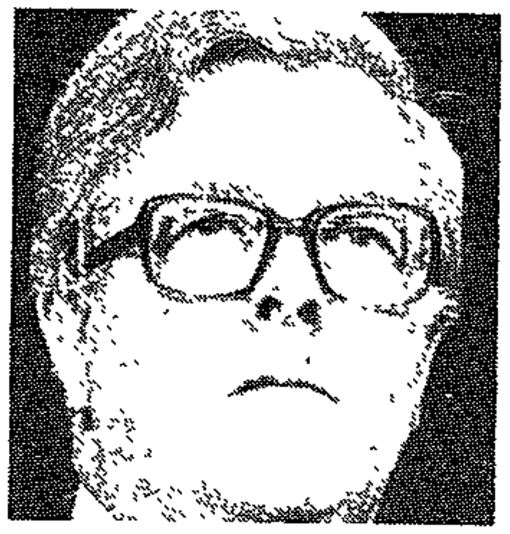
LUXEMBOURG — The EEC, split wide apart on sanctions against South Africa, will today author a ringing indictment of apartheid — and may opt for measures like those announced by President Reagan.

But mandatory sanctions are out. The wide belief is that the EEC will toughen its Code of Conduct for firms doing business in South Africa — although President Reagan's announcement may lead them to a similar stance.

The Community is going to be split, with France leading calls for sanctions and looking for support from Denmark, the Netherlands and Ireland.

Britain, West Germany and Belgium oppose sanctions — all have large South African business interests.

The 10 EEC Foreign Ministers, with Spain and Portugal as observers, will have President Reagan's proposals and the report of the EEC "Troika" of Foreign Ministers who visited South Africa last month, on the table when they discuss South Africa today.



Sir Geoffrey Howe: Not much different from what we are doing.

British Foreign Secretary Sir Geoffrey Howe, who appeared at the meeting before heading for Nigeria, said Britain opposed sanctions but the Reagan proposals were not much different from what Britain was already doing.

"There is no doubt of our government's revulsion for apartheid," he said. "We are making a careful study of President Reagan's proposals.

DEBATE

"Their purpose is not to damage the South African economy but to dissuade them from apartheid."

Irish Foreign Minister Peter Barry said: "We will act with the 10. We want to do anything we can to end that horrible system."



Mr Giulio Andreotti: Waiting to report to Italian Parliament.

French Foreign Minister Roland Dumas said; "France will stick to its position."

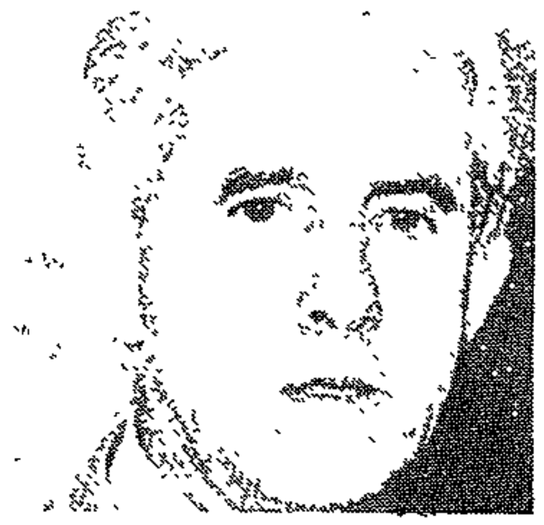
Italian Foreign Minister Giulio Andreotti, who was one of the "Troika" who visited South Africa, is due to report to the Italian Parliament on Thursday and would say nothing.

A surprising conversion to South Africa's cause was Mr Willy de Clerq, the EEC Commissioner for External Relations and Trade, who accompanied the three Foreign Ministers from Luxembourg, Italy and the Netherlands on their South African visit last month.

He is said to have started out a hard-liner, but is now stunned by the complexity of South Africa's problems — so much so that he now points out that South Africa is a country of minorities, both black and white, with an array of leaders representing the entire political sepectrum.

Dr Jacques Poos, the Luxembourg Foreign Minister and, because his country presently holds the rotating EEC presidency, the chairman of the Council of Ministers and the leader of the "Troika" delegation, also surprised the community by coming back from South Africa and declaring that sanctions were "of second-rate importance" compared to domestic and international market pressures.

But he warned that if violence continued and there was no political reform "then we won't be able to avoid talking about sanctions".



Dr Jacques Poos: Sanctions are of second-rate importance.

Most analysts predict words rather than actions and say that France will go along with this — protesting all the way that she had tried for something stronger.

CYNICISM

There is some cynicism surrounding the French. People here say they have no right to pretend morality — especially since they have just sunk an EEC-registered vessel, Greenpeace's Rainbow Warrior.

There was some speculation that France would "go it alone" irrespective of what the rest of the 10 do.

Ultimately, however, the EEC is talking business. Countries opting for the tough stance have little trade and investment. Opponents, like the UK and West Germany have massive trade and every intention of staying.

In Germany, for example, an academic study has concluded that 700 000 jobs would be lost if chrome supplies from South Africa were cut for two years.

Belgium imports R3 billion of diamonds for cutting in Antwerp. The city would probably collapse if they were withdrawn.

France, Denmark and the Netherlands have already banned all new investment. The Netherlands, Denmark and Ireland have blocked export credits.

But even those options will not find favour today.

Instead, Britain will remind the community of everything she already does — the arms embargo, a ban on sales of sensitive computers, no nuclear co-operation, the sports boycott and the EEC Code

That, she will argue, is enough to make her revulsion clear. And it looks like she might win the day

P W Botha 'regrets' limited US sanctions

PRETORIA. — President P. W Botha said yesterday he "regretted" the United States President's decision to impose limited sanctions against South Africa.

He said it was ironical that the move came at a time when the government was actively pursuing reform.

"Sanctions cannot solve our problems," Mr Botha said here in a statement

He said President Ronald Reagan's decision was "clearly influenced" by events in Congress, which had been attempting to pass sanctions legislation

"Co-operation should not be based on coercion," Mr Botha said. "Such actions diminish the ability of the United States to influence events in Southern Africa"

Although Mr Reagan's executive order was "less harmful" than legislation proposed by Congress, "it is nonetheless to be regretted".

Another aspect of the action which would not escape world attention, Mr Botha said, was the fact that "the tendency of the US Congress to intrude on the field of foreign policy contains serious implications for the whole of the Southern African region".

"Leaders in Southern Africa will surely reassess the situation in the light of the US Congress's latest intrusion in the field of foreign policy."

Mr Botha said the US Ambassador to South Africa, Mr Herman Nickel, who was recalled to America three months ago, would be bringing him a "personal message" from Mr Reagan

He said he would withhold further comment until he had the chance to study the message.

Referring to the lobby for sanctions, Mr Botha said the government noted that no attempt had been made to analyse the harmful effects punitive measures would have on the people of Southern Africa

"None of the protagonists of sanctions have indicated what responsibility they will assume for those who will suffer," Mr Botha added

"We are obliged to conclude that their (Congress's) pressures are mounted in disregard of the welfare and interests of our region"

Mr Botha said it was "ironical" that sanctions were coming at a time when the government had declared its rejection of racial discrimination, injustice or inequality, political domination by any community over another, the exclusion of any community from political decision-making

"Despite outside pressures, the South African Government will actively pursue its programme of reform," Mr Botha said. "We remain committed to negotiation with all leaders who renounce violence.

'Confident'

"Our objective remains political participation of all communities up to the highest constitutional level. We remain committed to the principle of co-responsibility for decisions on matters of national and common concern

"We will not be coerced by those who seek to seize and monopolize power," Mr Botha said, adding: "We remain confident in our ability to pursue our reform policies ... we have faith in our future" — Sapa

Reagan signs

Order for SA sanctions

Cape Times 280 10/9/85

From SIMON BARBER

WASHINGTON. — Warning that "the American people can get impatient", President Ronald Reagan yesterday ordered a series of limited sanctions against Pretoria and at the same time sent Ambassador Herman Nickel back to his post carrying a personal message for President P W Botha.

The sanctions were imposed under emergency powers the President invoked on the grounds "of the threat posed to United States interests by recent events in South Africa".

The sanctions are:

● A ban on future US bank loans to the South African Government and its entities, except where the proceeds are to be used for educational, housing or health facilities available to all people on a non-discriminatory basis.

● A ban on all computer and software sales to the security and apartheid-enforcing agencies of the government, including Armscor and the CSIR.

● Near total restrictions on the sale of transfer of nuclear-related technology, unless such transfers are part of International Atomic Energy Agency programmes or are deemed "necessary for humanitarian reasons to protect public health and safety".

● The termination of Kruger rand imports if this is permissible under the General Agreement on Trade and Tariffs, under whose terms the US might be liable to pay South Africa substantial damages.

In addition, US firms that do not abide by the Sullivan Code will be denied export assistance from the US Government, educational and human-rights funds for black South Africans will be increased and the US Treasury will investigate the feasibility of minting an American gold coin comparable to the Kruger rand.

Finally, the State Department will establish an "advisory committee on South Africa" to recommend further steps.

The limited sanctions were part of a sucessful last-ditch bid by the Reagan Administration yesterday to head off the passing of a congressional sanctions bill in the Senate last night.

The Senate later decided in a 53-to-34 vote to postpone action on the bill after Mr Reagan co-opted most of the legislation's measures and signed them into effect as an executive order in a ceremony televised nationwide.

Democrats accused the Senate of abrogating its responsibility and promised they would try again later to force a Senate vote on the bill.

But Senate majority leader Mr Robert Dole said Mr Reagan's sanctions embodied most of what Congress included in the bill.

Earlier, Mr Reagan said his policy remained one of "active, constructive engagement", but the move nonetheless represented an extraordinary admission that the policy had failed.

"I am signing an order that will put in place a set of measures designed and aimed against the machinery of apartheid, without indiscriminately punishing the people who are the victims of the system — measures that will dissociate the US from apartheid, but associate us positively with peaceful change," Mr Reagan said.



President Ronald Reagan

'That speech'

Asked why the administration had changed tack, Secretary of State Mr George Shultz specifically singled out Mr Botha's speech at the Natal National Party congress last month. Though there many factors, he said, the situation might be different if "Mr Botha hadn't given that speech".

Mr Shultz also said he did not believe South Africa would retaliate by denying the US strategic materials.

"Right now, they're looking for all the foreign exchange they can get," he said.

The executive order mirrored the bill in virtually all respects, save Congress's stipulation that tougher sanctions be considered after 12 months.

Mr Reagan said the letter the ambassador was carrying assured Mr Botha "of our desire to be of help in the further progress we hope you intend to make", but at the same time "underlined our grave view of the current crisis, and our assessment of what is needed to restore confidence abroad and move from confrontation to negotiation at home"

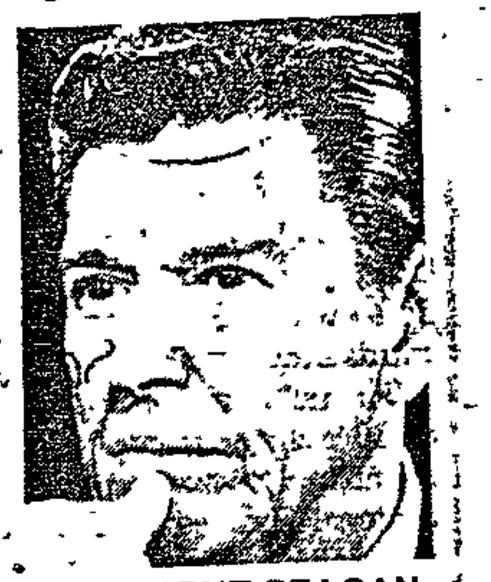
● Reaction, page 4

ROMENS
WINTER SELL-OUT
LAST 5 DAYS
LESS 50%
ON ALL SPORTSCOATS, KNITWEAR, WINDBREAKERS, TROUSERS AND JEANS, SHIRTS, BELTS, SOCKS, TIES, LEATHER AND SUEDE JACKETS, ECSAINE JACKETS, OVERCOATS AND RAINCOATS

BUSINESS BRIEF

Gold (close)	$320,50
Rand	$0,40
FT index (close)	1020,50
BD	1050,80
Dow Jones	1 339,27

REAGAN DUE TO ACT ON SA



PRESIDENT REAGAN

WASHINGTON — President Ronald Reagan, faced with overwhelming pressure from Congress, was expected to announce limited economic sanctions against South Africa late yesterday, including a proposal to ban the sale of gold Krugerrands, congressional sources said.

These sources also said Mr Reagan would announce a ban on most new bank loans to the South African Government, order a halt to the shipment of nuclear technology and stop large-scale sales of computer equipment used to enforce South Africa's racially discriminatory apartheid laws.

"Basically, he (Reagan) will enact 99 percent of the Bill by executive order," the source said.

Sen Bob Dole, Republican Party leader in the Senate, plans to try and pull the Bill from the Senate schedule, thus postponing or possibly averting entirely a final vote, the source said.

Republican Richard Lugar of Indiana, chairman of the Senate foreign relations committee, concurred, he added.

Sen Dole told television interviewers at the weekend that if Mr Reagan announced plans to enact sanctions he would postpone a vote on the Bill until next March or April.

'Then if the administration doesn't follow through on what they suggest, then we'd vote on the conference report," he said.

The Bill would impose a ban on the sale of US computers worth about R255 000 or more to South African agencies that administer apartheid, and the sale of nuclear technology or equipment, unless South Africa signs the non-proliferation treaty, and most new bank loans to the South African Government.

Also, it would ban the import of Krugerrands.

Unlike the Bill, Mr Reagan intends to ask the 90-nation General Agreement on Tariffs and Trade, which is based in Geneva, and oversees world trade issues, to approve the action, the source said.

The US will tell GATT it wants to ban Krugerrands not as a protectionist scheme to limit trade but as a political sanction, the source



PLAINCLOTHES policemen look for clues near a bombed out car in front of a company building in Paris. A group said to be responsible for the bomb blast claimed it had done it in the interests of blacks in South Africa.

Chissano slams Pretoria

LUANDA — Mozambique's Foreign Minister Joaquim Chissano has accused South Africa of not implementing the Nkomati Accord, the Mozambican news agency, AIM reports.

Mr Chissano said South Africa continues to supply the armed bandits of the MNR. He was speaking at the eighth ministerial conference of the non-aligned movement being held in the Angolan capital.

"The South African Government's non-implementation of the Nkomati Accord unmasks the aggressive nature of the apartheid regime before those who had any doubts, and bring forth its strategy of destabilisation," said Mr Chissano.

This is the most hard hitting accusation by a Mozambican leader against Pretoria, 18 months after the agreement was signed on the banks of the Nkomati River in the no man's land between the two countries.

The Foreign Minister said Mozambique "has fully implemented the agreement in letter and spirit". He added it is now clear for the whole has not kept to its word.

"South Africa has tried its best to avoid being caught in its criminal action of continuing to supply the bandits thereby trying to make the world believe the bandits can act autonously," the Foreign Minister said.

Mr Chissano likened apartheid to Nazism. Apartheid, he said, "does not confine itself to South Africa's borders, apartheid is not just internal oppression and discrimination", because, the Minister stressed, it exports its internal conflicts.

Botswana revokes citizenship

GABORONE — A former South African, Mr Gabriel Setlhoke, has had his Botswana citizenship revoked.

The notice in the Botswana Government Gazette said the Minister of Home Affairs had decided Mr Setlhoke "has shown himself to be disloyal and disaffected towards Botswana".

This is believed to be the first time the Botswana Government has revoked a grant of citizenship.

Mr Setlhoke was not known to be involved in any political activity. — SOWETAN Foreign Ser-

9 EEC nations impose sanctions

Cape Times 11/9/85 280

Own Correspondent

LUXEMBOURG. — Europe last night followed the United States in imposing fresh punitive sanctions against South Africa. However, Britain refused to go along with all the measures agreed by its nine Common Market partners.

Spain and Portugal also agreed to implement the new punitive measures.

The EEC ministers issued their toughest-ever statement condemning apartheid, expressing deep concern at the recent escalation of violence in South Africa, and calling for reform.

They backed this up by announcing a package of sanctions, some of which are already being exercised by individual EEC nations, but will now be put into force by all Common Market partners, except Britain.

The sanctions include an embargo on the import and export of arms, a refusal to embark on military co-operation, the recall of European military attachés in Pretoria and their South African counterparts in Europe, a freezing of cultural and scientific agreements, a sports boycott, an oil boycott, a freeze on the sale of sensitive equipment, and no new collaboration in the nuclear sector

Aid to trade unions

Other measures approved by all 10 governments, including Britain, will involve EEC aid to black trade unions and support for the training and education of black workers in South Africa.

The British Deputy Foreign Minister, Mr Malcolm Rifkind, said last night that his country might eventually join its European partners in applying some of the punitive measures agreed last night, but claimed he needed more time to think.

"We are able to associate ourselves with the general statement on South Africa and with the various positive measures for educating and training South African blacks.

"However, we have reserved our position on negative and restrictive measures, as they should be considered at greater leisure," he said.

Mr Rifkind pointed out that South Africa had far stronger ties with Britain than with any other EEC country, which meant British sanctions would have a far greater effect than those agreed on last night by the other nine European Community countries.

"It is not unreasonable that further consideration should be given.

"The UK has far greater economic and general involvement in South Africa and the restrictive measures are more relevant to us than to other states," Mr Rifkind said.

Botswana incursions

In particular, Mr Rifkind emphasized the importance of the work of the British Council in helping South African blacks, and said that his government was reluctant to withdraw Britain's military attaché to South Africa.

"The South African military have a very important role in what happens in South Africa, for instance the incursions into Botswana.

"As they have a vitally important role, we would be denying ourselves important information and would not be fully informed if we withdrew our military attaché."

Britain's stance was condemned by other EEC ministers, including the Irish Foreign Minister, Mr Peter Barry.

He said: "This is a very disappointing day for Europe."

Common Market commissioner Mr Willy de Clercq, who formed part of the recent EEC delegation to Pretoria, added that Britain's failure to endorse all the sanctions had effectively blocked united EEC action.

In another development, the acting EEC president Mr Jacques Poos, who has also recently returned from South Africa where he led the visiting EEC delegation, held talks with representatives from the African National Congress.

SA minerals vital to US defence build-up

IF UNITED STATES economic sanctions against South Africa prompted retaliatory action American industry would quickly discover how dependent it is on South African minerals to keep its production lines open.

Special Correspondent
WASHINGTON

South Africa is the United States' biggest supplier of chromium — needed to harden steel for aircraft — and platinum, used to refine petrol.

The second biggest US supplier is the Soviet Union, but it is not regarded as reliable in time of crisis.

The United States, reports Sapa-Reuter, has a strategic minerals stockpile for military needs in war but none designed to withstand a peace-time economic boycott.

A recent Commerce Department study on South African mineral resources said a continued supply was vital to President Ronald Reagan's military build-up and US industrial preparedness in the event of a national security crisis.

It said Pretoria appeared to have no intention of imposing retaliatory sanctions — South Africa depends on world mineral sales for vital foreign exchange — but warned it had amassed 'growing potential leverage over the US economy'.

Mr Robert Wilson, head of the department's Office of Strategic Resources, which made the study, said industry had sought a government stockpile for private business, similar to the military stockpile.

But the reply, he said, was: 'If they thought it should be done, they should do it themselves'.

He added that while some companies were building strategic stockpiles private industry remained vulnerable to any interruption of the flow of raw materials from South Africa.

The study concluded that the decline of US mining and mineral processing, along with pressures to reduce the US stockpile, had led to the increasing possibility of South African influence over the American economy.

It said the United States depended on South Africa for 48 percent of its chromium for toughening steel and industrial equipment and there was no substitute for many of its uses.

It added that South Africa's neighbour, Zimbabwe, was also a source for chromium, but its ore was exported over South African railways and through South African ports.

The report cited these other US mineral imports from South Africa:

● Manganese, also used for steel-making, 33 percent of US needs. Gabon is a second US source, but the Soviet Union is the world's biggest producer.

● Platinum, used as a catalyst to react with other metals, in the production of electronic and electrical equipment and for emission-control devices in cars as well as in petrol-refining, 67 percent. There are substitutes for platinum but only at additional cost and loss in performance.

● Vanadium, used to make steel alloys for aircraft and machinery, 54 percent. Canada is the second US supplier.

The Commerce Department study showed South Africa had the greatest concentration of vital materials and minerals in the Western world, lacking only bauxite and petroleum.

EDITORIAL comment in this issue by J O McMillan, M C Mattson, A G M Fishley, N G Elliott and B Parkes. Political headlines and sub-editing by R J MacMillan, contents bill by R Hawkins, cartoon by P Lessing, all of 12 Devonshire Place, Durban

Britain rejects sanctions

LUXEMBOURG—Britain stood out alone against the rest of the European Economic Community last night in refusing to impose limited sanctions against South Africa.

Foreign ministers failed to reach unanimous agreement after Britain refused to withdraw her military attaché and France had refused to sign unless the agreement included such a withdrawal.

Britain then made it clear she would stay out of the deal, which was agreed by all other nine community states and by Spain and Portugal, who are to join the group on January 1.

Diplomats said the community had agreed on a limited list of sanctions against South Africa, but Britain announced she was not joining the sanctions for the moment to allow time for reflection on their impact and implications.

Officials said the sanctions agreed by the 11 nations after almost 10 hours of negotiations did not include measures with an immediate economic impact on South Africa.

Officials said that none of the measures was new. Most of them were already implemented by individual member states but they were the first joint sanctions taken against South Africa in the community's effort to speed up the dismantling of apartheid.

Explaining London's decision not to join sanctions for the time being, British Foreign Office Minister Malcolm Rifkind told a Press conference that other community nations did not have Britain's extensive economic and other historic ties with South Africa and may not have felt a need for more reflection.

Political signal

But he said that London shared the community's overall aim of helping to replace the apartheid system of race segregation by a system of full political rights for all the people of South Africa.

Mr Rifkind said the community's measures were meant as a political signal of a need for immediate reform.

He said Britain had associated itself with a declaration by the ministers of grave concern at a lack of specific steps to abolish apartheid and a resulting deterioration of the situation.

The community's decision came one day after President Ronald Reagan announced limited U S sanctions.

But ministers emphasised they were not simply following a U S lead, commenting that many of their sanctions go much further than the Washington proposals.

West German Foreign Minister Hans-Dietrich Genscher said the community may now invite Washington to follow West Europe on a withdrawal of military attachés, for example.

Mr Genscher described the agreement as a very important political signal, adding that it would not prevent any state from imposing more severe sanctions if it wished to do so.

The community was, however, determined to continue its dialogue with the South African Government as part of its policy of constructive engagement.

The ministers' statement said their objective was 'the complete abolition of apartheid as a whole and not just of certain components of the system'.

'There can be no such thing as a good and a bad apartheid,' they added.

The measures agreed by the 11 include a ban on all arms co-operation, the supply of new nuclear equipment, official sporting and cultural links, oil sales and withdrawal of South African citizens' rights to visit community states without visas.

Diplomats said the ministers had not accepted more radical French proposals for bans on imports of Krugerrands and on new investment in South Africa and new government export credit guarantees.

Britain had argued that withdrawing military attachés would be counter-productive and would mean the loss of a valuable intelligence source just as the military was playing an increasingly important role in South Africa.

Officials said only Britain, France and Portugal had military attachés in South Africa, but they had no immediate information on the number of South African military attachés based in community states.

In Tokyo Japanese Foreign Minister Shintaro

★ TURN TO PAGE 2

Britain rejects sanctions

★ FROM PAGE 1

Abe said his country may strengthen its existing sanctions against South Africa but would consult the U S and other countries first

A ministry official said sanctions on high technology trade and finance could be discussed at such talks

Japan which has only consular relations with South Africa bans sports and cultural exchanges loans, investment and arms exports to the country ministry officials said

Japan's exports to South Africa amounted to R3,7 billion in 1984 Imports totalled about R3,5 billion — (Sapa-Reuter)

Sanctions: Hardliners to push on

WASHINGTON — President Reagan, by imposing his own limited sanctions on South Africa, has stopped Congress from voting somewhat stronger measures for the time being, but advocates of congressional action say they are not giving up.

After Mr Reagan announced his measures on Monday, Democratic senators were unable to force a Senate vote approving a congressional sanctions Bill.

But, calling Mr Reagan's sanctions weak and an excuse to delay US pressure on apartheid, they vowed to try again as early as today to force eventual approval of congressional sanctions. — Sapa-

280 B:Day

11/9/87

Holland cuts insurance on SA deals

THE HAGUE — The Dutch government yesterday reduced the insurance limit for business contracts with South Africa, a Finance Ministry spokesman said.

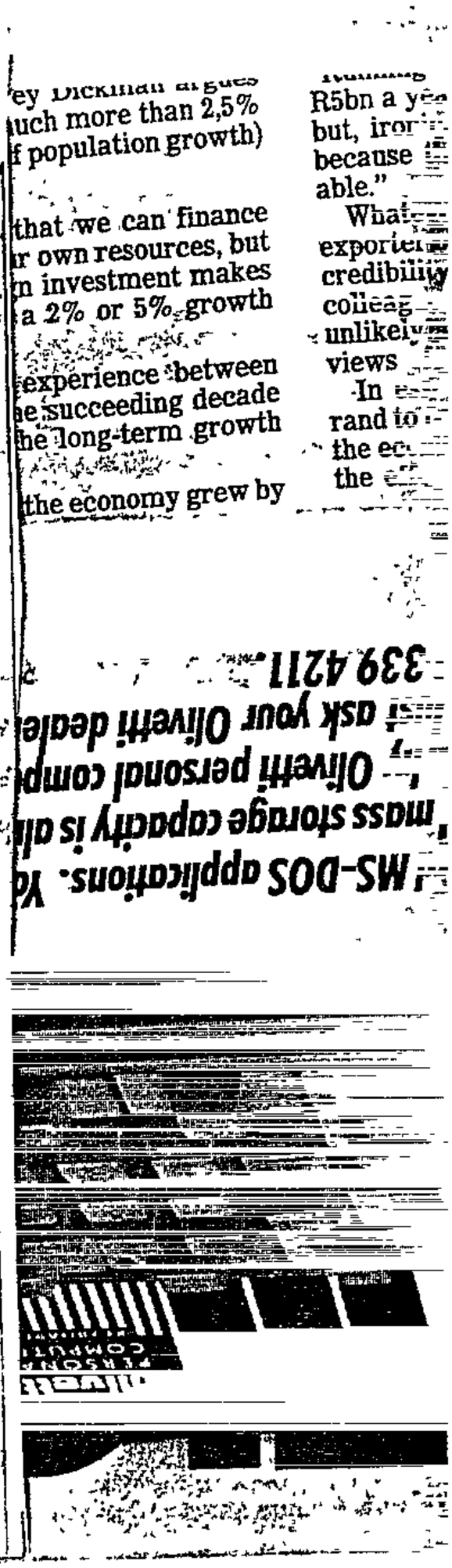
It cut from 500-million guilders (R400m) to 200-million guilders (R160m) its credit re-insurance maximum, the spokesman said.

Dutch firms doing business abroad commonly insure their contracts with the Dutch Credit Corporation, which is re-insured by the government.

The spokesman said this option had been foreclosed because of political risk in South Africa.

In 1982, the government halted re-insurance on middle-term contracts for South Africa and now only re-insures contracts of up to 12 months.

He said government re-insurance of Dutch contracts with South Africa totalled about 30- to 40-million guilders (R24m to R32m). — Sapa-AP.



Britain splits with the EEC over sanctions against SA

Argus 11/9/85 280

The Argus Foreign Service reports from Luxembourg

LUXEMBOURG. — Britain has split with the European Economic Community rather than endorse "restrictive measures" which would have forced her to withdraw her military attache from Pretoria and expel South Africa's from London.

In a day of high drama which left Britain as South Africa's lone friend in Europe, the EEC waited as Mr Malcolm Rifkind, London's South African specialist, consulted his Prime Minister Margaret Thatcher, and the British Foreign Secretary, Sir Geoffrey Howe.

One report of the debate leaked to journalists was that Mr Rifkind had been rudely told to "phone his mother".

The sanctions endorsed by the other nine members of the EEC are:

- A rigorously controlled embargo on exports and imports of arms and paramilitary equipment to and from South Africa;
- A refusal of all co-operation in the military sphere;
- The recall of military attaches accredited to and the refusal to grant accreditation to military attaches from South Africa;
- Discouraging of cultural and scientific agreements except where they contribute to ending apartheid, and the freezing of official contacts and international agreements on sport and security;
- An end to oil exports; and
- The prohibition of all new nuclear collaboration.

The EEC also proposed "positive measures", supported by Britain, and warned that economic sanctions would be considered if apartheid was not changed.



Sir Geoffrey Howe



Mrs Margaret Thatcher



Mr Malcolm Rifkind

The positive measures are:

- The adaptation, reinforcement and publicity of the EEC Code of Conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches.
- Educational assistance for "the non-white community", including grants for study at universities in the participating countries.
- Intensified contacts with "non-whites" in political, trade union, business, cultural, scientific and sporting sectors.
- Assistance to the front-line states and to the Southern African Development Co-ordinating Conference.

The tense debate went on for nearly 10 hours, with Britain and France the chief antagonists.

When Mr Rifkind refused to endorse the "restrictive" sanctions, some sources said: "There are now no proposals on the table."

France apparently took a strong stand saying if Britain would not agree, the EEC might as well abandon all the proposals.

After the meeting, Mr Rifkind said Britain was "more scrupulous" than some countries.

Asked if Britain would not be portrayed as South Africa's apologist, he said: "Those who mean us ill will be only too pleased to take the wrong signal.

"Some countries have such minimal investment that they can endorse these proposals without any harm to themselves. That is not our position."

He said Britain thought it "right and proper" that the measures should be studied at greater leisure.

The prime stumbling block was obviously the withdrawal of military attaches, although Mr Rifkind complained that the activities of the British Council in South Africa would be adversely affected by cultural restrictions.

Britain and France are the only two EEC members which still have military attaches in South Africa. Portugal, soon to become a member, also has a military attache.

France was angered by Britain's refusal to recall her ambassador to South Africa and was determined to embarrass her over the military attache.

Britain pointed out that the French built Koeberg and had major nuclear contracts, and that they supplied South Africa with military technology.

Mr Rifkind apparently questioned the word "new" in the restriction on nuclear collaboration. The British say France has existing nuclear contracts and will still be able to honour them and make money.

Pressure on Pretoria mounts

B. Day

EEC, Japan take US lead on sanctions

17/9/85

Business Day Reporters

THE sanctions grip is tightening around South Africa.

In the wake of President Ronald Reagan's sanctions package came a series of moves yesterday that dramatically widened the international sanctions threat.

□ In Luxembourg, Britain was holding up a European Economic Community (EEC) agreement that would put an embargo on oil exports to SA, reportedly because it objects to a proposal to withdraw military attaches. But other EEC foreign ministers agreed unanimously on a limited sanctions list.

□ In Tokyo, Foreign Minister Shintaro Abe revealed that Japan may strengthen existing sanctions but would like to consult with the US and other countries first.

□ In London, it emerged that mandatory United Nations economic sanctions against SA along the lines of the Reagan package now seem likely before the end of the year.

□ And, in Washington, angry congressional Democrats were yesterday searching for ways to impose tougher sanctions than those ordered by Reagan, and to retake the initiative on US policy towards SA that Reagan appeared to have temporarily grabbed back.

Diplomatic sources in Luxembourg said yesterday European Community foreign ministers had failed to reach unanimous agreement on imposing sanctions after Britain refused to withdraw its military attache from the Republic.

They said France had refused to sign unless the agreement included a withdrawal of the attaches.

Britain then preferred to stay out of the deal, which was agreed by all other Community states and by Spain and Portugal, which are to join the group on January 1.

The nine ministers unanimously agreed on a limited list of sanctions, including bans on oil sales, all arms cooperation, the supply of new nuclear equipment, the withdrawal of military attaches and official sporting and cultural links.

The ministers also agreed to insist that SA citizens require visas to visit EEC countries.

JOHN BATTERSBY reports from London that mandatory UN economic sanctions now seem likely before the end of the year.

Though the British government has reiterated its tough anti-sanctions stance in the face of the US about-face, officials here are conceding privately that Britain might soon be dragged into line at the UN Security Council.

They argue that Prime Minister Margaret Thatcher would not want to risk an Anglo-American rift or damage Britain's long-term interests by identifying too closely with the Republic in defiance of world opinion.

After the Commonwealth summit the sanctions focus will shift to the Security Council, where a similar package is likely to be put to the vote.

Here Britain will be faced with the crunch decision of whether to veto alone on SA's behalf.

However, British Foreign Secretary Malcolm Rifkind has already indicated that Britain has no intention of becoming SA's "sole protector".

AP-DJ reports from Washington that Senate Democrats vow they will again attempt to push through a sanctions package, but Republican leaders say the effort is a political move to punish Reagan rather than Pretoria.

And **Sapa-Reuter** reports from Toyko that Japan may strengthen its existing sanctions after first consulting with other countries.

Britain is lone dissenter as EEC opts for sanctions

11/9/85 DY 280 STAR

The Star's Foreign News Service

LUXEMBOURG — Britain has split the EEC rather than endorse "restrictive measures" which would have forced her to withdraw her military attache from Pretoria and expel South Africa's from London.

In a day of high drama which left Britain as South Africa's lone friend in the West, the EEC waited as Mr Malcolm Rifkind, the British South African specialist, consulted his Prime Minister, Mrs Margaret Thatcher, and the British Foreign Secretary, Sir Geoffrey Howe, who is at present in Nigeria.

EMBARGO ON ARMS

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- A refusal of all co-operation in the military sphere.
- The recall of military attaches accredited to SA and the refusal to grant accreditation to military attaches from SA.
- Discouragement of cultural and scientific agreements except where they contribute to the ending of apartheid, and the freezing of official contacts and international agreements on sport and security.
- An end to oil exports.
- The prohibition of all new nuclear collaboration.

The EEC also proposed "positive measures" which were supported by Britain, and warned that it would consider economic sanctions if apartheid was not changed.

The positive measures include:

- Adaptation, reinforcement and publicity of the EEC Code of Conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches.
- Assistance to the Frontline states and to the Southern African Development Co-ordination Conference.

The debate went on for nearly 10 hours and was tense. Britain and France were the chief antagonists.

When Mr Rifkind, after his calls to London and Lagos, refused to endorse the "restrictive" sanctions, some sources said: "There are now no proposals on the table."

France apparently took a strong stand, saying that if Britain would not agree, the EEC might as well abandon all the proposals.

Mr Rifkind after the meeting said Britain was "more scrupulous" than some countries. Asked if Britain would not be portrayed as South Africa's apologist, he said: "Those who mean us ill will be only too pleased to take the wrong signal. Some countries have such minimal investment they can endorse these proposals without any harm to themselves. That is not our position."

The prime stumbling block was obviously the withdrawal of military attaches.

Senate squares up for sanctions battle

250 STAR 11/9/85

By Neil Lurssen, The Star Bureau

WASHINGTON — President Reagan's anti-apartheid sanctions plan has sparked a tense political fight in the United States Senate. At issue is the President's image as a strong leader who can control the Republican Party.

The battle is over whether the US Congress should accept President Reagan's package of limited sanctions against South Africa or approve its own, tougher sanctions Bill

The situation is seen here as proof that apartheid remains a dominant issue in the US and that the President's sanctions have by no means let South Africa off the hook.

The matter will come to a head in a Senate vote later today. Taking a lead in trying to beat the President is Democratic Senator Edward Kennedy who said that the Republicans had to decide whether they were the "party of Lincoln or the party of apartheid".

The Democrats want to end the debate on the sanctions Bill when it resumes with a cloture (closing) vote that will leave the field open for a vote on the Bill itself.

The Bill is bound to be approved by a majority in the Senate, leading to a confrontation among Republicans and giving President Reagan no option but to veto the Bill. This is what he was trying to avoid when he announced his own sanctions on Monday.

Thus the Republican leadership is in the odd position of trying to keep the debate going with a lengthy filibuster — in order to kill the Bill.

On Monday, shortly after the President's announcement, the Democrats tried to win a cloture vote, but fell seven short of the necessary 60. They will try again later today — and congressional sources say the outcome will be very close.

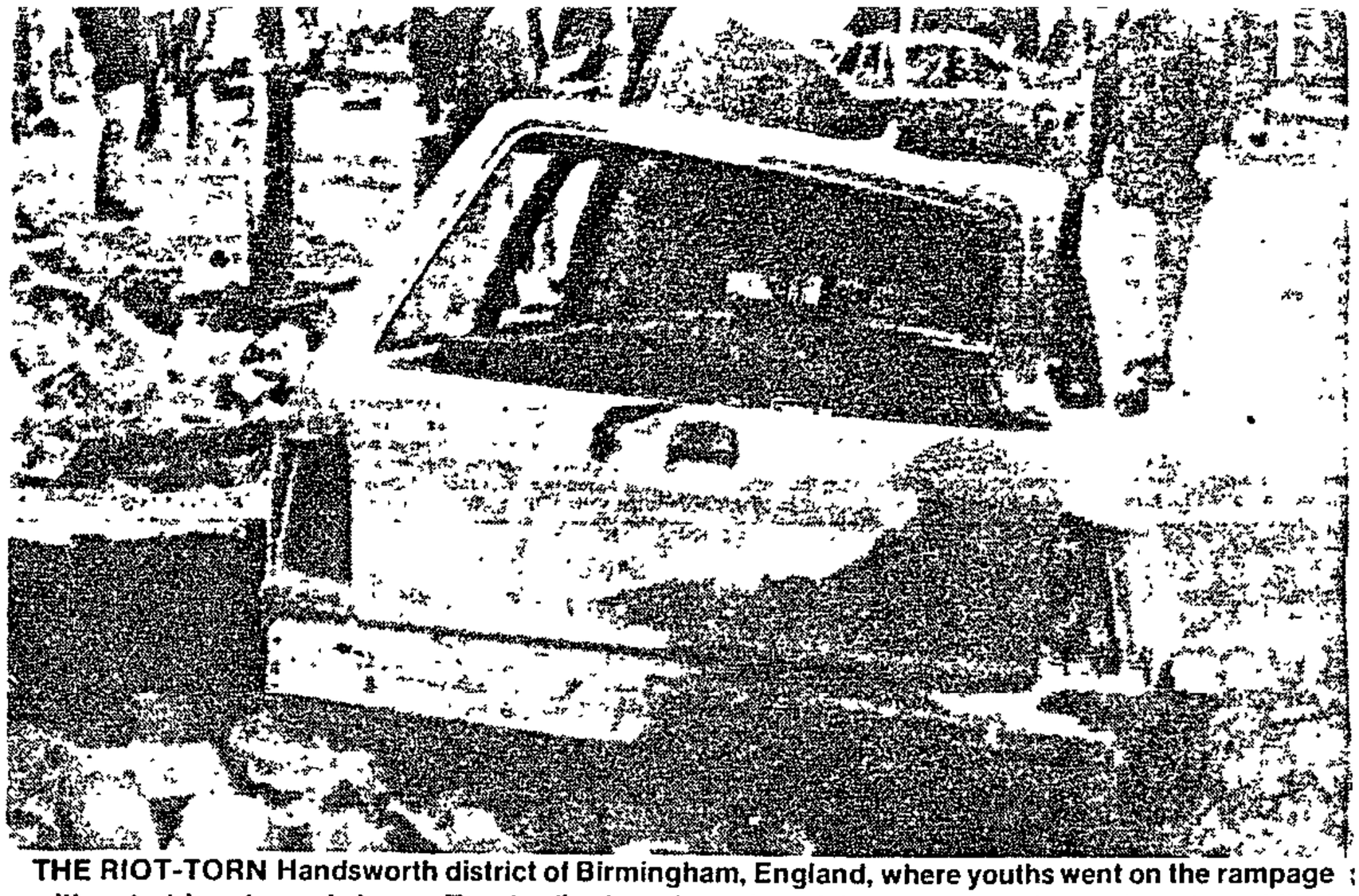
PARTISAN FIGHT

The Republican majority leader, Senator Robert Dole, backed by foreign relations chairman Senator Richard Lugar, has accused the Democrats of trying to turn the apartheid issue into a partisan fight when there should be bipartisan consensus — a united American message to the South African Government.

The Democrats, who are hoping to take control of the Senate in next year's elections, see it as an opportunity to drive a wedge between the President and those Republicans who want to see firmer action against South Africa.

President Reagan needs a clear victory today. He is faced by a controversial legislative programme on a host of issues in the next few months and defeat will be seen as a major loss of his leadership strength.

Analysts here say that the sanctions dispute provides a foretaste of further deterioration in relations between the two countries.



THE RIOT-TORN Handsworth district of Birmingham, England, where youths went on the rampage with petrol-bombs and stones. Two bodies have been found, two more people may have been killed and damage to buildings has been estimated at millions of rands.

TENSE BATTLE OVER SANCTIONS

12/9/85 280 SOWETAN

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At issue is the president's image as a strong leader who can control the Republican Party.

The battle is over whether the US Congress should accept President Reagan's package of limited sanctions against South Africa or whether it should approve its own tougher sanctions Bill.

The president has joined party leaders in trying to persuade party mavericks not to let him down.

The situation is seen here as proof that apartheid remains a dominant issue in the US and that the president's sanctions have by no means let South Africa off the hook.

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Several Republicans are expected to vote with the Democrats.

The Republican majority leader Senator Robert Dole, backed by foreign relations chairman Senator Richard Lugar, has accused the Democrats of trying to turn the apartheid issue in a partisan fight when there should be a bipartisan consensus on the matter — a united American message to the SA Government.

The Democrats, who are hoping to take control of the Senate in next year's elections, see it as an opportunity to drive a wedge between the president and those Republicans who want to see firmer action against South Africa.

SANCTIONS:

Cause . . .

Tracing some of the reasons for US action

Exactly what do the sanctions against South Africa, passed by President Reagan on Monday, mean? What effect will they have on the country? RAMSAY MILNE (right), of *The Star's* New York Bureau, strips away the mumbo-jumbo and spells it out in plain language . . .



By Garner Thomson, The Star's Foreign Service

Direct action by protesters and a campaign of mass information are two of the key factors that forced President Reagan to change his mind this week on South African sanctions. And, after 40 unproductive years, his decision also marked a change in the fortunes of America's anti-apartheid campaign.

The history of events behind the crumbling of Washington's anti-sanctions stand has been extensively analysed here in the first of a new BBC radio series, File on Four, on Tuesday nights.

Anti-apartheid campaigners interviewed believe Americans have never been better informed about South Africa — notably through Bishop Desmond Tutu's Nobel Prize and the nightly television coverage of escalating violence in the Republic.

That, combined with a revival of the kind of direct action made popular during America's civil rights campaign 20 years ago, has resulted in the arrest of thousands of demonstrators outside South African premises, lively and widespread public debate on South African issues and disinvestment by universities, cities and states, nation-wide.

So far, 16 universities and 13 cities have abandoned all investments in South Africa, and over the past weeks New Mexico and New Jersey have been the latest to join the growing list of states committed to disinvestment.

□ □ □

But, both Pretoria and President Reagan may now also be finding themselves "victims" of an accident of history. Many of the adults reacting against apartheid and American involvement were themselves at the centre of America's civil rights movement two decades ago.

"Now they are having their '60s liberalism reinforced," the programme suggests.

President Reagan's resistance to sanctions finally crumbled when pressure within his party rose to a crescendo.

The pro-sanction Republican Party movement is headed by Bob Walker of Pennsylvania. It was a

Effect . . .

280 STAR

12/9/85

Main damage will be psychological

Experts on international trade believe the sanctions measures imposed by President Ronald Reagan on Monday would have a negligible impact on the South African economy and on American companies doing business with South Africa

Most, however, in a wide range of comments made in the wake of the milder form of sanctions imposed by President Reagan through an executive order, agreed that the steps taken by the US might strengthen the resolve of other governments to expand their own sanctions

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It is these other international measures, combined with the American actions, that could eventually hurt South Africa's economy, they added

Some analysts quoted in TV and newspaper interviews speculated that South Africa could respond in a way that would work against Mr Reagan's — as he put it on Monday — "commitment to the moment when apartheid will be no more."

The sanctions could encourage South Africa to redouble its effort to build a self-supporting economy, leaving it free to pursue whatever racial policies it chose, these analysts said

"I don't think the economic sanctions themselves are going to have much of an effect," said Dr Henry Nau, professor of political science and international affairs at George Washington University But still the experts send a message: "Things are going to be different in the future. The administration is going to be a little more noisy."

The US is one of South Africa's biggest suppliers of imported goods, along with West Germany, Japan, and Great Britain, and South Africa usually records a favourable trade balance with the US.

already in effect.

American lending to South Africa, for example, has all but dried up this year, primarily because of the banks' concern that the turmoil in South Africa would jeopardise the repayment of loans

Even without sanctions, investment experts point out, American investors have been turning elsewhere for gold coins to the point where the value of South Africa's Krugerrand exports to the US have plunged to $88 million in the first half of this year compared to $485 million in the first half of 1984

An American Krugerrand boycott is also likely to have little effect on South African gold sales, these experts say Once gold moves into the world market, its origin is indistinguishable from other gold The gold that South Africa cannot sell to the US could find its way into America anyway through world market channels

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In the case of computers, American companies already deny sales to South African government departments and all sales of American computer equipment in South Africa have been falling sharply this year.

But in computers, as in gold, South Africa is unlikely to be seriously affected by any further decline in American computer sales.

Replacement of computer soft and hardware is readily available from Japan and other countries, says Mr Gary C Hufbauer, an economist at the Institute for International Economics in Washington.

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Sales of nuclear power equipment, which President Reagan also banned, were all but halted earlier by President Carter, analysts noted. But South Africa has been little affected by the ban because she is able to buy

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"Now they are having their '60s liberalism reinforced," the programme suggests.

President Reagan's resistance to sanctions finally crumbled when pressure within his party rose to a crescendo.

The pro-sanction Republican Party movement is headed by Bob Walker of Pennsylvania. It was a letter from Walker and 34 senior Republicans warning the President not to take a stand against sanctions which finally made up Reagan's mind.

But Walker last night denied in a File on Four interview that sanctions were designed to destroy the South African economy, but rather to convince Pretoria that it was apartheid which put the country at most risk.

"The last thing we need is to lose South Africa from the western lines," he said. "What we need is a strong, stable South Africa ... At present, South Africa is being weakened from within by apartheid policies."

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The US is one of South Africa's biggest suppliers of imported goods, along with West Germany, Japan, and Great Britain, and South Africa usually records a favourable trade balance with the US.

Last year, American exports to South Africa came to $2,37 billion and US imports from South Africa were $2,48 billion.

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The sanctions ordered by President Reagan involve all computers, computer equipment and computer software used by the South African Government or its agencies; nuclear equipment, which could be used for military purposes; a ban on the sale of Krugerrands; and a halt on US banks lending funds to the Government.

But in all those areas, economists said, the sanctions would have only negligible effects. In part, this is because they only validate changes already in effect.

American lending to South Africa, for example, has all but dried up this year, primarily because of the banks' concern that the turmoil in South Africa would jeopardise the repayment of loans.

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Sales of nuclear power equipment, which President Reagan also banned, were all but halted earlier by President Carter, analysts noted. But South Africa has been little affected by the ban because she is able to buy the same material from countries such as Britain, West Germany and France.

As a result, Mr Hufbauer estimates, the President's sanctions would hardly touch the South African economy.

"They don't even add up to 1 percent of the country's per capita income of $2 400," he said. "We're talking about a fraction of a percent."

If there was to be any mileage in the boycott, he said — "It has to be the psychological dimension."

But that dimension, and the effect of the American sanctions on policies of South Africa's other trading partners, could be "considerable," he added.

The sanctions scramble

Britain likely to be forced to conform

Mercury

2/9/85

MANDATORY economic sanctions against South Africa — along the lines of the Reagan package — now seem likely before the end of the year.

Although the British Government has reiterated its tough anti-sanctions stance in the face of the United States about-face officials are conceding privately that Britain might soon be dragged into line at the United Nations Security Council.

The significance of President Reagan's dramatic pre-emptive move on sanctions is not in the effect it will have on Pretoria — that will be minimal — but the impact of the leading Western nation conceding the principle of economic sanctions.

Long-term

The British Prime Minister, Mrs Margaret Thatcher, would not want to risk an Anglo-American rift over South Africa or to damage Britain's long-term interests by identifying too closely with South Africa in defiance of world opinion.

In the long term the economic cost of such a course would outweigh the substantial benefits of the Anglo-South African trade relationship.

Making the gesture all the more potent is the fact that the real pressures of the market-place drove private American banks to beat President Reagan to it.

Their refusing to roll over loans to South Africa was a dramatic example of how rapidly sanctions can lead to a spiralling loss of investor confidence.

The declaration by EEC foreign ministers — which contained lots of tough rhetoric but little action — will give Britain only a short respite

Even within the moderate and understanding EEC forum Britain and West Germany — South Africa's two major trading partners — found themselves in the firing line for refusing to concede the principle of using economic pressure against Pretoria.

Next month Britain will face intense embarrassment at the Commonwealth Heads of Government summit in the Bahamas where it is totally isolated on the sanctions issue

Ironically, the only moderating influence is likely to come from the black front-line states — particularly Botswana, Zambia and Zimbabwe — who concede privately that comprehensive sanctions against South Africa would hit them hard.

This stark reality has left the Western sanctions lobby groping towards a consensus on limited sanctions as proposed in the Bill before the U S Congress which would send a strong message without seriously damaging the South African economy

The bottom line has always been a formula for a strong symbolic message which would not hit the front-line states too hard and which President Reagan would not veto in the U N Security Council.

Following in the footsteps of President Reagan and the EEC the Commonwealth is likely to reach consensus along the lines of the Reagan package — with the threat of worse to come if the dismantling of apartheid does not proceed at an acceptable pace.

A freeze on new investment and all bank loans, disinvestment and ultimately a mandatory trade embargo are still options which the West could, in theory at least, resort to.

However, many observers believe that the fluidity of the situation in South Africa has already moved 'beyond sanctions' and has obtained a momentum of its own which relies less on international pressure for help.

After the Commonwealth summit the sanctions focus will shift to the U N Security Council where a similar package is likely to be put to the vote.

Here Britain — one of the five permanent members of the Security Council — will be faced with the crunch decision of whether to veto alone on South Africa's behalf.

However, the British Foreign Secretary has already indicated that Britain has no intention of becoming South Africa's 'sole protector'.

It is reliably understood that Britain will fight the sanctions issue all the way to the Security Council where it will abstain — or leave the room — when the vote is taken.

That would mean that — without voting in favour of limited sanctions — Britain had become party to a mandatory U N resolution tying all member states to President Reagan's sanctions package.

The pressure for tougher measures is likely to be on again in the U S Congress early in the new year when the congressional elections get under way.

This would in turn lead to new pressures in the U N and a tightening of the screw at the 1987 Commonwealth summit.

John Battersby LONDON BUREAU

Reagan's sanctions just scrape through

12/9/85 The Star Bureau STAR

WASHINGTON — The United States Senate yesterday yielded to pressure from President Ronald Reagan and voted against imposing tougher economic sanctions against South Africa.

But it was a near thing for Mr Reagan. He won by only three votes in the 100-seat upper chamber of the US Congress.

And Democrats have vowed not to abandon their demand for sanctions harsher than those announced by Mr Reagan on Monday.

They have called for another vote tomorrow — the third this week — but congressional sources are confident the result will again be a narrow victory for Mr Reagan.

The Democrats will now try to attach their own sanctions Bill as an amendment to a Bill that Mr Reagan cannot veto.

'SOUTH AFRICA IS SECONDARY'

The Republican Majority Leader, Senator Robert Dole, of Kansas, said before yesterday's vote: "This is no longer an issue of what is good for South Africa. It's a raw political issue. South Africa is secondary."

What makes the Senate Bill tougher than Mr Reagan's sanctions is the threat it contains of even more sanctions if South Africa makes no anti-apartheid progress within 12 months.

Mr Reagan refused to include this measure in his own package, arguing that it could lead to the loss of jobs in South Africa.

Senator Dole said that even though Mr Reagan's executive order on Monday was weaker than the Bill, it represented a victory for Congress because he had acted under congressional pressure.

But there were clear signs yesterday that the Republican leadership could face a future rebellion in party ranks over South Africa.

Senator Robert Stafford, of Vermont, said he had supported Mr Reagan because he did not like the "political games" the Democrats were playing with the issue.

But he said he would vote for tougher sanctions in future if they were needed.

Minerals multinationals must relocate plant in SA

B. Day 280 12/9/85

The government is studying a document on the future of the SA economy. The document — entitled "Marketing Plan for the SA Economy" — was prepared by some of the country's leading marketers and will be presented next week at the International Marketing and Strategy Congress in Johannesburg. Industrial Editor DAVID FURLONGER reports some of its findings

FOREIGN multinationals dependent on South Africa's mineral deposits must be put under pressure to relocate their operations here.

Such a move would create employment and stave off further attempts at disinvestment, says a document being studied by government officials.

The document — "Marketing Plan for the SA Economy" — was prepared by businessmen from some of South Africa's biggest corporations, and is offered as an alternative to the government's White Paper on industrial development.

It warns manufacturing industries that the local market is too small to justify heavy investment in local manufacture.

"Future investments in SA, where such investments, because of economies of scale, necessitate plant with capacity that is well in excess of the local market, should only be permitted where strong supporting evidence is submitted to show that the capacity which is in excess of the local market requirement will be exported. This will ensure that the plant operates efficiently and does not distort the economy with excessively high costs."

It says the major application should be to convert or process raw materials into added-value products . . . "We should exploit the benefits of our unique position with respect to metals and minerals".

The document concludes that SA's best short-term plan is to make greater use of the multi-national corporations that use South African minerals.

"South Africa has for many years been a market for multi-national companies but, with very few exceptions, these companies have not perceived SA to be a source supply for components or other inputs to their operations elsewhere in the world.

'This attitude prevails despite the fact that we have effective control of a huge proportion of strategic world minerals and metals. We also have some of the best technology in the world to extract and process many of these minerals and metals.

"If the multi-national companies had substantial investments in SA, and SA was a major supplier of components to their operations in other countries of the world, the current disinvestment call would never have got to first base.

"We recommend SA should use its economic power to persuade multi-nationals who are currently adding value to SA raw materials in countries elsewhere in the world to relocate certain secondary processes to this country.

"The invitation should be extended to all those persons interested around the world currently buying raw materials from SA, to relocate or establish new facilities in SA to process and add value to raw materials."

The document points out that businessmen must be prepared for major, fundamental changes to the South African consumer market.

"We have an ageing white market with a low birth rate and a growing black market with a high birth rate. Assuming economic growth, future markets will be predominantly black and thus the single most inviting prospect for international investors in SA."

It calls for the establishment of a central committee to oversee the development of markets, establish privatisation programmes and set money supply targets.

"A national steering committee should be established, whose goal would be to lower input costs and thus provide opportunities for more employment through positive profit possibilities.

"Markets and products should be viewed with the purpose of encouraging the production of high export potential products with added value.

"The country should also move fast in terms of being totally self-sufficient in respect of liquid fuel through the establishment of more fuel capacity.

"The water supply situation should be reviewed and a positive programme put together to establish an effectively-geared organisation.

'Controls on development should be loosened in principle and regulations reviewed so as to allow more competition and competitors, which has to be the solution to lower prices.

"There should also be more participation in corporate decision-making so as to reduce industrial unrest."

The document says SA is ill-prepared to exist in a competitive world.

"There is inadequate competition in SA, although it operates in an intensely competitive national trade environment. We need to recognise the increasing need to accept international competition and to adjust tariffs or protectionist policies accordingly."

Bid for firmer US sanctions is defeated

Cape Times 12/9/85

280

WASHINGTON — The White House and its congressional allies yesterday defeated two attempts to push through the Senate tougher South African sanctions than those already decreed by President Ronald Reagan

At the same time, underscoring a slightly harder approach towards Pretoria, the United States administration dismissed as inadequate an announcement by State President Mr P W Botha that citizenship would be restored to millions of blacks.

"Our position is that the citizens of these homelands are citizens of South Africa," White House spokesman, Mr Larry Speakes, told reporters.

"However, President Botha's announcement, if it means and leads to the granting of citizenship to all blacks, would be a positive step"

Asked if he thought Mr Botha had gone far enough, Mr Speakes replied: "No."

"We would like to see all blacks given citizenship," he said.

Opposition Democrats tried yesterday to force the chamber to take final action on a sanctions bill opposed by Mr Reagan, who announced his own measures on Monday.

They failed to end to end a filibuster by anti-sanctions conservative Republicans and move on to final action on the sanctions bill itself, but said yesterday they were not beaten yet and would try again today.

● **Stanley Uys** reports from London that the South African Ambassador to Britain, Dr Denis Worrall, said the implications of the State President's statement on black citizenship yesterday were "enormous".

Speaking on British television last night, Dr Worrall said they included the possibility of federalism.

Creation

Dr Worrall faced the Sowetan leader Dr Nthatho Motlana in a studio of Independent Television.

Dr Worrall claimed that the creation of the homelands was not attributable to the South African Government. It was the British Government who had created Transkei. Dr Worrall compared the creation of the homelands with the creation of Botswana, Lesotho and Swaziland.

Dr Motlana said the State President's announcement changed "nothing at all" He remained a citizen of Bophuthatswana. — Sapa-Reuter

EEC official attacks UK opposition to sanctions

STAR 12/9/85

The Star's Foreign News Service

280

STRASBOURG — Mr Willy de Clercq, the European Commissioner for External Relations, has launched an unusually strong attack on a member state, condemning Britain for not supporting joint sanctions by EEC states against South Africa.

Mr de Clercq, who accompanied the EEC group of foreign ministers on a fact-finding mission to South Africa last month, told the European Parliament yesterday that he regretted the reservation made by Britain in Luxembourg on joint "restrictive measures" agreed by the other nine EEC states.

"This was a weakening of sanctions," said Mr de Clercq. "It does not help Europe and I hope it will be withdrawn as soon as possible."

Mr de Clercq, addressing a Parliament which, earlier this year, passed two resolutions calling for mandatory economic sanctions against South Africa, said the pressure on Pretoria must be maintained.

RIGHT OF INITIATIVE

"We have to choose action," he said, "and I hope also that the United Kingdom will choose Community action. More than 20 million South Africans are looking to the European Community to put its moral weight behind change in South Africa."

Mr de Clercq said the European Commission had not excluded any course of action against South Africa. But the commission had no right of initiative without the consensus of all member states.

Mr Jacques Poos, Luxembourg's Foreign Minister, who led the mission to South Africa in his current role as president of the EEC Council of Ministers, said: "The situation in South Africa is dangerous because of the frustration and growing impatience of young black people. There is a widespread fear of a civil war which will affect all the communities."

SANCTIONS CALL FLOPS

SOWETAN 13/9/85

250

STRASBOURG — A struggle in the European Parliament between supporters and opponents of sanctions against South Africa has ended in disarray.

Right-wing parliamentarians joined forces with socialists and communists on Wednesday night to defeat a sanctions call which the right opposed on principle and the left saw as too bland.

Tough measures from the left were rejected and parliament's only remaining resolution was a compromise draft by four centre-right parties which sought to give bald approval to the sanctions list agreed in Luxembourg on Tuesday by all community states except Britain.

The unusual combination of far right and left-wing votes defeated this motion after socialist group leader, Mr Rudi Arndt, attacked the community governments for not even matching in severity the sanctions announced by US President Ronald Reagan.

After a day of heated debate, the European parliament ended up throwing out every resolution put before it on sanctions against South Africa.

The final resolution, seeking to approve the limited sanctions agreed on Wednesday by all European Economic Community states except Britain, was voted down by 161 votes to 149 after the socialists condemned it as too bland.

Jeers and laughter greeted the voting figures as they were flashed on a screen in the parliament chamber.

Sanctions 'only a gesture'

STAR 14/9/85

The Star Bureau

LONDON — United States sanctions against South Africa are "so mild as to be little more than a gesture of disapproval, at best a signal that worse will come if the pace of reform does not increase," *The Economist* says in its leading article this week.

"But the question is: Worse what?

"Government-imposed sanctions are legitimate forms of pressure, provided that they succeed in bringing pressure to bear. The snag is, they usually don't," *The Economist* adds.

"They are, except in limited circumstances, inefficient.

"The best sanctions are those which are specific and imposed by powerful states on normally friendly allies with a vested interest in compliance."

"Many Americans maintain that an economic embargo is a way of declaring a moral or political stance, irrespective of the impact on the victim nation.

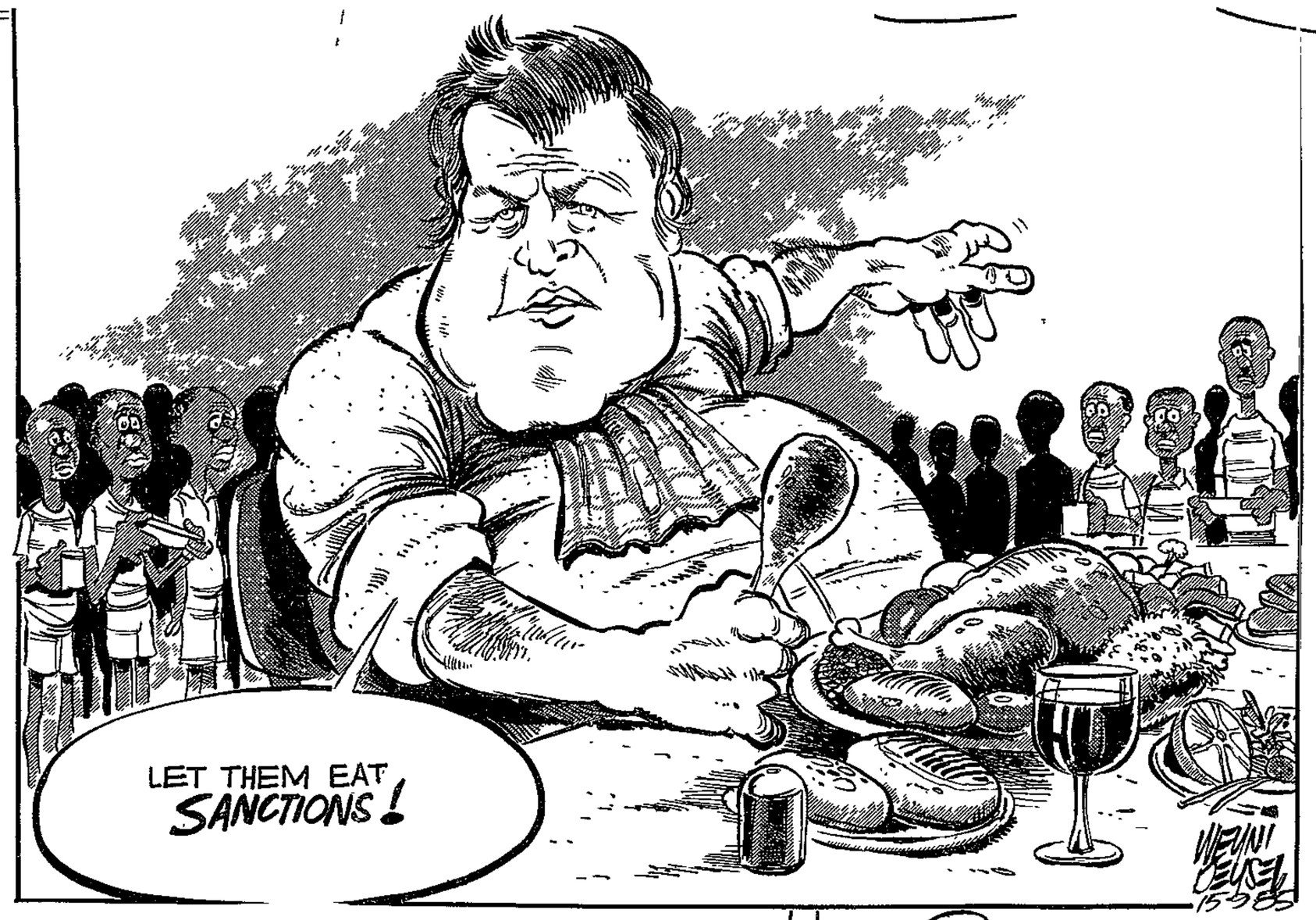
"Too bad if the Afrikaners in South Africa are then able to buy up foreign firms in their country more cheaply and provide worse conditions for black employees than foreigners did, too bad if severe damage is done to South Africa's black neighbours."

"Reagan's response to pressure is unlikely to convince South Africans any more than it convinces his domestic critics."

This week President Reagan yielded to pressure and imposed limited sanctions on South Africa. Today a surveys expert raises serious questions over black support for disinvestment, and a leading British commentator castigates those who would buy SA's collapse at the expense of Africa.

Were we really POLLS APART?

☐ YES
☐ NO
☐ DON'T KNOW



Sunday Times 15/4/85 680



By LAWRENCE SCHLEMMER
Head of the Centre for Applied Science, University of Natal

ONE of the considerations bearing upon strategies on disinvestment is whether or not black people in South Africa support economic sanctions. After a plethora of social surveys published in the media over the past 15 months, confusion reigns supreme.

No fewer than eight surveys have been conducted leading to diametrically opposed conclusions. In a sense, social science owes the concerned political actors an apology for the confusion.

Most of the difficulty lies in the interpretations of the findings and their necessarily brief presentation in the media.

There is an obvious need to reconcile the different findings to shed constructive light on the issue.

The various surveys, their dates and the questions asked as they have been presented in the media or in Press releases are as follows:

● June 1984. Schlemmer/Indicator SA, University of Natal. Controlled quote sample of 551 black male industrial workers in all metro areas except Cape Town:

"There are groups of people in America and England who try to encourage banks and organisations not to put their money in factories which are in South Africa. Do you think this is a good or a bad thing?" (first question asked in a series on disinvestment):

Good thing (disinvestment), 26 percent.

Bad thing (anti-disinvestment), 74 percent.

● November 1984. Schlemmer/Indicator SA, University of Natal. Stratified probability sample of 1 000 black adults of both sexes in all major metro areas except Cape Town: Same question as above:

Good thing (disinvestment), 14 percent.

Bad thing (anti-disinvestment). 84 percent.

Don't know two percent.

● July 1984. Human Sciences Research Council. Stratified probability sample of 1 478 black adults of both sexes in Pretoria-Witwatersrand-Vereeniging area

"Should the outside world apply an economic boycott against South Africa or not?"

Yes — Boycott, 10 percent.

No — Do not boycott, 82 percent.

Don't know eight percent.

● February 1985. Human Sciences Research Council. Stratified probability sample of 736 men with better educated over-represented, PWV area: same question as above:

Yes — Boycott, 30 percent.

Yes — Boycott, 16 percent.

No — Do not boycott, 76 percent

Don't know four percent.

● February 1985. The Human Sciences Research Council asked other questions in its survey of 736 better-educated black men, including:

"Senator Kennedy is back in America. Should he convince the United States Government and United States companies to put money in or withdraw money from South Africa?"

Withdraw money (disinvestment), 18 percent.

Neither/uncertain, don't know, 34 percent.

Invest money (anti-disinvestment), 48 percent.

● February 1985. Sunday Star/Star, Johannesburg. Snap survey among 459 blacks in Johannesburg organisation working through Markinor, a Johannesburg-based polling organisation: sample a quota sample of 400 blacks of both sexes, Witwatersrand, Pretoria and Durban, but apparently not controlled for socio-economic level:

"Do you think other countries are right or wrong to impose economic sanctions unless South Africa agrees to get rid of the apartheid system?"

Right (pro-sanctions), 77 percent.

● September 1985. Mark Orkin of the Community Agency for Social Enquiry in association with the Institute for Black Research and Research Surveys (Pty) Ltd, Cape Town; sample, 800 black respondents in a stratified probability sample in all major metropolitan areas. The question on disinvestment was about 200 words long and too lengthy to be repeated in full:

ed by the ANC and the PAC, many members of the UDF and some trade unions ..." 24 percent.

(Conditional investment): "This view wants to limit or restrict investment — foreign firms should not be allowed to invest unless they actually pressurise the Government to end apartheid and recognise the trade unions chosen by the workers — supported by Bishop Tutu, Fosatu, Cusa and the SACC." 49 percent.

In the news reports on the last survey it was claimed that the results "neatly overturned" the earlier surveys conducted by me and (by implication) the HSRC surveys as well.

A careful interpretation of the results, however, would suggest that the last survey "neatly" confirmed the earlier findings.

The wider range of results in my earlier surveys showed clearly that most blacks wanted pressure on the system of apartheid, and, due to publicity in the media, the conditional-investment option has crystallised as the favoured position.

At this stage it can still be said that no survey has proved that a majority of blacks are willing to endorse punitive economic sanctions which would reduce the capacity of the economy to create jobs and welfare.

Social surveys cannot define specific policies, and it is up to policymakers to decide what mix of provisons are likely to achieve effective pressure for change without damaging the longer-run interests of black people.

In taking these decisions, policymakers abroad must be mindful not only of the immediate effects of their decisions but of the indirect effects and longer-term consequences as well.

The disinvestment campaign, over and above the other serious pressures on the South African economy, can seriously undermine confidence among investors, importers of South African goods and international bankers.

Once confidence is undermined it may never be fully recovered, even in a changed South Africa.

The agonisingly difficult decision for responsible policymakers abroad is to assess whether or not a particular sanction is more likely to induce change than it is likely to cause collective economic damage in South Africa.

Such decisions are beyond the competence of most of the protesters and campaigners who currently feature so prominently in the debates both here and aboard.

disinvestment versus qualified investment versus unqualified investment.

The early questions were phrased in clear-cut terms — to disinvest or not. A majority of blacks polled consistently opposed the total-disinvestment position in six different surveys.

To judge from the most recent survey results of Mark Orkin, the position has not changed much.

In his survey only one-quarter support total disinvestment. This is the same as the proportion supporting the total-disinvestment position in my earlier survey and not much higher than the average proportion supporting the (total) "boycott" position in the three HSRC studies.

In fact, if one considers the wording of the total-disinvestment option of Mark Orkin, it is surprising that as few as 24 percent of his black respondents supported it.

The total-disinvestment position is presented as being supported by "the ANC, the PAC, Azapo, many members of the UDF and some trade unions".

Given the large collective support for these organisations which Orkin's own survey shows, the 24-percent endorsement which this option gained is low indeed.

The London Sunday Times/Mori/Markinor poll is least convincing. The phrasing of the key question is very general and very suggestive. "... economic sanctions unless South Africa agrees to get rid of the apartheid system...."

The words "economic sanctions" may not have been understood by rank-and-file black respondents, and could mean anything from qualified investment to a total trade boycott.

The link with "getting rid of apartheid" was thus able to ensure a majority endorsement in a sample which, according to the reports, was less than adequately controlled.

In overview, then, the full range of surveys leads me to the conclusion that at this stage only a minority of blacks in major metropolitan areas would support total disinvestment or economic boycotts.

Their reasons, as my surveys and others have shown, are simply that they would not wish to endure collective economic punishment in the sanctions process.

The "qualified investment" position, on the other hand, may well have gained support over the period covered by the surveys.

Sunday Times
15/9/85
280

No — Do not boycott, 65 percent.

Don't know five percent.

● May 1985. Human Sciences Research Council. Stratified probability sample of 1 200 black adults of both sexes, PWV area: same question as above:

burg and Soweto, sampling procedure unknown. Blacks were asked whether they supported or opposed disinvestment:

Opposed disinvestment, 51 percent.

● August 1985. The London Sunday Times and the Mori Poll-

The "disinvestment" options were:

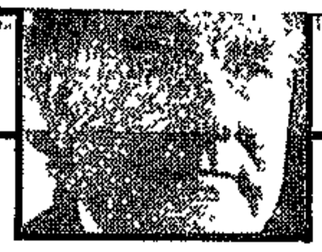
(No investment): "This view says that foreign firms only help to keep apartheid alive and exploit blacks, so foreign firms should not be allowed to remain here at all. This view is support-

firms the results of the earlier surveys.

My survey in June 1984 and the first HSRC surveys were conducted before the disinvestment campaign had taken the current form of a debate between protagonists of more or less total

Sunday Times 15/9/85
280

By PAUL JOHNSON



leading British commentator and author of "A History of the Modern World"

Kill off the SA economy and watch Africa dying

WHEN I complain, as I often do, about the low state of British journalism, and of the inaccuracy and irresponsibility of so much TV and newspaper coverage of serious events, some people think I exaggerate, and that I am hankering after a mythical past.

There may be some truth in this. But my general complaint of the poor quality of the British media is, I think, abundantly borne out by its handling of recent events in South Africa.

BBC television coverage has been particularly at fault, as of course one would expect nowadays. Twenty years ago, when similar scenes of violence were being enacted, the BBC at least made an attempt to preserve some kind of balance, to explain the whys and wherefores, to enlighten viewers rather than bully them.

But in the last month or so the coverage has degenerated into little better than crude anti-white propaganda, amounting in sum to a grotesque misrepresentation of what is actually happening in Africa today.

Erratic

In covering Africa, the media behaves rather like an erratic lighthouse. It suddenly picks upon an obscure corner of the continent, where the tide of violence, for instance, has abruptly risen to the point where it becomes newsworthy, or the horrors of starvation justify an expensive film sequence and subjects it to an intense, blinding light

Then, abruptly, it loses interest and moves on, leaving the darkness more impenetrable than before.

This year we have had brief, searing glimpses of famine in Ethiopia, civil war or coups in Uganda and Nigeria, and riots in South Africa.

The lighthouse beam tends to play longer on South Africa because it is easy, comfortable and safe for the media to operate there, but it does not reveal anything other than violence.

Above all, there is no attempt to illuminate Africa as a whole, to show the connections which undoubtedly exist between famine, government instability and riots.

These things do not just happen; they are all part of an enveloping, overwhelming tragedy of a continent which does not know how to order its affairs.

I suspect that future historians will account for the tragedy by the fact that the withdrawal of colonial stability coincided with Africa's entry into the acute phase of demographic revolution.

In 1960, when the colonial powers began to pull out fast, the total population was 210-million. Today it is at least 385-million and it is growing at a rate of 3,2 percent a year, by far the highest in the world, so in less than 20 years' time the population will have doubled again.

At the same time, everyone wants to pour out of the countryside into the towns, so creating appalling problems of congestion and violence in unplanned cities while diminishing the locally grown food supplies.

A tiny handful of countries — Kenya, Ivory Coast, Malawi and South Africa — actually grow more food than a generation ago. The rest produce less, in some cases very much less.

The loss in the food production side has not been compensated by successful expansion in the industrial and mining sectors. Accurate figures about living standards in Africa are increasingly hard to get, but it looks as though the real per capita income in sub-Saharan Africa as a whole is now actually lower that it was before independence, despite large quantities of aid and about US $80 000-million (R202 000-million) of borrowing.

The fall in real incomes in some countries must have been catastrophic. In Zaire, for instance, one of the biggest black African countries, a rich one, and a prime recipient of aid and loans, real wages earned by ordinary workers have declined almost constantly since independence and are now about 10 percent of what thay were in 1960

Survey

In some countries, like Equatorial Guinea, the income per head is only US $60 (R152) or even less. Even on the basis of official African statistics, which paint a far rosier picture than reality, real income per head has fallen in nine African countries over the past 25 years.

In 1983, the estimated decline in income overall was 5,4 percent I have taken these figures from a new and comprehensive survey of Africa by the American radio journalist Sanford Unger, which Simon and Schuster have just published in New York, and which I commend to the media

As a result of the drop in incomes and the failure of the indigenous food supplies, more and more Africans are undernourished or actually starving. Five million children die every year in Africa from malnutrition; another 5-million are crippled for life by it.

Africa has had to increase its grain imports by 700 percent since independence, but despite this, the World Bank estimates that about 60 percent of the people have a daily calorie intake which is below the official malnutrition figure.

Twenty-four African countries face what the FAP terms "catastrophic food shortages". There is also a growing number of people rendered homeless by the civil wars and frontier campaigns which have become endemic in parts of East and Central Africa — 5-million "official" refugees, and perhaps several times that number in reality. These people have no income at all.

Wicked

Against this background, the current attempt to destroy the South African economy seems to me one of the most wicked things that has occurred in the world since the days of Hitler and Stalin.

I can understand why the gunmen of the ANC want to bring about this catastrophe, because they want power, and this is the only way they can get it. But why so many churchmen should desire it, professing as they do to care for the welfare of ordinary Africans, is a mystery to me.

Still more baffling is the obvious anxiety of so many people in the British media to do everything in their power to encourage violence and dissipate what little wealth the continent possesses.

South Africa not only feeds itself, but exports food in large quantities. Its factories and mines are the means whereby the smaller Southern African countries survive at all.

If its economy collapses, the one engine of growth — even survival — in the continent will be put out of action, and its fall will drag down all the countries of Southern Africa, indeed perhaps, all sub-Saharan Africa. Then we will count the dead from starvation in tens of millions.

No doubt this would please some hard-faced men in Moscow, but why should anyone in the British media be working for such a nightmare?

(First published in The Spectator.)

"...the current attempt to destroy the South African economy seems to me one of the most wicked things that has occurred in the world since the days of Hitler and Stalin"

Strauss criticises sanctions

STAR 16/9/85

BONN — The leader of the second largest party in the West German coalition Government has criticised the Foreign Minister, Mr Hans-Dietrich Genscher, for including West Germany in the European Economic Community's sanctions against South Africa.

Mr Franz Josef Strauss told *Bild* newspaper at the weekend he had complained to Mr Kohl that Mr Genscher had exceeded his instructions at last week's sanctions debate in Luxembourg

He said Mr Genscher's behaviour conflicted with the position set down beforehand by the Christian Democrats and the Christian Socialist Union

Mr Strauss said he and Chancellor Helmut Kohl agreed recognition should be given to reforms announced by the President P W Botha, such as equal pay for equal work

In the past Mr Strauss has said a black majority government would plunge South Africa into chaos — Sapa-Reuter

● See Page 13.

Pressure put on Thatcher to join in sanctions

The Star Bureau

LONDON — British Foreign Secretary Sir Geoffrey Howe is pressing the Prime Minister, Mrs Margaret Thatcher, to accede to European Economic Community (EEC) demands for more rigorous sanctions against South Africa, *The Guardian* has claimed.

He wants the move in the hope of avoiding a damaging rift with Commonwealth leaders.

Sir Geoffrey is urging Mrs Thatcher to withdraw Britain's two military attaches from Pretoria — so far without success. Mrs Thatcher appears determined not to give in to demands for a stronger British line

UNRESOLVED

The issue was unresolved at last week's meeting of the Cabinet. Both Mrs Thatcher and Sir Geoffrey will be out of Britain this week, but attempts to resolve the matter will be stepped up when they return.

Sir Geoffrey is reported to have told ministerial colleagues that a change of course is necessary before next month's Commonwealth conference in the Bahamas.

He insists that British acceptance of the full EEC recommendations for action against South Africa is the minimum price Commonwealth leaders will demand, although even that would not stop conference friction.

AUSSIE PRESSURE

Australian Prime Minister Mr Bob Hawke and New Zealand's Mr David Lange are expected to join African leaders in condemning Mrs Thatcher for refusing to take stronger action.

The Commonwealth Secretary General, Sir Shridath Ramphal, has told Sir Geoffrey he believes the Commonwealth conference could turn into a week-long confrontation between Mrs Thatcher and the other leaders if she does not give in

● See Page 13.

SA seen as all-peryasive foreign policy issue in US

STAR 16/9/85

By Neil Lurssen,
The Star Bureau

WASHINGTON — The extraordinary political scrap that broke out in the United States Senate last week over South African sanctions sent a clear signal to both the Reagan Administration and the Botha Government American pressure to end apartheid is going to build up even more

President Reagan won last week's battle. By a narrow margin, he prevented Congress from passing a harsher sanctions Bill than the package he announced on Monday

It was a fierce and emotional fight, and it ended on an almost comical note when the President's allies in the Senate ended the matter by simply spiriting the Bill out of the chamber and locking it away — like cross little boys taking their ball home so that the game would end

President Reagan prevailed, but both the Republicans and the Democrats made it plain to him that his victory depended on results from his sanctions if they were not implemented thoroughly and or were ineffective, Congress would act

EMOTION

In terms of emotion, South Africa is now the number one foreign policy issue in the United States It is all-pervasive, dominating all the news media — television, radio and newspapers

In shopping malls throughout the country, pictures of angry South African blacks stare from magazine racks as Americans buy their milk and bread

In terms of moral indignation and concern for America's role in the world, it has become the Vietnam issue of the mid-80s

Just as American leaders suffered from that grim dilemma, so President Reagan has suffered from his involvement with South Africa By switching to sanctions after saying flatly that he opposed them, he angered the right wing and showed the liberals that he was responsive to pressure and politically vulnerable after all.

As one commentator noted by running ahead of a mob chasing you, you can try to persuade the mob that you are leading it

By ordering mild sanctions, President Reagan has bought time for his policy of friendly persuasion which he says is now more active But nothing short of the total demolition of apartheid is going to take the pressure off to get much tougher with Pretoria.

'APPALLING'

"This is what the former astronaut, Senator John Glenn, said in last week's debate: "I trust that every member of this body will agree that the South African scheme of apartheid is appalling, inhumane and unjust

"But simply agreeing with that assessment is no longer sufficient We must demonstrate that our protest is more than a rhetorical exercise."

Other senators cast the issue in terms of what America stands for. Said Senator Gary Hart "The majority of South Africans have made their stand. They have decided it is better to die for freedom than to live as slaves."

EEC plans 'positive' action

STAR 280 16/9/85

The Star Bureau

LONDON — The EEC has turned its back on white South Africa.

Imposing largely symbolic sanctions last week, which many say will hurt blacks most, it also took positive action to compensate blacks.

Significantly, the EEC, which met the ANC for the first time this week, said they shared a common analysis of South Africa.

Even Britain, which split from the EEC rather than withdraw its military attache and kick out South Africa's, endorsed "positive" measures to help blacks.

The EEC will force its nationals doing business in South Africa to apply a rigorous code of conduct, which will regulate black wages, provide training and promotion, and improve social conditions.

EEC officials have already held one meeting to discuss beefing up the code.

The EEC will also offer financial aid to non-violent, anti-apartheid organisations, particularly churches.

New EEC programmes will be instituted to educate blacks. They will be allowed to study at universities in EEC countries.

The EEC will intensify contacts with blacks in the political, trade union, business, cultural, scientific and sporting sectors.

It will institute programmes of aid to help black states in the Southern African Development Co-ordinating Conference (SADCC) lessen their dependence on South Africa — developing their own power, rail, road and shipping resources.

In addition, the EEC will seek to persuade members of its communities resident in South Africa that apartheid is wrong. Italy and Portugal, particularly, face problems in this regard.

Italian Foreign Minister Giulio Andreotti, who visited South Africa as a member of the EEC group last month, said that the 50 000 Italians in South Africa had urged him to act cautiously.

Portugal also has a large community in South Africa. They still have a vote in Portugal and are a powerful lobby.

The sanctions the EEC imposed this week were largely symbolic — many, like the arms embargo, the oil embargo and a ban on exports of "sensitive" technology, were already in place.

The president of the EEC Council of Ministers, Dr Jacques Poos, said: "We wanted to harmonise around a set of proposals."

Britain wrecked that harmony — and for her it will be business as usual in South Africa.

The other nine EEC members and Spain and Portugal, who become members at the end of the year, will apply the EEC package — and are free to take other action of their own.

Government's 'major reforms' brushed aside

Frontline Six call for more pressure

280 SUHP 16/9/85 STAR

By Gerald L'Ange,
The Star's Foreign News Service

The major reforms brought in and promised by the Government have been ignored by the six Frontline states. At their summit in Maputo they have called for sanctions and other international pressures to be stepped up.

The Frontline leaders apparently brushed aside changes, such as the extension of citizenship to all blacks and the promise to lift influx control, that have been regarded in white political circles in South Africa as of major significance.

They took this stance as the relatively moderate President Kenneth Kaunda of Zambia assumed leadership of the six-nation group. He took over from the more radical Julius Nyerere, who is retiring from the Tanzanian presidency and giving up the group chairmanship.

In the communique issued at the end of their weekend meeting in Maputo, the Frontline leaders said the constitutional reforms brought in under President P W Botha "have failed".

They were referring specifically to the new constitutional dispensation but their communique pointedly makes no reference to reforms such as the extension of citizenship rights, the promised abolition of the pass laws, the ending of apartheid on trains, the scrapping of the Immorality and Mixed Marriages acts, the virtual elimination of job reservation and the extension of trade union rights to blacks, the elimination of apartheid in sport and of petty apartheid in general, and the implication of eventual power sharing.

Deep concern

These measures, which have been given some recognition in the United States, Britain and Europe as indications of progress towards an internationally acceptable society in South Africa, were not mentioned

Instead, the leaders of Botswana, Zimbabwe, Mozambique, Tanzania, Angola and Zambia expressed deep concern over what they saw as increased repression in South Africa and the "violence perpetrated by the Pretoria regime against the defenceless population".

The meeting condemned the imposition of the state of emergency in parts of South Africa and called for the lifting of the ban on the ANC and for the release of ANC leader Nelson Mandela

Conditions

"Freeing Mr Mandela, they said, "could bring about conditions for the beginning of talks aimed at the elimination of the apartheid system".

The communique "hailed the growing condemnation of apartheid by Western countries" through economic sanctions and other forms of pressure. The Frontline leaders called on Western and other nations to broaden and intensify these pressures.

Neighbouring states fear sanctions

280 STAR 17/9/85

By Neil Lurssen, The Star Bureau

WASHINGTON — While South Africa's neighbours have publicly called for more sanctions to end apartheid, they have also made it plain to the United States they are worried about the effect of international sanctions on their own economies.

And the US said yesterday that President Ronald Reagan had drawn up his recently announced sanctions package in such a way that Southern Africa would suffer the least possible harm.

"We do not believe there should be any deleterious effects on South Africa's neighbours stemming from our action," a senior official said.

The US, citing the confidentiality of diplomatic exchanges, would not disclose what the Frontline States had told Washington about their fears.

A senior official in the US State Department said, however, that while South Africa's neighbours favoured the end of apartheid they were concerned about the "ancillary effects" on their countries of international punitive action against South Africa.

In contrast to the most recent call by the Frontline States for sanctions at their Maputo meeting, the Washington representatives of some of South Africa's neighbours have been quietly spreading the word that South Africa will not be the only country to carry the burden of sanctions.

It is expected that President Samora Machel will voice concerns about the impact of sanctions on his country's fragile economy during the Mozambique leader's five-day assistance-seeking visit to Washington this week.

The US State Department today expressed pleasure at the meeting in Zambia between South African businessmen and leaders of the ANC — and cautioned against confrontation should the stayaway, reportedly called by Bishop Desmond Tutu, take place.

Krugerrand ban hurts blacks, Nel tells US

By David Braun,
Political Correspondent

The South African Government today urged the Reagan Administration to reconsider its intended ban on the sale of Krugerrands on the basis that such an embargo would damage the livelihood of many blacks in Southern Africa.

In a statement in Pretoria, the Deputy Minister of Information, Mr Louis Nel, said the Government was concerned that the intended ban ignored the potential practical consequences.

He was reacting to a statement yesterday by United States Secretary of State, Mr George Shultz.

Mr Shultz said the Reagan Administration would move quickly to implement a ban on Krugerrand imports.

He told a Senate judiciary committee: "We are engaged in a process of notifying and consulting after which imports of the Krugerrand will be banned. There's no need for this to go on very long."

Mr Nel said an embargo on the Krugerrand would be an attack on the South African mining industry. That industry, he said, was:

- The second largest employer of blacks in South Africa and the largest employer of foreign blacks in the Republic.
- The largest earner of foreign exchange for the rand monetary area, which included Lesotho and Swaziland.
- The largest single generator of income for the families of foreign workers in South Africa — about half of these workers' earnings was repatriated to their families.

FAMILIES

About one-seventh of the price of each Krugerrand sold in the US accrued to a family of a foreign mineworker back home.

"The South African Government urges the US to reconsider its intentions in the light of the damage the intended embargo can do to the jobs and livelihood of blacks in South and Southern Africa," Mr Nel said.

"There is already too much hunger and misery in Africa. No constructive purpose will be served by adding to the suffering.

"No constructive purpose will be served by attacking one of the most viable and important instruments of economic development in Africa," he added.

- Sales of the Krugerrand abroad have slumped to a trickle over the past four months and any US ban would only to highlight what had already occurred in the market place, said Chamber of Mines president Mr Clive Knobbs.

He said today that if sales of the Canadian Maple Leaf began to fill the niche created by the Krugerrand, then the Canadians would eventually have to buy South African gold to produce coins.

Canada, it was believed, was not using gold from its official reserves to mint the coin and was buying the gold on the open market.

Banking sources said today that the Reserve Bank has had to step up its sales of bullion because of the fall in the Krugerrand sales.

● See Page 13.

SADF raid refocuses world attention on independence for SWA

Renewed sanctions pressure likely

JOHN BATTERSBY

LONDON — This week's South African raid into southern Angola has again focused international attention on the almost forgotten problem of South West Africa and renewed pressure for economic sanctions.

Diplomatic sources said yesterday the raid would be seized on by the country's critics on the eve of several key United Nations debates on South Africa.

The sources said it would increase pressure on Britain and the United States to fall in line with a Security Council resolution on sanctions.

In June, the Security Council passed Resolution 566 calling on member states to adopt their own sanctions against South Africa, while agreeing to meet again to discuss mandatory sanctions under Chapter 7 of the UN Charter which provides for economic measures.

In terms of the resolution, the UN Secretary-General was supposed to report by September 7, but has not yet done so.

Once he reports the Security Council must meet immediately for discussion in terms of the resolution.

Diplomatic sources also believe that the British government, which has vigorously opposed economic sanctions, is likely to be more responsive to a limited sanctions call related to SWA than to the general internal situation in South Africa.

Although the British government yesterday refrained from specifically condemning the latest raid, there was widespread concern in Western political circles at its timing.

The first criticism was expected at today's opening session of the UN General Assembly, which is due to discuss South Africa.

Two UN conferences on South Africa — one on international firms working within the apartheid system and one on SWA — will provide further forums for mobilising international pressure on sanctions.

Britain faces grim isolation at the UN over its refusal to adopt sanctions against South Africa.

Next Thursday, the British Foreign Secretary, Sir Geoffrey Howe, will address the Security Council from the chair where he is likely to get the first taste of what is expected to be a tougher Soviet line on South Africa.

Political observers in London believe the timing of the Angola raid can be explained only in terms of President P W Botha's need to have a show of strength before next month's by-elections.

They perceive the raid as a somewhat desperate act and an indication that the National Party machine is receiving warning signals from the grassroots.



● BOTHA

☐ France yesterday condemned the South African military strike against SWA insurgents in Angola, reports Sapa-AP.

France "condemns the South Africans' claim of responsibility for an armed incursion in Angola, in disdain of international rights", a spokesman for the French Foreign Ministry said.

It was announced on Monday that South African Defence Force troops had entered Angola in pursuit of Swapo.

Reagan denies SA sanctions secured his leadership strength

280 STAR 18/9/85 B39

By Neil Lurssen, The Star Bureau

WASHINGTON — President Ronald Reagan denied last night that he had ordered economic sanctions against South Africa because he was afraid of losing his leadership strength in the US Congress at a key point in this legislative programme

"No, I am not afraid of that," he said, adding that he was getting on "pretty well" with members of the Congress, all of whom had their own ideas on how to deal with problems.

With a smile, the President said he must have made the correct decision on South Africa since he was being criticised by both sides.

"I think that when you are standing up against a Cellophane wall and you're getting shot at from both sides, you must be doing something right," he said

Looking fit and confident at his first major White House news conference since his cancer operation, Mr Reagan said that when he signed the executive order on economic sanctions, he had tried to avoid hurting the people the US was trying to help

Had the criticism that followed his action come from one side only, he would have looked at the order again and asked whether he had missed something

'IN THE MIDDLE'

"But the very fact that both factions are unhappy — one says it goes too far, the other says it doesn't go far enough — I must be pretty near the middle," Mr Reagan said

Though there had been criticism, he added, there had been some leaders in South Africa, leaders against apartheid, who had been gratified by what the US had done

"So, we will see what happens," he said

Mr Reagan said he did not anticipate any more friction on this issue

However, Democrats in the Congress — supported by some Republicans — have vowed to return to their own tougher sanctions measure, which includes a directive that the Administration impose additional, more far-reaching sanctions, should there be no progress toward eliminating apartheid within a year.

They say they may try to attach the tougher measures as an amendment to a funding Bill that the President will not be able to veto.

Informed sources in both parties said last night the Democrats had not yet moved on their threat, but they could do so in November

Much would depend on whether the Administration implemented the sanctions thoroughly, the sources said

US ban won't seriously affect gold mining industry

The Star Bureau

LONDON - Mr Robin Plumbridge, chairman of Gold Fields of South Africa said he did not think the proposed American ban on Krugerrands would affect the gold mining industry to any great extent

He felt the Krugerrand had achieved its objective of widening the market for gold by encouraging personal investors to hold gold coins. The loss in sales to the US would be made up by increased sales of other gold coins like the Canadian Maple Leaf

Referring to the unrest in South Africa he said he would not apologise for the use of rubber bullets and tear gas earlier this month against striking black mineworkers

"If you have got group violence you have to use techniques involving tear gas and so on," he told Andrew Cornelius of The Guardian

"But you get to a no-go stage where you have to act, and fairly decisively."

Cornelius says Mr Plumbridge's hard line contrasts with that of the group of businessmen who met ANC leaders in Zambia last weekend

Of their initiative, Mr Plumbridge said "Clearly these people are entitled to their point of view I personally am not a political animal"

Mr Plumbridge said he agreed with Dr Gerhard de Kock who recently complained about the perceptions of the troubles in South Africa by people outside the country.

"We have had our problems and I don't want to minimise those," he said. "On the other hand in the country as a whole life carries on

"If you were visiting a major town like Johannesburg you wouldn't be aware of any riotous activity except what you read about or see on television"



Robin Plumbridge .... no apology for action against striking mineworkers.

Sanctions: Frontline states will suffer most

FOCUS 280

Sowetan 19/9/85



THE PRESIDENT: Mr P W Botha

SPECIAL Correspondent

LONDON — International economic sanctions against South Africa could cost the nine black neighbours more than 2-billion dollars a year, at least to begin with

This assessment is made in a paper prepared for Western European parliamentarians at a conference on apartheid in Amsterdam last weekend The paper's author, Dr Joseph Hanlon, has attempted what he calls "a superficial assessment of the likely impact"

The paper must be seen in the light of the claim by the British and US governments that one reason why they are against sanctions is the fear of serious damage to these black economies

Violation

Hanlon wants South Africa's western trading partners to help cushion the effect of sanctions A recent paper produced by the Southern African Development Co-Ordination Conference (SADCC), the subcontinental common market, has already hinted that the west should chip in Seven of the countries are members of the commonwealth

"The experience of the violation of Rhodesian sanctions by Britain and other states has led most of the states to say they must be last to impose sanctions, not first. "This," says Hanlon, "is only sensible as South African trade with the US, Britain and West Germany is vastly larger than with the black states."

A sudden border closure, Rhodesia style, would have most impact, Hanlon says but would also be most disruptive to the black neighbours However, phased, step-by-step sanctions now seem more likely, giving all sides maximum time to adjust Limited sanctions, far from doing harm, might actually benefit the black states if money withdrawn from South Africa were reinvested in the region

Another mitigating factor was that South Africa exported 1-billion dollars worth of manufactured goods to the region and would be unlikely to endanger this market

Running through the countries, Lesotho, entirely surrounded by South Africa, is a hostage state It depends totally on South Africa for jobs, income, food and fuel A Berlin-style airlift might be needed to ensure its survival At the other extreme, Tanzania and Angola would hardly notice the effects of South Africa's reaction

Fears

Other calculations include the possible dismissal of the 275 000 legal imigrant workers, half from Lesotho and 60 000 from Mozambique, who remit 300-million dollars annually Here again, the mining houses would resist any attempt to retaliate against these workers.

Pretoria would probably intervene physically to prevent Botswana, Lesotho and Swaziland, members of a customs union with South Africa, from importing fuel directly

"This is not an idle supposition," Hanlon says, as South Africa takes its control of oil very seriously It has sabotaged suppliers in or for Mozambique, Zimbabwe, Angola, Malawi and Lesotho, and blocked independent supplies to Lesotho and Botswana. "Such action can be assumed again " He also fears that Pretoria might send in troops to guarantee continued access to Lesotho water, Cabora Bassa electricity (in Mozambique) and the railway through Swaziland.

Disruptive

South Africa has already disrupted transport in the region, either directly, or through rebel groups in Angola and Mozambique. But if there were further economic retribution and trade and transport were cut off entirely, the effect would be extremely disruptive in the short run "

However, all the states could buy directly on the world market, without going through the republic. "Several studies have shown that South Africa is normally a more expensive source of supply and neighbouring states only use it because of history, laziness and disorganisation, as well as longer-term credit, transport and membership of the customs union."

The overall impression, says the paper, is that the main costs to the black neighbours will not be from sanctions themselves, but from South African retaliation and military action

identity of the customer
- Sapa-Associated Pres.

SA businessmen speak against sanctions at UN

The Star Bureau

NEW YORK — Leaders of South Africa's business community spoke out against mandatory economic sanctions at the United Nations yesterday.

Addressing the UN's public hearings on the role of international corporations in South Africa and Namibia, the leaders said "Effective disassociation from abroad will make our contribution to the reform process more problematic, mainly because of the increasing domestic polarisation which will result from increasing international isolation."

REPRESENTED

They represented the Afrikaanse Handelsinstituut, the Association of Chambers of Commerce of SA, the National African Federated Chamber of Commerce, the SA Federated Chamber of Industries and the Urban Foundation The SA Government was not invited

"Overseas interest should indeed actively support selective, but aggressive engagement rather than total disengagement and disinvestment from the country, on condition that at least a majority of black South Africans are satisfied that real progress in being made," they urged

The leaders also talked of the "unstoppable process" of transformation in South Africa, which was underway

The week-long public hearings have been organised by the UN Commission on Transnational Corporations

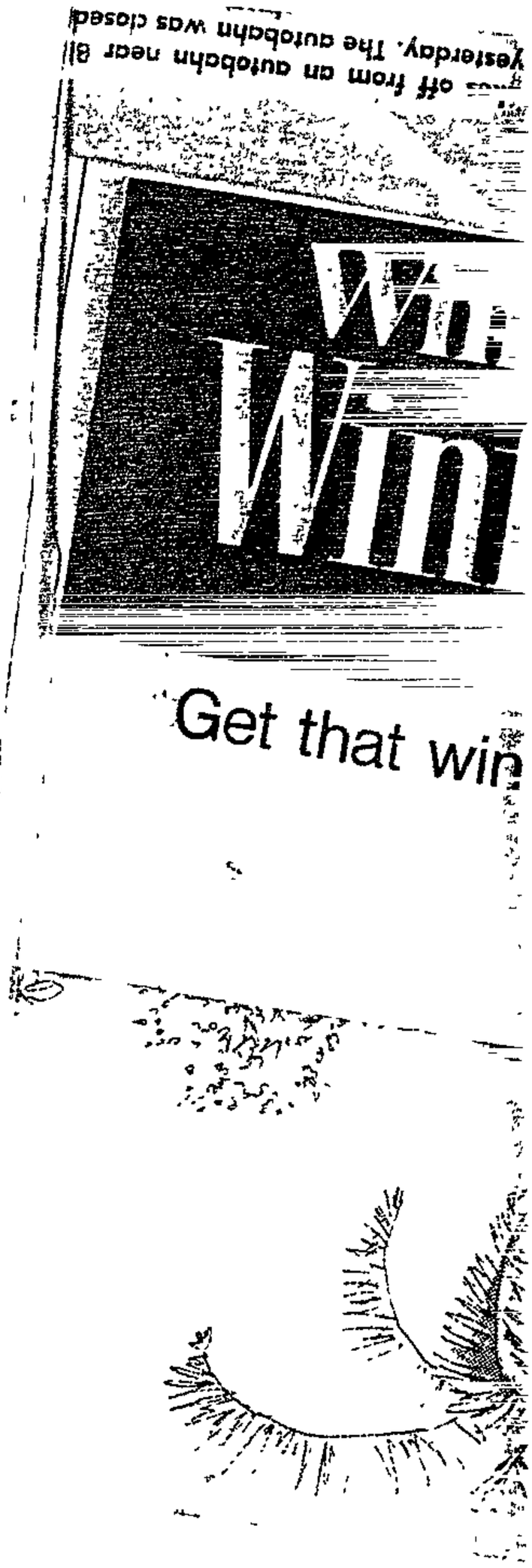
It has been boycotted by over a 1 000 corporations which declared the UN "unfair and unbalanced"

Mr Raymond Parsons of Assocom told the panel the question that had to be answered now was "How should change be brought about?"

Dr Johan van Zyl, of the Federated Chambers of Industry, supported the idea that the state of emergency be lifted, political leaders be freed and "meaningful" dialogue be set up with black leaders

more supportive of PTA
toria

Death sentence for ?



The EEC tries to 'harmonise' sanctions song

280 STAR 19/9/85

By Peter Mann,
The Star's London Bureau

The EEC, struggling to "harmonise" their sanctions circulated a questionnaire asking members to indicate what action they would take.

Using replies to that questionnaire, this is how the EEC lines up against South Africa:

Countries supporting the arms embargo: All 10 member states support a ban on both imports from and exports to South Africa. All 10 support a ban on military co-operation. Britain however, refused to withdraw her military attache or send home the South African military attache — provoking a row in the EEC.

Mr Malcolm Rifkind, Minister of State at the Foreign Office responsible for South Africa, argued that reports that the military was in the ascendancy in South Africa made it vital for Britain to maintain such contacts.

Countries favouring abolition of export credits: The Netherlands, Belgium, Denmark, West Germany, Ireland.

Countries banning oil exports to South Africa: United Kingdom (does not sell North Sea oil to SA), Netherlands (wants mandatory UN restrictions) and Denmark.

Countries banning export of "sensitive" equipment (computers etc): United Kingdom, Denmark, France (for the army and police).

Countries in favour of a ban on the import of SA coal and other raw materials: Netherlands (will encourage voluntary reductions), Denmark (will encourage voluntary reductions and mandatory records), Ireland (no imports by public bodies).

Countries in favour of banning import and sale of Krugerrands: Netherlands, Denmark, France, Ireland.

Countries in favour of suspending new investment in SA: Netherlands (under discussion, but compulsory for companies not adopting the EEC Code of Conduct), Denmark, France.

Countries abolishing investment credit with SA: Belgium, Denmark and France.

Countries favouring the prohibition of negotiating new contracts with SA in the nuclear field: All 10 member states "harmonised" on this. The United Kingdom had a dig at France by suggesting dumping the word "new" — meaning an end to all existing contracts, including France's profitable Koeberg contract.

Countries in favour of mandatory uneconomic sanctions: Netherlands, Denmark and Ireland.

Countries in favour of "revision and reinforcement" of the code of conduct: All 10 member states.

Countries in favour of humanitarian aid to victims of apartheid: United Kingdom (through the UN and the Commonwealth), Denmark, West Germany, Greece (through UN programmes), France (through the Committee for Aid to the families of prisoners), Ireland, Italy, the EEC (in favour of help to refugees).

Countries in favour of aid to anti-apartheid organisations and movements: All 10 member states favour aid to non-violent anti-apartheid movements, particularly the churches.

Countries in favour of study grants and teaching programmes to al blacks: Netherlands, UK, Denmar West Germany, Greece, France, Ir land, Italy.

Countries favouring recall of am bassadors: France, Greece (for con sultations only); Ireland, Luxembour and Denmark, none of which hav embassies in South Africa.

Countries favouring a reduction o diplomatic staff: Belgium, France.

Countries favouring a reduction i the level of consular relations: Den mark (wants to close its Johannes burg Conulate General and replace i with an honorary consul).

Countries wanting to introduc compulsory visas for South African Netherlands, Belgium, Denmark France, Italy, Luxembourg.

Countries favouring a freeze on of ficial sporting ties: All 10 membe states.

Countries favouring refusal o visas to SA teams or individuals competing in international or nation al sporting events: Netherlands, Bel gium, Denmark, Ireland (for official representatives of SA), Luxembourg.

Countries favouring discouraging cultural and scientific agreements: Nine of the 10 member states. Britain refused, saying it would harm the work of the British Council.

Countries favouring a squeeze on inter-governmental agreements and official contacts: Netherlands, Belgium, Denmark, France, Greece, Ireland, Luxembourg.

Countries favouring discouraging emigration to South Africa: Belgium, Denmark (which will abolish emigration aid) and Ireland.

How the 'tune' would sound to black states

The Star's Foreign Service

International economic sanctions against South Africa could cost the nine black neighbours more than $2 billion a year, at least to begin with.

This assessment is made in a paper prepared for Western European parliamentarians at a conference on apartheid in Amsterdam recently . The paper's author, Dr Joseph Hanlon, says the paper must be seen in the light of the claim by the British and US governments that one reason why they are against sanctions is the fear of serious damage to these black economies.

Hanlon wants South Africa's Western trading partners to help cushion the effect of sanctions.

A sudden border closure, Rhodesia style, would have most impact, Hanlon says. But this would also be most disruptive to the black neighbours. However, phased, step-by-step sanctions now seem more likely, giving all sides maximum time to adjust. Limited sanctions, far from doing harm, might actually benefit the black states if money withdrawn from South Africa were reinvested in the region.

It is also pointed out that South Africa exports $1 billion dollars worth of manufactured goods to its black neighbouring states and would be unlikely to want to endanger this market.

Running through the countries, Lesotho, entirely surrounded by South Africa, is a hostage state. It depends totally on South Africa for jobs, income, food and fuel. A Berlin-style airlift might be needed to ensure its survival. At the other extreme, Tanzania and Angola would hardly notice the effects of South Africa's reaction.

Other calculations include the possible dismissal of the 275 000 legal migrant workers, half from Lesotho and 60 000 from Mozambique, who remit $300 million annually. Here again, the mining houses would resist any attempt to retaliate against these workers.

Pretoria would probably intervene physically to prevent Botswana, Lesotho and Swaziland, members of a customs union with South Africa, from importing fuel directly.

"This is not an idle supposition," Hanlon says, as South Africa takes its control of oil very seriously. It has sabotaged supplies in or for Mozambique, Zimbabwe, Angola, Malawi and Lesotho, and blocked independent supplies to Lesotho and Botswana. He also fears that Pretoria might send in troops to guarantee continued access to Lesotho water, Cabora Bassa electricity (in Mozambique) and the railway through Swaziland.

The main cost to the black neighbours would probably not come from sanctions themselves, but from South African retaliation and military action.

One-week boycott next month

Australian trade unions geared to attack SA trade

AUSTRALIAN unions are to intensify their attack on SA trade in the next few months.

The one-week boycott of SA trade and services starting October 21 is only the beginning of a series of union actions against SA, according to the Australian Council of Trade Unions (Actu).

Although Actu has not called a mandatory boycott, observers said the boycott would have 100% backing from Australian trade unions.

Further union action is expected to be on an industry basis. Actu said last week it would meet with its members to work out industry-specific boycotts of SA.

The Australian government is not expected to intervene immediately in the boycotts.

"If the boycott is only short-term, government will steer clear of intervening. If it leads to a long-term disruption of trade, it will have to tackle the question of whether it can allow unions to obstruct the free flow of trade between nations," said an Australian government official.

Observers said the present Australian government has to be careful in its dealings with Actu.

"The unions are the major affiliates of the Labour Party and provide a substantial proportion of the party's funding. The links are very close and government certainly wants to avoid alienating the unions over the SA issue," said one observer.

ALAN RUDDOCK

SA companies are relatively unconcerned by the proposed one-week boycott. Many admitted they expected much stronger action from Actu.

"It could have been much worse, but presumably it could get tougher. We have plenty of time to prepare ourselves for this boycott and can offset the damage. Obviously this is not good for our trading relations, but it's not too serious — yet," said one exporter.

SAA said the one-week boycott would not cause undue disruption of its Australia service.

"We have contingency plans for strike action, as do all other airlines. We have only one flight a week to Australia and we will have to reroute passengers on that flight," said SAA's Tienie Willemse.

The Department of Posts and Telecommunications said it would advise the public of any delays that may arise in postal services because of the boycott.

It said the degree of automation of telex and telephone systems made disruption of the service unlikely, but operator-assisted services could be hit.

Shipping agents Nedlloyd said its freight services would not be upset.

"Even without alt[illegible] our schedules we should be ab[illegible] having a ship on their coast [illegible] time of the boycott."

Punitive sanctions won't help - Kohl

BONN — Chancellor Helmut Kohl said in an interview that punitive sanctions against South Africa would hinder efforts to achieve peaceful reform there.

"Constructive dialogue and measures of political persuasion are more effective than double-edged economic sanctions," the chancellor said in an interview with the influential newspaper, Die Welt.

The comments by the conservative Chancellor Kohl were a reaffirmation of his government's stand.

"Unfortunately, measures (of reform) have been inadequate," Chancellor Kohl said in the interview.

But Chancellor Kohl said recent public statements by South African state president, Mr P W Botha, indicated a commitment to further reform in the country.

He called on the South African Government to promptly begin dialogue with "recognised representatives of the non-White" population.

Cosmetic sanctions for SA

By IRVING STEYN, Weekend Argus News Editor

SANCTIONS so far announced against South Africa were cosmetic "political posturing" and would have very little effect, according to Dr David Rees, associate professor of economics at the University of Cape Town.

Almost without exception countries which had announced action against South Africa such as the United States, Canada, the EEC and Australia had taken economic self-interest over moral issues.

And those countries clamouring the loudest for sanctions were in direct economic competition with South Africa, like Africa with its minerals, Russia with its gold and South American countries with their meat and cereal exports.

"One wonders why, if people feel that morally obliged to institute sanctions against South Africa, they didn't do so five years ago, before the reform programme was embarked upon," Dr Rees said.



Dr Davis Rees

Krugerrands

Analysing last week's measures announced by President Reagan, he said the ban on Krugerrands had been a nominal gesture because gold was so anonymous. Nothing prevented South Africa producing some other gold coin or article.

Just as meaningless was the ban on computer exports to agencies involved in the enforcement of apartheid and the security forces. There was nothing to prevent the establishment of a front organisation, instal an imported computer and let anyone you like use it, he said.

The prohibition of nuclear goods or technology was no blow, it was simply a restatement of what had gone before.

The ban on loans to the South African Government except for those which improve economic opportunities, or educational, housing or health facilities open to all was wide open to interpretation. In any event it was almost impossible for South Africa to get loans anyway.

The recall of military attaches was also simply "telling the spies to go home".

Discouraging cultural and scientific agreements was "unfortunate" as it would make it more difficult to communicate and would contribute towards isolation.

Ending oil exports would be difficult for those who want to end them — short of a blockade of South African ports. It could, however, lead to more expensive oil for South Africa.

As to the prohibition of all new nuclear collaboration, Dr Rees said "we seem to be running pretty much our own show, anyway."

Canada's contribution was an example of where economic self-interest overrode moral obligation.

Air traffic

Like the United States it has announced a series of voluntary sanctions. These included a voluntary ban on loans to the South African Government, unless blacks were to benefit. That was open to interpretation, Dr Rees said.

There is a ban on passenger and air cargo traffic, virtually non-existent anyway and a "request" that Canadian petroleum companies stop the shipping of crude oil or petroleum products. In fact, none has ever been shipped to South Afrcica and there were no plans that they would be in future.

Sacos attacks rebel cricketers

CAPE TIMES 23/9/80

Staff Reporter

THE coming Australian rebel cricket tour was openly defiant and displayed "callous insensitivity to the present resistance of the oppressed", the South African Council on Sport said at the weekend

The declaration was one of six resolutions passed yesterday at the end of Sacos's two-day conference in Cravenby Estate

The conference:

● Warned against a national covention

● Reaffirmed its complete rejection of all "rebel and mercenary sports tours of South Africa" and said the cricket tour, scheduled to start on November 22, was in open defiance of the wishes of the Australian and international sport community

● Condemned the state of emergency

The resolution said the "invasion of residential areas and schools and the brutality displayed by the so-called security forces is a true reflection of the fascist nature of South African society and is a further attempt to disrupt our lives and our sport".

The resolution also:

● Dismissed the government's support for the idea of creating an independent body to represent sporting interests in this country as "another ploy in its attempts to sell multinational sports to the oppressed".

● Supported the call for a consumer boycott.

On the resolution concerning a national convention, delegates said that even though Sacos was a sports organization it still had a contribution to make in the "liberatory movement".

A national convention, they argued, would be used by "big business to stake their interest in this country"

"The major reason is in effect to circumvent .. is in effect designed to deflect our struggle The only direction the liberation movement should adopt is to rely on our resources," said one delegate

CAPE Times

Iday, 'September 23, 1985

UK union supports sanctions

Own Correspondent

LONDON — Leaders of Britain's biggest trade union have met the South African Ambassador, Dr Denis Worrall, to tell him of their "passionate opposition" to apartheid

And the general executive council of the 1,5 million-strong Transport and General Workers' Union (TGWU) made clear their support for



Dr Denis Worrall

economic sanctions against South Africa.

At a meeting on Friday, described by Dr Worrall as a "useful exchange", the TGWU team, led by general-secretary Mr Ron Todd, demanded an end to the emergency and the release of Mr Nelson Mandela and other political prisoners

They also called on the South African Government to begin immediate talks with leaders of the United Democratic Front (UDF), the African National Congress (ANC) and the South African Congress of Trade Unions (SACTU)

The meeting was arranged after Mr Todd handed in a letter at the South African Embassy during an anti-apartheid picket by union members last week

The TGWU executive expressed particular concern over the imprisonment of trade unionist Mr Oscar Mpetha Mr Todd said afterwards that the ambassador had indicated he would be "happy" to receive a formal letter on Mr Mpetha's case from the TGWU

Credentials

Mr Todd said the executive held the view that more could be achieved by an "eyeball-to-eyeball" encounter with Dr Worrall than by continued protests on the pavement outside South Africa House

"We did not invite him for tea and cucumber sandwiches," he added.

Dr. Worrall said that people like Mr Alan Paton, Mrs Lucy Mvubelu, Mrs Helen Suzman and Chief Gatsha Buthelezi — whom he described as persons with "impeccable credentials as opponents of the South African Governement" — all opposed economic sanctions.

Economic growth was a major factor in bringing about reforms in South Africa he said

He also told the meeting that South Africa, measured by any objective standard, "must rate high on any scale of human rights in Africa"

Real terms

After the meeting, Dr Worrall denied a suggestion that the fact that he had accepted an invitation to talk to the TGWU was a sign of desperation over the South African economy

Mr Todd said that SACTU had welcomed the TGWU decision to talk to Dr Worrall

He said the executive had pressed Dr Worrall to say what terms like "self-determination in the homelands", "the extension of citizenship to blacks" and "the end of influx control" meant in real terms.

No sanctions on our own — Ireland

DUBLIN — Ireland would not adopt sanctions against South Africa unless they were part of a world action, Ireland's Foreign Minister, Mr Peter Barry, was quoted as saying yesterday.

But. Mr Barry said in an interview with the *Irish Times*, Ireland was prepared to take the measures recommended by the European Economic Community, including an arms embargo and an oil boycott

He said that for Ireland to impose trade sanctions alone, without the support of the rest of the EEC, "would be very unproductive and perhaps would not be of assistance to the blacks of South Africa".

"If one country alone stopped trading with South Africa, another country would supply the market," he said in the interview before leaving for the 40th session of the UN General Assembly in New York

Mr Barry said Ireland, with no embassy in South Africa, was already ahead of other countries by not permitting State companies to encourage contacts or trade with the apartheid system

Sinn Fein, the legal political wing of the outlawed Irish Republican Army, attacked his statement

"Crocodile tears about the evil of apartheid and how much the government abhors it while waiting for other states to implement sanctions is obscene," Sinn Fein president Mr Gerry Adams said — Sapa-A P

UK sanctions against SA in 'couple of months'

Dr DAVID OWEN, a former British Labour Foreign Minister, is the leader of the centrist Social Democratic Party (SDP), formed in 1981, and leader of the SDP/Liberal Alliance. Prime Minister Margaret Thatcher has predicted he will be the next non-Tory British prime minister. It is part of the political wisdom of Whitehall that what the SDP is doing today the Tories are more than likely to be doing tomorrow. In the latest opinion polls the Alliance has moved well ahead of Labour and the Tories, following its recent annual conference. Owen's claim that the Alliance will hold the balance-of-power — or even win outright — at the next election is sounding more credible than ever. Here he gives JOHN BATTERSBY his views on South Africa — an increasingly delicate foreign policy issue on the British stage — in a face-to-face interview

JOHN BATTERSBY in London

BATTERSBY: at last week's SDP conference your party endorsed a policy of selective economic sanctions against SA, including a loan and investment freeze and a tougher code of conduct for British firms with operations in SA.

Your motivation, as I understand it, is to contribute to a more rapid pace of evolutionary change rather than precipitate a revolution. Do you not fear that adding your voice to the sanctions campaign could create a momentum which rolls inevitably on towards a crippling trade embargo and total disinvestment?

OWEN: I don't think it will roll inevitably on. It will roll if there is no response — if the clampdown gets more severe, if there is no shift, if there are no negotiations with representative black leaders.

SEVERAL months ago you were involved in an exchange of correspondence with Foreign Secretary Sir Geoffrey Howe, in which you suggested Britain should initiate a limited package of sanctions in the UN Security Council. But Britain has now emerged as SA's "lone protector". How long do you think the UK government will be able to sustain this decision?

A COUPLE of months. I don't know what the UN Security Council tactics will be . . . but it would not be difficult to isolate Britain, for example, if those countries who feel strongly about sanctions put a motion down in exactly the same terms as the Executive Order issued by President Reagan.

If they called for mandatory sanctions on the basis of the threat to the peace existing in Namibia — which is the rationale for the current Resolution on the arms embargo — I would have thought that it would be very difficult for the Americans to veto — with Britain alone — such a resolution.

The Americans would probably abstain and Britain would have great difficulty vetoing alone. If it was to veto alone it would face — within a matter of months — losing a very considerable amount of trade in other markets. There would be retaliation against Britain. But the rest of the world is not too keen to take retaliation against the US, because it is big and powerful.

WHAT ROLE does the Commonwealth play in this process of isolating Britain internationally?

OF COURSE, Britain will come under immense pressure on this issue at the Commonwealth heads of government meeting next month. We're dangerously isolated and have been publicly humiliated, in the sense that Thatcher has been let down by President Reagan, who had to respond to a very considerable shift in Republican sentiment in the Senate and the House of Representatives.

WHAT DO you regard as a realistic sanctions package against SA at this stage?

THE PACKAGE which I think is realistic to introduce at the moment is not disinvestment. Existing companies should be made to follow a code of practice, which should be tougher than the Sullivan Code.

I was the person who drafted the EEC Code in 1978 and, at that time, it was tougher than the Sullivan Code. What has happened is that the EEC have done nothing in the meantime while the Sullivan Code has been regularly tightened up. The EEC code has lapsed pretty badly.

But disinvestment would undermine the basic stability of SA. That may come, but I certainly wouldn't encourage disinvestment through the law. If individual companies find they can't conduct business in SA on non-racialist lines then they should withdraw.

DO YOU think that Britain should fall in line with the rest of the EEC on the withdrawal of military attaches and the severing of cultural links?

I DON'T think they are really important, but I am in favour of doing it for the sake of EEC solidarity. But I don't delude myself that it makes much difference. But the EEC position has already lagged behind the Americans.

The first time that the EEC will really come under pressure will be as a result of Security Council moves. I must add, though, that I am in favour of dialogue with SA. I didn't attack Thatcher for talking to Botha. I would talk to Botha. I have negotiated with both of the Bothas.

WOULD YOU see the tightened I wouldn't allow an exemption at the say-so of the various national governments, because they would all cheat. But if the European Commission was involved in granting the authorisation they would be able to ensure that it was not just an exercise in avoiding sanctions.

The advantage of using the EEC, rather than the UN, is that if one felt there really had been serious political progress towards genuine negotiation in SA you could lift sanctions.

One of the worries that has always existed about putting sanctions on at the UN is getting them off again. That is why it would be better, too, at the UN to cross the economic sanctions threshold under the threat to the peace existing in Namibia (rather than the internal situation in SA).

This would mean that, if SA did move on Namibia and started to move internally, you would not be saddled with sanctions in perpetuity. I am interested in a calculated strategy which might have some impact on SA. But I wouldn't hesitate to up the ante to a threat to the peace in SA itself. There is certainly abundant evidence for a threat to the peace on this basis.

COULD THE involvement of government in granting exemptions not become rather cumbersome?

THE ADVANTAGE of government involvement is that it does legitimise the private sanctions that are being applied at the moment (the capital boycott by US banks). Private sanctions are, of

DO YOU think that the capital boycott and the resultant economic crisis has, in effect, overshadowed the whole sanctions debate?

YES. It's far more important — far more effective. But had there not been the earlier discussion and somewhat reluctant — but committed — feeling that we had to cross the threshold of economic sanctions, it might not have happened.

I changed position on this a year-and-a-half ago because I felt it couldn't be avoided. The people who take a sustained, serious interest in SA — but who aren't vindictive — have increasingly been moving towards some form of economic sanctions.

I RESPECT their arguments, but in neither case are they right.

WHAT DO you say to the argument that SA blacks and the economies of neighbouring states — which are intertwined with that of SA — will be hardest hit by sanctions?

THAT IS up to the SA government. If they decide to do it — I think that they probably will — we will have to try to offset that. But I don't think we can go on being blackmailed by what they will or won't do.

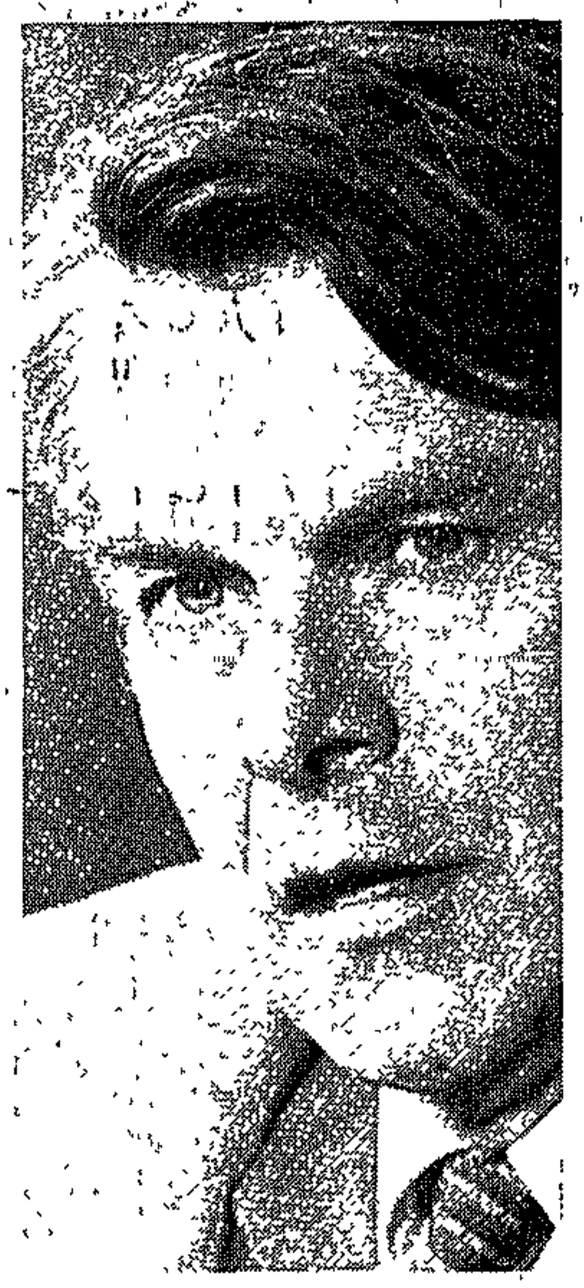
And I don't think their record of trustworthiness is such that you can take their word on any aspect of international affairs. The raid on Botswana was an outrageous attack. They have not held to the Nkomati Accord. They have continued raids into Angola after the ceasefire. It is an outrageous record.

DO YOU not think that the West should be prepared to pay a price for a stable SA — that the

280

B. Day

24/9/85



● OWEN . . . "UK under pressure"

I also do not see one-man-one-vote and a winner-takes-all system as the only constitutional solution in SA. I am in favour of one-man-one-vote, but I am also in favour of proportional representation. Where you have a powerful entrenched minority, such as the whites, I am in favour of giving them some form of power-sharing arrangement.

DOES THAT mean minority guarantees for the whites?

WELL, I drafted them into the Zimbabwe constitution and they look as though they are going to hold for the period of transition. But the SA situation is very different. It is not a colonial situation.

Some degree of safeguards can be written into constitutions. But I think it is better to construct some form of constitution which has got power-sharing built into it.

WAS THATCHER'S instruction to the Bank of England not to bail out the rand her first concession to economic pressure?

WELL, it's pretty illegitimate to argue after that, that economic pressure never has any effect. The interesting thing about the private sanctions that have been taken on the capital market is its effect on the whole argument that economic sanctions have no effect and tend to drive the government into a laager.

I HAVE seen Oliver Tambo (the ANC president) and I would see him again. Ministerial contact would depend on what the ANC was saying at the time. I wouldn't legitimise armed struggle. But I would be encouraging contact between the ANC and the businessmen.

WHAT ROLE do you see for the KwaZulu leader, Chief Buthelezi?

THE GRAVEST danger for Buthelezi is that the government will persuade him to break ranks to try and divide and rule. This would be a very great mistake, which would backfire on the government. It would hasten the day of violence.

It has been the government's technique throughout Southern Africa and it has been a very abysmal failure. It is too late, now, for that. It would also set a lot of the Zulus against Buthelezi.

I have always thought he has had a very difficult role to play. I grow increasingly worried that he will be pressurised by the SA government. I hope that he will not move another inch towards being used in that way. He has the potential to contribute towards an evolution, but not in isolation against the tide of serious opinion.

DO YOU agree with the Liberal Party's proposal for a trade embargo against SA and a ban on SAA flights to EEC countries?

A TRADE embargo would not work, and banning flights is a gesture which I considered in 1978. It would leave the way open for the Swiss to cheat. They would clean up.

But these are all pressures. Who is to say these won't be applied a few years down the track? I wouldn't say no to a trade embargo in perpetuity if they started to turn the whole country into a police state. If they clamped down and eradicated every civil liberty.

SA must understand now that sanctions are here, now, as a permanent feature of international life. The screw is on and it's going to stay on. Every time somebody has just got to give it a bit more twist. The only say they have got is the pace at which that screw comes down.

But the pressure one applies has got to be judged carefully to the situation — it has got to allow for peaceful change. But it's the internal economic pressure which will actually make the changes.

WHAT WOULD you do if you found yourself in P W Botha's shoes?

important than the loan and investment freeze which you also advocate?

NO. THE two are important together. But there is a further qualification on the loan and investment freeze. We would implement this under Community legislation, and where it was obvious that a loan or investment project was almost wholly for the benefit of the black community, I would allow an exemption.

They are being applied for reasons of self-interest, because the banks doubt the capacity of the SA government to pay.

There is no doubt that if there was a ban on new bank loans applied by government it would make it harder for the private banking community to come back in a couple of months, time as though nothing had happened. I think things have already passed the point of no return as far as that is concerned.

uve element of sanctions needs to be matched with a positive thrust?

THE POSITION of the British political parties do have both elements. It is an attempt to try to wield both a stick and a carrot. The purpose of exemptions on new loans and investment is to be able to give some encouragement.

This ritualistic stuff one always hears from the SA lobby has been shown to be a load of codswollop. The SA government will listen to power. They are very pragmatic. The question is how you apply it.

WHAT SIGNIFICANCE do you attach to the meeting between leading SA businessmen and leaders of the ANC?

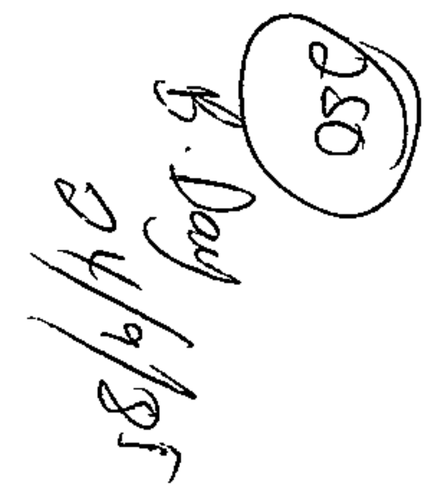
I THINK it was significant. They were significant people who did it in defiance of the government. Inasmuch it begins to put business ahead of the government, that is a good thing.

WHAT IS the SDP policy on contact with the ANC? Would an Alliance government receive the ANC leadership at ministerial level?

THE REAL question is: has he got the imagination to be able to genuinely negotiate? He hasn't negotiated a thing. He has handed everything down.

Once you start negotiating you are no longer setting the agenda. Others have an input, so you no longer have the luxury of exclusion, which Botha has had up to now. In Nelson Mandela you have a natural leader. The chances for getting a negotiated settlement are always vastly enhanced if you have a real leader.

Botha has to develop a programme of power-sharing and negotiate a deal which would give the white minority a large deal of government autonomy in their own areas. It is going to be very tough, and the tempation is that you think you can get away without doing it.



Coal embargoes are 'not directed at SA'

ROY BENNETTS

FEARS of embargoes by foreign dockers against coal exports do not appear to be based on facts

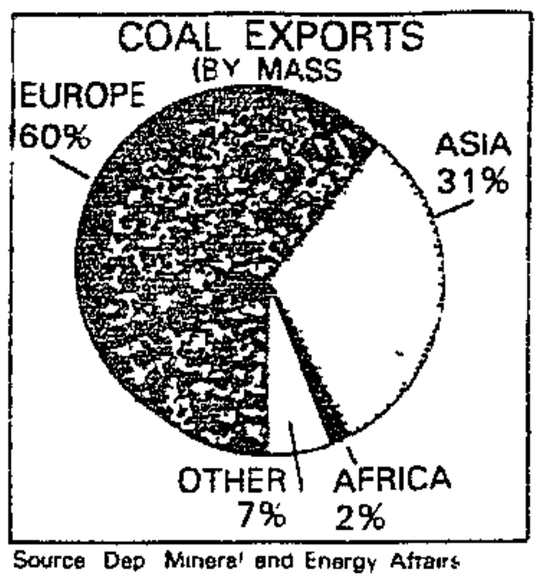
Managing director of the Transvaal Coal Owners' Association, Les Weiss, says that latest reports of disruptive action by Continental stevedores do not signify a new spirit of anti-South Africanism, but are rather an act of solidarity with Continental miners

He says these actions are directed against the importation of any coal rather than an anti-South African movement

"Such events have happened in the past, but I do not share any pessimistic view of their long-term results

"Unions have a history of taking industrial action on behalf of other unions, and the latest occurrences have their background in sympathy with both French and British miners, who face a loss of employment due to pit closures," says Weiss

In the face of increased coal production in America, Russia and China, it is reported that Britain's National Coal Board planned to reduce total coal output by about 4-million tons a year with 20 of its remaining 169 collieries earmarked for closure



Source Dep Mineral and Energy Affairs

Manpower figures are expected to fall by 15 000 to about 156 000 in contrast with 700 000 employed at 958 pits in 1947 when the industry was nationalised

This follows the 12-month miners' strike last year after which there was a massive switch from coal to oil-burning power stations, resulting in coal's share of primary energy consumption falling from 35% to 21%

The Department of Mineral and Energy Affairs declines to reveal the exact breakdown of coal exports But in its review of the South African minerals industry it claims that last year 60% of total exports found their way to Europe and 31% to Asia.

Which means that industrial action by European unions could disrupt potential revenue of R1,44bn

Japan and other Pacific rim countries are not overtly anti-South African and could take additional supplies of coal released by European customers

Last year Japan remained South Africa's main customer for steam coal, with shipments of 6-million tons There was a significant increase in exports to France, up from 4,5-million tons to 5,8-million tons, and to Italy from 4-million to 5,6-million tons

The higher exports to France are believed to be as a result of problems in the country's nuclear power industry, while Italy is committed to raise the level of coal-fired power dependence from 16% to 23% of total energy input by 1990

This year a total of some 40-million tons is expected to be exported at a value of R2,4bn, but the actual amount of revenue received in local terms will depend of the rand/dollar exchange rate

The TCOA believes that it is unwise at present to estimate a local value of coal exports but that in dollar terms the selling price is concentrated at $33 a ton

Argus 25/9/85 CITY 280

Giant union body to press for sanctions

Staff Reporter

THE largest body of trade unions in the non-communist world is to press for sanctions against South Africa "as a peaceful means of pressuring the white community to change", says a top union official visiting South Africa.

In an interview in Cape Town yesterday Mr Enzo Friso, assistant general secretary of the International Confederation of Free Trade Unions, which has 90 million members in 93 countries, said economic sanctions would be a peaceful means of showing the white community that the situation in South Africa could not go on indefinitely.

"Our member organisations are committed to putting pressure on their respective governments to back sanctions We wish to stop further investment and white emigration to this country, and to organise disinvestment," he said.

Mr Friso, who heads a three-man ICFTU delegation to South Africa, said black workers to whom he had spoken had said they were prepared to suffer the consequences of economic sanctions if it would help bring an end to apartheid

Black trade unions in South Africa had been forced to fight against apartheid to survive, he said.

"They cannot fight only for better conditions in the factories when there is no democracy."

The ICFTU, which broke away from the now mainly communist-controlled World Federation of Trade Unions (WFTU) shortly after World War 2, was committed to fighting human rights violations wherever they occurred, Mr Friso said



Prince William strides confidently with his royal Mum and Dad to his first day at nursery school yesterday. Three-year-old Prince William was cheerful and nonchalant. He ignored Pressmen packed outside the nursery school in Notting Hill, London.

Bringing you ne

Business warns on sanctions

LONDON — Punitive sanctions against South Africa were dangerous and could push the society into a state of siege and economic and political isolation, a high-powered delegation of South African businessmen has warned Britain.

Delegates from Assocom, the Federated Chamber of Industry (FCI) and the Afrikaanse Handelsinstituut (AHI) have met the Minister of State at Foreign Office responsible for South Africa, Mr Malcolm Rifkind, Mr Paul Channon, the Minister for Trade and Industry, and representatives of the powerful Confederation of British Industry.

Assocom was represented by Mr Raymond Parsons, the AHI by Professor Nick Wiehahn, the FCI by Dr Johan van Zyl and Mr Arthur Hammond-Tooke.

Also part of the delegation was Nedbank chairman Bill Yeowart.

Demands

They seek to interpose themselves between the South African Government and black people whose demands for change they support.

"The Government, in its head if not its heart know that political accommodation of the blacks is the only way to go," said Mr Hammond-Tooke.

"We have to get into the negotiation posture. We think we have a small role in getting the feet of the government and blacks on the bottom rung of negotiation."

FCI director Dr Johan van Zyl, said the organisations could, in the future "get involved" in talks with the ANC.

Questioned about the meeting between ANC and businessmen they said "We felt it better at this stage to have it undertaken in their personal capacity by our

The 'club' to discuss sanctions

The Star Bureau

LONDON — Commonwealth Secretary-General Sir Shridath Ramphal is optimistic Britain will join other members of the Commonwealth in Nassau next month in agreeing in principle to selective economic sanctions against South Africa.

In an interview with *The Times*, Sir Shridath said he did not expect African Commonwealth leaders to press for a commitment to comprehensive and mandatory economic sanctions because these would be rejected by Britain and other Commonwealth countries.

Instead they would concentrate their efforts on trying to persuade Mrs Thatcher it was in Britain's interests to be part of the international process intended to induce South Africa to change its ways.

"We will have a confrontation only if Mrs Thatcher absolutely refuses to countenance any kind of economic pressure," he said. "But I really find that unthinkable."

Political comment in this issue by H W Tyson, headlines and posters by M J Polkinghorne, cartoons by A Berry, D Fedler and D Anderson; all of 47 Sauer Street, Johannesburg.

UK trade body backs Thatcher's stand on SA

The Star Bureau

LONDON — The Confederation of British Industry has reaffirmed its support for the government's strategy on South Africa of working for peaceful change through urgent political reforms rather than economic sanctions.

Its new policy statement Tuesday follows pressure from member-companies and discussions in London with representatives of South African employers' organisations which have been trying to persuade Pretoria to negotiate with black leaders.

"We are totally opposed to apartheid which is morally abhorrent and hinders economic growth and free enterprise," the CBI said.

"We acknowledge that a start has been made on dismantling the system, but we believe it must be abolished altogether as soon as practicable."

The confederation believes political reform would be retarded by measures which damaged South Africa's economy, such as enforced disinvestment by foreign companies or trade embargoes. These would weaken the beneficial influence.

CAPE Times 25/9/85

Big SA business in call to West

From JOHN BATTERSBY

LONDON — A high-powered delegation of organized business in South Africa yesterday urged Western business interests to join them in a reformist alliance to pave the way for black/white talks.

The call was made at a press conference here attended by Assocom's chief executive, Mr Raymond Parsons; Mr Bill Yeowart, immediate past president of Assocom; Mr Johan van Zyl, chief executive of the Federated Chamber of Industries (FCI), Professor Nick Wiehahn, representing the Afrikaner Handelsinstituut (AHI), and Mr Arthur Hammond-Tooke of FCI.

The conference was hosted by Mr David Willers, London director of the South Africa Foundation (SAF).

In a clear bid to move ahead of international business opinion, the delegation invited Western-based multi-nationals with business interests in South Africa to join them in preparing the climate for a national convention.

The businessmen warned that economic sanctions would be counter-productive in achieving their aims, but conceded that the capital boycott by United States banks had made talk of sanctions "academic".

Mr Parsons said the South African business community was now directly involved in seeking political structures which would "broaden democracy" in South Africa and create the climate of confidence necessary for a process of negotiation with black leaders to begin.

"Business is not governing the country. It wants to make the country governable," he said.

The delegation, which has been in New York to take part in the United Nations hearing on sanctions, yesterday met the British Foreign Office Minister, Mr Malcolm Rifkind, and leaders of the Confederation of British Industries (CBI).

U K unions in bid to boycott S A products

Mercury

(UK) 280 26/9/85

London Bureau

THE British Trades Union Congress wrote to 50 major retailers yesterday, urging a total boycott of South African goods.

Mr Norman Willis, TUC general secretary, said. 'The TUC general council have long been concerned about the growing economic dependence of the U K on economic links with South Africa

'A substantial reduction in foreign earnings from exports would make it more difficult for the South African regime to resist beginning a dialogue with genuine representatives of black people about peaceful development towards democratic change in South Africa'

The appeal is accompanied by a TUC call on 10 000 000 trade unionists and their families not to buy goods produced in South Africa

This follows a resolution opposing apartheid at last month's annual congress

Mr Willis said 'I want to emphasise that in common with almost all the civilised world, we are seeking a peaceful change of the situation in South Africa This boycott is part of that process'

The TUC general secretary also announced that he would meet Oliver Tambo, the ANC president, when he visited Britain next week to attend the Labour Party conference in Bournemouth

A statement issued by the TUC general council, after its meeting yesterday, said that the recent proposals for removing some of the apparatus of apartheid gave no cause for satisfaction

'The grave unrest of the last 10 months, fuelled by savage repression against black people in urban areas, will only be ended by a political settlement involving the chosen leaders of the black communities, including the independent trade union leaders

'As a prelude to any useful discussions and negotiations with the regime, Mr Nelson Mandela must be released and enabled to take part.'

The general council called on the Government to adopt and vigorously apply sanctions as proposed by the UN Security Council until basic democratic rights may be practised by all the people in South Africa

UK supports sanctions move

Capt Trinkhaus
26/9/85

280

From JOHN BATTERSBY

LONDON. — The British Government is to withdraw its military attachés from South Africa in a surprise move to fall in line with the European Economic Community's sanctions package.

The British Foreign Office confirmed yesterday that its two defence attachés in Pretoria had been summoned home "immediately and indefinitely" as part of the package which was approved by the other nine EEC nations on September 10.

Britain is the world's largest investor in South Africa and the country's fourth-largest trading partner

However, a statement by the Foreign Secretary, Sir Geoffrey Howe, indicated continued British opposition to the principle of economic sanctions

'Signal'

But he added that the package of measures "represents a legitimate and necessary signal to the South African Government but one which avoids further destabilizing the South African economy and harming those in South Africa who we are seeking to help".

Britain's reservations about impairing its ability to monitor the actions and intentions of the South African Defence Force and its concern about jeopardizing the work of the British Council led to a position which effectively blocked a united EEC stand.

Other elements of the EEC package which Britain opposed on September 10 but now supports include:

- A "rigorously controlled embargo" on exports and imports of arms and para-military equipment,
- An end to oil exports,
- Refusal to co-operate in the military sphere;
- The prohibition of all new collaboration in the nuclear sector,
- Discouraging of cultural and scientific agreements except where these contribute towards 'the ending of apartheid or have no possible role in supporting it.

Observers nevertheless believe that the British move is unlikely to go far enough to avoid a confrontation at the Commonwealth summit next month, where Britain will be completely islolated on the sanctions issue.

'No benefit'

- Sapa reports from Pretoria that the Foreign Minister, Mr Pik Botha, last night said the British move would not contribute to the process of reform in South Africa and had clearly been taken to fall in line with its European partners.

Mr Botha said no one in the country would benefit from the interference of other countries in South Africa's affairs.

"The decision will not contribute to the process of reform in South Africa and it becomes clearer than ever to me that the sooner all South Africans, black, white, coloured or Asian, realize that the intervention of Europe or the United States or Russia in our affairs will not be to the benefit of any of us, the sooner we will all pay serious attention to the solution of our problems."

'Warning'

- Dr Zac de Beer, an executive director of the Anglo American Corporation, said the British decision should be seen as a serious warning to South Africa

"We should all be relieved that the sanctions imposed are so limited.

"On the other hand we should take this as a serious warning from the EEC countries, and from Britain in particular, that we need to get our political house in order very quickly," he said.

- Our Transvaal Bureau reports that the Belgian Government said it had asked South Africa to withdraw its military attaché from Brussels, going beyond the sanctions agreed to by the EEC nations earlier this month.

The director of programmes for the South African Institute of International Affairs, Mr Leon Kok, yesterday described the British action as "symbolic and a show of concern for the situation in South Africa".

- The KwaZulu Chief Minister, Chief Gathsa Buthelezi, said in a statement last night that Britain and the EEC had taken symbolic rather than punitive action which would have punished black people "for the sins of apartheid".

● Full British statement, page 6

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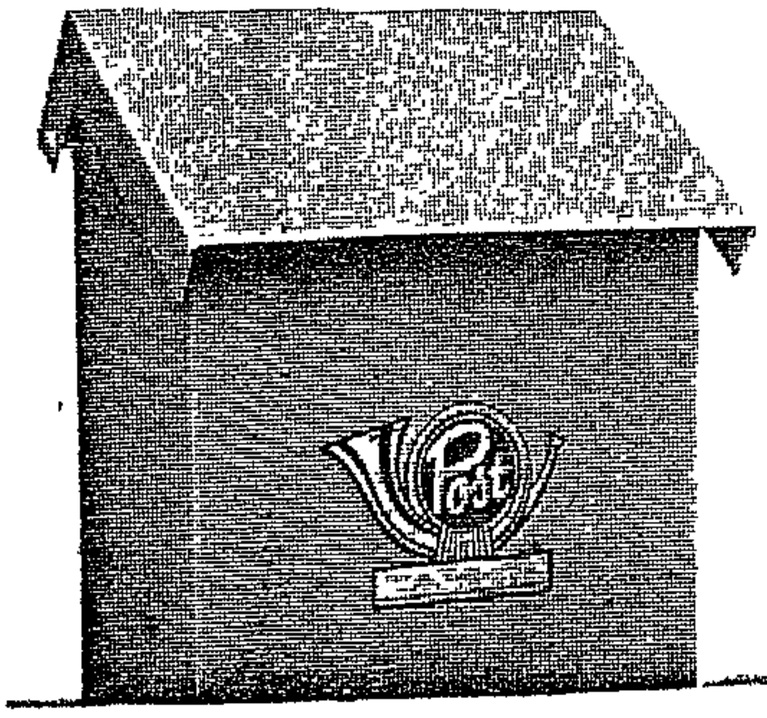


Britain joins Europe in limited sanctions

26/9/85

280

Mercury

Mercury Correspondent

JOHANNESBURG—Britain announced yesterday it was joining its European Economic Community partners in a package of military and political sanctions against South Africa, but again it stopped short of economic curbs

The Belgian Government said it had asked South Africa to withdraw its military attaché from Brussels, going beyond the sanctions agreed by the EEC nations earlier this month

Two British defence attachés, Col David Hanson, military attaché, and Gp Capt Lionel Grundley, naval and air attaché, were yesterday summoned home immediately and indefinitely as part of the package adopted by the 10-nation community on September 10

The South African Foreign Minister, Mr Pik Botha, condemned the British action as 'short-sighted, uncalled-for and not going to assist reform'

Meanwhile, in New York, Sapa-Reuter reported that British Foreign Secretary Sir Geoffrey Howe called on South Africa to end apartheid but doubted this would be achieved through mandatory economic sanctions.

'I understand the passions that prompt calls for such measures But we are not persuaded that measures of this kind would achieve the aims of those who call for them,' he said in a speech to the UN General Assembly.

Diminish

'They would diminish rather than increase effective pressures on the South African Government to introduce fundamental changes and would bear most heavily on the weaker sections of the population and neighbouring countries

'We call upon the South African Government urgently to move beyond mere words to actions which are long overdue, to end apartheid and to establish a system of government acceptable to the people of South Africa as a whole'

A South African Foreign Ministry spokesman said the only EEC members with military attachés in South Africa were France, which recalled its ambassador earlier this year, Britain and Portugal, which joins the EEC on January 1.

A spokesman from the Portuguese Embassy said yesterday Portugal had attended the EEC meeting and was studying the matter

Mr Leon Kok, of the South African Institute of International Affairs, yesterday described the British action as symbolic and a show of concern for the situation in South Africa

Pressure had been building up on Britain since the State President's Rubicon speech, and Britain probably felt embarrassed by its more immediate relations with the South African Government

'Britain has faced an enormous amount of criticism and could not afford to be seen dragging her feet compared with the other EEC countries,' Mr Kok said

The final factor was that Britain would be facing the Commonwealth at a heads-of-government meeting on October 15, and would have to account for her relations with South Africa

Mr Patrick van Haute, a spokesman for the Belgian Foreign Ministry, said yesterday South Africa had been told to withdraw her military attaché in Brussels within a reasonable time

Spokesmen for the PFP and NRP both said the British action signalled the necessity for swift reform.

What oil sanctions cost SA annually: R5 billion

By PAT SIDLEY

THE international-oil embargo costs South Africa R5 billion a year.

This was the figure presented to a conference on apartheid last weekend in Amsterdam.

According to a paper compiled by the Amsterdam-based Shipping Research Bureau, South Africa pays R3-billion a year in crude oil imports, and spends another R2-billion annually to circumvent the existing embargo

The paper, called "West European Companies Breaking the Oil Embargo against South Africa", says the money is spent on premiums to companies and middlemen, on a vast stockpile, on oil exploration and on Sasol installation and production costs.

The costs annually are broken down as follows:

- Sasol — R2 250-million in "extra costs of oil products manufactured"
- Stockpile — R125-million preparing old mines and R1 325-million in lost interest on the stock
- Off-shore exploration for oil (Soekor) — R5-million
- Premiums to companies and middlemen —R7,5-million
- Other costs not estimated include the loss of potential export earnings of coal used by Sasol (about 32-million tons a year), pollution costs and ecological damage, the cost of under-utilisation of conventional refineries, compensation costs to oil companies, costs of production loss, repairs and security of energy installations because of sabotage.

To be able to pay these extra costs, the South African government has set up a complex system of special funds, the paper says.

The main ones are the newly-transformed Central Energy Fund, the Strategic Fuel Fund and the Equalisation Fund.

● To PAGE 2

What oil sanctions cost SA

● From PAGE 1

The paper says the funds have been kept secret, although they will now be scrutinised by parliament

The funds are raised by taxpayers' and consumers' money and financed by various levies on liquid fuel consumption

The paper reports a number of "oil scandals" reported in the South African press on the Salem affair, on allegations of misspendings and corruption, on mysterious court cases in which large sums for commission are claimed, on premiums paid to oil traders and on alleged "irregularities" by officials involved in management of these funds

The Equalisation Fund, the paper says, was established to compensate the subsidiaries of Western oil companies refining oil in South Africa (Mobil, Caltex, Shell, BP and Total) for their abnormal costs of crude oil purchases "The fund acts as a buffer levelling prices of crude oil purchases from abroad," says the paper

In 1984, according to the paper, R1 000-million of the Equalisation Fund was spent to pay the increase of crude oil import prices

The paper says the costs of the three Sasol plants so far are estimated at R25-billion Crude oil imports have been reduced by Sasol by 35 percent It comments "This partial self-sufficiency, however, tends to decrease rather than to increase, as was recognized by the South African Director-General of Mineral and Energy Affairs, Louw Alberts (who noted that) 'this reduction of crude oil imports is less than the quantity of crude oil replaced by the Sasol production of fuels because of growth in market demand'"

The paper says another investment of up to R50-billion by 1995 would be needed to bring about 70 percent self-sufficiency, and after that one new plant would have to be built every three years

Soekor has spent more than R500-million so far looking for oil. The recent Mossel Bay gas find, the paper says, would cost R2,5-billion to develop.

The paper comments on the secrecy surrounding South Africa's oil purchase in a section entitled "Secrecy is Essential".

It quotes Minister F W de Klerk saying to parliament in 1983: "The struggle against boycotts is by no means over. U N attempts to prevent crude oil deliveries to South Africa continue. Any relaxation in respect of secrecy can help to spotlight the target and enable our enemies to identify our friends and partners who deliver to us."

The paper describes the legislation requiring secrecy and says as a result the oil trade with South Africa is probably "the largest secret trade in history. Annually about 15-million tons of crude oil with a value of about $3-billion disappear from world statistics. The reason is this volume is sold and shipped to South Africa."

These deliveries are surrounded by "malpractices and fraud" like false destinations, forged certificates, bribes, false sets of logbooks.

SAA forced to find new routes

26/9/85 Sowetan

THE marked shift in public opinion against South Africa and apartheid is causing some international airlines to plan changes to their long-established routes which cross Black Africa and terminate in South Africa.

SPECIAL Correspondent

They are also being influenced by the increasing reluctance of most African states to provide overflying and landing rights to jetliners bound for South Africa.

South African Airways, which has for years avoided flying over continental Africa, is concerned about the long-term future of its own route around the "bulge" of West Africa, made possible by using the Cape Verde island of Sal for refuelling on flights bound for Europe and the US.

Up to 18 SAA flights pass through Amilcar Cabral Airport, Ilha do Sol, every week of the year.

Stopped

Nairobi's Jomo Kenyatta International Airport, long used as a "halfway halt" by wide-bodied jets of various European airlines operating between their capital cities and Jan Smuts Airport in Johannesburg, has come under closer scrutiny by opponents of the Pretoria regime.

Airline operators are now thinking seriously about phasing out such flights to South Africa, or to stop using Nairobi as a halfway stop.

First to make a positive move is Scandinavian Airlines System (SAS) which stopped its flights from Copenhagen to Johannesburg through Nairobi on September 1.

This has also meant the temporary cessation of SAS flights to Nairobi, but SAS expects to resume those in November, once a suitable intermediate stop has been found to make the route economically viable

Eight other European airlines, including British Airways are still operating flights to South Africa, regularly calling at Nairobi.

British Airways has a daily 747 service to Johannesburg, but stops at Nairobi on five of the flights and flies non-stop on the two other days of the week, a fairly recent departure indicating it is technically possible to cover the distance from London without refuelling.

The Israeli airline, El Al, also calls at Nairobi for refuelling on its flights to Johannesburg and back.

Three other European airlines use the west coast route on flights to South Africa, calling either at Kinshasha or Brazzaville.

Pan-Am, which used to fly from New York to Johannesburg by way of Kinshasha, has also stopped its flights to South Africa.

Some time ago Qantas ceased its service between Sydney and Johannesburg and now ends its Africa flight in Zimbabwe, while SAA alone maintains the air link with Australia, using Mauritius as a refuelling stop.

This Indian Ocean island has become the eastern equivalent of the Cape Verde islands for SAA on its westerly routes. SAA flights to Hong Kong and Taiwan also refuel at Mauritius before the long flights over the Indian Ocean.



Mr PIK BOTHA . . . visited East Africa.

Mission

With an eye to the possible stoppage of all European airline flights to South Africa should the situation deteriorate drastically, the authorities in Pretoria have been looking around for a possible alternative to Ilha do Sol airport in case Cape Verde withdraws all landing rights for SAA aircraft.

At the end of last year South Africa's Foreign Minister, Pik Botha, was widely reported as having undertaken a visit to East Africa on such a mission.

— London Observer Service.

Cumulative boycotts hitting SA

26/9/85

280

STAR

By Hannes de Wet

News of international anti-apartheid measures, such as proposed trade restrictions, has been grabbing the headlines recently It is, however, the cumulative effect of the "people" boycott which is eroding contact between South Africans and the world community

Victims include balloonists, academics and members of pipe bands and judo teams These South Africans — and many others — are finding themselves increasingly isolated

Now even the 1985 South African Grand Prix is an on-off affair because of international pressure

FRENCH QUIT

The French Renault team announced earlier this month that it would not take part because of increasing racial violence in South Africa And the governments of Brazil, Sweden, Finland and France have urged the international organisers of the GP circuit to cancel the event.

A brief look at some of the sport/entertainment/cultural/academic boycotts of the past year brings home the extent of the anti-South African climate in the international community

Entertainers who vowed in this period never to visit South Africa again include country singer Kenny Rogers, pop star Tina Turner, British singer Max Bygraves and American superstar George Benson

The recent Pact opera season was also hit when previously contracted singers withdrew at the last moment

Another kind of boycott action in the field of entertainment is the bar on South Africans who wish to perform in other countries

Zimbabwe, for example, placed a blanket ban on South African entertainers in July this year

Some other countries have gone further by devising a whole package of anti-South African measures

Last month Brazil included the cutting of sports and cultural links in its decision to ban arms and oil exports to South Africa.

In June the Swedish Government instructed local authorities, trade unions and sports bodies that South Africans are to be banned from attending Swedish conferences, symposia, seminars, concerts, music and film festivals and sporting events

Last month Belgium barred 12 South African experts from an international nuclear energy conference in Brussels

Towards the end of last year New Zealand placed a complete ban on individual sportsmen and women from South Africa And earlier this month the Australian Cricket Board warned that Australian cricketers who play in South Africa would be summarily banned from playing test and state cricket for 10 years

UK sanctions move puts SA further into the cold

26/9/85 STAR

The Star Bureau

LONDON — South Africa is being pushed further out into the cold in the battle over apartheid. Britain yesterday fell into line with her European Economic Community partners by adopting a package of limited sanctions.

As part of the measures, the recall of Britain's two military attaches in Pretoria was announced yesterday.

However, Britain was "not persuaded" that economic sanctions against South Africa would bring about the desired change, the Foreign Secretary, Sir Geofrey Howe, told the United Nations General Assembly in New York yesterday.

'PRESSURES WILL DIMINISH'

Mandatory sanctions and trade boycotts, Sir Geoffrey said, "would diminish rather than increase effective pressures on the South African Government to introduce fundamental changes and would bear most heavily on the weaker sections of the population and neighbouring countries".

He urged those countries with links with South Africa to use them in order to "promote fundamental change".

Sir Geoffrey spoke about "signs of movement" by the South African Government as a result of the recent visit by three EEC members.

"These," he urged, "must now be translated into firm decisions to dismantle apartheid.

"To this end there is now an urgent need for dialogue with genuine representatives of the African majority."

Britain's turnabout, a significant change of policy, came after two weeks of internal discussions within the Foreign Office about whether to break ranks with EEC partners

Diplomats said Britain's decision to enter the European Community fold, so to speak, was part of a campaign to ward off pressure, not only at the UN, but also at the Commonwealth Conference in the Caribbean next month.

The restrictive measures Britain has now agreed to are:

- A rigorously controlled embargo on exports and imports of arms and paramilitary equipment to and from South Africa
- A refusal of all co-operation in the military sphere.
- The recall of military attaches accredited in South Africa and refusal to grant accreditation to military attaches from South Africa
- Discouraging cultural and scientific agreements except where they contribute to ending apartheid or have no possible role in supporting it and the freezing of official contacts and international agreements on sport and security.
- An end to oil exports to South Africa.
- A ban on exports of sensitive equipment for use by the South African police or army.
- The prohibition of all new nuclear collaboration

The positive measures are:

- Adaptation, reinforcement and publicity of the EEC code of conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches
- Educational assistance for "the non-white community" including grants for study at universities in the EEC.
- Intensified contacts with "non-whites" in political, trade union, business, cultural, scientific and sporting sectors.
- Assistance to the Frontline states and to the Southern African Development Co-ordinating Conference

US TO MAINTAIN OFFICE

The Star's Washington Bureau reports that the United States will keep its military attache office at its embassy in Pretoria.

"Given our role in the negotiations over Namibia's independence and in other regional security matters, we intend to maintain the office," a State Department spokesman said.

Reacting to the British decision, Mr Pik Botha, the Minister of Foreign Affairs, said it would not contribute to reform in South Africa. — Sapa.

● See Page 13.

Call for nuclear sanctions

The Star's Foreign News Service

VIENNA — Black African states are to call for tough new sanctions against South Africa at the International Atomic Energy Agency (IAEA) conference here.

A draft resolution on this was discussed yesterday by representatives of the African states.

It includes calls for South Africa to open all its nuclear installations to agency safety inspections, a halt to nuclear cooperation between IAEA and South Africa and for the exclusion of Pretoria from all agency conferences which could help it exploit Nambia's uranium

By focusing on Namibian uranium, the resolution reflects an attempt by the African states to gain maximum support from countries which might object to an outright ban on South Africa.

The resolution will embarrass the US and Britain as they oppose moves to curtail the rights of member organisations.

A senior US official said yesterday if such a resolution were proposed his delegation would have to seek instructions from Washington.

A British official said Britain would not oppose calls on South Africa to open nuclear installations for inspection or for an end to nuclear cooperation with South Africa.

British sanctions seen as political signal

By Colleen Ryan and David Braun

Britain's decision to impose limited sanctions on South Africa, in line with those of other EEC countries and the United States, heralds a new ebb in what were once almost blood ties between the two countries.

The measures announced by London yesterday cover military, nuclear, sporting, scientific and cultural links and trade in oil and security equipment.

Accompanying positive measures include assisting non-violent anti-apartheid groups, particularly the churches.

They bring Britain in line with its EEC partners and Spain and Portugal, who announced the same package of restrictions earlier this month.

British observers believe that the Prime Minister, Mrs Margaret Thatcher, agreed to the measures reluctantly, more out of fear of being isolated as South Africa's sole protector, than out of conviction that they would have the desired effect.

The South African Minister of Foreign Affairs, Mr Pik Botha, said the decision would not contribute to the process of reform in South Africa. The sooner all South Africans of all colours realised that intervention by Europe, America or Russia in their affairs would not be to their benefit, the sooner they would be able to pay serious attention to the solution of their problems.

The reaction of organised commerce last night was that the British decision was a political signal and obviously not intended to damage the South African economy.

An immediate impact of Britain's decision will be the recall of its two military attaches, Colonel David Hanson and Group Captain Lionel Grindley, from Pretoria.

Other restrictive measures to which Britain has now agreed:

- A rigorously controlled embargo on exports and imports of arms and para-military equipment to and from South Africa.
- Refusal of all co-operation in the military sphere.
- Discouragement of cultural and scientific agreements except where they contribute to ending apartheid or have no possible role in supporting it, and a freezing of official contacts and international agreements on sport and security.
- ;An end to oil exports to South Africa.
- A ban on exports of sensitive equipment for use by the South African police or army.
- Prohibition of all new nuclear collaboration.

The positive measures are:

- The adaptation, reinforcement and publicising of the EEC code of conduct for firms doing business in South Africa.
- Assistance to non-violent anti-apartheid organisations, particularly the churches.
- Educational assistance for "the non-white community" including grants for study at universities in the EEC.
- Intensified contacts with "non-whites" in political, trade union, business, cultural, scientific and sporting sectors.
- Assistance to the front-line States and to the Southern African Development Co-ordinating Conference (SADCC).

British sources say that, in effect, current official cultural links between the two countries may increase as a result of the decision, as they are already almost entirely targeted at blacks.

That being so, it would be hard to imagine what cultural agreements might be affected, they say.

The restrictions on arms, nuclear equipment and sport have already been in force for some years, so there will be little or no change in those areas.

Mrs Thatcher is believed to have yielded to British and international pressure to impose this package in order to protect the "heartland" of her policy — that economic sanctions would be counterproductive and damaging to both the British and South African economies.

There was also the British fear that, if the UN Security Council agreed to a resolution which duplicated the American and EEC sanctions package, Britain would have been in the embarrassing, and potentially damaging, position of having to veto it.

Botha tells world: Stop interfering

NEW YORK. — President P W Botha yesterday warned United States businessmen that there would be a "backlash" if the international community continued its "unnecessary interference".

In an exclusive interview published yesterday by Business Week, a leading American economic and business publication, Mr Botha said "sanctions cannot wreck us" and warned: "If the international world pushes us too far, and if they don't stop their unnecessary interference, there will be a backlash."

At the same time Mr Botha said South Africa needed foreign investment to develop "to its greatest capacity."



Mr P W Botha



Dr Chester Crocker

'Folly'

Mr Botha was interviewed on September 19 at the Union Buildings in Pretoria by Mr Jonathan Kapstein, Business Week's regional bureau chief in Brussels who formerly was based in Johannesburg.

Asked about current US pressures on South Africa, Mr Botha said: "I know of prominent American business and financial leaders who would like to stay here, and they think this pressure and US sanctions is a march of folly."

On the question of one man, one vote, he said: "One man, one vote will not work in South Africa but the principle of one man, one vote can be applied in a different way and in different structures."

Influx control

Mr Botha denied any plans to abolish the whole system of influx controls. "We must have controls," he said. "You cannot allow every man just to go and squat where he wants to squat."

However, he said the next session of Parliament would formulate legislation to reform the influx control system. He said he believed economic decentralization would relieve some of the pressure on congested urban areas.

Discussing the prospects for negotiation, Mr Botha once again ruled out dealing with the African National Congress or releasing Nelson Mandela unless violence was renounced.

He justified the recent raid into Botswana and responded to criticism of what the US describes as a South African commando raid on oil installations at Cabinda by saying: "We have our criticism of the US too as far as Cabinda is concerned. I wonder to what extent the Cubans are being financed by way of the income through Cabinda?"

The influential US magazine took a gloomy view of the interview in an accompanying article, which said: "President P W Botha, captive of his ideology and his ruling National Party, has apparently decided to reject a chance to capture the fast-diminishing common ground for negotiation about South Africa's future."

Mr Kapstein, who interviewed Mr Botha two years ago, said he believed the State President wanted to project an image of strength.

He said Mr Botha had made all his points clearly and forcefully, insisting that his own pace of reform was valid.

Mr Kapstein said he believed Mr Botha had granted an interview to Business Week because he wanted to get the notion of South African self-reliance across to the decision-making community that reads the magazine.

Business Week has 860 000 subscribers and an estimated 5-million weekly readers.

● Meanwhile, Austria yesterday announced economic and cultural sanctions against South Africa, including halting investments by State-owned firms, banning imports of Kruger rand coins and suspending sports contacts.

A statement from the office of the Chancellor, Mr Fred Sinowatz, said Austria was conforming to United Nations Security Council resolutions calling for action against South Africa.

● US Congressional sources yesterday said President Ronald Reagan's administration had formally decided to ban the importation of Kruger rands as part of a package of sanctions against South Africa.

However, the architect of US policy in Southern Africa, Dr Chester Crocker, yesterday ruled out economic sanctions against Pretoria and accused some European countries of substituting moral indignation for diplomacy.

Dr Crocker told reporters in Paris that President Reagan's decision to impose selective sanctions earlier this month was designed as a political signal and marked no change in basic policy.

"The president has no intention of adopting measures that would hurt or damage the South African economy or the prospects for economic growth," he said.

'Sanctimonious'

Dr Crocker said the measures represented no move away from the policy of constructive engagement and accused unnamed European countries of criticizing the policy without giving alternatives.

"Should we wash our hands in sanctimonious disgust and walk away from Southern Africa and give speeches in New York the way certain countries in Europe do and do nothing else but feel sanctimonious?" he asked. — Sapa-Reuter-AP

Sanctions: South Africa WILL feel the pinch

FOUR OF the five nations responsible for most of the foreign investment in this country have now accepted the principle of sanctions against South Africa — though not necessarily economic sanctions.

More than 90% of foreign investment in SA is accounted for by Britain, the US, West Germany, France and Switzerland. In accordance with its traditional policy of neutrality, only Switzerland continues to hold out against sanctions.

The floodgates were reopened by the US, when public opinion forced President Ronald Reagan on September 10 to approve a package of measures restricting most loans to SA, exports of nuclear technology, computers for armed forces, and enjoining US firms in SA to take a tougher line against apartheid.

Anti-apartheid legislation is legion in the US. At least 10 states have already passed laws prohibiting the investment of state pension funds in companies with SA ties. Others, like Connecticut, Iowa, Maryland, Nebraska and Rhode Island, will only invest pension money if the subsidiaries are top-rated Sullivan Code signatories.

More than 30 US cities have in the past year passed laws forbidding city and municipal pension funds from investing in SA-linked companies.

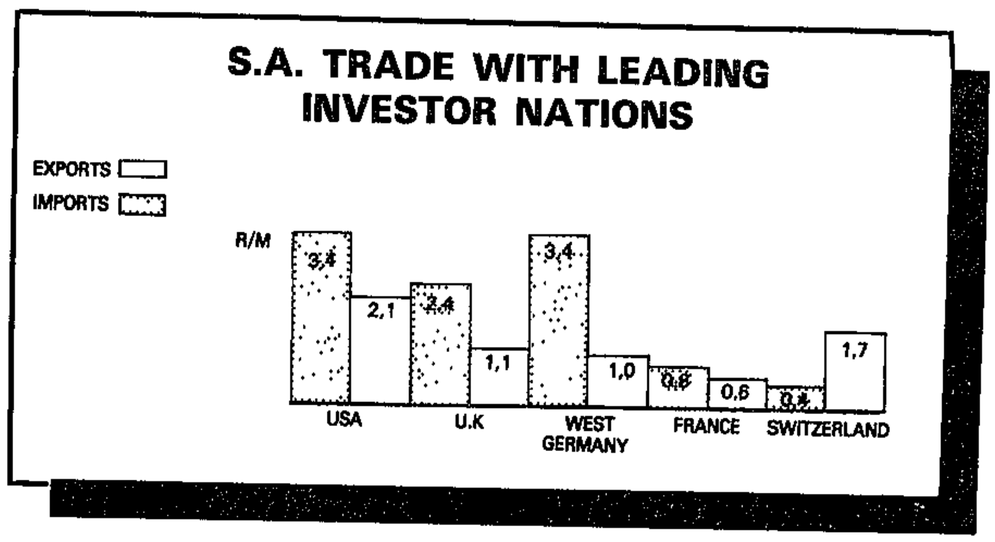
Several US public institutions — more recently New York State and Rutgers universities — have voted to divest themselves of millions of dollars in stocks held in companies doing business in SA.

The recent report of the UN Commission on Transnational Corporations says by the end of 1983 direct foreign investments — mainly in the sectors of petroleum, motor vehicles, chemicals, electronics and banking — totalled between $15,5b (R38,75b) and $17b (R42,5b) — about 10% of the country's total investment.

Another 20% of capital stock is held by foreigners in portfolio investments.

The report says in 1984 there were about 1 068 transnationals with a minimum 10% equity holding in SA — 406 based in the US, 364 in Britain and 142 in West Germany — employing about 600 000 South Africans out of a total workforce of 10-million. Two-thirds of these are black or coloured.

The view that disinvestment would lead to serious job shortages in SA has been contested by two Natal University academics, Michael Sutcliffe and Paul Wellings.



PETER HONEY

They point out in a recent article that most foreign investment in SA is indirect, in the form of loans and shares, and "very few forms of indirect investment are job-creating," they say.

Sutcliffe and Wellings suggest the presence of foreign capital in fact has a negative impact on employment because the concomitant infusion of new technology often tends towards capital-intensive production, limiting development of local technology and importing foreign personnel.

What this overlooks, however, is that SA depends on foreign capital for a proportion of its growth. Without that capital, our economic growth rate will slow down — as will our job-creating ability.

Events of the past few months seem to support the view that government's inability to deal effectively with the violence and political discord within the country is at least as dangerous to the economy as foreign sanctions.

Foreign economic sanctions are punitive measures applied for political or moral reasons. But most of the damage this year has been caused by a lack of foreign confidence in SA's political stability.

In the last year or so some 30 foreign companies have either pulled out altogether or decided to reduce their stakes in the country. These include such household names as Pepsi, Pan Am, Singer, International Harvester and Helena Rubinstein.

Apple Computer was one of the few who said it was withdrawing for moral rather than commercial reasons.

Reserve Bank figures show a net flight of nearly R500m from the country between May and July after a consistent inflow of capital up until April. The August figures, preceding the Reserve Bank's clamp on funds leaving the country, are expected to confirm this trend when they are released later this month.

Some foreign companies are reported to be legally sidestepping the foreign exchange restrictions by paying out larger dividends to their shareholders abroad.

Until autumn of this year there had been a consistent flow of funds into the JSE — R60m in April alone.

But in the three months from May to July the net outflow amounted to nearly R500m — R108m in May, R188m in June and R200m in July — mostly through the stock exchange.

Of course, exports have flourished because of the low value of the rand — caused partly by the refusal of US banks to roll over loans — to the extent that the Reserve Bank still expects a current account surplus of R5b by the end of the year.

It is a measure of how vulnerable the economy is to outside pressures that the country should be in such financial trouble at a time when the money supply and balance of payments are basically sound.

This is how SA's five biggest investor nations measure up:

● Britain: In March *The Economist* reported British companies were by far the biggest corporate investors in SA, accounting for about $8bn (R20bn) — half the total direct foreign investment.

The US Study Commission on US Policy towards Southern Africa reported in 1981 that British investment was 55% of total *direct* investment.

The British Department of Trade and Industry says Britain has more than $14bn (R35bn) invested directly or indirectly in SA — about 10% of total British foreign investment.

The UK-SA Trade Association says SA is Britain's 12th largest export market.

Britain ranks third in trade with SA, led by the US and Japan. In 1984 SA exported $742m (R1 855bn) to Britain and imported $1,66bn (R4,15bn), according to the IMF's 1985 Direction of Trade Statistics.

Experts say the British economy would be hurt by sanctions against SA. It has a 13,5% unemployment rate.

Analyst John de St Jorre writes in a recent article for Georgetown University's Centre for Strategic and International Studies that about 150 000 British jobs are dependent on trade with SA.

● United States: SA's largest trading partner and second leading investor, with between 18% and 20% of total direct investment, according to various reports.

It went from $490m (R1,225bn) in 1966 to a peak of $2,6bn (R6,5bn) in 1981 to $2,3bn (R5,75bn) at the end of 1983. US State Department calculated the US had $7bn (R17,5bn) in portfolios, giving a total direct and indirect investment of $9,3bn in 1983.

Congressman George Leland, an advocate of total disinvestment from SA, says US corporations control at least 6% of fixed capital stock in SA's manufacturing industries, 24% in the motor industry, 44% in petroleum and 70% in the computer industry.

SA accounts for about 1% of total US foreign investment, according to the Investor Responsibility Research Centre in Washington.

The US imported $1,45bn (R3,625bn) from SA and exported $2,37bn (R5,925bn) to SA last year.

A Congressional Republican study committee said in May about a fifth of SA exports to the US consisted of gold coins or Krugerrands. US Treasury estimates 1984 Krugerrands sales in US amounted to $600m (R1,5bn) — about 50% of SA's Krugerrand exports.

● West Germany. Accounts for about 10% of total foreign investment in SA which, in 1983 was $1,4bn (R3,5bn), according to the SA embassy in London. It jumped by 30% during that year, mainly because of increased investment in the automobile industry, according to the UN report.

IMF reports that SA exports to West Germany were $676m (R1,69bn) and imports $2,3bn (R5,75bn) last year.

West Germany is SA's fifth largest trading partner, after Britain, the US, Japan and Switzerland.

The Institute of European Economic Studies in London says economic sanctions against SA would cost West Germany 130 000 jobs.

● France: Accounts for between 5% and 10% of total foreign investment in SA. In 1984 French investments in SA totalled $1,66bn (R4,15bn) — about 10% of total direct foreign investment in SA, according to the French Embassy in Washington.

SA exported $385m (R962,5m) to France and imported $568m (R1,42bn) last year.

● Switzerland: Accounts for about 5%-10% of SA's foreign investment. The UK-SA Trade Association reported total Swiss investment at $1,34bn (R3,35bn) in 1982.

This country is important because almost half SA's gold exports pass through Zurich and because it is a major foreign loan source.

Not since the Carter administration, during which period the US imposed selective economic sanctions and the UN introduced an arms boycott, has the issue of economic sanctions against SA been so threatening.

The perceived failure of those sanctions led many people to believe sanctions could not work — in the sense of bringing about constructive change. But there is little doubt sanctions can and will hurt the SA economy.

Canada sets pace in talks

OTTAWA — Canada has moved to the forefront of the debate about economic sanctions against South Africa, with Tanzanian President Julius Nyerere and British Foreign Secretary Sir Geoffrey Howe in Ottawa this week to discuss positions at next month's Commonwealth summit.

Mr Nyerere said yesterday: "Canada is prepared to apply some sanctions and my hope is that it will be possible, using Canada's influence, to get the Commonwealth to agree on a package that will reaffirm the 1977 Gleneagles agreement on sporting links, halt the buying of Krugerrands and agricultural products, and end air links."

Political comment in this issue by H W Tyson, headlines and posters by M J Polkinghorne; cartoons by A Berry, D Fedler and D Anderson, all of 47 Sauer Street, Johannesburg.

Austria announces sanctions

280

VIENNA — Austria yesterday announced economic and cultural sanctions against South Africa, including halting investments by State-owned firms, banning imports of Krugerrand coins and suspending sports contacts.

The move, announced in a statement by the office of the Chancellor, Mr Fred Sinowatz, said Austria was conforming to United Nations Security Council resolutions calling for action against South Africa.

The statement also announced:

STAR

- A ban on exports of computer technology which could be used by the South African armed forces or police.

27/9/85

- Withdrawal of subsidies for sport and cultural institutions with contacts with South Africa, and a ban on visas and scholarships for South African sports players.
- Withdrawal of Austrian Government credit guarantees for exports to South Africa.
- A ban on State-owned firms from making tenders on South African nuclear projects.

Austria is one of the main centres for Krugerrand sales. — Sapa-

US vows again: no economic war against SA

280 STAR 27/9/85

The Star Bureau

WASHINGTON — The United States Government is standing by its statement that South Africa has a reformist government — and it is determined not to wage economic war against the people of South Africa.

This was stated by Dr Chester Crocker yesterday during an internationally televised Press conference in which he defended US policy in South Africa against aggressive questions from reporters in Europe and South America.

But Dr Crocker, US Assistant Secretary of State for Africa, warned that the pace of reform had to speed up.

"I don't think we have begun to see the kind of real, awful, horrible violence that could occur if things really spin out of control," he said.

He added that the South African Government and other South Africans knew this was the US view.

Dr Crocker took a sharp swing at unnamed European countries which opposed constructive engagement.

He asked: "What is the alternative that people have in mind? That we should all wash our hands in sanctimonious disgust and walk away from Southern Africa and give speeches in New York the way certain countries in Europe sometimes do — and do nothing else but feel sanctimonious?

Basis for future changes

"Is moral indignation a foreign policy?" he asked.

Dr Crocker said the US found attacks on constructive engagement interesting because it was "... what many of our allies do, too. And it is the only course that makes sense unless we want to turn the region over to other forces, or let people stew in their own juice".

He said the US — and, he assumed, other Western countries — did not want to do anything to damage, destabilise or undermine the South African economy, which was the basis for future changes in the entire region.

"South Africa's economy is an engine for hope, for reform, for progress, and for stability throughout Southern Africa.

"We are not about to take steps that, in effect, amount to waging war against the South African economy and the South African people."

President Reagan's sanctions package had been a careful targeting of apartheid policies and institutions where the US felt it was important to dissociate itself firmly and unambiguously.

Asked what the South African Government had to do to satisfy the US Administration that a positive reform process was going on, Dr Crocker said the record was clear that South Africa had a reformist government, and the US stood by its earlier statement to that effect.

Black political rights

That did not mean that the South African Government had begun to address the basic issue of political rights for blacks, or that the pace of change was satisfactory.

But outsiders could not determine what was adequate. "What ultimately matters is what works — and what is adequate for South Africans themselves."

Pressed on what the US wanted to see happening, Dr Crocker said the South African Government had a major responsibility to defuse the climate of polarisation, distrust and even hatred. That would create a climate that could return things to a more stable footing — and that, in turn, could lead to a second process of negotiation and bargaining.

But the US had no blueprint. South Africans had to shape their own blueprint for constitutional change.

The US opposed disinvestment, but this process had started to a degree already through decisions in the marketplace.

"It's a tragic consequence of what we have been seeing in terms of developments from South Africa over the past 12 months," he said.

Cape Times 27/9/85

280

Germans seek more SA links

BONN. — West Germany yesterday called for greater cultural co-operation, including sporting links, with all South Africa's racial groups

The parliamentary motion won by the centre-right coalition government effectively papered over a feud between its three member parties on policy towards Pretoria.

The coalition has been bitterly divided over government policy since the Foreign Minister, Mr Hans-Dietrich Genscher, of the liberal Free Democratic Party (FDP), cancelled a cultural agreement with Pretoria earlier this month

Mr Genscher's decision, part of a package of measures agreed by European Community ministers to show disapproval of apartheid, was condemned by the right-wing Christian Social Union (CSU) of Bavarian Premier Mr Franz Josef Strauss, a long time friend of Pretoria

The four CSU members of the government said they had not been consulted when the measure was ratified by the cabinet.

Chancellor Helmut Kohl's coalition yesterday defeated a motion introduced by the opposition Social Democrats (SPD) welcoming the government's decision to break off the cultural



Mr Hans-Dietrich Genscher

agreement with South Africa.

Parliament instead passed a motion calling for cultural co-operation with all South Africa's racial groups and for sport to be included in future cultural links.

Government policy has previously been to dissuade sporting links between the two countries

During the debate, the Economics Minister and FDP leader, Mr Martin Bangemann, said the three government parties remained opposed to economic sanctions against South Africa.

● Meanwhile London newspapers yesterday saw Britain's decision to join its European Economic Community partners in limited sanctions against South Africa as a change of course

The Foreign Office denied there had been any change, saying it had merely reserved its position to allow time for detailed study. But the Conservative Daily Telegraph headlined the decision as a "policy switch".

The liberal Guardian headline said "UK changes tack on Pretoria sanctions" and a headline in the independent Financial Times said "UK falls in line with Community on South Africa".

"There was no explanation, however, of why it took the government two weeks to find out that it was already implementing such policies," the Financial Times said.

South Africa was also under the spotlight at the United Nations as the 11 foreign leaders who spoke before the General Assembly on Wednesday all condemned apartheid.

Machel

President Samora Machel of Mozambique spent most of his one-hour speech attacking the apartheid regime.

"We have irrefutable evidence that they have continued to recruit, train, organize, finance, equip and give logistical support to the armed bandits in my country.

"As I speak now, the sister Republic of Angola is undergoing a similar attack." — Sapa-Reuter-AP

Call for nuclear sanctions against S A

Mercury Correspondent

VIENNA—The general conference of the International Atomic Energy Agency (IAEA) has unanimously adopted a resolution calling on member countries to halt all nuclear co-operation with South Africa.

The 108 member countries have demanded a total halt to the transfer of nuclear materials from and to South Africa, including the purchase of uranium

The resolution demands that all non-South African companies exploiting uranium in South West Africa should immediately stop operations

South Africa is one of the world's largest uranium producers and Atomic Energy Agency experts here point out that if the resolution is actually applied, some Western countries will have problems in operating their atomic power stations and reactors Also, the price of uranium would increase considerably on the world market

Also at the IAEA session here, the United States is threatening to walk out of the organisation and stop its financial contributions if an Iraqi resolution is adopted calling for a halt of all nuclear co-operation between the agency and its members and Israel

In 1981 Israeli aircraft damaged an Iraqi reactor which was about to go into operation, claiming that it was destined to produce atomic weapons. Iraq has denied this and at each general conference since, it has demanded a formal declaration from Israel that it would in future refrain from such attacks

At this conference Iraq has rejected a letter from Israel to the agency's director-general in which it states it will not attack peaceful nuclear reactors.

At the general conference of 1982, Israel was expelled from the meeting, whereupon the U S and several other Western countries also walked out.

Nuclear sanctions against SA

VIENNA — The International Atomic Energy Agency yesterday voted to impose sanctions against South Africa, calling on members to suspend any nuclear co-operation with the country

The vote was 88-0 with 19 abstentions, including the United States, Britain, West Germany, Canada, Switzerland, Italy and Japan

The US opposed a section of the resolution demanding a halt to all purchases of South African uranium on the grounds that it would hurt the black majority by undermining the country's economy

"My government opposes sanctions directed at undercutting the economy of South Africa," said the US delegate, Mr Danny J Boggs.

Talks

Mr Boggs also said the paragraph, in calling for a complete cutoff of nuclear co-operation with South Africa, could also hamper any future talks with the South Africans on stopping the spread of nuclear weapons.

A similar resolution was adopted at the agency's annual conference last year

The British Ambassador, Mr M J Wilmshurst, said his country's abstention should not be interpreted as condoning apartheid

He said Britain did not agree with a provision condemning South African uranium mining in SWA/Namibia, even though his country opposed South African administration of the disputed territory

Nigeria

The resolution, submitted by Nigeria on behalf of other African nations, condemned not only apartheid, but South African occupation of SWA/Namibia It also said South Africa had the ability to produce fissionable material for nuclear weapons because all its nuclear plants were not open to agency inspections

It called on the agency's 120 members not to buy any uranium from South Africa and to prevent transfer of nuclear fuel and technology to the country.

South Africa was also excluded from any conferences or meetings of experts which would help it exploit uranium from SWA/Namibia

Peaceful

The action came on the final day of the agency's week-long annual conference. The agency's aims are to promote peaceful uses of nuclear energy and safeguard against nuclear fuel being diverted into weapons manufacture.

South African delegates' credentials were rejected at a conference here in 1979 and the country has not attended an annual meeting since then.

The agency still conducts inspections at one South African nuclear-power plant and one reactor, but is not allowed into the country's other nuclear facilities — Sapa-AP

Thatcher will stand alone against sanctions

Mercury 30/9/85

London Bureau

MRS THATCHER will go on the offensive if the rest of the Commonwealth tries to put Britain in the dock at the heads of government conference next month. Demands will then be made for a package of selective economic sanctions against South Africa.

The meeting in Nassau, which begins in 17 days' time, threatens to become one of the most testing yet attended by a British prime minister All the indications are that Mrs Thatcher will be standing alone against the tide of opinion.

The Prime Minister remains firmly opposed to further economic measures against Pretoria to force reforms on apartheid, although Britain joined the rest of the Common Market belatedly last week by agreeing on special sanctions.

The white Commonwealth countries, traditionally key supporters of Britain at the two-yearly meetings, are expected to line up this time with Africa, Asia and the Caribbean in demanding action.

Mrs Thatcher is determined that South Africa must not be destabilised, with harm inflicted on the black population as well as the white.

One of the points which the Prime Minister will make in Nassau is that Britain has been maintaining an embargo on sales of North Sea oil to South Africa for years She is not confident, however, that some of Britain's partners have stopped North Sea oil refined products going there

Mrs Thatcher will also say that she has confronted President Botha face to face with her hatred of apartheid and told him there will have to be substantial reforms

The list of measures to be discussed by the Commonwealth leaders is expected to include a ban on new bank loans or future investment; refusal of landing rights to South African Airways; suspension of airliner operations such as those of British Airways to South Africa; and a call to stop South African agricultural exports to Western Europe and North America

1/ (280)

General Secretary Miss Mildred Nevile

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PRESS RELEASE

Embargoed until 01.00 Thursday 12 September 1985

THE EFFECT OF SOUTH AFRICAN SANCTIONS ON ITS NEIGHBOURS

South Africa's neighbours could relatively easily surmount the direct effects of sanctions against South Africa. The main threat to neighbouring states would not be from the sanctions themselves but from South African retaliation. This is the conclusion of a paper by Dr Joseph Hanlon, who is engaged in extensive research on South Africa and its neighbours for the Catholic Institute for International Relations. The paper is presented to the conference of the Association of Western European Parliamentarians for Action against Apartheid, held in Amsterdam from 12 - 14th September 1985. The Conference is being addressed by, among others, the Foreign Ministers of Botswana and Zambia, and by Zac Yacoub who is one of the very few UDF leaders not in detention who is coming specially from South Africa. The Conference is being attended by about 50 Members of Parliament from European countries, ranging from Malta to Norway.

Dr Hanlon summarises the different dependences of the various states on South Africa, and the support they would need from the West if sanctions were imposed.

ENDS

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(Amsterdam Conference)

The effect of sanctions on the SADCC states

Joseph Hanlon

It is often said that sanctions against South Africa will also hurt the majority ruled states. This is true, although the main costs will not be from the sanctions themselves but from South African retaliation and military action. In this paper I will try to assess very superficially the likely impact of sanctions, and what should be done to indemnify the neighbouring states.

First, it is necessary to look at the kinds of dependence on South Africa:

Migrant labour: There are 275,000 legal migrant workers in South Africa; half are from Lesotho, about 60,000 from Mozambique, and smaller numbers from Botswana, Swaziland, and Malawi. They remit US$ 300 million per year. (Note that estimates by South Africa of over 1 million migrant workers are a total fiction, or include bantustan residents.)

Transport: South African ports and railways handle most imports and exports for Lesotho and Botswana; about half each for Zimbabwe, Zambia, and Swaziland; and somewhat less for Malawi. Note that efforts have been made already to shift traffic from the last four to SADCC ports, and thus the continued use of South Africa is largely due to disruption of the Mozambican transport system by the South African backed and organised MNR (Renamo).

Energy: South Africa supplies: all petroleum products to Botswana, Lesotho, and Swaziland (BLS); all electricity to Lesotho, and half the electricity for Swaziland and Maputo (the rest of Mozambique has independent systems).

Consumer goods and raw materials: the three members of the Customs Union with South Africa (BLS) obtain virtually all their imports from or through South Africa. For other countries, South Africa provides a smaller portion of imports: Malawi (39%), Zimbabwe (24%), Zambia (15%), Mozambique (8%).

Currency: Lesotho and Swaziland both use the Rand as currency.

Exports to South Africa: Zimbabwe and Swaziland have significant exports to South Africa. Perhaps US$ 30 mn per year worth might not find other markets. Two projects on the drawing board, Lesotho's Highland water scheme and Botswana's Sua Pan soda ash project, will increase exports to South Africa substantially in the 1990s.

Geography: Lesotho is surrounded by South Africa. Botswana, Swaziland, Mozambique, and Zimbabwe have long borders with South Africa.

Discussions of sanctions are somewhat hampered by the vagueness of the whole issue. What would they be, and how rapidly would they be introduced? Clearly a sudden border closure, a la Rhodesia, would have most impact, but it would also be most disruptive to the neighbours. Phased or step-by-step sanctions now seem most likely, giving both South Africa and the neighbouring states maximum time to adjust. In practice, international sanctions would probably include some exemptions for the neighbouring states, or at least BLS. Also, the experience of the violation of the Rhodesia sanctions by Britain and other states has led most SADCC states to say they must be last to impose sanctions, not first. This is only sensible, as South African trade with the US, UK, and FRG is vastly larger than with the SADCC states.

In principle, limited sanctions should should do no harm and might actually benefit the neighbouring states:

Oil embargo: would affect Botswana, Lesotho, and Swaziland, but all could buy refined petroleum products on the world market at lower prices than they now pay South Africa

Limited trade bans: Again, all neighbouring states could buy directly on the world market. Indeed, several studies have shown that South Africa is normally a more expensive source of supply, and neighbouring states use it only because of history (and laziness and disorganisation), as well longer-term credit, transport, and membership in the Customs Union. Nevertheless, we are talking about redirecting as much as US$ 2000 million per year in trade, and that will be extremely disruptive in the short run, especially if done quickly.

Investment bans: should benefit the neighbouring states by diverting to them at least some of that capital, thus speeding their industrialisation.

* * *

The central and presently unanswerable problem is what the South African response would be to limited sanctions. Retribution could take two forms:

Economic retribution might mean dismissing migrant workers and cutting off trade and transport. The mining houses themselves want to keep the skilled Basotho labour, and would resist any South African government retaliatory attempt to suddenly expel all migrants. But the numbers could be cut back rapidly to, perhaps, one-third their present level. As for trade and transport, South Africa needs the SADCC states as a market, from which it earns US$ 1000 million per year. They are the main export zone for South African industry (as distinct from the much larger mineral exports) and are important users of ports and railways, which would lose business if sanctions were imposed. One goal of South Africa's economic warfare against its neighbours has been to retain this market for transport and manufactured goods. Thus it seems unlikely to cut off this lucrative market voluntarily, merely as retaliation (nor would the business community allow it to).

Military and sabotage action against neighbouring states would be a much more important and dangerous response. We must assume stepped up support for anti-government groups in all neighbouring states which support sanctions. But there also surely would be military action aimed at preventing neighbouring states from imposing sanctions. Pretoria would probably intervene to physically prevent BLS from importing fuel directly. This is not an idle supposition, as South Africa takes its control of oil very seriously. It has sabotaged supplies in or for Mozambique, Zimbabwe, Angola, Malawi, and Lesotho, and blocked independent supplies to Lesotho and Botswana; such action should be assumed again. Also, South Africa might send in troops to guarantee its continued access to Lesotho water, Cahora Bassa electricity, and the railway through Swaziland.

* * *

Because it is so hard to predict the course of sanctions and reaction, it may be useful to look at the most extreme case: **total closure of the South African border**. This could come about either through the imposition of sanctions by most of the world, or by partial sanctions followed by South Africa pulling up the drawbridge. There seem several key issues:

Lesotho: because it is totally surrounded by South Africa and cannot survive in isolation, it would be necessary to make some exception to sanctions regulations for Lesotho. The question really is how tightly South Africa would isolate Lesotho -- would it transport sealed containers of food, fuel, and other supplies, or would there have to be a Berlin-style airlift? Even without sanctions, South Africa has already refused to transport oil and arms to Lesotho.

Transport: Trade volumes in the region have not changed much in the past 20 years, and two decades ago little cargo passed through South Africa. The Benguela will probably remain closed for some time, but the Tazara is now open. Swaziland, Botswana, Zambia, Zimbabwe, and Malawi all have adequate rail access to Mozambican and Tanzanian ports; under "normal" circumstances these ports and railways can handle all cargo, and the cost would be less than shipping through South Africa. Only one cargo would create problems: Botswana and Zimbabwe use special port facilities to keep their beef frozen, and these do not exist in Maputo (although they could be built, probably in less than a year). The key issue must be if South Africa will allow such a transfer to take place. The Zimbabwe-Beira line is open only because of Zimbabwe soldiers, while the Zimbabwe-Maputo line is closed and the Swaziland-Maputo line subject to attack. Pretoria would probably go out of its way to keep the Zimbabwe-Maputo line closed; keeping it open would require a large increase in troops. Alternatively, the Beira and Dar es Salaam railways and ports could be relatively quickly upgraded to take most of the region's cargoes, but this would require substantial financial help.

Migrant labour is the main income in Lesotho, which would again be hardest hit. For the other countries this income is important but not essential. These numbers have been falling steadily over the past decade, and the impact of sanctions seem dependent on how quickly migrant labour was ended.

Anglo-American: The economies of Botswana and Zimbabwe are dominated by Anglo (sometimes through Anglo-controlled companies, particularly DeBeers and South African Breweries). How would the relationship of these two states to Anglo be affected by sanctions? Anglo would surely want to keep control of Botswana diamonds, but would this occur by an Anglo offshore company dealing with Botswana, or by South African troops taking control of the mines (as they now control the Ruacana hydroelecticity scheme in Angola)?

Electricity: Maputo and half of Swaziland are supplied by South African electricity. There is no easy alternative for Swaziland. Maputo has a coal fired power station which supplies half the demand and a line is nearly finished to the Massingir dam (although generators have not yet been installed there). Mozambique's Cahora Bassa Dam is contracted to supply 10% of South Africa's power (although the line has been cut for some time). If sanctions were imposed and Mozambique were willing to renege on its supply contract, the line could be diverted to supply Maputo and Swaziland. This could cost more than US$100 mn and would need protection against South African sabotage. (Zimbabwe and Botswana use small amounts of South African power but this could be easily substituted.)

* * *

By country, the problems come out like this:

Lesotho: hostage state. Totally dependent on South Africa for jobs, income, food, and fuel.

Botswana and Swaziland: Outside rail links and reasonably stable economies make it possible to ride out sanctions. Membership in the Customs Union with South Africa means that most trade is with South Africa, so the reorientation would cause substantial temporary disruption. Loss of migrant labour will exacerbate unemployment problems. South Africa could disrupt water supplies to both states. Swaziland's electricity from South Africa is potentially the most serious problem. Also some loss of Swazi exports, but probably most can go elsewhere within region. Possible military interventions in Botswana diamond mines, Swazi railway (which links eastern Transvaal to Richards Bay), and fuel supplies to both states. (Swaziland most likely state in region to refuse to impose sanctions. But this would have little benefit to the South Africa economy, except perhaps as a sanctions-busting inland "free port".)

Mozambique: Loss of more than US$ 100 mn per year from migrant labour and South African cargo passing through Maputo would be partly offset by increased earnings from other transit traffic. Possible electricity shortages in Maputo. Major problem will be stepped up South African sabotage and military action, as Mozambican ports and railways are key to regional survival against South African retaliation.

Zimbabwe: Loss of some manufactured exports, particularly steel rod (but South African has just imposed a tariff on this and it may end anyway) and clothing. Significant disruption in trade patterns, but no long term trouble if Mozambican ports are open. Possible problems if Anglo pulled out quickly.

Zambia: there was little trade with South African in mid-1970s and it is still not large, so a cutback would only cause minor dislocations.

Malawi: Loss of some migrant labour. Disruption in trade patterns and loss of South African consumer goods, but not serious if have good access to Dar or Mozambican ports. Might force Malawi to stop aiding MNR. (Malawi possible reluctant participant in sanctions, but little choice if Mozambique and Zimbabwe impose them.)

Angola and Tanzania: no effect

* * *

Thus the final question is what support must be given to the SADCC states in the event that sanctions are imposed. In part, this depends on how South African responds, but the following seems necessary:

Lesotho: The hostage state must be kept alive. At worst this would mean US$ 250 mn per year and a Berlin airlift.

Dislocation help: Reorienting trade patterns will be time consuming and expensive in the short run, albeit profitable in the long run. Foreign aid will be needed to establish a revolving import credit fund, to replace South African credits (this would require at least US$ 750 mn to provide 180 day credit). And help may be needed to establish some sort of regional import-export agency. Temporary assistance, perhaps in the form of agricultural development projects, will be needed to absorb expelled migrant workers.

Infrastructure: Urgent help will be needed to upgrade and extend railway and port facilities and electricity lines. This would have to be done much more quickly than such aid is normally dispensed.

Military: Mozambique will need military help to protect vital railway and power lines. Botswana may need help to protect fuel supplies and diamond mines. This is the most serious need, and is the one donor states will steer farthest away from.

It is hard to put specific costs to some of this. It is worth noting that the costs of South African sabotage and destabilisation are at least $ 2 billion per year. The cost of withstanding sanctions would be that high, at least at first. But if developed countries are serious about sanctions, then this is not a huge amount to pay to cushion the neighbouring states. Equally important, most of the money would be for development projects that need to be done in any case. And it will be a worthy investment, both in breaking South Africa's economic dominance of the region, and in finally ending apartheid.

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Reagan orders US ban on imports of Krugerrands

2/10/85 The Star Bureau STAR

WASHINGTON — President Ronald Reagan yesterday ordered a ban on the importation of Krugerrands into the United States from October 11.

The President's order came hours after a threat from the Republican leadership in the Senate that, if the White House did not act soon to ban South Africa's gold coins, Congress would renew its demand for tougher sanctions.

An end to Krugerrand imports was one of the limited sanctions announced by President Reagan on September 9 in response to intense pressure in Congress for action against South Africa.

But opponents of the Reagan administration's policy of constructive engagement were suspicious of the President's intentions because he had said that US officials would first discuss the ban with member nations of the General Agreement on Tariffs and Trade (GATT).

The opponents suspected that the ban would be delayed indefinitely during a drawn-out consultation process and they demanded to know why the US had to discuss its foreign policy decisions with other countries.

The Krugerrand ban was a key element in the compromise decision taken in the Senate to halt congressional demands for sanctions harsher than those ordered by the President.

After the ban was announced, President Reagan said that his action was aimed at apartheid and the South African Government but not at the South African people.

NATIONAL/INTERNATIONAL

Reagan orders Krugerrand ban from October 11

Argus Foreign Service

WASHINGTON. — President Ronald Reagan has ordered a ban on imports of Krugerrands from October 11.

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Key element

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Republican Senator Richard Lugar, who arranged the compromise, made this clear to the White House, pointing out that unless the coins were included in the President's measures, there would be no support from Congress and that the sanctions debate would continue with certain defeat for Mr Reagan.

At the weekend congressman Mr Bill Gray, powerful chairman of the House of Representatives budget committee, warned that unless the ban went into effect within the next fortnight, the house would return to the issue with a vengeance.

A similar threat came from Senator Lugar. He has the authority to resume the shelved sanctions debate in the Senate — and he warned that he might do that unless the coins were banned soon.

'Selective sanctions are SA's only hope'

280 3/10/85

3/10/85

"The Star Bureau

NEW YORK — Selective, strategic and properly monitored sanctions against South Africa are the country's only hope, Mrs Sheila Duncan, president of the Black Sash, told an American audience yesterday.

Speaking at a seminar arranged by the Trinity Episcopal Church on Wall Street, she said sanctions could stave off years of bloody violence in South africa

She had no doubt that economic sanctions were effective

Mrs Duncan added that with Afrikaners more open to change than ever before, she believed the proposed citizenship for black South Africans was a significant and genuine reform proposal. The denationalisation of South African blacks was a key aspect of apartheid.

Other speakers at the seminar were Archbishop Trevor Huddleston, founder of the British Anti-Apartheid Movement, Mr Mfanasuthi Makhatini, international director of the ANC, Mr Welcome Msomi, South African playwright, and Mr Franklin Thomas, president of the Ford Foundation

'LIKE SCALDED CATS'

Dr Alan Boesak, patron of the UDF, invited as a keynote speaker, was unable to attend because bail conditions following his release from prison prohibit him from leaving his neighbourhood.

Miss Diana Bishop read a statement to the seminar on his behalf.

Mrs Duncan told the audience that South African businessmen, a powerful constituency whose profitablity had been served by apartheid, were "now running round like scalded cats" as financial isolation and the debt crisis galvanised them into action.

She said she was very angry about persistent questions in America that assumed post-apartheid South Africa would see a struggle dominated by ethnic groups, leading to the suppression of black and white minorities as had been the case in the rest of Africa.

South Africa was not a country where there was a large majority and a small minority, but several ethnic groups whose differences had begun to disappear until the National Party used them for its own political ends.

LEGACY OF APARTHEID

"Ethnic nationalism is a creation of the National Party," she decared "Our common South Africanism will override any friction"

Responding to a question on the form a post-apartheid society might take, Mrs Duncan said South Africans, like anybody else, wanted maximum freedom and justice.

The second seminar in this four-part series, next Wednesday, will address American-South African policies. Speakers will include Mr Abe Hoppenstein, South African Consul-General in New York, Senator Stephen Solarz, who recently visited the Republic, and, as the keynote speaker, Mr Chester Crocker

Report restricted

●*This report is restricted in terms of the Internal Security Act because Mr Mfanasuthu Makhatini may not be quoted in South Africa.*

Residents reject plans to move them

By Jo-Anne Collinge

The first signs of resistance to the new consolidation plans for homelands in the Transvaal have come from Bloedfontein and Geweerfontein where thousands who have been under kwaNdebele authority since 1979 will have to move and give their land to Bophuthatswana.

At a meeting called yesterday by the Senotlelo Community Authority, hundreds of residents declared unanimously that they were not prepared to move from land they had occupied for decades and they rejected annexure into Bophuthatswana.

Plans to remove the community and cede its land to Bophuthatswana were announced last month by the Minister of Constitutional Development and Planning, Mr Chris Heunis. The Minister said the community had volunteered to move.

Residents angrily rejected this, saying they had first learnt their fate in the newspapers and that they had not been consulted

The two farms, totalling over 7 000 ha, were bought by the community in 1929 and 1947, both being part of the area "released" for black ownership in terms of the Land Acts.

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1 000 UK stores place ban on all SA goods

LONDON — More than 1 000 British stores will no longer stock South African goods because one of the country's major retailers has cut trade links with SA.

Co-operative Retail Services yesterday placed an immediate ban on all SA products.

The CRS board said in a statement yesterday: "The board is totally opposed to apartheid. From today, CRS will no longer stock any produce from South Africa.

"Until now, there were a few examples where it had proved impossible to obtain produce of the right quality and value from other sources.

"These difficulties have now been overcome.

"We believe this policy will have the support of the vast majority of our members, customers and employees."

Another organisation, the Co-Operative Wholesale Society, which supplies and manufactures goods for the whole co-operative movement, said it was taking further steps to eliminate trade with South Africa.

A spokesman for CWS said the co-op had decided to:

☐ Ensure no goods packed under the co-op label are imported from SA.
☐ Eliminate all ingredients known to be of South African origin from co-op label products manufactured in CWS factories.
☐ Refrain from buying knowingly any proprietary brands produced, processed or packed in South Africa.
☐ Stop the import of citrus and other fruits from South Africa.

"In view of the present political situation in South Africa, we believe that most of our members and shoppers would expect us to take action of this kind," said the CWS spokesman. — Sapa.

SA goods banned by large retail group in UK

The Star Bureau

LONDON. — South African goods worth hundreds of thousands of rands have been banned from shops in Britain's largest retail group.

Co-Op, the first major store group in Britain to cut trade links with South Africa in protest against apartheid, has more than 1 000 stores across the country.

Citrus and canned fruit exports from South Africa are the major casualties, but the ban will also hit holiday trade. Co-Op subsidiaries include travel agencies.

The retail group has reduced trade links with South Africa since 1978 and the bulk of trade has been whittled down gradually.

A spokesman said, however, that yesterday's ban would affect hundreds of thousands of rands worth of goods.

Co-Op is owned by members who each have one vote whatever the size of their shareholding.

The group has links with the Trades Union Congress, an umbrella group of British trade unions which launched a national drive last month to eliminate South African goods from British shops.

"My job at the Union Buildings is like a giraffe, difficult to describe if you have not seen one."
says South Africa's most unlikely top sanctions expert 5/10/85

The secret life of Dr Marc Burger

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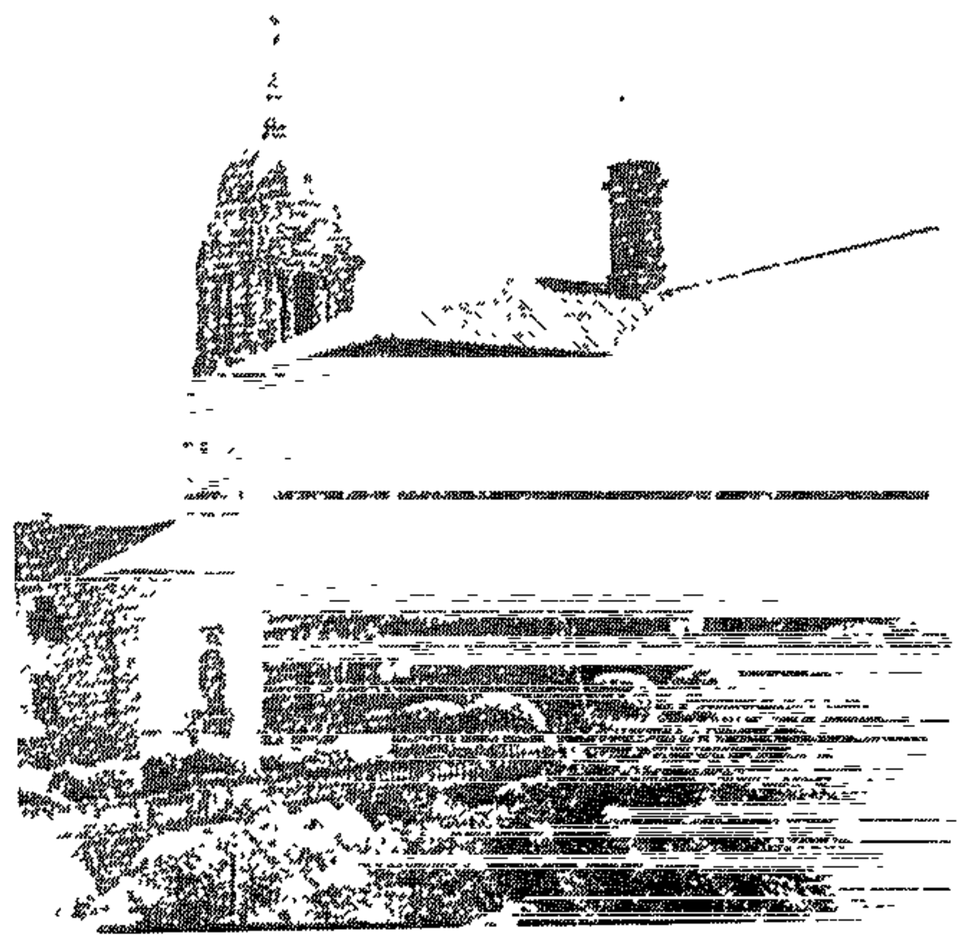


LIGHTS were burning late at the Union Buildings this week as officials studied the implications of President Reagan's latest punitive action — the ban on the importation of Krugerrands.

Among them was Dr Marc Burger, an expert on sanctions. It is his responsibility to keep the Government informed of economic moves against this country and devise appropriate responses.

Until now his work has been regarded as too sensitive to bear exposure to the public spotlight, but he agreed to speak — albeit reluctantly — about a job which just never lets up.

"When you are asleep on one side of the world, somebody is awake and causing mischief at the other . . . I work crazy hours these days," he says.

DR Burger is just about the most unlikely civil servant you could hope to meet. The 38-year-old economic boffin admits it with candour: "My job is like a giraffe, difficult to describe if you have not seen one."

In practical terms he heads the planning section of the Department of Foreign Affairs. So far so mundane Yet his tiny unit is the very nerve centre which informs and guides Government on all matters pertaining to disinvestment and sanctions

On these, as in most things, Dr Burger takes an unorthodox long view His research on sanctions goes back to ancient Greece and Pericles' Megarian decree of 432 BC, which was issued in response to the kidnapping of three Aspasian women. According to Aristophanes it was not all that successful because it triggered the 100-year Peloponnesian War

Benito Mussolini

Modern-day sanctions, says Dr Burger, hardly ever work either "Exhaustive studies and the great weight of historical evidence show that when used as instruments of oppression or coercion, sanctions have in nearly all cases been ineffective"

And here he also quotes Benito Mussolini, who faced League of Nations sanctions in 1935. The World War 2 Italian dictator made it clear sanctions had provided their own antidote when he told the world "To sanctions of an economic character we will reply with our discipline, with our sobriety, and with our spirit of sacrifice."

Mussolini was not deterred from his disastrous course and he did sacrifice both himself and his country.

Dr Burger also finds Napoleon's campaign against Russia a source of inspiration "He invaded Russia to a large extent because he had defined the British as a nation of shopkeepers and he wanted to close the remaining loopholes in their markets.

Plan was a failure

"But the plan was a failure. When his army marched into Russia the troops in fact wore greatcoats made in Lancashire and they carried Sheffield bayonets which were smuggled in through Portugal."

He is naturally highly critical of sanctions and disinvestment as a lever to force change. "When economics are used as a weapon its effects are indiscriminate.".

He likens governments behind the campaign to a firm of civil engineers embarked on a contract to build a fly-over

"The job has to be done. They will not consider that about one worker a month will be killed while it is being built through accidents on the job.

QUOTE

'The average black man has six mouths to feed. If you break his rice bowl, then what are the options? We (the Government) cannot afford to feed him."

Or that a certain number of crashes will occur on the fly-over every year Or that one of the victims will be dear old Mrs Jones from just down the street.

"There is little attempt to see the potential consequences of these actions which have the real effect of damaging people's welfare, earnings and future livelihood."

Six mouths to feed . . .

One seventh of the price of each Krugerrand sold, he says, accrues to the families of mine workers and a country such as Lesotho earns 51 percent of its gross national product from earnings repatriated by the 120 000 miners employed in South Africa.

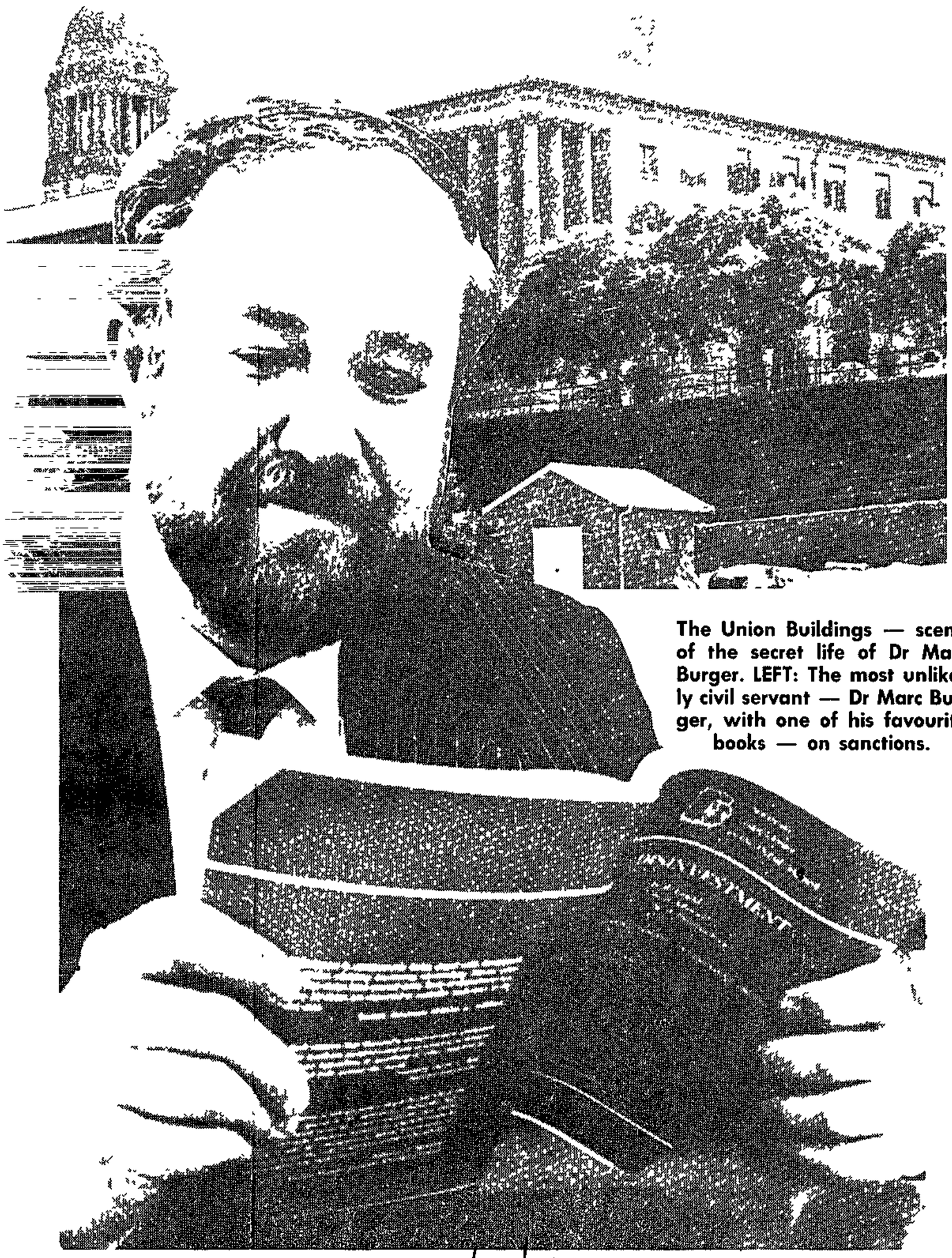
"The average black man has six mouths to feed. If you break his rice bowl, then what are the options? We (the Government) cannot afford to feed him."

He believes the big public utility borrowers especially — such as Escom and the railways — could be vulnerable to the present international climate and he finds this economic pressure ridiculous. "It is as if they believe only whites use electricity Yet it should be regarded as a humanitarian service. For example, electricity provides blacks with security (through streetlights) and with a window on the world (through television.)

He points to the Sats network, which stretches up to and includes Zaire. Our nearer neighbours depend on it absolutely. "If you hit at Sats then you hit at the whole region"

Legalised 'spies'

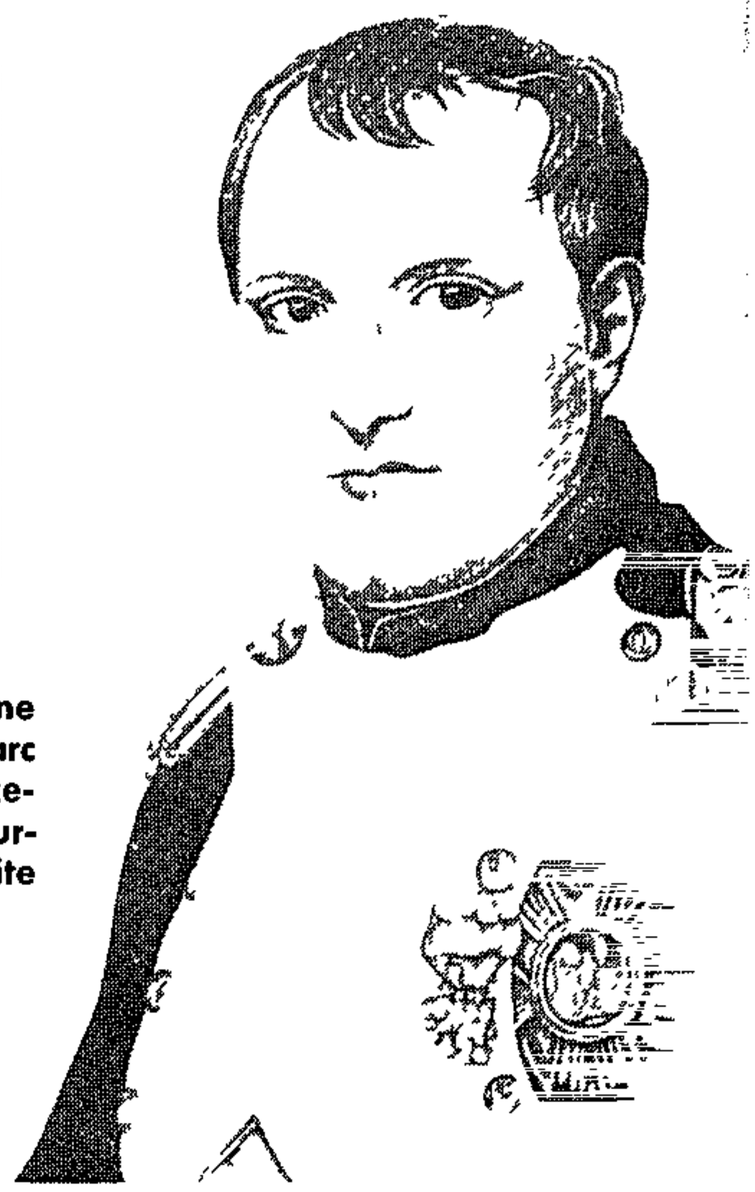
He and his two deputies process a wealth of information every day. This includes cables from missions abroad and other raw material including such as press clippings. He is briefed by businessmen and ra-



The Union Buildings — scene of the secret life of Dr Marc Burger. LEFT: The most unlikely civil servant — Dr Marc Burger, with one of his favourite books — on sanctions.



JOHN MACLENNAN Political Staff



NAPOLEON: He invaded Russia because had defined the British as a nation of ... keepers and he wanted to close the ren... ing loopholes in their markets. But the ... was a failure. His troops in fact wore g... coats made in Lancashire and carried ... field bayonets which were smuggled through Portugal.

5/10/85



Pericles' Megarian decree of 432 BC was issued in response to the kidnapping of three Aspasian women. According to ARISTOPHANES (left) it was not all that successful because it triggered the 100-year Peloponesian War.

ceives what he terms "privileged" diplomatic communications.

He makes this wry note of some of his sources· "Diplomats have been described as legalised spies, although it is not really a compatible description for the job."

His section has little trouble establishing what the opposition is up to. "People seeking to impose sanctions are making a lot of noise about it and you can find out quite easily what their intentions are."

It is on the basis of this input that he and his team put together — sometimes under immense pressure — a packaged response for the Government through Foreign Minister Pik Botha.

Beaten the boycotts

Dr Burger is reasonably optimistic about the future."South Africa is not without assets. We have been under tremendous pressure for the last 25 years. But we have beaten both the arms and oil boycotts. Our response has been to ensure that South Africa's decisions will be made by South Africans

"That is what is meant by the Government's statement to the effect that sanctions will not work if the purpose is to coerce.

"But another failed attempt at imposing sanctions can needlessly destroy the jobs and welfare of people here and in our neighbouring states"

In the meantime this son of a foreign service officer, who attended schools in Pretoria as well as the United States, Britain and Germany, is not concerned with controversial policy as such but only with pure economics. As a result, he says, "I have one of the easiest jobs in the Union Buildings in the sense of the morality of what I am doing. I have never lost a night's sleep."



MUSSOLINI: Faced League of Nations ... tions in 1935. He made it clear san... had provided their own antidote when said: "To sanctions of an economic ... we will reply with our discipline, with ... sobriety and with our spirit of sacrifice

5/10/85

'WE WILL NOT DEVIATE FROM THE PATH WE HAVE CHOSEN'

How The Doc spreads The Word

SYBRAND MOSTERT
Weekend Argus Reporter

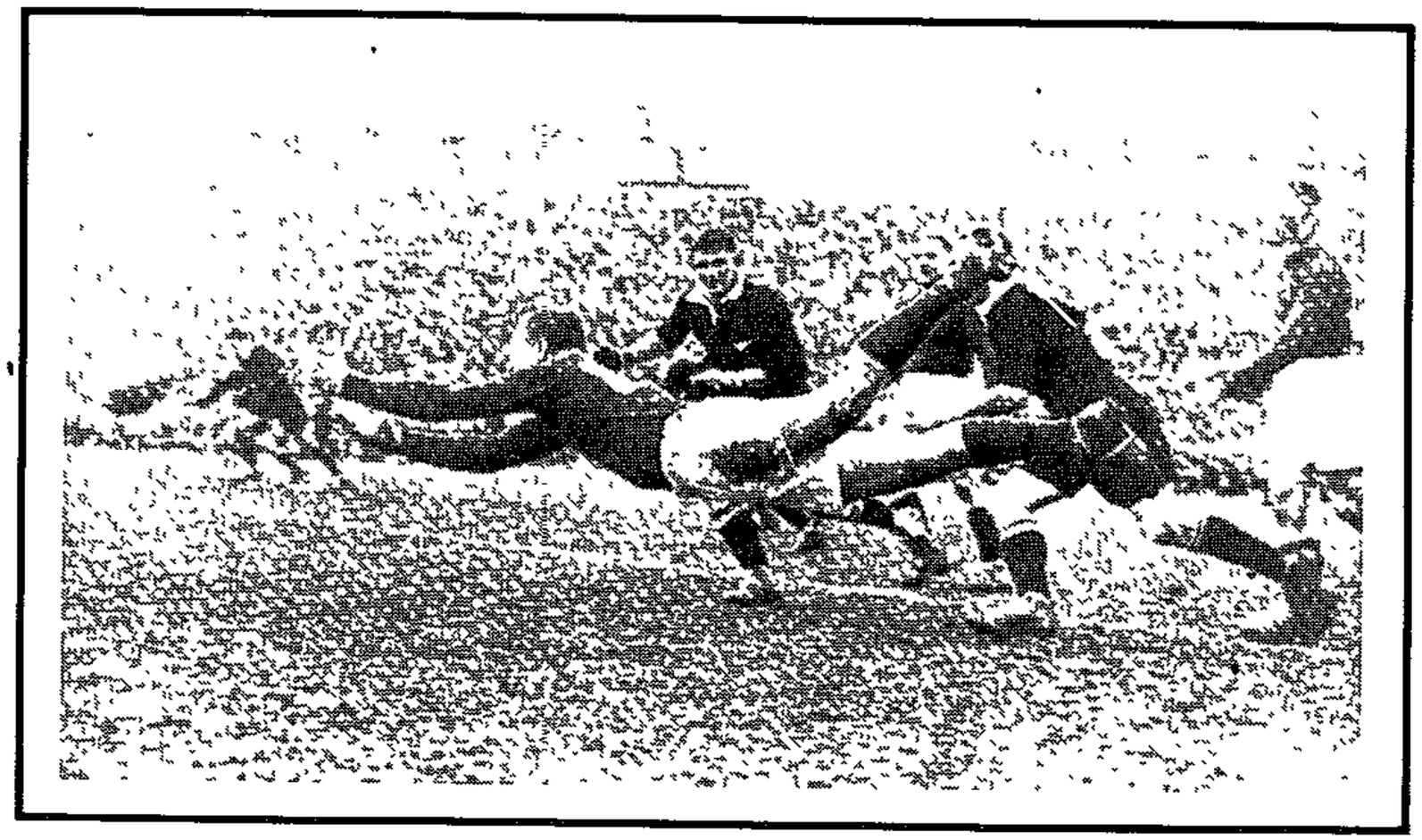
DANIE Craven dismisses his 75th birthday — he was born on a Free State farm on October 11, 1910 — with an irritated gesture and says "I cannot understand why people make such a fuss of it. I had nothing to do with it".

Daniel Hartman Craven — a chunky, crusty man who hides a warm heart underneath a dour and gruff facade — is a respected academic with doctorates in anthropolgy and psychology who has directed South Africa's rugby fortunes for an incredible 29 years.

Elected President of the South African Rugby Board in 1956, he has been a colossus of a figure on the South African social map straddling a shifting chasm between sport and a government bent on politicising every aspect of society — and he believes that rugby has been a force of change.

"Rugby has shown the way in breaking down racial barriers," he says. "The rugby board is an autonomous body which has clashed frequently with the government on policies and has rung in changes to show the way ahead."

Born and bred in the old SAP tradition of Smuts and Hertzog, Craven has eschewed the trappings of Afrikaner power in open and public stands against apartheid and swipes at the Broederbond to take in an extraordinary a-political stance in a game — it is more than just rugby — which is a strong thread in the fabric of our peculiar society.



The flying doctor: A striking action study of Dr Danie Craven using his famous dive-pass on the 1937 Springboks' tour of New Zealand. He was the first scrum-half to use the dive-pass.

He draws the line of sport isolation back to the Sharpeville — "which reverberated through the world" — the 1965 Loskop dam speech by apartheid architect Dr Hendrik Verwoerd which precluded Maoris from being being chosen for a forthcoming All Black tour, and the Basil D'Oliviera debacle.

HE'S 75 YEARS OLD THIS WEEK

"We are now reaping the fruit of what we ourselves sowed," he said in a interview two years ago, and pointed out the "renaissance" in the game that the board had wrought.

From tentative contact soon after his election with the Coloured Rugby Board and the South African Bantu Rugby Board, when it would have been unheard of for a black or coloured to wear the Green and Gold, rugby is now "theoretically integrated" with mixed games at club and Sport Pienaar level.

"I can say in all sincerity that I have not had to change my stance politically since 1948," he says, and "we will not deviate from the path we have chosen." With rugby integration a fact in the metropolitan areas Craven has "resigned from my position here" — he indicates Stellenbosch with a sweeping soup plate hand — "to work for integration in the rural areas."

Packed into a light aircraft with his assitants, the Docter has been winging his way through the platteland — to towns such as Prince Alfred, Loxton and Carnarvon — preaching the gospel of integration.

"The changes have been accepted in most places," he says, "but we have met resistance The platteland people are conservative, but kind. And to be kind you have to have a degree of maturity. Talking has brought them around to see the sense of change."

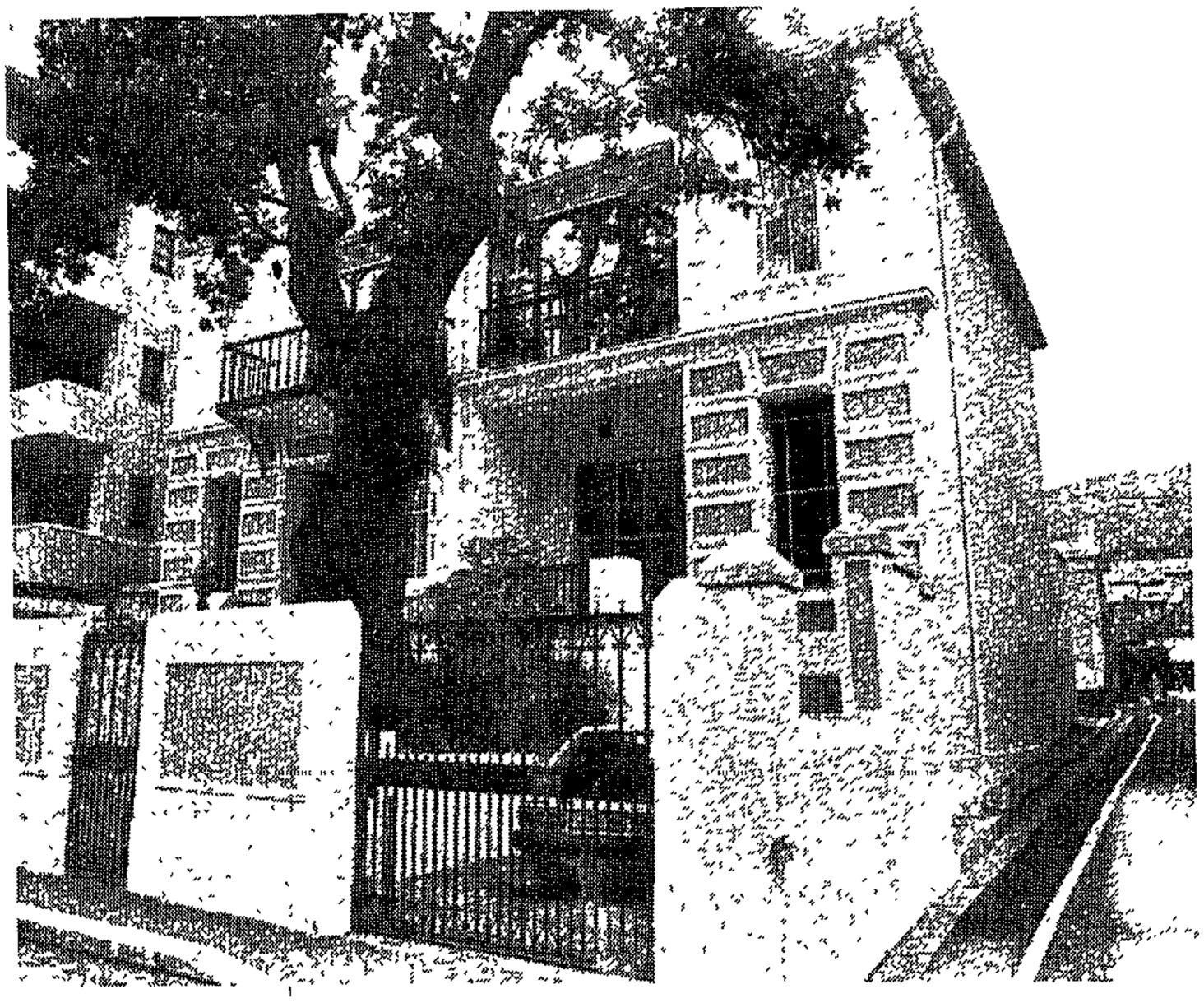
"I am not a politician" — he admits in his biography to voting only twice, once for Smuts and once for John Vorster in his Africa detente phase — "but have made a study of politicians, for I have had to deal with them. If you have facts, have made a scientific study then you can prophecy."

What does he prophesy for South Africa? "We are in the Middle Ages in South African political life and times have never been blacker. But there is the renaissance ahead — it is there for the taking.

"There is a phrase I like. The integration, or disintigration of the individual. We must all find a balance between rationality and emotion. With the right attitude we can go anywhere."

5/10/85

New role for city Red Embassy



Municipal Reporter

THE last house in Queen Victoria Street, Cape Town, may soon be used for professional or business purposes.

The building, owned by a former mayor, Mr David Bloomberg, has had a colourful history — it was once the Russian Embassy in the 1930s, and was later owned by gynaecologist and obstetrician professor Cuthbert Crighton.

The house (it was once two) is possibly the last remaining building designed by architect George Ransome, who also designed the old Markham's Building and the Sea Point Town Hall, now both demolished.

Mr Bloomberg renovated and converted the dwellings to one house about five years ago. He will be leaving the premises and has applied to the council for a relaxation of the town planning scheme to allow a business there.

The town planning committee recommended that Mr Bloomberg's application be approved, subject to conditions. These stipulate, among other things, that the residential character and appearance of the building be retained and that in future only a discreet advertising name plate be used.

Cape Times 5/10/86

280

ANC plea for sanctions fails

Own Correspondent

LONDON — The British Government will maintain its opposition to economic sanctions against South Africa in spite of increasing pressure this week to change their stance

This was made clear by the Foreign Office yesterday A spokesman said they had not been swayed by the impassioned plea for comprehensive sanctions against South Africa at the Labour Party conference by the ANC leader, Mr Oliver Tambo

'Shame'

After a heated debate, which took place while Mr Tambo was sitting on the platform, the Labour conference voted overwhelmingly in favour of adopting economic sanctions against South Africa

In the debate, the shadow Foreign Secretary, Mr Denis Healey, said Prime Minister Mrs Margaret Thatcher had "covered Britain with shame" by standing out alone as the bodyguard of apartheid

The conference also adopted a resolution that urged the immediate release of anti-apartheid activists detained under South Africa's state of emergency

The Foreign Office spokesman said Mr Tambo's speech at the Labour conference and the debate on South Africa was "very much a Labour Party matter".

The government will "absolutely" maintain their opposition to sanctions

This was also the view of the Foreign Office when they were asked whether Bishop Desmond Tutu's visit to Number 10 Downing Street would influence Mrs Thatcher to take a different view on the sanctions issue

● UPI reports that the Labour Party also resolved yesterday that a future Labour government in Britian may supply arms to Nicaragua to fight United States-supported Contra rebels

Britain stands firm against sanctions

5/10/85 (280) Mercury

London Bureau

THE British Government will maintain its opposition to economic sanctions against South Africa in spite of increasing pressure this week to change its stance

This was made clear by the Foreign Office yesterday. A spokesman said they had not been swayed by an impassioned plea for comprehensive sanctions against South Africa at the Labour Party conference by the African National Congress leader Mr Oliver Tambo.

After a heated debate, which took place while Mr Tambo was sitting on the platform, the conference voted overwhelmingly in favour of adopting economic sanctions against South Africa.

In the debate the shadow foreign secretary Mr Denis Healey said Prime Minister Thatcher had 'covered Britain with shame' by standing out alone as the bodyguard of apartheid.

Diplomatic

The conference also voted against the wishes of the leadership, in favour of a motion calling for the severing of diplomatic ties, as well as economic links.

The National Executive Committee asked that the motion described as 'militant-inspired' be withdrawn. This failed and the NEC then opposed the motion.

A card vote was taken and 3 500 000 votes were cast for the motion with 3 000 000 against.

The Foreign Office spokesman said Mr Tambo's speech at the Labour conference and the debate on South Africa was 'very much a Labour Party matter'. The Government would 'absolutely maintain its opposition to sanctions.

'Final phase'

This was also the view of the Foreign Office when it was asked earlier in the week whether Bishop Desmond Tutu's visit to Number 10 Downing Street would influence Mrs Thatcher to take a different view of the sanctions issue.

Last night Mr Tambo and Bishop Tutu attended a private dinner held by the Commonwealth Secretary-General Sir Shridath Rampha.

A delegation of the British Council of Churches just back from a tour of South Africa also called on the British Government to exert more economic pressure through carefully targeted sanctions on South Africa.

A member of the delegation the Rev Jim Wilkie said the struggle for freeedom in South Africa was 'starting a new chapter' adding that many believed it was the final phase.

'There's a kind of confidence at grassroots level now among the black people which wasn't there before' he said.

BUSINESS TODAY Argus 8/8/85 280 5 4

Money outflow from SA continues, De Kock says

Argus Foreign Service

LONDON — South Africa has suffered continuing outflow of "several hundred millions of dollars' over the past six weeks according to the Governor of the Reserve Bank, Dr Gerhard de Kock

This had taken place in spite of the moratorium on capital repayments designed to stem South Africa s outflow of foreign currency

This outflow, caused by the maturing of South African securities issued in London and outside the August standstill, had meant that South Africa had been unable to rebuild her reserves, in spite of the continuing current account surplus

These outflows would continue for some months, though at a decreasing rate, making it even more pressing for South Africa to reach an early accord with its bankers

Dr de Kock is in Seoul for the annual meeting of the International Monetary Fund and World Bank

It was loans between banks, including loans by international banks to the South African affiliate of both Standard Chartered and Barclays which Dr de Kock described as "our achilles heel"

These loans amounted to $6.5 billion, out of a total debt of $24 billion Of this $24 billion, $14 billion would mature within the next 12 months

Next year, the South African economy was expected to grow by 3 percent and produce a current account surplus of about $2 billion. But this situation could not be sustained If South Africa was to continue to grow it would again have to become a capital importer

Dr de Kock said he believed South Africa would be able to continue to borrow to finance imports

"But this would not be enough," he said He argued that the whole Southern African region would face economic hardship if South Africa could no longer borrow abroad

While the economic sanctions imposed by the United States, France and other countries had had little direct economic effect, they had been a psychological blow This spread to the international financial market

Dr de Kock said he realised how serious the country's financial position had become when the US sanctiones deal passed Congress and he was told by Mr Jake Butcher, chairman of the large New York bank, Chase Manhatten that he country was being dropped because it was an "international pariah"

Dr de Kock was concerned that South Africa might slip into a siege economy if sanctions were toughened or if Swiss banker Dr Fritz LLeutweiller — who is to call a meeting of the 29 main creditor banks in London this month to try to get them to review their credit lines — was unable to reach agreeement before the end of this year when the present moratorium on capital repayment expired.

A siege economy might allow strong growth in the short term as in Rhodesia after UDI but it could not be sustained

● Meanwhile,the Reserve Bank has appealed to the public of South Africa, SWA/Namibia and the independent homelands to submit information on their foreign liabilities to the bank by October 25. Sapa reports

In a statement the bank said the information would enable it to assess the need for planning South Africa's foreign debt repayment programme

In terms of the exchange control regulations the relevant forms had to be completed by all residents who had foreign liabilites as at August 31 this year Copies of the forms are available at all branches of the commercial banks and at the government offices of the independent national states

Expert warns on black govt

Financial Reporter

EVEN if a black government were in power, overseas countries would not necessarily be more willing to invest in South Africa than they are now, the head of the Nedbank group economic unit, Mr Rudolf Gouws, said yesterday.

He said bankers were reluctant to lend to countries with black majority rule. Zimbabwe was struggling to obtain financial help.

"We all know things have to change here. We all know black people must have more political power.

"But the process by which we make these accommodations is crucial."

Mr Gouws was speaking at a seminar organized by the Menswear Group of South Africa at a City hotel.

He said international political influences made it hard for economists to forecast what would happen in the coming year.

It was important not to under-estimate "how broadly-based the antagonism to South Africa is".

Forecasting depended on whether one expected a total boycott of South African exports with major trading partners joining in, or only a few exports boycotted by a few countries.

Unemployment to continue rising

It would also be disastrous if direct communications and transport links with South Africa were cut.

Even with a fairly optimistic forecast, he expected unemployment to continue rising until the middle of next year with no meaningful turnaround until the end of 1986.

He expected the inflation rate to average 15,5 percent. People would be lucky if their New Year rise was more than two-thirds of the inflation rate.

He thought there would be a cut in personal income tax next March and interest rates would continue to come down, partly because of weak demand and partly because the Reserve Bank was worried about unemployment.

Top union call for sanctions

WESTERN governments should impose economic sanctions on South Africa in line with the wishes of the majority of the black population, assistant general secretary of the International Confederation of Free Trade Unions (ICFTU), Enzo Friso, said in Brussels yesterday.

Friso, who recently led a three-man ICFTU fact-finding mission to South Africa, said any recent changes in apartheid were cosmetic and most blacks still lived in virtual slavery. — AP-DJ.

Sanctions net tighter

trolled by Norwegian companies to report every call to South Africa.

At present the identities of the owners are kept secret.

Norway's gross trade revenue from bulk shipping with South Africa is about $90m.

Norwegian and Finish transport workers and lorry drivers are urging shipowners to refuse to handle South African imports from October 20.

On October 17 and October 18, Nordic foreign ministers will study more severe economic sanctions, including a total investment and loans ban.

In Washington, Citicorp had promised to invest $100m in the city in return for a banking licence, and was strongly supported by Mayor Marion Barry.

Local banks were dismayed by the threatened arrival of America's largest financial institution, and lobbied the council for an alternative plan which would only allow smaller regional banks into the city.

As part of the campaign, the District of Columbia Bankers' Association distributed a newspaper article saying Citicorp had no plans to withdraw from SA.

Although a vocal supporter of the city's divestment legislation, Barry pleaded with the council to overlook Citicorp's SA dealings.

● From page 1

"All the money centre banks have the same problem with SA," he said. "They were there long before the (divestiture) movement. They are trying to sell off their portfolios."

In a memorandum circulated to council members earlier this week, the mayor also argued that the local banks were not serving Washington's citizens as well as they might.

"Our relatives have been and continue to be rejected by the local banks when we applied for a home mortgage or personal loan."

The council nonetheless voted against Citicorp.

One of those urging the council to defy Barry was Randall Robinson, head of the Free South Africa movement.

He told the leislators he "would not want Citicorp doing business as a bank in the district with its present record in SA."

Citicorp vice-president Lucius Gregg told the *Washington Post* that the SA issue was "a smokescreen used by local banks to divert attention away from the needs of the community."

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Sanctions 'will harm business aid to blacks'

LONDON — The United Kingdom South Africa Trade Association (Uksata) said yesterday that British companies in the Republic had contributed a great deal to black advancement — but could not continue to do so if sanctions or disinvestment measures were introduced

Uksata, representing British companies with trading or investment interests in South Africa, stressed its opposition to racial discrimination and said it supported calls for the rapid abolition of apartheid

In a statement the group's executive director, Mr John McQuiggan, said "Uksata believes that the reform process now set in train — maybe reluctantly and slowly — by the South African Government, is fundamental and irreversible

"It believes that any further destructive economic action will prove counter-productive and harden the extremist attitudes on both sides."

Mr McQuiggan said Uksata believed justice and equality for South Africa's people would most surely come from a peaceful solution, and was unlikely to arise from the ashes of a violent conflict

"British companies, for instance, have contributed about £2 million (about R7,5 million) to the Urban Foundation, devoted to black housing and social advancement, and the vast majority fully subscribe to the EEC code of conduct"

Mr McQuiggan said British interests in South Africa were considerable Investment totalled about £11 billion (about R37 billion) and up to 250 000 workers in the UK were directly or indirectly involved in trade with the republic — Sapa

UK firm on no sanctions against SA

11/10/85

STAR

The Star Bureau

280

LONDON — Mrs Margaret Thatcher "forcibly" told South African Government leaders to change, Conservative Party delegates at the annual conference in Blackpool have been told.

But Britain would still not apply sanctions and would meet "head-on" expected objections at the Commonwealth heads of government meeting in the Bahamas this month

Speaking in a debate on European and foreign affairs, the Foreign Secretary, Sir Geoffrey Howe, said "No one has spoken more forcibly to South African Government leaders about the urgent need for change than Mrs Thatcher I know because I was there when she gave them a piece of her mind"

'BOUND TO CAUSE ANGER'

He was referring to Mrs Thatcher's meeting with then Prime Minister Mr P W Botha during his European tour Sir Geoffrey's remarks are bound to anger South Africa because the State President has always maintained that his meeting with Mrs Thatcher was both cordial and friendly

Sir Geoffrey won some of the loudest applause at the conference with his denunciation of apartheid "We detest racial discrimination — wherever it is practised We condemn apartheid," he said

The philosophy of apartheid was contrary to all decent standards of freedom and democracy, and Britain's aim was to see a system of government which extended democracy to all

But Britain would not apply sanctions, although Sir Geoffrey said he understood the "passion" of those who called for them

He repeated the British view that sanctions would be counter-productive and said "Mrs Thatcher and I will make that clear at the Commonwealth heads of government meeting"

Tories yesterday debated race relations — traditionally one of the trickiest issues they face

IMMIGRANTS

This year's debate was made more sensitive by riots, mainly by blacks, in Tottenham, Brixton, Toxteth and Handsworth

The debate was surprisingly calm Expected calls for repatriation of immigrants did not emerge Most observers believed that a speech by the new Home Secretary, Mr Douglas Hurd, on the riots in which he made clear that black Britons had as much right to the country as whites, defused the issue

Instead Tories contented themselves with calls for stricter immigration policies

International pressure on South Africa

Sanctions won't harm blacks, Commonwealth will be told

280 11/10/85 Mercury

KUALA LUMPUR—Malaysian Prime Minister Mahathir Mohamad will tell other Commonwealth heads of government that economic and other sanctions against South Africa would not hurt the blacks there, a Foreign Ministry official said yesterday.

Briefing reporters on what stand Malaysia would take at the Commonwealth heads of government conference in the Bahamas on Oct 16-22, Mr Razali Ismail, deputy secretary-general of the Foreign Ministry, said it would call for strict and total sanctions against South Africa.

Malaysia would argue that sanctions would not hurt the blacks, as most countries tended to believe, but would go a long way towards promoting a scrapping of apartheid and allowing the blacks equal standing.

Mr Razali said the Commonwealth group, made up of Britain and former colonies, still had a special role to play in dismantling apartheid.

Malaysia hoped, through 'firm and realistic but friendly pressure', to suggest that countries having business with South Africa relocate their investments elsewhere, Mr Razali said

Imports

Meanwhile from Helsinki it is reported that trade union leaders from Denmark, Sweden, Finland and Norway met under pressure to declare a joint Nordic boycott of trade with South Africa.

Union officials said Finnish and Norwegian transport workers were urging their Swedish and Danish colleagues to join them in ordering dockworkers and lorry drivers to refuse to handle South African imports from October 20.

Nordic trade with South Africa totalled R1 700 million last year, and a Nordic foreign ministers' meeting in Oslo on October 17-18 is due to study ways of increasing Pretoria's economic isolation.

Finnish Foreign Ministry officials said they hoped the Government would adopt a package of economic sanctions, including a ban on investments.

Foreign Minister Paavo Vaeyrynen had drawn up a list of measures which would also forbid Finnish banks taking part in loans to South Africa and prohibit the purchase of South African goods by the State or municipalities. — (Sapa-Reuter-AP)

sunrise news

Britain will stand alone in opposition

The 'club' set to put bite on SA

(B) 280 STAR 12/10/85

LONDON — Pressure for biting economic sanctions against South Africa will dominate next week's Commonwealth conference, with Britain isolated and under fire from its former colonies

The Prime Minister, Mrs Margaret Thatcher, is virtually alone in the 49-nation club in opposing mandatory sanctions

Traditional hardliners on the South Africa issue, such as Nigeria and India, will be backed by relatively recent converts to the economic sanctions cause such as Australia and Canada.

Diplomats in London said the row would eclipse all other items on the agenda at the Commonwealth heads of government meeting, to be held in the Bahamas from Wednesday until Tuesday October 22.

Mrs Thatcher's stance, largely dictated by Britain's massive investments in South Africa, was harshly attacked yesterday by two senior Commonwealth leaders, the Indian Prime Minister, Mr Rajiv Gandhi, and the Australian Prime Minister, Mr Bob Hawke

Leaders are unanimous in wanting to end apartheid but Britain disagrees with its partners on how to reach that goal

Mrs Thatcher insists that economic sanctions will most damage the people they are supposed to help — the blacks — and further entrench the intransigent white minority.

Her Commonwealth opponents argue that only the toughest international pressure can force Pretoria to drop its racial policies and head off revolution.

"The Commonwealth is already a weak organisation Unless we reach unanimous agreement on sanctions, it will be even weaker," one Indian diplomatic source warned

Final communiques at the biennial Commonwealth summits are traditionally unanimous and agreed by consensus Diplomats said that Britain would hate to have to veto any measures on South Africa which it was alone in opposing

Several sources were optimistic that a compromise falling far short of a full trade embargo might still emerge in Nassau

Britain might avert a damaging split by largely symbolic gestures such as banning new investment and the sale of Krugerrands, some sources suggested — Sapa-Reuter.

Sanctions stand: Thatcher remembers Mussolini issue

LONDON — Britain's resistance to tougher sanctions against South Africa is being influenced by Foreign Office judgments on a political crisis 50 years ago

When Mrs Thatcher confronts the rest of the Commonwealth at next week's summit in the Bahamas her claim that economic pressures cannot end apartheid will be sustained by recalling how sanctions failed to stop Mussolini's invasion of Abbyssinia (now Ethiopia)

The League of Nations's decision to impose sanctions on Fascist Italy was taken on October 7 1935 But the measures were a fiasco Mussolini s army was victorious and Emperor Haile Selassie fled to England

The "Lessons" of the failure of this first international attempt to use sanctions have been spelled out in a book by a high-ranking Foreign Office official, Robin Renwick, who is one of Foreign Secretary Sir Geoffrey Howe's advisers

The book "Economic Sanctions", is a study written by Renwick in 1981 when he spent a year at Harvard

Renwick warns that the League of Nations succeeded only in creating a siege mentality in Italy, and so rallied support for Mussolini It is similarly maintained today that sanctions will do no more than drive South Africa's whites into a defiant "Laager"

An oil embargo is still accepted to be the ultimate economic weapon Mussolini confided to Hitler that if the League of Nations had cut his oil supplies he would have been driven to pull out of Ethiopia within a week

In 1935 the world was unable to enforce oil sanctions

In 1985, the UN sees little hope of stopping oil reaching South Africa

The argument that such loopholes have always made sanctions futile will underpin the British case at the Commonwealth summit Robin Renwick lays it down in his book that "Exaggerated expectations" should never be entertained for the economic effects — "Still less for political results"

But this will not deter the Commomnwealth from calling on Mrs Thatcher to alter her stance in favour of minimal sanctions The harshest warning of what she must expect has come from Australian Prime Minister Bob Hawke

He told her "We live in 1985 Britannia no longer rules the world ' Australia wants the Commonwealth to draw up a plan for punitive manadatory sanctions against South Africa

Sir Shridath Ramphal, the Commonwealth Secretary-General, has repeatedly warned that the Commomnwealth may be severely weakened if Britain rejects the views of the other 48 members There are even fears that the summit may end in an open split

The current prospect recalls what happened to the League of Nations through the failure to adopt effective sanctions. Its authority was destroyed and the rising dictatorships of Europe given a boost in confidence

As is happening now, sharp racial sympathies were provoked by the call for sanctions Rudyard Kipling believed that the Italians were a force for civilisation in Abbyssinia and openly sided with Mussolini

British industrialists were also worried about the damage to trade of a sanctions drive

The hope that economic measures can bring about a peaceful solution in South Africa closely parallels the faith held in the old League of Nations that sanctions were a genuine alternative to war But such idealistic attitudes are not encouraged by Renwick

At the end of his book, he makes the point that counts greatly with Mrs Thatcher when she considers Britain's $15 billion investment in South Africa

"There is always a cost attached to sanctions. They are liable to inflict considerable economic damage on those applying them, as well as on those to whom they are applied" — *The Observer News Service*

TV DEBATE

ARGUS 14/10/85 (280

Sanctions call is 'humbug' — Worrall

PETER MANN of The Argus Foreign Service reports from London on a BBC discussion on the Commonwealth Heads of States meeting starting in Nassau tomorrow

FRONT-line African states will call for sanctions against South Africa — but will be relieved if Britain refuses them — at this week's Commonwealth Heads of Government meeting in Nassau, says Commonwealth Secretary Mr Malcolm Rifkind.

But Dr Denis Worrall says South Africa will regard as "humbug " any Commonwealth decision in favour of sanctions — because "South Africa's human rights record is far better than most of the African members of the Commonwealth".



Dr Worrall ... scathing attack on Australia

Mr Rifkind, Britain's South Africa expert, and Dr Worrall, the South African Ambassador in London, were appearing on a BBC televison programme, Sunday,which predicted that the Commonwealth would opt for a "fruit and flight" boycott of South Africa.

Also on the programme were Commonwealth Secretary General Sir Sonny Ramphal and the Labour spokesman on South Africa, Mr Donald Anderson.

Dr Worrall launched a scathing attack on Australia, where he served as Ambassador, saying it was in their own self interest to lead the campaign against South Africa.

"We are competitors," Dr Worrall said, adding: "When politicians talk of morality it is time to run for cover."

Mr Rifkind and Sir Sonny Ramphal agreed tthat here was no difference of principle between Britain and the rest of the Commonwealth.

Heads of Government at the meeting which begins in Nassau in the Bahamas tomorrow would argue with Britain over the mechanisms for forcing change.

"I think Britain may be able to agree to the package of measures and preserve her economic self-interest," Sir Sonny said. "No-one is talking of trade embargoes or disinvestment.

"South Africa is beginning to respond even to talk of sanctions. We may not have to go very far down that road if we are united.

"We have to send a message that the world means business. Britain must not dilute that message."

Mr Rifkind listed measures Britain had already taken."There is no difference in principle between Britain and the Commonwealth. We've come a long way on sanctions," he said.

"But we are not prepared to implement trade and economic boycotts."

Sanctions, he said, would damage South Africa's neighbours and provide no impetus for reform.

"The facts of geography are that any successful embargo would devestate South Africa's neighbours In their public statments they will show solidarity with the Commonwealth. Privately they'll be very relieved when we say no," Mr Rifkind said.

Dr Worrall said the Commonwealth as a moral force "is regarded with the utmost contempt in South Africa".

The Commonwealth complained about South Africa but not about the 200 000 dead in Uganda.

If they opted for sanctions it would have "very little" political effect.

"Economically it would have a limited effect on South Africa but a very great effect on our neighbours," Dr Worrall said.

Labour spokesman Mr Donald Anderson predicted that Britain would stand alone against the Commonwealth.

Sir Sonny Ramphal agreed. "48 of 49 are committed to sanctions of some kind," he said.

The Commonwealth Heads of Government meeting is being regarded as of momentous importance — some say it is on a par with the 1961 meeting which saw South Africa out of the "Club".

There are certain to be bitter exchanges between British Prime Minister Mrs Margaret Thatcher and her colleagues.

For any action without Britain is doomed to fail. Nearly half of all overseas investment in South Africa is British.

Britain, with nearlyt Stg 12 billion invested has been recalcitrant in the EEC and Mrs Thatcher is fighting off strong domestic political demands for a reversal of her policy.

Britain is increasingly desperate for some sign of real change from President P W Botha. Without it, time will force Mrs Thatcher to succumb.

50 US cities to step up sanctions

Argus Foreign Service

NEW YORK. — Fifty American cities have pledged to apply stronger sanctions against South Africa.

Representatives and mayors of the 50 cities met in New York at the weekend to discuss possible future actions against apartheid.

Mrs Jennifer Davis, executive director of the American Committee on Africa, leading the US disinvestment campaign, said: "More needs to be done and the conference was called to plan action."

TRADE EMBARGO

The conference was co-ordinated by the American Committee on Africa and co-sponsored by the UN Special Committee against Apartheid.

The Rev Jesse Jackson, chairman of the National Rainbow Coalition, opened the conference.

"Divestment does not merely take dollars out of South Africa, it is an investment in equality," he said.

He called for a trade embargo against South Africa.

"By taking the profits out of apartheid we take the motivation out of the reason for its existence," he said. "Every moral and ethical imperative that drove us to stop trading with Germany in 1945 must stop us from trading with South Africa in 1985.

"We are fighting for citizenship for South Africa," he said.

Among the legislators assembled were 14 mayors of the largest cities in the US and officials from 36 cities which have already approved disinvestment legislation, involving billions of rands of public funds..

The legislators said they believed they had powerful leverage and this would be used to urge all pension funds to withdraw from US companies doing business in South Africa.

Pittsburgh, Portland and Boston had closed down South African consuls, their representatives told the meeting.

Bitter row on SA sanctions expected

(280) STAR. 14/10/85

The Star Bureau

London

Bitter controversy on the issue of sanctions against South Africa is expected at the Commonwealth Heads of Government meeting, which begins in Nassau in the Bahamas tomorrow.

There were certain to be bitter exchanges between British Premier Mrs Margaret Thatcher and her colleagues, said UK Labour spokesman Mr Donald Anderson, appearing yesterday on the BBC television programme "Sunday".

Mr Anderson predicted that Britain would stand alone against the Commonwealth

Frontline African states at the meeting would call for sanctions against South Africa but would be relieved if Britain refused them, said Mr Malcolm Rifkind, Britain's South Africa expert, appearing on the same programme

Also giving his views was Dr Denis Worrall, the South African Ambassador in London

'Humbug'

He said South Africa would regard as "humbug" any Commonwealth decision in favour of sanctions because "South Africa's human rights record is far better than most of the African members of the Commonwealth".

Mr Rifkind listed measures Britain had already taken and said "There is no difference in principle between Britain and the Commonwealth We've come a long way on sanctions but we are not prepared to implement trade and economic boycotts

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"We are competitors," Dr Worrall said, adding. "When politicians talk of morality it is time to run for cover."

'Principles the same'

Mr Rifkind and Commonwealth Secretary-General Sir Sonny Ramphal agreed there was no difference of principle between Britain and the rest of the Commonwealth

Heads of government at the meeting would argue with Britain over the mechanisms for forcing change, they said

"I think Britain may be able to agree to the package of measures and preserve her economic self-interest," Sir Sonny said "No one is talking of trade sanctions or disinvestment

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Dr Worrall said the Commonwealth as a moral force was regarded with the utmost contempt in South Africa

The Commonwealth complained about South Africa but not about the 200 000 dead in Uganda If it opted for sanctions it would have very little political effect, he said, but a very great effect on South Africa's neighbours

Any action without Britain was doomed to failure

Gandhi calls for sanctions

NEW DELHI—The Indian Prime Minister, Mr Rajiv Gandhi, yesterday urged Western nations to help dismantle apartheid in South Africa by imposing economic sanctions.

'It is essential for Western countries, who are continuing to provide economic succour to the disastrous racist regime, to recognise that mere persuasion will not move this insensitive authority in Pretoria,' Mr Gandhi, head of the Non-Aligned Movement, said in a statement.

The statement coincided with a day of solidarity with South African political prisoners observed by the Special Committee Against Apartheid.

India and other non-aligned states are expected to press for strong action against South Africa at the Commonwealth summit meeting in the Bahamas later this week.

Mr Gandhi said South Africa had armed itself with a wide range of powers to suppress the legitimate struggles of millions of Africans for what he called their inalienable human rights.

'Forty years ago in the first session of the United Nations General Assembly it was India which first brought up the question of racial discrimination in South Africa. We were also the first country to ban trade with South Africa,' he said. — (Sapa-Reuter)

The trialists are accused of treason following allegations of their alleged involvement in a organisation

The trial is expected to last about 18 months and about 200 witnesses are expected to be called

Deal on sanctions

FROM PAGE 1

withdrawing services to South Africa.

These proposals, which might form the basis of a voluntary package, are all economic sanctions which Mrs Thatcher has rejected as impractical and counter-productive.

Meanwhile in Stockholm Sweden's transport workers yesterday declared a one-month boycott of trade with South Africa, the latest in a series of anti-apartheid protests by Nordic trade unions, Sapa-Reuter reports

Transport workers' union president Johnny Groenberg told a news conference the action from October 23 to November 24 was intended as a warning to the Swedish Government and demanded that Sweden halt all trade with South Africa.

Finnish transport workers begin an indefinite ban on handling all goods coming from or destined for South Africa on October 20 and Norwegian transport workers will boycott imports from the country from the same date until February 1

Ilhluwe Inn
and exciting rocks and

Sanctions to end apartheid

THE first signs of a Commonwealth compromise that would seek agreement on a voluntary sanctions package against South Africa and delay a decision on mandatory sanctions until its 1987 summit emerged here yesterday.

Amid indications that Commonwealth unity had been strained to the limit on the issue an intense bout of behind-the-scenes diplomacy ahead of tomorrow's summit in the Bahamas is now under way.

Th[illegible] compromise plan wou[illegible] stop short of a Com[illegible]onwealth agreemen[illegible] introduce a package [illegible] limited sanctions in the UN Security Council as had been widely anticipated.

It would settle instead for an agreed package of voluntary sanctions which would be implemented by the vast majority of the 49 Commonwealth nations but would allow Britain and the vulnerable southern African front-line states off the hook.

Key broker

The new plan is almost certain to be adopted because of the need to preserve Commonwealth unity and Britain's implacable opposition to economic sanctions.

The vulnerability of Botswana, Zambia, Zimbabwe, Malawi, Swaziland and Lesotho to sanctions, indications that apartheid was on the way out and recent contacts between the banned ANC and South African businessmen and Opposition politicians had all contributed to the change of mood.

There are also growing reservations in some Commonwealth quarters about the desirability of a ban on the purchase of South African agricultural produce

In a pre-summit television programme at the weekend the South Afri-

London Bureau

can Ambassador to London, Dr Denis Worrall, described the proposal as reprehensible, pointing out that South Africa was one of the few exporters of food in the sub-continent to African states.

Dr Worrall said that the 'new Commonwealth' was an 'ill-assortment of states' whose views where treated with the utmost contempt in South Africa.

He pointed to the self-interest of many Commonwealth countries advocating sanctions, particularly Australia which, he said, competed with South Africa for trade with the Far East.

Dr Worrall also took to task Sir Sonny Ramphal, secretary general of the Commonwealth, who had called for one man, one vote in South Africa, and who was appearing on the same programme.

Why didn't his suggestion apply to Nigeria and Uganda and other Commonwealth 'political disasters', Dr Worrall asked.

In favour

The key broker in promoting a Commonwealth compromise is Canada's Conservative Prime Minister, Mr Brian Mulroney, who, although in favour of selective sanctions, is known to be concerned about the possible effect on South Africa's neighbouring states.

India's Rajiv Gandhi, who met Mrs Margaret Thatcher at Downing Street yesterday, strongly urged her to toughen Britain's stance on sanctions to clarify its position on human rights.

It is thought Mrs Thatcher might make a further gesture towards Commonwealth unity by pledging to use her influence to get the proposed Lions rugby tour of South Africa called off.

But she is unlikely to agree to compromise proposals banning the purchase of agricultural products, particularly fruit, from South Africa, ending the sale of Krugerrands and cutting air links by denying overflight rights and

■ TURN TO PAGE 2

Sanctions: Will the Iron Lady bend?

By Nicholas Ashford, Diplomatic Correspondent of *The Times*

LONDON — Mrs Thatcher's opposition to economic sanctions against South Africa will be under attack at the Commonwealth conference in Nassau this week not only by African and other Third World nations but by the older, white Commonwealth nations too

Six weeks ago Australia announced a wide-ranging package of sanctions that included a suspension of new public and private investment in South Africa, a ban on the import of Krugerrands and ending export credit facilities

The Australian Prime Minister, Mr Robert Hawke, has said he hopes the Commonwealth will "at the very least" agree to implement a similar set of measures He has also said that the Commonwealth should "prepare itself and take to the United Nations a position in favour of mandatory sanctions"

Mr Hawke's appeal is almost certain to be supported by Mr David Lange of New Zealand and Mr Brian Mulroney of Canada Both have introduced punitive measures against Pretoria in recent months

Whether Mrs Thatcher will be persuaded by such a display of solidarity remains to be seen On the eve of her departure, the Prime Minister and her officials have given no sign that they are prepared to bow

Mrs Thatcher has several lines of defence She will explain that she abhors apartheid just as much of the rest of the Commonwealth and wants to see it abolished She will then argue that sanctions are not the way to go about it She will claim that Britain's policy of persuasion and discreet diplomatic pressure is in fact producing significant results.

Although President Botha made a serious blunder in failing to announce far-reaching reforms in his internationally advertised "Rubicon" speech in Durban in August, she will argue that the measures which he has announced since then on citizenship, the pass laws and black political rights represent changes in the apartheid structure which would have been unthinkable a year ago

HURT BLACKS

She will also argue that sanctions will hurt South African blacks more than whites — although a recent opinion poll among South African blacks showed a majority now in favour of sanctions if they would hasten the end of apartheid

Mrs Thatcher will then make the point that Britain last month decided (admittedly rather late) to join its European partners in imposing a number of political and military restrictions against South Africa She will insist that it is unreasonable to expect Britain — whose investment is greater than that of the combined total of the other EEC members — to impose tougher measures than its European partners

If the atmosphere becomes heated, there are several other arguments Mrs Thatcher can deploy Who, for instance, will bail out the six African Commonwealth countries (Botswana, Lesotho, Swaziland, Zimbabwe, Zambia and Malawi) which depend heavily on South Africa for trade and communications and whose economies would collapse long before South Africa's if sanctions were imposed?

She could also make the point that there is an element of hypocrisy in the position taken by many Commonwealth countries

Canada, for instance, has announced an embargo on air transport between Canada and South Africa — but there are no scheduled flights between the two countries. And prohibition of the sale of Krugerrands can only benefit Canada's own gold mining industry.

The imposition of sanctions would have little effect on the economies of Canada, Australia or New Zealand, let alone Nigeria, India or others whose voices will be heard calling on Britain to get tough Britain, on the other hand, stands to lose millions of pounds in investments and thousands of jobs in industries exporting to South Africa

Mrs Thatcher's opposition to sanctions is ideological as well as being based on Britain's self-interest She firmly believes that comprehensive, mandatory sanctions would eventually result in chaos andmerely drive the Afrikaners into a laager.

RETAIN POWER

"You must realise that we are dealing with one of the toughest Governments in the world, which is quite prepared to kill and torture to retain power," one senior British official said. "They are not going to budge simply because the Commonwealth tries to hit them around the head with a feather duster"

Recognising the strength of Mrs Thatcher's opposition some Commonwealth leaders have already started working on compromise formulae

One proposes a timetable approach which would trigger off sanctions if South Africa did not take certain steps before given deadline "If we cannot agree even on something like that, then the Commonwealth will have shown itself to be an empty shell," one high commissioner said

'Most black workers want stricter sanctions'

Most black workers want stricter economic sanctions against South Africa to support their struggle against the country's "inhuman" system of government, says a leading international trade union leader.

Addressing a meeting of the European Trade Union Confederation (ETUC) in Brussels, Mr Enzo Friso, assistant general secretary of the 83 million-strong International Confederation of Free Trade Unions (ICFTU), said he had gained this impression during a two-week visit to South Africa recently

While in South Africa, Mr Friso held talks with leaders and members of the independent trade union movement

Mr Friso told the Brussels meeting the ICFTU rejected suggestions that the South African Government was prepared to implement concrete reforms. "Despite cosmetic changes that have failed to deceive the international union movement, influx control — one of the most inhuman practices which has made blacks foreigners in their own country — has remained intact."

Reporting on his meetings with black unionists, Mr Friso said black workers had made it clear they wanted more sanctions to be applied against South Africa

Mr Friso added that apartheid could not be reformed and should be abolished

The ICFTU called for the immediate release of all political and union prisoners and the lifting of the ban on political organisations as a prerequisite for "genuine dialogue between the representatives of the black majority and the ruling white minority".

Mr Friso appealed to Western unions to intensify pressure for effective economic sanctions against South Africa.

He warned that ICFTU, together with South Africa's independent union movement, would intensify the fight against apartheid.

The ETUC adopted a resolution condemning apartheid as a crime against humanity and called for its abolition.

The resolution is to be communicated to the South African authorities.

has been drawn tighter

How the sanctions noose

(280)

B. Day 15/10/85

SINCE the beginning of the year the international campaign for sanctions against South Africa has gained momentum and the prospect of mandatory sanctions being imposed by the United Nations has increased.

In the run-up to the Commonwealth summit, which will set the future pace of the international campaign, at least 21 countries with economic and diplomatic links with South Africa have announced various sanctions measures.

Britain, which has by far the most to lose from economic sanctions, is now fighting a lone battle to stop the economic noose from being tightened at the summit which starts tomorrow.

Here London Bureau Chief JOHN BATTERSBY spells out the Commonwealth draft package and lists the sanctions which have been introduced unilaterally or through the EEC since the beginning of the year.

COMMONWEALTH PROPOSALS

☐ A ban on Krugerrand sales.
☐ Cutting of air links.
☐ A ban on the import of agricultural products — particularly fruit.
☐ Strengthening of the Gleneagles Agreement discouraging sporting links.

THE UNITED STATES

In the face of intense pressure from the US Congress, President Ronald Reagan imposed the following sanctions by executive order last month:
☐ A ban on US computer sales to South African security agencies.

SWEDEN

Sweden, which is not a member of the EEC, has adopted some of the most comprehensive sanctions against South Africa:
☐ A ban on new investments (existing), loans, credit and security for South African public debts.
☐ A ban on technology transfers and equipment leasing arrangements.
☐ A ban on South African coal imports.
☐ A ban on all agricultural produce.
☐ A ban on Krugerrand imports.
☐ The national board of trade was authorised to seek alternative supplies of strategic minerals
☐ Trade and maritime traffic officially discouraged.
☐ Party to Nordic cancellation of Scandanavian air links.
☐ A ban on the sale of nuclear technology.
☐ A restriction on new bank loans to South Africa unless they were linked specifically to black advancement.
☐ A ban on Krugerrand sales in the US.

THE EEC

Following a meting of EEC foreign ministers on September 10, the following agreed package of sanctions was adopted. Britain initially reserved its position but later fell in line with the package.
☐ The withdrawal of EEC military attaches from South Africa.
☐ A "rigorously controlled embargo" on imports and exports of arms and paramilitary equipment.
☐ An end to oil exports.
☐ A ban on military equipment.
☐ A ban on all new collaboration in the nuclear sector.
☐ The discouraging of scientific and cultural agreement except where these contribute towards the ending of apartheid and have no possible role in supporting it.

FRANCE

In addition to the EEC measures, France announced its own action in August which included:
☐ A ban on all new investment.
☐ A ban on bank loans.
☐ The withdrawal of its ambassador to South Africa.

DENMARK

Denmark has also adopted a number of unilateral sanctions in addition to the EEC package:

NORWAY

Also a non-EEC member, Norway has its own code of sanctions against South Africa, although the Norwegian Government has been embarrassed by the exposure of clandestine links which have contravened the code:
☐ Existing ban on new investment.
☐ A review of a voluntary ban on oil supplies.
☐ The introduction of a register of Norwegian ships calling at South African ports.
☐ A licensing system for trade with South Africa to be introduced with compensation for Norwegian companies.
☐ A ban on South African fruit and vegetables.
☐ Withdrawal of Consul-General.
☐ Party to Nordic ban on air links.
☐ A ban on new investment.
☐ A ban on North Sea oil supplies.
☐ No futher long-term contracts for South African coal.
☐ A ban on equipment leasing agreements.
☐ Severing diplomatic links with the closure of its consulate-general in Johannesburg.
☐ Party to joint sanctions by Nordic countries which includes the cancellation of civil aviation agreements between South Africa and Scandinavian Airlines (SAS).

CANADA

Canada, a leading member of the Commonwealth, announced its own sanctions package during the first half of this year:
☐ The withdrawal of financial advantages for South Africa in trade and taxation agreements.
☐ The withdrawal of insurance schemes for investment in South Africa.
☐ A ban on the export of hi-tech and sensitive equipment, including computers.
☐ A ban on Namibian uranium imports in 1986.
☐ An embargo on air transport to and from South Africa.

AUSTRALIA

Another Commonwealth leader, Australia announced its own sanction package in August:
☐ A ban on construction projects between public authorities and SA-linked companies.
☐ Suspension of new public and private investment.
☐ A ban on the import of Krugerrands.
☐ An end to export credit facilities.

JAPAN

Japan, which has a substantial trade relationship with South Africa, reluctantly adopted some mild measures after President Reagan announced the US sanctions package last month. They include:
☐ A ban on the sale of computer equipment to the South African Police.
☐ Official discouragement of the sale of Krugerrands.

FINLAND

☐ Suspension of imports of South African brandy and wine.
☐ Ban on other economic links under consideration.

ALL NORDIC COUNTRIES

In addition to the above measures, joint sanctions by the four Nordic countries are under consideration by their foreign ministers. An announcement is expected next week.

BRAZIL

Compulsory sanctions were introduced by presidential decree last month:
☐ A ban on the export of arms, crude oil and petroleum derivatives.
☐ A ban on all cultural and sporting contacts.

NEW ZEALAND

☐ Termination of diplomatic relations.

Japan to join the sanctions squeeze

Pretoria Correspondent

Japan is certain to impose economic sanctions against South Africa. Informed sources say an announcement is expected as early as next week.

Japan has been under pressure from the United States and some of its European trading partners not to leave a major back door open in the sanctions drive.

Now Japan is ready to copy the American measures and ban certain computer sales and bank loans The sale of Krugerrands will also be prohibited

The sources say Tokyo will try to structure its sanctions package to be "not more and not less than America has done".

Officials of the Department of Trade and Industry in Pretoria declined to comment formally One official said privately "It is a very difficult situation We trade a lot with the Japanese and we don't want to embarrass them in any way."

Like the American action, the Japanese measures are seen as mild There are only minor bank loans in the categories likely to be hit

South African sanctions experts are not too worried about the computer ban either, saying international market mechanisms will fill the gap And the Krugerrand market in Japan is relatively small

Japan's balance of trade with South Africa is strongly in its favour and it can easily afford the sort of sanctions envisaged

The sanctions announcement will come as another jolt for the South African Government

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said "The snowball is gaining ground, and growing steadily"

● Britain continues to hold out against sanctions Prime Minister Mrs Margaret Thatcher told Bishop Desmond Tutu this week that she was still firmly against the idea

UK being pressurised to act again



Canadian Prime Minister Mr Brian Mulroney (left) and Australian Prime Minister Mr Robert Hawke, who are in the Bahamas for the Commonwealth talks.

NASSAU — Britain came under increasing pressure yesterday from many of its former colonies to agree to some form of joint action to punish South Africa for apartheid.

The issue of South Africa dominated private meetings and lobby conversations as delegates began arriving in the Bahamas for the biennial meeting of the 49-member Commonwealth Heads of Government conference. It will be opened by Queen Elizabeth today.

British Prime Minister Mrs Margaret Thatcher has refused to take any action against South Africa beyond expressing repugnance for the system of racial separation and white superiority.

In particular, Mrs Thatcher has rejected mandatory economic sanctions, arguing that they do not work.

But nearly all the delegates here agree that some action must be taken to increase pressure for change, with many advocating some form of economic boycott.

Sir Shridath Serendranath, the Commonwealth Secretary-General, told reporters that while he remains optimistic about forging an agreement that Britain and the others can support when the conference ends on October 22, he believes the Commonwealth will act anyway — with or without Mrs Thatcher's endorsement.

Such a split, the Guyana-born lawyer said, would cause a loss of faith in Britain and seriously affect London's influence over the policies of the Commonwealth and individual members.

There are several movements under way to find some common ground. Canada, particularly, has been looking for a way to take concerted action against South Africa while staying away from mandatory sanctions, at least for the immediate future.

The Canadians say that Britain, with its great financial investment in South Africa, can be pushed only so far.

One possible compromise being discussed by Canada and Australia would set a schedule of deadlines for reforms and, if these are not met, Commonwealth members would impose corresponding penalties.

Britain, India still at odds on sanctions

The Star Bureau

LONDON — Britain and India remain deeply at odds over sanctions on South Africa after talks between Mrs Thatcher and Indian Prime Minister Mr Rajiv Gandhi.

And, in Canada, divisions within the Canadian Government have complicated the key mediating position which Prime Minister Mr Brian Mulroney hopes to take in forging a Commonwealth consensus on South Africa at the summit in Nassau, starting today.

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(16) (280) (3014A) STAR 16/10/85

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However, Mr Mulroney said before leaving for Nassau that if Britain were to "flounder" it would be "deeply unfortunate for the Commonwealth".

After talks with Mr Gandhi in Britain, though, Mrs Thatcher remained a determined opponent of economic or transport sanctions on South Africa.

Mr Gandhi told her the Commonwealth would not accept a do-nothing strategy nor risk a British veto at the UN should the sanctions plan be taken to the Security Council.

● Organisations representing more than 18 million Britons have endorsed a declaration calling for sanctions on South Africa.

The declaration and the endorsements have been taken to the Bahamas by Mr Abdul Minty, honorary secretary of the Anti-Apartheid Movement, for submission to the Commonwealth heads today.

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The Canadians say that Britain, with its great financial investment in South Africa, can be pushed only so far.

One possible compromise being discussed by Canada and Australia would set a schedule of deadlines for reforms and, if these are not met, Commonwealth members would impose corresponding penalties.

Another potential compromise would involve a set of Commonwealth proposals to be sent to the United Nations for implementation.

Although South Africa is the dominant issue at the conference, there are several other matters which will be discussed.

One will be the problems which many poor nations continue to have in paying off their foreign debts and obtaining new credits for development.

Nothing much is expected to result from the discussions other than promises of small increases in development aid by Britain, Canada and the other rich Commonwealth nations.

More divisive will be the effort by the British and Canadian governments to work out some joint statement calling for trade reforms that would reduce or eliminate restrictions on the importing of such services as banking and communications.

India, particularly, has opposed such reforms, arguing that current world tariff and trade agreements involve only products. — Washington Post News Service

y (left) lawke, wealth

'Wise Men' may draw up blueprint

Summit plans new strategy on SA

280

STAR
16/10/85

Nassau

The Commonwealth summit, dominated by the South African issue and Mrs Thatcher's opposition to economic sanctions, may propose the establishment of a small group of ""Wise Men"" to draw up new proposals for achieving a multiracial democracy in South Africa.

Already the names of former Australian Prime Minister Malcolm Fraser and President Julius Nyerere of Tanzania, who is about to retire, have been mooted, according to a report in *The Guardian*. Former Canadian Prime Minister Pierre Trudeau and Mr Lee Kuan Yew of Singapore have also been mentioned.

The initiative originates with Australian Premier Bob Hawke and has been discussed informally in the run-up to the Commonwealth summit.

It has the support of the Commonwealth Secretary-General, Sir Sonny Ramphal, and is seen as a possible way of finding a compromise which Mrs Thatcher could be persuaded to accept.

There are major problems, however, over the terms of reference for such a group and over the timespan available before the Commonwealth acts on its proposals.

In addition, it is felt that such a group alone is not enough and that the Commonwealth summit must also insist on immediate action against South Africa.

In any case Mrs Thatcher had in mind little more than a liaison group of Commonwealth leaders acceptable to the South African Government.

Dialogue

She appears to see this as a design to continue the policy of constructive dialogue which the rest of the Commonwealth has already regarded as useless.

The Australians see the proposal for a committee of "Wise Men" as part of a more ambitious strategy of devising effective pressure on the South African Government.

The group would advance proposals for peaceful transition in South Africa to a multiracial society based on universal suffrage.

If it takes off, the Commonwealth would want far more specific terms of reference and the group would certainly be expected to report within weeks.

● See Page 19.

BANKING

Argus 17/10/85 (280) (68) (69)

Putting his mouth where his money is

The Argus Foreign Service correspondent in Geneva reports

THE president of the Switzerland's biggest commercial bank has taken out full-page advertisements in Swiss newspapers explaining why he is against South African sanctions.

Nikolaus Senn, president of the Union Bank of Switzerland, says he is convinced the Pretoria Government is sincere in seeking "genuine reforms."

The bank has assets of R185-billion.

An interview given recently by Mr Senn to a newspaper in German-speaking Switzerland has now been reprinted in full in the advertisements placed by the UBS in newspapers in French-speaking Switzerland.

The main points made by Mr Senn were that he did not believe sanctions would bring about change in South Africa, while further Western investments would.

"Because of its history and the structure of its population, South Africa cannot simply be judged in the light of our European conceptions," he said.

The state of emergency was serving mainly to prevent excesses between the blacks or against the coloured population.

Mr Senn said he still believes in the possibility of peaceful evolution.

"On the basis of my meetings with South African political and economic leaders, I acquired the conviction that the present Government wants to promote genuine reforms aimed at progressively eliminating racial discrimination," the banker said.

"I do not believe the the problems of South Africa can be resolved by force, at least not without the deaths of hundreds of thousands of people. All those who think it is necessary to join the revolutionaries in order to speed change are doing the black population a disservice."

Mr Senn rejected the argument that foreign investments maintain apartheid. Investment created employment and promoted economic development.

It had "absolutely nothing to do with giving support to any particular political regime. The same thing goes for credits and loans. The act of according a credit to a Government signifies one's recognition that it is solvent and in no way whatsoever means taking any political position."

Mr Senn said his and other Swiss banks did not intend to take over from banks which were refusing to renew loans to South Africa. "But we are continuing our business relations which have existed for decades. This means we do not intend to reduce or to increase our operations with South Africa."

Pressure on SA urged

WASHINGTON — A major American newspaper, JSA today, has urged increased economic pressure to end apartheid "once and for all."

American investment houses, colleges, cities, states and President Reagan had been sending the message loud and clear through economic and business actions, an editorial said. "If Botha doesn't get the message, the USA must add stronger sanctions."

White and black South Africans, the editorial went on, had to slip acrosss the border on Saturday for nine hours of talks with the African National Congress.

280

SO WEEKEND 17/10/85

Commonwealth: being one-eyed about SA?

STAR 17/10/85 280

It should take a good look at itself

Commonwealth nations meeting in Nassau — the "summit" started yesterday — hope to cajole rather than bludgeon Mrs Thatcher into abandoning her opposition to economic sanctions against South Africa. Here one of her Conservative Party MPs, NICHOLAS FAIRBAIRN, in an article published in *The Times*, accuses South Africa's accusers of double standards.

The Queen, as head of the Commonwealth, yesterday opened the biennial gathering of "our imperial children, to each of whom we gave the gift of democratic parliamentary constitution ..."

How many have kept that gift, or even a semblance of it? Only India and a very few others, almost all outside Africa.

The majority are one-party or one-man dictatorships, most, but not all, benevolent. Yet the central purpose of this year's conference is to isolate and vilify the mother country for her refusal to impose economic sanctions on a former member of the family, South Africa.

Let us consider the charges that will be levelled at South Africa and the record of the prosecuting countries, and thus their moral right to prosecute and not to be prosecuted.

The first charge is the crime of apartheid. In fact the concept of separate development and racial discrimination was introduced in South Africa when the country was under British rule before the establishment of the Union of South Africa in 1910. This fact is conveniently passed over by the moralists of the Foreign Office, headed by Sir Geoffrey Howe, who will be at the conference mewing condemnation of apartheid. If I were to be asked the greatest single act of apartheid ever launched I would say it was the partition of India.

Politically inspired division, though not necessarily on a racial basis, is world-wide. Germany is condemned to separate development on political lines: You can leave South Africa if some other country will accept you, but you cannot leave East Germany alive. Korea, China, Zimbabwe and Cyprus are divided on political, racial or tribal lines, Ireland and Lebanon on religious lines.

The second charge is the denial to the blacks in South Africa of one man, one vote. But where else in Commonwealth Africa is there a one man, one vote system with the ability to change the government by the exercise of that vote? In Kenya, perhaps, but not in Malawi, where you vote for Dr Banda or no one. Not in Zimbabwe, where the Shonas outvote the Ndebele and ensure the Shona dictatorship of Dr Mugabe. Not in Uganda, where armed revolutions is the only way to change power. Not in Tanzania, Nigeria, Sierra Leone, Ghana or any of the rest.

The fact is that in all these countries the majority of blacks, of whatever tribe, are ruled by a political caucus. If ever there was minority rule and tyrany, it is the dictatorship of the one-party state or, in fact, the one-party party, be it behind the Iron Curtain or south of the Sahara, where the rulers are a race apart with their hands ever in the national till.

Charge three: The ANC is outlawed. But no political party but the ruling party is permitted in the majority of Commonwealth countries, whereas in South Africa there are many political parties. In any event, what government, however democratic, would not ban a political party determined to overthrow the state by force?

Charge four: There are in South Africa people detained without trial. What black Commonwealth country can refute such charges against itself? In Nigeria, two Scots were recently sentenced to 14 years imprisonment after a mock trial in revenge for Dr Diko's sojourn in this country, and as a lever to persuade us to return him for instant extermination.

In Zimbabwe, a Scots dentist of senior years and in frail health is serving a 10-year prison sentence on the false evidence of Mugabe's agents in Matabeleland, where thousands have been slaughtered. In Uganda hundreds of thousands have been done to death by Obote and Amin who were regularly welcomed and applauded at Commonwealth conferences. Only last week a whole village of women and children were exterminated.

With such Augean stables in the Commonwealth yard, how can the leaders of these countries stand on the moral dais and accuse South Africa of crimes of which they are so viciously and infinitely more guilty themselves? How can they accuse a nation which provides for all its black people a prosperity far greater than anything they can provide now that they have rejected European control?

Mozambique has borders with five countries: Zimbabwe, Malawi, Zambia, Tanzania and South Africa. All are open except that with South Africa, which is mined and wired by Machel's Marxist regime, like the border between East and West Germany. Yet every day families risk death by crossing into South Africa to find work: None chooses to cross the open borders to the four black dictatorships to the north and west.

It is time the Commonwealth shed its hypocrisy and stopped seeing motes in the eye of South Africa through the substantial and multiple beams in their own. If the Commonwealth is to survive, we must recognise that it is not a Commonwealth of democracy or of non-racist societies. It is a Commonwealth mainly of tyrannies, of prejudices and privileges, and there are very few member countries where power can change hands other than by force.

We should shed our pretence of moral principle and accept the reality. Even on a purely material level. South Africa, of all the states of Africa, is the only one where prosperity reigns.

US sees few signs from SA after sanctions

WASHINGTON — Since President Reagan imposed sanctions on South Africa about a month ago, the United States has seen few signs that the South African government had heeded Washington's message.

"I don't think we can draw any real conclusion at this stage as to whether our signals are being correctly understood," said Dr Chester Crocker, Assistant Secretary of State for Africa.

The main impact so far of President Reagan's sanctions, mainly symbolic moves to curtail bank loans and exports, had been to stave off more serious punitive economic action by Congress.

The sanctions may have effectively resolved the South Africa debate for the rest of this year, but the anti-apartheid bill could be revived in January after Congress's Christmas recess, a congressional source said.

Mr Reagan reversed his long-held opposition to sanctions and imposed his own on the same day the Senate was due to vote on a package of stronger measures, a move critics say was calculated to avoid a politically damaging defeat and defuse growing public pressure for a change in US policy.

The congressional source said he believed administration officials "really want to get away from the focus on South Africa" to allow President Reagan to push ahead with pet domestic programmes such as a mammoth tax reform plan.

Dr Crocker, asked whether he believed the US sanctions had contributed to prospects for change in South Africa, replied "I'm not going to say that we've played no role at all, but I wouldn't argue for a minute that our positions have led the government to do things it otherwise wasn't going to do."

Dr Crocker emphasized that Mr Reagan's sanctions were meant as a signal of US displeasure and not to damage the South African economy. They simply formalized existing commercial practice.

Mr Gary Hufbauer, a private economist and sanctions expert, said more impact derived from decisions by several US states and dozens of cities and universities to disinvest from American firms doing business in South Africa.

Many US firms have reduced or sold their operations there and the latest Commerce Department figures show that direct US investment in South Africa has fallen from R7 billion in 1981 to R5 billion last year. — Sapa-Reuter

The Soweto man who started disinvestment

The refugee from Soweto who helped get the disinvestment ball rolling in the United States during the seventies, talks to LOUISE HAYSOM

DUMISANE KUMALO sits at his desk in a cramped office, cooled by a beaten-up fan which makes no headway in the summer heat of New York There are no give-away signs that tell you Kumalo's work is to move billions of dollars in stocks and assets, dealing with big business and government

Kumalo was the prime mover behind the US disinvestment campaign in 1978

Today, the movement has gained popular acceptance in the US, as a way of putting pressure on South Africa So far, he estimates $4-thousand million (R10-thousand million) has been diverted from South Africa in stock holdings and direct assets

He left South Africa in 1977, nearly a year after the Soweto riots As a former journalist for the Sunday Times and marketing executive for Total Oil in Johannesburg, Kumalo could logically have chosen another life

But experience had taught him, like many of his contemporaries, that the promise of material or business success is meaningless for black South Africans.

"On May 8, 1977, in the aftermath of the 1976 Soweto riots, the police wrecked my home and threatened me They threw the woman I was living with against a wall. She was three months pregnant and later miscarried," he recalls.

Kumalo says he realised his life was endangered He left his family behind in Evaton, outside Johannesburg, and travelled to the US

The American Committee on Africa offered Kumalo a job soon after he arrived As director of projects, he has educated people about South Africa and tried to get the US to work for policies supporting freedom instead of apartheid in Southern Africa The organisation worked single-handedly in the beginning, as disinvestment caught on, it orchestrated and directed a nation-wide campaign



Dumisane Kumalo

Kumalo has seen the movement gather impetus against mighty and powerful opponents Many US multi-nationals with large South African holdings argued vehemently against disinvestment Then the South African government set up 10 consular offices around the country, more than any other foreign mission to the US, to channel propaganda and fight the tide of popular opinion

Last year, Kumalo exposed the discreet use of South African funds to win favour in political campaigns, such as that of New York mayor, Ed Koch. The funds were distributed through a Washington-based law firm, Baskin Sears, which promptly ceased to have any more South African dealings, because the stigma would do irreparable harm to business.

"No self-respecting American politician will openly support apartheid now, although five years ago the picture was quite different," Kumalo says The disinvestment movement had no popular platform five or six years ago anywhere in the world, least of all in America

"We had to find a way of attracting attention to the wrongs perpetrated by apartheid," he says, "and a way of informing people about South Africa" Major US organisations wanted to help but did not know how they could put pressure on the SA government

"The only effective way to achieve this was to get city and state governments to disinvest the millions they had invested in SA," he says "We had to persuade local governments, corporations and banks that what appeared to be in their interests, doing business with South Africa, was, in fact, not."

On a budget probably smaller than that allocated by Ford Motors for paper clips and coffee in a month, ACOA has taken on some tough opponents By lobbying and forming coalitions all over the nation, the disinvestment movement created enough waves to make US involvement in apartheid unacceptable.

Making corporations and banks sensitive to public opinion on South Africa, Kumalo says, is not an end in itself

What the disinvestment movement has done is similar to throwing a sobering glass of icy cold water in the face of government leaders

The impact of disinvestment is the threat it poses to South Africa's economic wealth and stability, a devastating threat for any political economy

US sanctions have been threatened in Nicaragua and tried in Poland, but never before have sanctions been generated by such sustained public protest

Forty states in the US are debating disinvestment legislation — it takes between three and four years for the legislation to go through various levels of government.

Several have adopted legislation which make it illegal to do business with companies with investments in South Africa Others have divested pension funds and channeled them into "hometown" projects which help local communities, often showing better yields than the South African investment did.

Kumalo says 32 cities, including all the major US cities — New York, San Francisco, Miami, Boston — one after the other have voted to divest city funds from South Africa.

High-tech stumbles, but the military marches on

The computer industry is in the doldrums. But one form of high-tech is booming: arms. The Pentagon is spending more than ever on electronic gadgetry. JOHN MARKOFF reports from California.

CALIFORNIA'S Silicon Valley, where losses and layoffs in the sagging computer industry hint at a state-of-art ghost town, is also home to an armaments boom.

Companies that depend on military business are enjoying unprecedented prosperity. The Pentagon, under the Reagan administration, is increasing the flow through a pipeline that last year pumped more than $4,6 billion into the valley — up more than $500 million from the previous year — for development and production of sophisticated electronic weapons over technology," said Randy Schutt, an analyst at the Centre for Economic Conversion, a research centre in Mountain View, California.

Schutt, who recently completed a study of the subject, said about 15 percent to 20

"We had to find a way of attracting attention to the wrongs perpetrated by apartheid," he says, "and a way of informing people about South Africa." Major US organisations wanted to help but did not know how they could put pressure on the SA government.

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The issue of US Government and corporate policy on SA was brought into sharp focus after the US election campaign last year, says Kumalo When Bishop Desmond Tutu was awarded the Nobel Peace Prize, he focused attention on what was happening in South Africa. Since then, South Africa has provided its own testimony. Trade union leaders, students "from Columbia to Kalamazoo", church officials, ordinary citizens and politicians have lobbied for a change in US policy towards South Africa.

As Kumalo puts it 'We got Americans to get other Americans to take up the issue of US involvement in South Africa."

Athlone shootings rock Commonwealth

From JOHN BATTERSBY

NASSAU, The Bahamas — A double-shock from South Africa has rocked the Commonwealth summit here and dealt a serious blow to a compromise on economic sanctions

Heads of government preparing for the opening of the summit yesterday were stunned by scenes on CBS television news here of the shooting of three black youths by police hiding in a railways truck

There was also anger and disbelief at the news that Benjamin Moloise will be hanged tomorrow after international appeals for the commuting of his sentence were turned down by President P W Botha

Grim backdrop

The double-shock will provide a grim backdrop to today's debate on economic sanctions which is already threatening to drive a wedge between Britain and the other 48 Commonwealth nations

Britain's all-out attempt to restrain the Commonwealth from imposing economic sanctions has been drastically undermined by the coverage of the shootings and observers here believe it could force Britain to fall in line

An informal meeting between some heads of government scheduled for Tuesday to discuss details of a draft compromise was called off after the news of the shootings reached the conference centre

Shocked senior British officials went to ground and Canada's Prime Minister, Mr Brian Mulroney, who is spearheading the compromise efforts, was visibly shaken by the news

Mr Mulroney is expected to propose a "contact group" — possibly led by Zambia's Dr Kenneth Kaunda — to act as "honest brokers" between Pretoria and black demands as represented by the African National Congress, the United Democratic Front and other black leaders

The "wise men" would be mandated by the Commonwealth to act as a catalyst for dialogue and to oversee a peaceful transition to a non-racial South Africa within the framework of universal suffrage

The plan would represent the first joint Commonwealth contact with Pretoria and the acceptability of the contact group to South Africa is considered a key element

Positive element

The plan would not be intended to replace a package of limited economic sanctions but would be seen as the positive element of a two-pronged stance on South Africa

However Britain, publicly, and some of the frontline states, privately, would prefer a voluntary sanctions package pending acceptable internal changes within South Africa by the next Commonwealth summit in 1987, expected to be held in Ottawa

Britain sees the contact group plan as part of its constructive engagement approach to South Africa.

Friday, October 18, 1985

Leaders tighten sanctions screw

From JOHN BATTERSBY

NASSAU, The Bahamas. — Six Commonwealth leaders publicly tightened the sanctions screw on Britain at the Commonwealth summit here on Wednesday night

But the British Prime Minister, Mrs Margaret Thatcher, sat impassionate throughout the speeches with an impression of intense concentration, but apparently unmoved

Sir Lynddn Pindling, summit host and Prime Minister of the Bahamas, sounded a cautious note but added that there should be no doubt by the end of the summit what the collective Commonwealth view was

'Violent revolution'

"In the course of our deliberations we must seek an effective way to sound a mighty crescendo for negotiation in the present crisis," he said

"Failing that, those who seek to make a peaceful solution impossible, may have in the process made a violent revolution inevitable"

Against a backdrop of the 49 colourful Commonwealth flags, India's Mr Rajiv Gandhi led the call for "comprehensive mandatory sanctions" against South Africa

"The Pretoria regime is impervious to reason. Let not the Commonwealth be charged with cowardice in action and bravery in words," he said

The Canadian Prime Minister, Mr Brian Mulroney, said Commonwealth leadership on South Africa was crucial, but should be exercised "thoughfully, firmly and well".

To Mrs Thatcher he said "In the present circumstances it is imperative that we all signal together that there will be common, worldwide and sustained pressure against apartheid — until it is ended."

Zimbabwe's Mr Robert Mugabe used strong language to denounce the "barbaric system of apartheid".

He called on the Commonwealth to back the call by the United Nations General Assembly for economic sanctions to discharge its "collective moral responsibility" to assist meaningful change in South Africa

Dr Mahatir Mohamad of Malaysia launched a scathing attack on both the Commonwealth and South Africa, saying that South Africa's expulsion in 1961 was "the only episode we appreciate".

Mr Bob Hawke of Australia said. "I believe the world is looking to us to .. apply to South Africa the lessons we have learned from our own experience"

Reddy says he opposes sanctions

Mercury Reporter

THE official Opposition in the House of Delegates, Solidarity, was opposed to sanctions, Mr J N Reddy, national leader of Solidarity, said yesterday.

Addressing a conference at the University of Stellenbosh, he said, however, that the Government would have to take into consideration the tremendous international demands from the West to move fast to end apartheid.

The future of the free-enterprise system in South Africa was dependent on the unrestricted participation by all sectors of the population and constraints and impediments which restricted development must be dismantled.

'While it may be difficuly to accept, it is nevertheless an indisputable fact that the political set-up in the country has operated to the disadvantage of the majority of South Africa's people and has in fact benefitted the white entrepreneur.

'Old order'

'Many of us are very well aware of trade practices which closed the door on entrepreneurs of colour and a variety of measures were applied by white businessmen to achieve just this.

'We have moved away from the old order, but attitudes of personnel and management in white business must increasingly reflect in action the new thinking in our country.

'The existence of black, coloured and Indian entrepreneurs offering a variety of services and products in the market place should be recognised on merit,' he said.

'Determined'

It appeared that most whites in South Africa accepted the necessity for some form or other of ending segregation and apartheid.

'We can no longer think of the struggle for the end of apartheid as being between black and white. It is now between those whites and blacks who are determined to end apartheid and those especially among certain sections of the whites who are determined to maintain apartheid in one form or another.

'But even among whites, the anti-apartheid forces are growing so rapidly that they will overwhelm completely those who wish to maintain some form of apartheid,' he added.

Summit opts for voluntary sanctions

21/10/85

Mercury

John Battersby
Mercury man at the conference

NASSAU—The 49-nation Commonwealth was on the brink of an historic accord on South Africa last night.

The package before the summit opts for voluntary sanctions and the creation of a contact group of 'eminent persons' to promote dialogue between the South African Government and black South Africans.

But at an unexpected plenary session yesterday — after hours of intense behind-the-scenes negotiations at the weekend retreat — it emerged that some African states were still insisting on a Commonwealth commitment to impose tougher sanctions if the dialogue initiative failed.

This raised the prospect of an unprecedented consensus without Britain, which the British Prime Minister, Mrs Margaret Thatcher, has indicated she wants to avoid at all costs.

A declaration on South Africa is expected after a second plenary session today.

Mrs Thatcher has offered to play an active role in the contact group, along with her Foreign Secretary, Sir Geoffrey Howe.

Nuts and bolts

She has emphasised that the composition of the group must be acceptable to the South African Government.

Zambia's President Kenneth Kaunda is also expected to play a central role

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The details of the deal indicate that while the British Prime Minister has won the day on sanctions, she has also launched a new initiative which could change the course of history in South Africa.

Britain will have the guiding role in the dialogue initiatives and in offering advice once the process reaches the stage of a Lancaster-style constitutional conference.

Sources close to the British camp pointed to a key section of Mrs Thatcher's speech to the closed summit:

'When I went to the Commonwealth summit in Lusaka in 1979 there was a feeling that now was the time to get a negotiation going at the meeting.

'I feel that the time is now with South Africa, but I must be frank — my way is the way of negotiation; it is the way which has succeeded in the past, and I hope, and believe, that it will not be rejected by this great meeting.

'There does come a time in the events of men and nations when it is time. I believe that change (in South Africa) is now inevitable. It will happen.'

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● TURN TO PAGE 2

P.T.O.

Summit chooses limited sanctions

FROM PAGE 1

firmly under British control and to be developed in consultation with Pretoria — has been the subject of direct correspondence between Mrs Thatcher and President Botha in recent months

In terms of the deal, which has stretched the Commonwealth's tradition of consensus to the limits, the Commonwealth will adopt immediately a package of limited sanctions which will be voluntary

It is understood, however, that Britain already applies most of the measures Government loans to South Africa have been formally added to the list of Common Market sanctions announced recently

280

STAR

Catalyst

Also in terms of the deal, the Commonwealth will create a contact group of eminent people — probably former Commonwealth heads of State — to act as a catalyst for dialogue between the South African Government and black South Africans prior to the setting up of Lancaster-House-style constitutional conference

A key prerequisite for the conference will be a cessation to township violence and a conditional truce in the 'armed struggle' of the African National Congress

21/10/85

A joint Commonwealth declaration will call for the implementation of the agreed package of sanctions, an end to the state of emergency, the release of Nelson Mandela and other political prisoners, the unbanning of the ANC, release of the United Democratic Front treason accused, and the beginning of a process of dialogue preceded by the cessation of violence

See also Page 7

Good morning!

Quickie births

British mums who give birth in the morning are sent home in time for supper the same day under a new 'quickie birth' scheme. Page 3

Blasted out

Top of the NSL log Bush Bucks were blasted out of the Mainstay Cup by bottom of the table African Wanderers Page 15

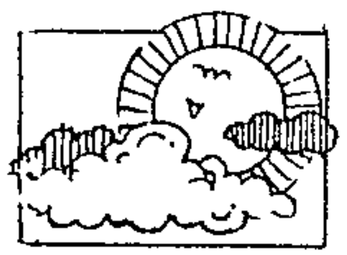
Fired up

Greg Normen fired a course record 65 to lead Australia to a 3-0 win over the U S in the Dunhill Cup world team championship. Page 15

Go for R1 000!

Page 6

Weather



Fine, partly cloudy to warm Page 12

PLUS

Angling..... 4
Hers..... 5
Opinion..... 6
Classifieds begin..... 8
Business 12
Racing..... 13
Sport 13, 14, 15

Summit opts for voluntary SA sanctions

280

Mercury 21/10/85

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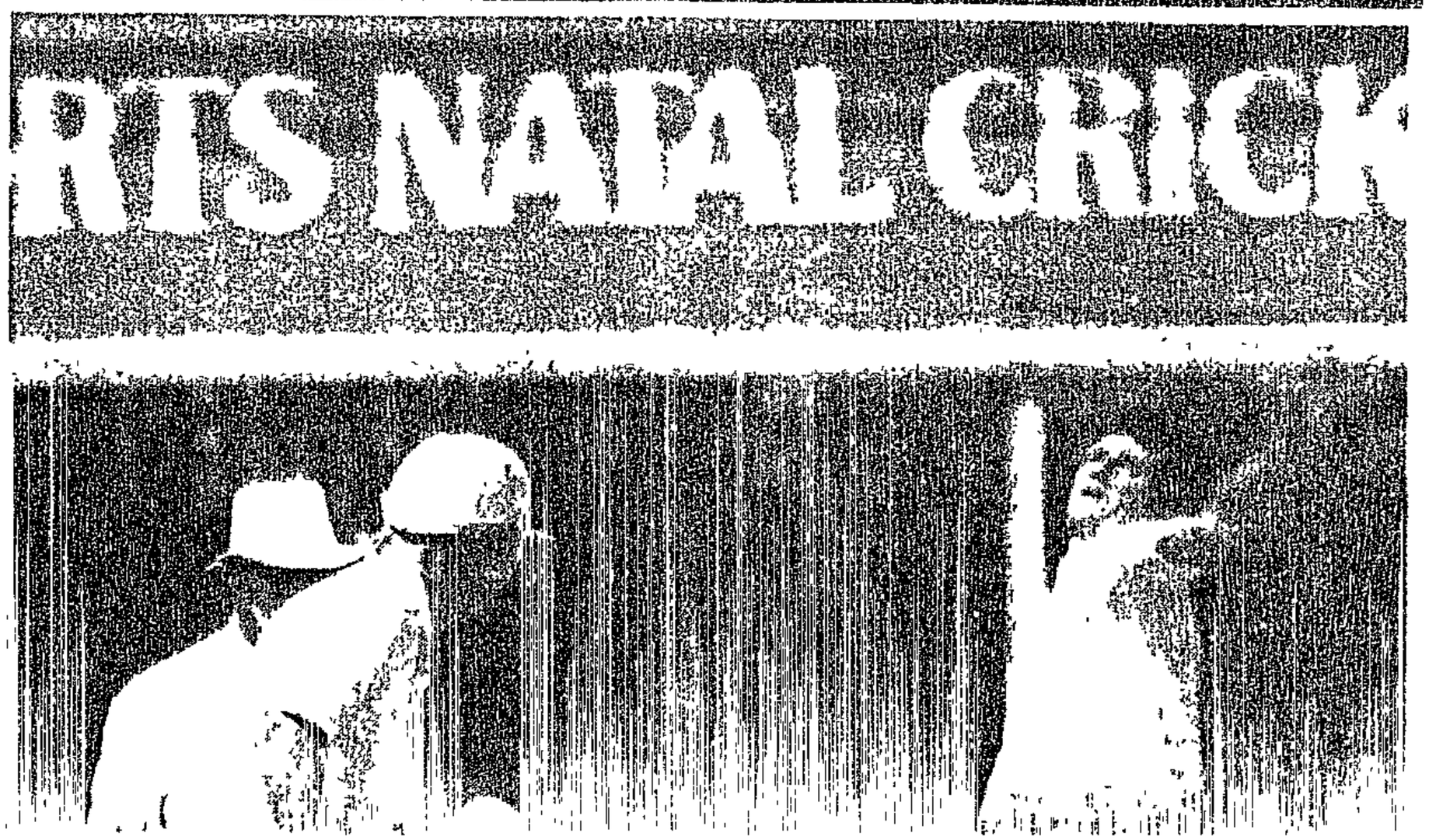
Nuts and bolts

Packer in full cry at Kingsmead





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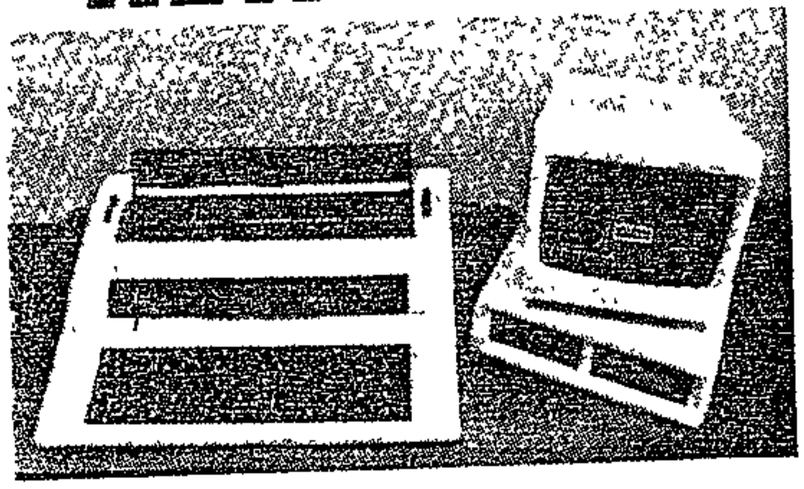
TURN TO PAGE 2

M.O.M.
INTRODUCES
HER
NEW BABY



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UK chain bows to pressure

Sainsbury's bars SA goods from shelves

280 B. Day

21/10/85

LONDON — One of Britain's largest food retailers, Sainsbury's, is clearing South African goods from its shelves.

It has ordered buyers to look for alternative sources of goods to those bought from SA.

The move follows intense pressure by the Anti-Apartheid Movement (AAM), which is spearheading a move to ban SA goods from leading stores.

A Sainsbury's spokesman says, moreover, its regular customers have asked that products from countries other than South Africa be made available.

He says the move is not political. A South African label is offensive to too many customers for it to be ignored any longer.

The sole aim is to provide customers with the goods they want to buy.

It is mostly fresh fruit that is being affected, but the supermarket admits it may eventually ban all SA products.

The repercussions for South African

MARGARET SMITH

trade could be serious because British imports of SA fruit and vegetables last year were worth R324m.

Oranges, grapes and apples account for half this amount.

Sainsbury's has been seeking alternate sources for these fruits.

The Sainsbury's spokesman says the firm has met its South African suppliers to convey the increasing level of public concern about apartheid.

A decision on whether to ban South African goods outright depends on how demand for South African goods declines, he says.

Many ordinary customers have been asking about the country of origin of produce they believe may come from South Africa and then asking for alternatives.

A spokesman for the AAM regards Sainsbury's decision as a victory.

It comes after the decision by another leading chain, the Co-Op, to ban SA goods.

He says Sainsbury's has done a remarkable turnaround in the last six months.

When first approached by the AAM in January, its attitude was negative.

He says more supermarket chains are likely to stock produce, particularly fruit, from other countries when supplies increase after the entry, next January, of Spain and Portugal into the European Common Market.

The AAM will continue to exert pressure on British stores until Prime Minister Margaret Thatcher's decision not to

● To Page 2

UK retailer bars SA fruit

280 B. Day

● From Page 1

21/10/85

impose sanctions has been, in effect, overturned, he says.

Sainsbury's marketing director, Mike Conolly, has written to the AAM explaining the firm's policy.

He says that, traditionally, Sainsbury's avoids a political stance and, unlike many British businesses, does not make donations to political parties

Lord Sainsbury, the joint president, belongs to the Social Democratic Party (SDP). His son, Timothy, is a Conservative MP. A new director is former Conservative cabinet minister James Prior.

A spokesman for Sainsbury's says that when the firm sells South African produce it is clearly labelled

He says it is only right that its customers make their own decisions.

If customers choose not to buy SA produce, then inevitably Sainsbury's will not sell it, he says.

Nordic unions get tough on sanctions

STOCKHOLM — Scandinavian trade unions yesterday began a boycott designed to close the Swedish, Danish, Norwegian and Finnish markets to SA goods.

Finnish workers took the strongest stand when transport workers started an indefinite blockade of all SA trade. They were supported by other unions

Boye Mattsson of the Finnish-African Committee, an anti-apartheid group, said the action meant Finland would be completely closed to South Africa.

In Norway, where the boycott will affect supplies of fruit and vegetables, transport workers are refusing to handle any SA imports.

In Sweden, dockers began a two-month boycott of SA goods

The action should spread over the next few weeks

Swedish transport workers begin a one-month blockade tomorrow.

Their Danish colleagues follow suit next month.

South Africa exported goods worth $248m to the four countries last year.

Their exports to SA were worth $451m.

Denmark was the biggest buyer and Sweden the biggest seller.

Finnish postal workers plan to boycott all mail to and from SA from the middle of next month and are urging other postal unions to join them.

The unions are dissatisfied with the limited economic sanctions approved by their countries to date.

"What we really want is a total breach of all ties with South Africa, including diplomatic relations," said Yrjo Mattila of the Finnish transport workers' union

At a meeting in Oslo last Friday, Sweden, Norway, Denmark, Finland and Iceland approved new measures to cut trade with South Africa, but stopped short of declaring a full embargo.

Anti-apartheid groups said the package was purely cosmetic.

In each of the four main Scandinavian countries, powerful interest lobbies have opposed tighter sanctions against South Africa unless the rest of the world does the same

In Norway, the main opposition comes from tanker owners who ship up to one-third of South Africa's oil.

In Finland, the pulp and paper industry accounts for half of its sales to SA.

Sweden still has 10 companies with important subsidiaries in South Africa

In Denmark, opposition comes from tanker owners, cement firms and power companies which burn South African coal

Since 1978 the five Scandanavian

● To Page 2

Nordic unions get tough

● From Page 1

countries have operated a common action plan against apartheid, including economic pressure, but their governments have said they find it harder to go beyond this because of commercial and legal considerations

In the absence of mandatory sanctions approved by the UN Security Council, any unilateral moves to halt trade could violate the General Agreement on Tariffs and Trade (Gatt)

The measures agreed to in Oslo on Friday included a ban on new investments in South Africa, an end to imports of Kurgerrands and a ban on the export of computer equipment.

But Prime Minister Poul Schlueter said in Seoul, South Koera, at the weekend he had no doubt Denmark would further limit SA imports.

The Danish government is in a minority in parliament where the opposition is confident of pushing through a Bill calling for tougher economic sanctions

In Norway, where the government proposed earlier this year that all trade with South Africa be licensed, a foreign ministry spokesman said Norwegian exports to SA had fallen 40% since the plan was unveiled. — Sapa-Reuter.

Eg Bath Towels 70 cm x 130cm

Thatcher to lead initiative on SA

Cape Times 21/10/85 280

From JOHN BATTERSBY

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Man's family

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Provisions

● Adopt immediately a package of limited sanctions — called measures rather than sanctions on Britain's insistence — which will be voluntary. It is understood, however, that Britain already applies most of the measures. Government loans to South Africa have been formally added to the list of Common Market sanctions announced recently.

● Create a contact group of eminent people — probably former Commonwealth heads of state — to act as a catalyst for dialogue between the South African Government and black South Africans prior to the setting up of a Lancaster House-style constitutional conference.

● A joint Commonwealth declaration calling for the implementation of the agreed package of sanctions, an end to the state of emergency, the release of Mr Nelson Mandela and other political prisoners, the unbanning of the African National Congress, the release of the United Democratic Front treason trialists and the beginning of a process of dialogue preceded by the cessation of violence.

● PM slammed as sum-

Man's family dies in smash

Staff Reporter

FIVE members of a Lansdowne family died in a head-on collision between a truck and a car on the West Coast Road between Langebaan and Atlantis at the weekend.

Mrs Alata Wilhemina Dearham, 27, her children **Monice**, 3, **Ruvon**, 2, and **Eugene**, six months, and her brother **Mr Johan Brand**, 22, died instantly when the truck apparently rode over their car.

Mrs Dearham's husband, Mr Trevor David Dearham, 29, was admitted to Tygerberg Hospital in a critical condition. Members of the family said last night he was in a stable condition.

He broke a number of ribs as well as an arm and a shoulder

A man has been arrested in connection with the accident and is expected to appear in court today.

The group was travelling to Velddrif for a family reunion.

Members of the Metro emergency unit took almost two hours to cut the victims free from the wreckage.

Mr and Mrs Dearham both worked as post office clerks. Mr Dearham was stationed at Claremont and his wife at Crawford. They had been married for five years.

Mr Brand was a student at the Paarl Teachers' Training College.

Sanctions: 'Zimbabwe's economy would collapse'

HARARE — Zimbabwe's economy would totally collapse if the landlocked country imposed sanctions against neighbouring South Africa, the president of the influential Confederation of Zimbabwe Industries, Mr John Mkushi, warned yesterday.

He made the prediction as Zimbabwe's Prime Minister, Mr Robert Mugabe, lobbied in the Bahamas with other African leaders at the Commonwealth summit for comprehensive mandatory sanctions against South Africa to help end its apartheid policies.

"If Zimbabwe imposes sanctions against South Africa, our economy will grind to a standstill within a matter of months. We cannot sustain sanctions against South Africa," said Mr Mkushi said in an interview with the Zimbabwe Broadcasting Corporation.

Twenty percent of Zimbabwe's trade was with South Africa, making the white neighbour its biggest trading partner, and between 85 and 95 percent of the landlocked country's imports and exports were routed through South African ports and road networks, Mr Mkushi said.

Leaders of Southern African countries tied economically to South Africa have admitted they could suffer a backlash — but contend they are prepared to take the consequences and argue that they are already suffering from South African-backed sabotage and subversion.

However, Mr Mugabe has consistently advocated sanctions, while insisting that practical realities dictate his nation could not join in imposing embargoes. — Sapa-Associated Press.

Commonwealth sees anti-SA steps

NASSAU (Bahamas). — Commonwealth leaders, including Britain's Mrs Margaret Thatcher, have given South Africa six months to start dismantling apartheid or face sanctions.

A compromise accord released here last night represented a partial victory for Mrs Thatcher who had firmly resisted economic sanctions.

She nevertheless agreed that, as part of an immediate package of measures against Pretoria, each member of the 49-nation Commonwealth should end the import of Krugerrands.

The accord reads: "It is our hope that the process and measures we have agreed upon will help to bring about concrete progress . . . in six months."

The accord, hammered out during a weekend of bargaining at the Commonwealth leaders' retreat at Lyford Cay outside Nassau, calls on Pretoria to dismantle apartheid.

It also calls for an end to the state of emergency and the immediate, unconditional release of African National Congress leader Nelson Mandela.



Mrs Thatcher

Mrs Thatcher said Britain opposed economic sanctions and would not be among those who would adopt voluntary economic measures after six months.

The accord asks President Kenneth Kaunda of Zambia and the Prime Ministers of Australia, Bahamas, Canada, India, Britain and Zimbabwe to develop the mechanisms by which a political dialogue in South Africa could begin.

Measures — already adopted by a number of countries — include a ban on government-to-government loans and the sale of computer equipment to the security forces.

Concession by Mrs Thatcher

Other measures were an end to government funding for trade fairs, a ban on new nuclear sales, a ban on oil sales and exports, an embargo on arms purchases from South Africa, an embargo on military co-operation and discouragement of cultural and scientific exchanges except where they contribute towards the ending of apartheid.

The additional clause on Krugerrand sales appeared to represent a concession by Mrs Thatcher.

After six months some countries — not Britain, according to Mrs Thatcher — would consider further steps including bans on air links, new investment or reinvestment of profits, agricultural imports, government procurement in South Africa, government contracts with majority-owned South African companies and the promotion of tourism to the country, and the termination of double taxation agreements and government assistance to investment in and trade with South Africa. — Sapa-Reuter.

● The Argus Political Correspondent reports that the Government today rejected Commonwealth economic sanctions as a way of expediting solutions to South Africa's problems

Punitive

But South Africa was keeping an open mind on the question of a contact group suggested at the Commonwealth conference.

Minister of Foreign Affairs, Mr Pik Botha, said today sanctions were punitive measures which tended to retard negotiations rather than facilitate them.

He said it must also be clear to Commonwealth members who were neighbours of South Africa that sanctions must affect them as much if not more than South Africa.

Mr Botha said: "I must in the meantime point out to outsiders, however well-informed, that they cannot solve South Africa's problems.

"We who are here must resolve these problems ourselves and we are in a better position to do so than they. It is our future that is at stake and we must decide on the agreements we reach and the structures we put together."

A spokesman for President P W Botha said he had called for the text of the statement issued at the end of the conference. He would study this before commenting.

● Squeeze on SA fruit — See Page 5.

Commonwealth states ban imports of Krugerrands

SA gets six-month apartheid deadline

Nassau

Commonwealth leaders have given South Africa six months to start dismantling apartheid — or face a programme of sanctions.

The compromise accord released last night was a partial victory for British Prime Minister Mrs Margaret Thatcher, who throughout the first five days of the Commonwealth summit in the Bahamas had firmly resisted pressures for economic sanctions.

The accord also called for an end to the current state of emergency in South Africa the and the immediate and unconditional release of African Nationalist Congress leader Nelson Mandela.

Further, the heads of state agreed to establish a committee of eminent Commonwealth figures to promote a dialogue between Pretoria and black nationalist leaders.

President Kenneth Kaunda of Zambia and the prime ministers of Australia, Bahamas, Canada, India, Britain and Zimbabwe will be asked to develop the mechanisms by which a political dialogue could begin.

Despite Mrs Thatcher's opposition to economic sanctions, she nevertheless agreed that, as part of an immediate package of measures against Pretoria, each member of the 49-nation group should be ready to take what unilateral action was possible to preclude the import of Krugerrands.

Similar action on Kruggerrands has already been taken by other countries, including the United States.

The accord said that if there was no progress towards dismantling apartheid within six months, some Commonwealth states would consider a number of measures, including a ban on air links, a ban on new investment and the import of agricultural products, a ban on government contracts with South African companies, and an end to the promotion of tourism there.

Mrs Thatcher told a news conference after the accord: "The most important thing now is to get a dialogue going between the Government of South Africa and representatives of the black population."

Violence

She put particular emphasis on a section of the accord which called on South Africa to initiate — in the context of a suspension of violence on all sides — "a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government".

Canadian Prime Minister Mr Brian Mulroney said the document amounted to "a signal to Pretoria of what is waiting round the corner in the absence of serious movement to accommodate the legitimate objectives that we see".

Mrs Thatcher made clear that Britain still opposed economic sanctions and would not be among those who would adopt economic measures if Pretoria failed to take action on apartheid within the six-month deadline.

The accord then listed a programme of common action already adopted by a number of countries.

Technology

The list included measures such as a ban on government-to-government loans and the sale of computer equipment to South African security forces.

Other measures were an end to government funding for South African-related trade fairs, a ban on new sales of nuclear goods and technology, a ban on the sale and export of oil, an embargo on arms purchases from South Africa, an embargo on military co-operation and the discouragement of cultural and scientific exchanges, except where they contributed towards the ending of apartheid.

Commonwealth secretary-general Mr Sridath Ramphal said: "I think we have made a very significant move forward.

"It is another good moment for the Commonwealth. It has lived up to its potential. The agreement represents a measure of reconciling the overwhelming sentiments of the Commonwealth with the hesitations of the United Kingdom."

The accord appeared to contain the strong signal to South Africa which Commonwealth leaders had been seeking for five days — Sapa-Reuter.

● See Page 2.

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Pressure on ANC, SA for dialogue

CAPE TIMES 22/10/85

280

From JOHN BATTERSBY

NASSAU, The Bahamas. — The African National Congress is under pressure from the Commonwealth to embark on a course of dialogue with Pretoria.

A key paragraph in the Commonwealth declaration on Southern Africa adopted here on Sunday night calls on Pretoria to initiate a process of dialogue "in the context of a suspension of violence on all sides"

It is understood that the phrase was inserted largely on the initiative of the British Prime Minister, Mrs Margaret Thatcher, who described the paragraph as "the heart of the accord", adding that it was worthwhile making some minor concessions to sanctions to secure a statement on renouncing violence

At a press conference on Sunday night, the Commonwealth Secretary-General, Sir Sonny Ramphal, recalled that the liberation groups in former Rhodesia — Zanu and Zapu — had been a "little uneasy" about the Commonwealth declaration in Lusaka in 1979 which led to Lancaster House

"But today they would all admit that what was done in Lusaka was the beginning of a process which led to the fulfilment of their expectations. I believe it will be the same with the ANC," he said.

Group of eminent persons

Sir Sonny said it would be the task of a group of "eminent Commonwealth persons" — still to be appointed — "to work through all of this".

"But nobody is talking about 'renouncing violence.' That would probably have to start with Pretoria itself. What the declaration talks about is the suspension of violence on all sides. One would expect something of the nature of a truce while negotiations were under way," he said.

But an ANC spokesman said at a press conference that the ANC rejected the concept of a group of "eminent persons" because it was a repetition of the Western contact group on Namibia which has so far failed to bring independence to the territory

The ANC was not prepared to consider negotiations and the calling of a truce until its demands were met for the unbanning of the ANC, the release of Nelson Mandela and political prisoners, an amnesty for exiles, the dismantling of apartheid legislation and the lifting of the emergency.

The Commonwealth calls for a declaration containing a commitment to dismantle apartheid and "meaningful action taken in fulfilment of that intent"

The Commonwealth accord will simultaneously launch a top-level bid to encourage black-white dialogue, implement a package of economic and political sanctions and set a timetable for the implementation of specific demands.

The sanctions to be applied immediately embrace the EEC sanctions package adopted by Britain last month, plus several new measures.

These are:

- A ban on all new government loans to the SA Government and its agencies.
- A readiness to take unilaterally what action may be possible to preclude the import of Kruger rands.
- An end to government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa
- A ban on the sale and export of computer equipment capable of use by South African military, police or security forces.

A list of demands — which will be monitored and progress reviewed after six months — include:

- A declaration by President Botha renouncing apartheid.
- The termination of the state of emergency.
- The immediate and unconditional release of Nelson Mandela and other political prisoners.
- The lifting of the ban on the ANC.
- The initation of a process of dialogue — in the context of a suspension of violence on all sides — leading to the establishment of a non-racial government.

In Pretoria, a government spokesman said the full text of the Commonwealth sanctions package against the Republic would have to be studied before any comment could be made.

●Thatcher: Far cry from ban, page 4

● 'South Africans must decide', page 6

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'South Africans must decide'

Political Staff

BETHLEHEM — President P W Botha shot back at the Commonwealth last night and said he would not be bound by a six-month deadline for reform

Addressing an enthusiastic crowd of more than 1 000 at a by-election meeting in Bethlehem, Mr Botha made it clear he would not be intimidated by threats of stronger boycott action by the Commonwealth if it was not satisfied with the rate of reform

In a clear response to yesterday's Commonwealth threat to impose stronger sanctions on South Africa if it was not satisfied with changes, he said amid loud applause "I am not going to be bound by a deadline to be finished in six months South Africans must decide"

Earlier he told the Commonwealth and the United States that "the hole you are trying to dig for South Africa will be to your own detriment"

Undeterred by reports of a white backlash and massive Conservative Party support in the constituency, Mr Botha spoke strongly on the need for reform

The world was progressing and South Africa had to plan to modernize and progress with it

"We know we must reform," he said, adding that the process would have to be properly led and be led by South Africans

"Reform is not a one-step process The reforms must be consistent with civilized norms, not the norms of terrorism" he said

"We can avoid confrontation by negotiation"

He was prepared to reshape the President's Council and to have discussions with responsible leaders "on the basis that no one minority group will be able to dominate another"

SA business rejects 'external pressure'

Own Correspondent

JOHANNESBURG. — Organized commerce has warned that undue external pressure on South Africa would be counter-productive and could harden attitudes in this country.

Reacting to the ultimatum by Commonwealth leaders to South Africa — to dismantle apartheid or face a programme of sanctions — the chief executive of Assocom, Mr Raymond Parsons, said organized commerce believed internal pressures for reform would be more effective than foreign pressure.

He said: "Assocom welcomes the fact that the British stand against mandatory economic sanctions has prevailed, and that the emphasis in dealing with South Africa should fall on dialogue rather than on confrontation.

"Economic sanctions would harm the reform process in South Africa, which requires a sound economy to underpin it."

Assocom believed that, if monitoring the progress in South Africa was necessary, it should be done from within the country and not externally.

"Organized commerce sees internal pressures for reform as more effective and suitable," he said. "The South African business community is already playing a constructive role."

Revolution

Anglo American chairman Mr Gavin Relly, who is visiting Australia, said tough economic sanctions against South Africa would guarantee a revolution

Mr Relly said that if South Africa's economy was damaged seriously by sanctions it would not be able to afford reforms for better living conditions, education and health services.

Because of the growing violence, it was feared that right-wingers would win the five forthcoming by-elections in the national parliament.

The world should be helping to find a just and equitable system to replace apartheid rather than putting heavy pressure on sweeping it away in one big hit, said Mr Relly.

"The very large majority of South Africans want to get rid of apartheid," he said. "The international community has assumed a grave responsibility by calling for economic sanctions."

He said that if a revolution of the Marxist-inspired type should occur, the Western world would not want to own up to having brought it about.

A smashed economy would in no way help to bring about a successful change in South Africa or allow a positive move towards all people being represented in a federal government.

Cape Times 22/10/85

Thatcher: Far cry from ban

LONDON. — Prime Minister Mrs Margaret Thatcher's agreement to limited economic sanctions against South Africa received a mixed response yesterday.

Mrs Thatcher, whose opposition to sanctions had brought the Commonwealth summit close to a break, said in a BBC radio interview yesterday her concessions were "absolutely minute — a very, very far cry from a ban on exports and imports from South Africa".

'Blackmailed'

But Mr John Carlisle, a Conservative Party MP who is secretary of the British-South Africa Parliamentary Group, said Mrs Thatcher had been "blackmailed" into agreeing to sanctions.

"Any breaking of the no-sanctions policy is deeply to be regretted."

Mr Carlisle said: "This must be the last concession to the Africans. There must be no more submission to blackmail and there must now be encouraging measures to the South Africans towards reform."

The opposition Labour Party welcomed the agreement but the centrist Liberal and Social Democratic parties said Mrs Thatcher's stand against every other Commonwealth nation had seriously damaged Britain's interests throughout the world.

Mr Donald Anderson, Labour's spokesman on foreign affairs, said: "Kicking and screaming, she has been persuaded by the Commonwealth to set out on the road of sanctions. This must be welcomed by those who seek change in South Africa."

Liberal foreign affairs spokesman, Mr Alan Beith, said the Commonwealth package was "a welcome first step" but added that "no one who heard Mrs Thatcher describe its economic measures with undisguised contempt as 'absolutely minute' can believe she has any intention of bringing serious pressure to bear on the South African Government".

Social Democratic leader, Dr David Owen, said Mrs Thatcher had in reality accepted President Ronald Reagan's line on limited economic sanctions.

"It is an ill-covered climbdown, which has given Britain an appalligly bad press throughout the world where we have been identified with support for apartheid — and sadly some of that mud will stick," he said.

'Tiny'

In the interview Mrs Thatcher said the ban on Krugerrand sales and the end to financing formal trade missions were "two such tiny things — I don't think they will affect our trade with South Africa".

"Anyway, there is no earthly use in creating unemployment at home in order to create unemployment there. Which is why I was against sanctions and still am against sanctions, added to which they won't work," she said. — Sapa-Reuter-AP

Sanctions may cost Britons 200 000 jobs

Own Correspondent

LONDON — Mrs Margaret Thatcher's determined campaign to block mandatory sanctions at the Commonwealth prime ministers meeting in Nassau was the result of a disturbing government brief on the effect they would have in Britain, as well as her own ideology

Estimates prepared by government departments showed that as many as 200 000 jobs might be put at risk in Britain by sanctions

There were gloomy forecasts of the effects on the British economy.

As well as the direct consequences of action taken in South Africa, it was thought Britain would be called on to "bail out" the six black African countries which would also be hit.

Arithmetic

Mrs Thatcher is opposed to sanctions in principle, believing they will not be effective, will hit blacks in South Africa more than whites, and will severely damage neighbouring black states

But it is the arithmetic in Britain which has been uppermost in the Prime Minister's mind.

British investment in South Africa is thought to be worth about £11-billion (R40,7 billion) a year both direct and indirect In addition, the export market in South Africa was last year worth R4,44 billion.

According to the UK-South Africa Trade Association, South Africa is Britain's 12th largest export market, with seven to 10 percent of Britain's total overseas investments and about 400 companies quoted on the London Stock Exchange having South African subsidiaries

Studies by United Nations committees have estimated that as many as 250 000 jobs might be lost in Britain if sanctions were applied

Opponents of apartheid who favour sanctions play the job loss total down to as little as 10 000 But they admit this is based on the optimistic idea that companies concerned would find new markets

Links between British and South African business extend right across the board from banks mining companies and engineers to insurance companies which are the biggest in Britain having comparable market shares in South Africa

Some of the British companies involved in South Africa have been



Mrs Thatcher

quietly cutting down on new investment over the past year or so, however.

There has also been some apprehension at the consequences if Britain stands alone against sanctions.

The fear then would be that black African countries would discriminate against Britain, and action by countries such as Nigeria would have a tremendous impact. Apart from consumer goods, black African states could also refuse to award civil engineering or other contracts to British companies

British companies see little hope of profit from states such as Tanzania and Zimbabwe, however, and fear Britain would have to spend more to offset the effect of sanctions on them

There is also the fear that the effects would be likely to lead to even more violent confrontation in South Africa

SOWETAN, Thursday, October 24, 1985

Bringing you news from around the world

IAN SMITH SPEAKS ON SANCTIONS

280 SOWETAN 24/10/85

WASHINGTON —Former Rhodesian prime minister Mr Ian Smith said yesterday that US sanctions against South Africa would harm surrounding black african countries more than the Pretoria Government.

Mr Smith told a news conference organised by the Conservative Caucus Inc, a private political group, that the root of current unrest in South Africa was not racial repression but a Soviet campaign to control the southern half of the continent.

He said he was briefed by Rhodesian security officials after he assumed office as prime minister in 1961 on the Soviet plan, which he said involved first controlling a "saddle" to the north, then going down the flanks to the south.

Aim

The Soviet aim is to take over South Africa — "the greatest treasure house on this earth", —and thus control the strategic minerals found only in Southern Africa and the Soviet Union, Mr Smith asserted.

"Things have been going pretty well according to plan," he said. A leftist government is in control of Mozambique, he noted, adding that since Rhodesia was changed to Zimbabwe it is no longer a stumbling block to Soviet designs, but is instead moving towards a Marxist-Leninist one-party state.

Sanctions would probably not be the boon to South Africa that they proved to be to Rhodesia by spurring the domestic economy for the first 10 years after they were imposed in response to Mr Smith's unilateral declaration of independence, he said.

The South African economy is already better developed, and its legal status is not in question as Rhodesia's was, he said.

Nonetheless, "I believe they would ride sanctions out. The damage would be to those other countries in Southern Africa," which depend economically on South Africa.

Imports

Zimbabwe, for example, is landlocked and has to ship 90 percent of its exports and imports through South Africa, he said.

Mr Smith said sanctions imposed by President Reagan on South Africa already, including curbs on exports of computers and nuclear equipment and banning imports of Krugerrand gold coins, would probably have little effect on South Africa's neighbours.

But he said he regretted that Mr Reagan was pressured into reversing himself in his opposition to sanctions and was concerned that the measures were only a first step, with more severe pressures to follow.

Mr Smith said he opposed South African policies of racial discrimination, but that the way to change them was through communication and negotiation, a policy he said he followed in ending white rule in Rhodesia — Sapa-AP

Commons to debate sanctions on SA today

ARGUS 23/10/85

240

Argus Foreign Service

LONDON. — The Commons will today debate sanctions against South Africa.

The debate, certain to be won by the Conservatives, follows a debate yesterday in the House of Lords where the Government, by 52 votes to 36, defeated a Bill introduced by Labour peer Lord Hatch which provided for a wide range of sanctions against Pretoria

It will be held as the Director-General of Finance and head of the Standstill Co-ordinating Committee, Dr Chris Stals, secretly meets 29 creditor banks here to begin discussions on rescheduling the R60 000-million South African foreign debt

Also in London is Chief Mangosuthu Buthelezi, who is to address the South Africa Club today and meet British parliamentarians from all parties tomorrow.

Chief Buthelezi will also meet executives from the giant Nestle multinational

Backs Thatcher

He has told British television viewers that he supports "in toto" Mrs Thatcher's stand against sanctions in the Commonwealth and that the forced rescheduling of South Africa's foreign debt will do more to bring about change than sanctions

Labour leader Mr Neil Kinnock, giving notice of his party's attack on the Government in the Commons, says that Britain has to decide to apply sanctions now so that she can maintain credibility and markets with the black government that will inevitably rule South Africa

He accused Mrs Thatcher of "sulkily" and "spitefully" agreeing to the Commonwealth package.

Neither Mrs Thatcher nor the Foreign Secretary, Sir Geoffrey Howe, will be in the Commons for today's debate. Both are attending the 40th anniversary celebrations of the United Nations in New York

The main Government speaker will be Mr Malcolm Rifkind, Minister of State at the Foreign Office in charge of South Africa

Sanctions vote: 24 MPs have SA interests

The Star Bureau

LONDON — At least 34 Conservative MPs, including one Cabinet Minister and two former Cabinet Ministers, have financial interests in companies operating in South Africa, a Labour MP said yesterday

Mr Gordon Brown, MP for Dunfermline East, called on all MPs to declare their financial interests in South Africa before they vote in today's Commons debate on economic sanctions

The list includes Mr Tom King, Northern Ireland Secretary Mr James Prior, former Northern Ireland Secretary, and Mr Cecil Parkinson, former Conservative Party chairman, Mr John Carlisle — an outspoken supporter of South Africa, Mr Julian Amery, Mr Anthony Beaumont Dark, Sir Edward Du Cann and Ms Sally Oppenheim

To coincide with the Commons debate on sanctions the South African embassy has taken out a major six-column advertisement in the *Financial Times*

The ad consists of a reprint of an interview given by the ambassador, Dr Denis Worrall, to the South African publication *Finance Week* in which he talks about the contribution South Africa has made to its neighbouring states

He is quoted as saying that despite "Some animosity and sporadic setbacks, regional relations are steadily improving due to an increased realism on the part of all concerned . . the countries of the region are very much aware of the positive changes that are taking place in South Africa."

Neither Mrs Thatcher nor the Foreign Secretary, Sir Geoffrey Howe will be in the Commons for today's debate as both are attending the 40th anniversary celebrations of the UN in New York

Main Government speaker will be Mr Malcolm Rifkind, Minister of State at the Foreign Office in charge of South Africa

In the House of Lords yesterday, Lord Hatch introduced his United Nations (Namibia) Bill, which aims to bring independence to Namibia by enforcing a wide package of sanctions

He said reform in South Africa was aimed at keeping whites in power

Sanctions were unanimously supported by all the Frontline states and by 77 percent of blacks in South Africa, he claimed

Liberal Peer Lord Beaumont said "Torture and death are daily news in South Africa, which is the most brutal regime of our time It is the direct descendant of the holocaust"

USELESS

Conservative Peer Lord Morris said the Bill was mischievous, unnecessary and totally useless

Viscount Mountgarret, also for the Government, said South Africa was one of Britain's greatest allies and needed help

The main government speaker was Baroness Young, the deputy Foreign Secretary He speech was seen as an indication of the line the Government will follow today

She repeated that Britain found apartheid abhorrent, and wanted change

But the Bill cut across the agreement reached at the Commonwealth Heads of Government meeting

Britain would stand by that accord, she said

"We cannot countenance measures outside the scope of the Commonwealth agreement," Lady Young said

Tories are expected to squash move against SA

The Star Bureau

LONDON - Britain will debate sanctions against South Africa today.

The House of Commons debate on the crisis in South Africa is certain to be won by the Conservatives

It follows a debate yesterday in the House of Lords where the Government, by 52 votes to 36, defeated a Bill, introduced by Labour's Lord Hatch, which provided for a wide range of sanctions against Pretoria

The debate will be held as the Director General of Finance and head of the Standstill Co-ordinating Committee, Dr Chris Stals secretly meets 29 creditor banks here to begin discussions on rescheduling the $24 billion South African foreign debt

BUTHELEZI BACKS THATCHER

Also in London is Chief Mangosothu Buthelezi, who addresses the South Africa Club today and meets British parliamentarians from all parties tomorrow

Chief Buthelezi is also to meet executives from the giant Nestle company

He has told British television viewers he completely supports Mrs Thatcher's stand against sanctions in the Commonwealth, and that the forced rescheduling of South Africa's foreign debt will do more to bring change than sanctions would have done

Labour leader Neil Kinnock, giving notice of his party's attack on the Government in the Commons, says Britain has to decide to apply sanctions now — so that she maintains credibility and markets with the black government that will inevitably rule South Africa

Trade mission cuts will hit UK industry, businessmen warn

The Star Bureau

LONDON — British exports will suffer and jobs will be lost when subsidies for trade missions to South Africa are cut as part of the Nassau sanctions package, say industry spokesmen.

British companies have found South Africa one of their most lucrative markets and trade missions have helped to improve their stake.

But they warn that Britain's share of the market will decline because trade missions will be forced to pull back when government funding stops.

Trade will continue, they say, and trade missions will still be able to visit South Africa, but not nearly as frequently.

British industry sends an average of one trade mission a month to South Africa and each mission of about 20 people receives in the region of £10 000 (R38 000) in government subsidies, through the British Overseas Trade Board.

Industry spokesmen say that for an annual subsidy outlay of between £120 000 and £130 000 British industry wins orders of as much as £136 million (R516 million).

Since 1980 government funding for trade missions to South Africa has more than doubled — from £55 000 in 1980 to £127 000 last year.

But Ms Anna Small, export director of the Engineering Industries Association, says industry will be the loser if government funds run dry.

"British industry will lose important contacts with the market because we will not be able to go on trade missions as often on our own. It also means there is very little incentive for first-time exporters."

She said the association, representing firms countrywide, sent three trade missions to South Africa a year and each one brought in about £4 million in orders.

"South Africa is a highly competitive market. If we cannot go as often as that, we will lose out. A cutback will also cost jobs — it could be about 300 a year."

Mr John Hambidge, chief executive of Sheffield's Chamber of Commerce, which lists South Africa among its favourite trading partners, said: "I have led trade missions there four or five times in the past six years and they have always been successful. It's a popular market."

He said he believed "small and new" companies would suffer from a cut in trade mission subsidies.

In Birmingham, the assistant secretary of the Chamber of Commerce, Mr Keith Lawley, envisaged a reduction in trade missions.

The head of the SA Foundation in London, Mr David Willers, said: "It would be a pity if the curtailment of government subsidies constrains British businessmen from visiting South Africa. It is a country with exciting market opportunities.

"Trade missions are very important. Their knock-on effect means even companies which are not directly represented get a boost in trade."

● Organised local commerce and industry have welcomed the summit decision not to impose mandatory economic sanctions.

Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said sanctions would harm the reform process, which needs a sound economy to support it.

He said Assocom believed that internal pressures for reform were more effective and suitable than external pressure and the South African business community was playing a constructive role in this regard.

Mr J R Wilson, president of the South African Federated Chamber of Industries (FCI) said there was a danger that excessive international intervention in South Africa's political processes could precipitate a retreat towards further isolation.

Sanctions: relief in many capitals

By John D'Oliveira,
The Star's Africa News Service

In most of the Frontline states there is a feeling of relief that the Commonwealth sanctions package is a mild one.

And in more than one African capital leaders are holding thumbs that the P W Botha Government can make changes fast enough to convince the Commonwealth that, at the very least, tougher sanctions should be put off indefinitely.

For there can be no question about the dependence of most of the Frontline states on the South African economy — let alone on its transportation system.

The dependence is confirmed by the latest trade statistics available to the Africa Institute of South Africa.

The most dependent states are Botswana, Lesotho and Swaziland which, apart from receiving almost all their imports from South Africa, also depend on the South African Customs Union for a large proportion of their government revenue (Swaziland 61 percent, Lesotho 37 percent and Botswana 32 percent).

Landlocked Lesotho in 1981 obtained 99 percent of her imports from South Africa and sent to South Africa 34 percent of her exports.

Reliable statistics for Mozambique, Angola and Tanzania are not available, but the following is the picture for the rest of the Frontline states:

● Swaziland, 1981: imports 90 percent, exports 24 percent; Botswana, 1982: imports 86 percent, exports 11 percent; Zimbabwe, 1983: imports 24 percent, exports 19 percent; Malawi, 1982: imports 36 percent, exports 6 percent; Zambia, 1982: imports 15 percent, exports 0,3 percent.

SA exports to African nations are booming

Pretoria Bureau

Despite deteriorating diplomatic relations with some African nations, South Africa's trade with other African States is booming and could top R1 800 million this year.

According to a survey by the South African Foreign Trade Organisation (Safto), South African exports to African countries in the first half of this year totalled about R826 million — almost double the figure of R424 million for the same period in 1984.

Safto said this "trade boom" was due to several factors:

● South Africa was the only industrialised country south of the Sahara with a well-developed manufacturing sector which could supply African markets with the goods they wanted and at affordable prices.

● South Africa's geographical proximity meant that goods spent less time in transit and money was tied up for shorter periods.

● South African equipment was cheaper and better suited to African needs. In 1984, African countries imported equipment and machinery valued at more than R120 million.

● South African food, particularly maize, canned food and cooking oil, was readily acceptable on African markets.

● South African chemicals were also snapped up by African countries which took 40 percent of South Africa's entire exports of these products.

Safto said there was great potential for increasing trade links even further.

"While traditional export doors to Europe, the United States and Far Eastern markets are closing for some South African products, new ones are opening and Africa may become South Africa's best and biggest market."

31/10/85

CAPE TIMES

280

Unions pledge action against South Africa

From JOUBERT MALHERBE

LONDON. — Representatives of seafarers' and dockers' unions from more than 30 countries yesterday pledged their support for strong international action to ensure adherence to the oil embargo against South Africa.

Speakers at the London Conference of Maritime Trade Unions included the African National Congress president, Mr Oliver Tambo, and the leader of the Labour Party, Mr Neil Kinnock. Delegates gave Mr Tambo — a listed person who may not be quoted in South Africa — a standing ovation.

Mr Kinnock told delegates, whose member unions handle oil shipped to South Africa in violation of the UN oil embargo, they had it in their power to strike a "major blow" against apartheid.

Oil enabled the South African regime to operate in SWA/Namibia and to launch raids against front-line states. "It also fuels the police vehicles which bring brutality to the townships every day."

The chairman of the United Nations Special Committee Against Apartheid, Major-General Joseph Garba, said his committee suggested the following steps to ensure adherence to the oil embargo:

- Western governments should be persuaded to make it illegal for companies to participate in oil trade with South Africa.
- Governments should be willing to impose sanctions and other measures against companies who broke the embargo.
- Ways should be found to identify and eliminate loopholes through which South Africa obtained oil.
- The oil embargo should be made binding on all member states of the UN.

He said the role of multinational companies in South Africa should be closely monitored.

The conference continues today.

Liberal leader Mr David Steel yesterday held a meeting with Mr Tambo. Mr Steel said afterwards: "The British Government must use all its economic and political muscle to force President P W Botha to sit down with the black and coloured leadership in the country, whether approved of or disapproved of by the regime, whether currently in gaol or not, on the firm promise of a new constitutional settlement which will include everybody in South Africa."

Sanctions or an explosion — Kaunda

The Star Bureau

NEW YORK — The Zambian leader, Dr Kenneth Kaunda, has said present reforms are inadequate and has called for economic sanctions on South Africa even if this is painful for its neighbours

"The oppressed people of South Africa and the Frontline states refuse to be used by those who are opposed to economic sanctions The harm consequent upon the imposition of sanctions will be far less than that which will result from the imminent explosion if sanctions are not imposed on South Africa

"We support sanctions, and call upon those governments now opposed to such measures to change their minds"

Dr Kaunda was speaking in the General Assembly during the UN's 40th anniversary celebrations More than 80 heads of state or government are expected in New York this week for the event, culminating with an address by President Reagan tomorrow

Dr Kaunda, fresh from a meeting of the Comonwealth nations in the Bahamas, said later at a news conference that "sanctions applied at this junction will certainly hurt us and hurt us very badly — but they are the better of two evils With sanctions there is the possibility of recovery."

He praised the efforts of "the American people" for putting pressure on the administration to abandon its policy of "constructive engagement".

In his General Assembly speech, Dr Kaunda appealed to President P W Botha to abolish apartheid and meet with the genuine leaders of the oppressed people, lift the state of emergency, lift the ban on the ANC and other political parties and release Nelson Mandela and all political prisoners

He said the current reforms were not enough, and what was needed was the "complete dismantling of apartheid"

"Bold steps must be taken now in order to diffuse the explosive situation," he said

He hoped by April British Premier Margaret Thatcher "would see the light" and change her stance on sanctions

SA attacks on neighbours condemned

The Star's Foreign News Service

NASSAU — South Africa has been condemned by Commonwealth leaders for its attacks against neighbouring countries and for delaying a settlement in Namibia.

In their final communique yesterday the 46 Commonwealth leaders said they considered the establishment of a so-called interim administration in the disputed territory invalid and renewed their call for the immediate implementation of Security Council Resolution 435.

They rejected attempts to delay Namibia's independence by linking it to the withdrawal of Cuban troops from Angola, and stressed that President Reagan's policy of constructive engagement had failed to end South Africa's intransigence over Namibia as well as over apartheid.

Forbidden fruit tastes good to Irish

23/10/85 - MERCURY

290

London Bureau

TWO European governments already following the path of sanctions against South Africa found yesterday that they had run into trouble.

Ireland's imports of fruit and vegetables from South Africa, it was revealed, had increased by almost 25 percent during the past six months and the figures came as a shock to the Irish Government and anti-apartheid campaigners.

During the first half of this year imports of South African fruit increased by 620 000 tons over the same period in 1984 to a total value of more than R12 million.

The largest increases were in oranges followed by grapefruit and apples.

A spokesman for the food importers said he was not surprised by the figures.

'South African fruit and fresh produce is of superb quality and is in big demand because the public like it and want to buy it. Politics and protest won't change that basic fact,' he said.

Alternative

Major Irish supermarket chains have already agreed, at the request of the Irish Government, to phase out South African produce and arrange alternative sources of supply

A spokesman for the supermarkets said the picture would change over the next six months.

Meanwhile the Danish Government appears to have left itself in the cold through its imposition of a boycott on South African coal imports.

It is now struggling to find a new source of economic coal.

Confusion caused by the boycott, reportedly deemed to become fully effective by 1990, was revealed in a bitter row in the European Parliament in Strasbourg yesterday.

Two British Labour Party Euro MPs, Mr Win Griffiths (South Wales) and John Tomlinson (West Birmingham) accused Britain's National Coal Board of deserting a fellow Common Market country and, effectively, of hampering a sanctions action against South Africa.

They said Danish Euro MPs had protested to them that the NCB and British Government had turned down an order to replace up to 3 000 000 tons of coal a year from South Africa.

The two British Euro MPs said they had protested to Prime Minister Mrs Margaret Thatcher in a letter urging her to investigate the commercial and political judgement of the NCB.

An NCB spokeswoman in London denied that the Danes had even offered a contract to replace South African supplies.

She said: 'A Danish energy delegation met us and the Energy Minister, Mr David Hunt, recently but it was purely exploratory.

An Energy Department spokesman said: 'We really don't understand the basis of these protests.

'It all seems to be the consequence of sanctions action against South Africa but I am afraid the Danes will have to give the answers.'

The menace of 'apartheid'

A threat to British jobs

23/10/85 MERCURY

THE DETERMINED campaign of Mrs Margaret Thatcher to block mandatory sanctions at the Commonwealth Prime Ministers' meeting in Nassau was the result of a disturbing government brief on the effect they would have in Britain, as well as her own ideology.

LONDON BUREAU

Estimates prepared by government departments showed that as many as 200 000 jobs might be put at risk in Britain by sanctions.

There were gloomy forecasts of the effects on the British economy As well as the direct consequences of action taken in South Africa, it was thought Britain would be called on to 'bail out' the six black African countries that also would be hit.

Mrs Thatcher is opposed to sanctions in principle, believing they will not be effective, will hit blacks in South Africa more than whites and will severely damage neighbouring black states

Worth R40 billion

But it is the arithmetic in Britain that has probably been uppermost in the Prime Minister's mind

British investment in South Africa is thought to be worth about £11 billion (R40,7 billion) a year, both direct and indirect In addition, the export market in South Africa was last year worth R4,44 billion.

According to the U K-South Africa Trade Association, South Africa is Britain's 12th largest export market With 7 to 10 percent of Britain's total overseas investments and about 400 companies quoted on the London Stock Exchange having South African subsidiaries

The close ties between London and South Africa are shown by such facts as that the De Beers organisation, which controls the world rough-diamond market, has its headquarters in London And the Bank of England is the main agent for most sales of South African gold

Studies by United Nations committees — usually thought to be in favour of mandatory sanctions — have estimated that as many as 250 000 jobs might be lost in Britain if sanctions were applied Barclays Bank, with a major share-holding in Barclays South Africa, says a minimum 150 000 jobs might be at risk

Links between British and South African business extend right across the board, with insurance companies that are the biggest in Britain having comparable market shares in South Africa

Banks, mining companies, engineers, makers of electrical equipment and computers all have South African connections from their London offices.

Some of the British companies involved in South Africa have been quietly cutting down on new investment over the past year or so, and firms producing consumer goods have been watching carefully for any signs of a boycott There has also been some apprehension at the consequences if Britain stands alone against sanctions

Discrimination

The fear then would be that black African countries would discriminate against Britain, and countries such as Nigeria would have a tremendous impact. Apart from consumer goods, black African States could also refuse to let civil-engineering or other contracts to British companies

Black leaders such as Julius Nyerere of Tanzania or Robert Mugabe of Zimbabwe have all appealed to Britain to apply sanctions, though they recognise their own countries would be affected

British companies see little hope of profit from such states, and fear Britain would have to spend more to offset the effect of sanctions on them.

There is also the fear that although South Africa's blacks have demanded sanctions as the best way of fighting apartheid the effects would be likely to lead to even more violent confrontation

Historic rock a flashpoint

APARTHEID may be the rock on which Afrikaner nationalism was founded, but in Australia a real rock threatens severe embarrassment to government for reasons not entirely divorced from race.

Marshall Wilson
MELBOURNE

Ayers Rock, a gigantic monolith sited close to the heart of Australia which vies with the Sydney Opera House and the Harbour Bridge for the title of this country's best-loved landmark, has unexpectedly become a black-white flashpoint.

On Saturday the Labour government, without prior consultation or a mandate from the people, will hand Ayers Rock and the whole of the Uluru National Park surrounding it to the Mutitjula Aboriginal community — then pay them $75 000 a year to lease it back.

Has outraged many

It is a gesture that has outraged many Australians, and the Northern Territory government in particular, so much so that it recently spent $200 000 in a media campaign designed to prevent the hand-over

'The Hawke Labour government must be reminded that it is elected to respect the wishes of the majority of Australians, not to serve the narrow factional interest of its own Left wing,' says a full-page advertisement in most major dailies

Inserted by an irate Neil Tuxworth, Chief Minister of the Northern Territory which previously administered the land, the advertisement emphasises that all Australians will now have to pay the Aboriginal owners for the right to make a pilgrimage

'The Rock belongs to all Australians — and always has' is the headline of the advertisement, which points out that the handing-over of the area is contrary to accepted procedure under which land claims have hitherto been made to Aborigines.

Mr Tuxworth claims the Federal Government has misused its power in an area regarded as a state responsiblity, and maintains the coveted Rock is now in the hands of a tribe only 120-strong when it should by rights be part of Australia's heritage.

'Australians did not give the Hawke government a mandate to divide this country,' Mr Tuxworth said.

Last year alone there were almost 100 000 visitors to the Uluru National Park, an area of 1 325 km² dominated by Ayers Rock. Estimates are that by 1990 200 000 will go there annually.

The Aborigines claim the Rock has been their spiritual home for more than 30 000 years and the Federal Government feels it consistent with current policy to hand it back.

Indeed, it seems there are many in this vast land with a history of atrocities towards the original inhabitants with a deep desire to cleanse the nation's troubled collective conscience

The Age newspaper in Melbourne last week accused Mr Tuxworth in an editorial of trumpeting what it calls 'the big' lie and a myriad of half truths'.

Upsetting history

In condemning the Northern Territory government of peddling misinformation the newspaper says the Uluru National Park will be leased back to the Federal Government for 99 years and must be renegotiated within seven years of expiry.

'The Northern Territory Government is standing history on its head,' says the Age 'If anyone is giving away Ayers Rock it is the Aborigines'

It says that with 40 000 years of history behind them the Aborigines were in fact dispossessed by whites a mere 200 years ago

In defending the right of the Aborigines to claim the Rock, the Age says: 'They have invested it with a sacredness that transforms Ayers Rock into Uluru and puts beyond price their gift to all Australians'

Fears SA cut-off could hit hard

24/10/85

US studies P W's chromium threat

780

B. Day

WASHINGTON — President P W Botha's threat to suspend chromium exports in retaliation for anti-apartheid sanctions has sparked disagreement among US experts over the impact of such a move

The Australian government reacted warily Trade Minister John Dawkins suggested some form of trade retaliation might be considered if Pretoria carried out the threat.

Citing US dependence on SA as a supplier of chromium, Botha said this week:

"By digging a hole for SA, they could end up harming themselves"

Chromium is one of several strategic materials along with manganese, cobalt and platinum, of which southern Africa is a primary supplier for the US and other Western nations Chromium has a myriad of metal applications, including aircraft, vehicle and everyday consumer products

US Representative Don Fuqua, chairman of the House Science and Technology Committee, said Botha s threat should be taken seriously because a cut-off of chromium could have serious economic consequences Sudden and prolonged loss of supplies could hurt the car industry in particular, he said

"It could have a great deal of impact This is as critical as petroleum products in the long run"

Some US experts doubt that Pretoria would retaliate against US economic sanctions with a chromium cut-off because of the importance of the mineral to the SA economy

But Fuqua said Pretoria might forgo the income and jobs because chromium amounted to only about 1% of SA's gross national product

By law the US maintains a stockpile of as much as three years' supply of chromium for national security uses Industry, however, has no more than a one- to two-month supply stockpiled In 1982 the US bought 48% of its chromium from SA which produced 34% of the world total, and only 12% from the Soviet Union which produced 33%

Marshall Wilson reports that Botha's remarks sparked the *Melbourne Herald* headline "Trade war looms over S Africa bar" while *The Australian* bleated "S Africa s stainless steel ransom."

Opposition foreign affairs spokesman Andrew Peacock said Botha's reaction to the threat of Commonwealth sanctions highlighted what the opposition had warned was the problem with trade embargoes — they work both ways — Sapa-AP

Zimbabweans rush to choose citizenship

Own Correspondent

HARARE — With the deadline for renouncing foreign citizenship only a week away, hundreds of Zimbabwean dual citizens are jamming the registrar-general s office in Harare seeking to "regularise" their nationality.

More than 8 100 have already officially handed over a foreign passport, in most cases a British

Renunciation of British citizenship is valid only if made in a British court. The British High Commission in Harare has promised to return the passports if their previous owners ask for them. But it may be a while before it is in a position to do so

Zimbabwe is obliged to give the passports to the High Commission but appears to be in no hurry to hand them over

Zimbabwe banned dual citizenship last year after constitutional protection lapsed Dual nationals have been given until October 31 to choose between Zimbabwe and their second country.

Search on for alternative to SA's mineral supplies

The Star Bureau

LONDON — With the spectre of economic sanctions against South Africa looming, nations that import that country's minerals are casting about for possible alternative supplies.

One of the countries being actively looked at is Brazil.

For several reasons, Brazil has lagged far behind other leading minerals exporters such as the United States, Canada, Australia and South Africa. Only in very recent years, has it ceased being an importer of most non-ferrous metals, and even steel.

But minerals output, including oil, grew by 27 percent last year, and a similar rise is expected this year.

Of the list of 15 minerals of which South Africa is an important or dominant supplier, Brazil has 11. It lacks only diamonds, minerals in the platinum group, cobalt and vanadium.

Brazil has deposits of chrome, antimony, titanium, and zirconium. The country is already an important producer of bauxite and aluminium, manganese, nickel and tin, and it has now overtaken Australia to be the world's largest producers of iron ore.

Attracted by significant new finds, such as the immensely rich Garajas complex, in the Amazon region (which has almost unlimited reserves of high grade iron ore and copper, tin, bauxite, manganese, nickel and gold) mining companies have been quietly expanding prospecting programmes in the past few years. Entrants include companies such as Anglo American.

Among companies which have increased their presence in Brazil are British Petroleum, which has been spending up to R50 million a year on prospecting. Shell's Billiton Metals subsidiary, Rio Tinto-Zinc, and the Belgian Union Miniere.

Brazil has already become dominant in iron ore. But in recent years, several aluminium companies have decided to take advantage of the vast reserves of high grade bauxite, and particularly important, of abundant and cheap hydro-electric power. Cheap power is crucial to the smelting process.

The US Alcoa company, in conjunction with Shell, recently started with a big smelter near the Amazonian city of Sao Luis, where 500 000 tons of aluminium will eventually be produced.

A consortium involving Brazil's state-owned Vale do Rio Doce mining company, and 20 Japanese aluminium companies convinced of the need to refine where costs of production are far lower than in energy-short Japan, is about to start a plant near Belem, at the mouth of the Amazon, where 300 000 tons will eventually be produced.

Increased production of some metals has responded sharply to price changes. Until six years ago, Brazil's output of gold was only about five tons a year. Now it is 10 times that, and if the price remains high, it could reach between 70 and 100 tons, making Brazil the world's second largest gold producer. Most of the new production has come from the tens of thousands of small-scale gold panners searching the river beds and hills in the Amazon region.

However, the Anglo American Corporation is spending heavily to expand production at its deep mine, Morro Velho, while several of Brazil's tin mining companies have switched their resources, as the tin price falls.

The search for uranium is typical of what can happen when geologists start prospecting seriously. Twenty years ago, Brazil's proven reserves of the mineral were negligible.

Then plans for a big nuclear power programme were made, formulated and after intensive prospecting proven reserves have now risen to 300 000 tons, among the world's largest. The search has been temporarily suspended, as there is plenty to go on with.

The prospects are so good that for several mining companies Brazil has at last become their number one priority.

Swedish union halts SA trade

STOCKHOLM — Swedish transport workers yesterday halted all the country's trade with South Africa to extend a boycott that began in Norway and Finland at the weekend. The union action is due to spread to Denmark next month.

The Swedish union has tried to get the London-based International Transport Workers' Federation (ITWF) to declare a worldwide blockade of South African goods but says it has run into opposition from British and West German members.

Sweden is the largest Nordic market for South African goods and bilateral trade was worth about R628m last year.

Foreign Trade Ministry officials confirmed the union action would bring trade with SA, including the import of vital ferro-alloys for Swedish steelmakers, to a complete halt but predicted industry would not protest.

"The government is certainly not going to intervene and in the present climate no company will dare to attract publicity by suing the unions for breach of contract."

Substantial stockpiling of South African minerals in the first half of this year should soften the trade cut-off's impact. Officials said firms in Sweden would not suffer in the short term.

Swedish Transport Workers' Union officials said their chief, Johnny Groenberg, wrote to the ITF on July 31, proposing an "international blockade of goods and passengers to and from South Africa", but it had not replied officially so far, although its British and West German member unions had blocked the attempt.

His union, one of Sweden's largest and covering port and airport workers as well as lorry drivers, wants the country to embargo all trade with Pretoria.

Officials said that in the next few days the government would present a Bill to parliament banning imports of South African fruit and vegetables in spite of Pretoria's threats to sue Sweden for violating free trade agreements. — Sapa-Reuter.

Bringing you news from around the world

IAN SMITH SPEAKS ON SANCTIONS

'280 SOWETAN 24/10/85

WASHINGTON —Former Rhodesian prime minister Mr Ian Smith said yesterday that US sanctions against South Africa would harm surrounding black african countries more than the Pretoria Government.

Mr Smith told a news conference organised by the Conservative Caucus Inc, a private political group, that the root of current unrest in South Africa was not racial repression but a Soviet campaign to control the southern half of the continent

He said he was briefed by Rhodesian security officials after he assumed office as prime minister in 1961 on the Soviet plan, which he said involved first controlling a "saddle" to the north, then going down the flanks to the south

Aim

The Soviet aim is to take over South Africa — "the greatest treasure house on this earth", —and thus control the strategic minerals found only in Southern Africa and the Soviet Union, Mr Smith asserted.

"Things have been going pretty well according to plan," he said A leftist government is in control of Mozambique, he noted, adding that since Rhodesia was changed to Zimbabwe it is no longer a stumbling block to Soviet designs, but is instead moving towards a Marxist-Leninist one-party state

Sanctions would probably not be the boon to South Africa that they proved to be to Rhodesia by spurring the domestic economy for the first 10 years after they were imposed in response to Mr Smith's unilateral declaration of independence, he said

The South African economy is already better developed, and its legal status is not in question as Rhodesia's, was, he said

Nonetheless, "I believe they would ride sanctions out The damage would be to those other countries in Southern Africa," which depend economically on South Africa

Imports

Zimbabwe, for example, is landlocked and has to ship 90 percent of its exports and imports through South Africa, he said

Mr Smith said sanctions imposed by President Reagan on South Africa already, including curbs on exports of computers and nuclear equipment and banning imports of Krugerrand gold coins, would probably have little effect on South Africa's neighbours.

But he said he regretted that Mr Reagan was pressured into reversing himself in his opposition to sanctions and was concerned that the measures were only a first step, with more severe pressures to follow

Mr Smith said he opposed South African policies of racial discrimination, but that the way to change them was through communication and negotiation, a policy he said he followed in ending white rule in Rhodesia — Sapa-AP



Swazi top 5 to go

MBABANE — Speculation that five controversial Swazi detainees may soon be released has increased here after a meeting between them and a high-powered government committee.

The detainees who appeared at the meeting in Parliament Buildings were former finance minister Mr Sishayi Nxumalo, former police chief Titus Msibi and former army commander Mangomeni Ndzimandze

They were arrested under Swaziland's 60-day detention without trial legislation last year, and early this year it was announced that they were to face charges of high treason, although no details of the allegations against them were given

According to a *Times of Swaziland* report yesterday morning, it was not clear if former deputy police commissioner Edgar Hillary and former army major Abednigo Dlamini, who are in the same situation, also attended the talks.

The government committee was made up of justice minister David Matse, senior electoral official Mndeni Tshabalala and the administrator for the Hhohho region, which includes Mbabane, Mr Rhodes Nxumalo.

A *Times of Swaziland* reporter who was at parliament and watched the detainees and government committee arrive said the meeting started at 11am and continued all day without a break

The talks follow the removal from their positions of power about two weeks ago of Prince Mfanasibili Dlamini and Dr George Msibi, who had been noticeably outspoken in claims that the five men had committed high treason



'A greater threat than international moves'

SA companies are now disinvesting, says TCI

25/10/85 B. Day

A TRANSVAAL Chamber of Industries spokesman warned yesterday that South African companies were beginning to disinvest at home

"This is a far greater threat to job-creation than the international disinvestment moves" added Joe Annegarn, a leading figure in the TCI and the MD of Mono Dies on the East Rand

Most members shared this view

The TCI has among its ranks companies employing more than 1-million people

Annegarn said the disinvestment situation applied to Mono Dies, where capital expenditure had been deliberately withheld because they believed the economy was dying

"This creeping lack of investment frightens the hell out of me,"

LAWRENCE BEDFORD

he said

It was forcing businessmen into the political arena

The fall in gross domestic fixed investment was likely to be more than 20% by end-1985, together with an attendent drop in investment in new offices, shops and factories

Federated Chamber of Industries economist Jan de Jaeger confirmed that the drop in fixed investment was expected The real value of fixed investment in the manufacturing sector had fallen by 13,3% between the first quarter of 1984 and the end of the second quarter of 1985 Total fixed investment over the same period dropped by 11,5%

This, he said, was indicative of slower investment rather than domestic disinvestment Various economic factors such as government's deliberate moves to curb discretionary spending by the public, also had to be borne in mind

"People, likely to have to pay through the neck for imports are certainly holding off' said De Jaeger

Sanlam Investment Corporation strategic research chief Peet Strydom said despite fears that the enforced repayment of foreign debt over the next few years would make SA a capital exporting country "there has already been a re-distribution of wealth in favour of the rest of the world The trend has been evident since 1980" He added 'Investment decisions by SA companies are contributing towards that situation'

Commerce plans strategies to beat sanctions

(280) B Day 25/10/85

COMMERCE is not taking the threat of sanctions lying down It is formulating contingency plans in case of comprehensive mandatory sanctions

Johannesburg Chamber of Commerce this week held a sanctions think-tank at which various strategies to overcome a range of economic sanctions and boycotts were discussed

Dicussions were not political

ANDRE VAN ZYL

but centred around pragmatic measures to ensure the survival of business

The chamber saw its role as helping members to continue trading in spite of obstacles placed in their way

It would advise businesses on avoiding the pitfalls encountered in operating under sanctions, especially with difficulties in exposure to foreign exchange

Some members had gained extensive experience from sanctions against what was then Rhodesia and their skills would prove invaluable in keeping import and export channels open

In this context chambers of commerce would also continue to articulate the views of its members and advise government accordingly

FEATURE

US FIRMS IN SA

Sanctions deadline looms

American companies in SA employing more than 25 people have until the end of the year to ensure that their employment practices comply with the principles enunciated by President Ronald Reagan in the sanctions package he announced last month. Failing this, they face a ban on US government export assistance to them in other parts of the world.

But with the deadline just over two months away, the US State Department has not yet indicated precisely how adherence to Reagan's principles is to be monitored.

And a spokesman for the American Chamber of Commerce says he is not unduly concerned that the scheme will have serious consequences for US business because most of the firms which have SA operations already comply with the principles and the penalty for non-adherence is not very onerous.

Reagan's principles, which closely mirror those contained in the Sullivan Code, are that:

☐ Facilities in all US companies must be desegregated;

☐ US companies must provide equal employment opportunity for all employees without regard to race or ethnic origin;

☐ Remuneration systems must be applied to all employees without regard to race or ethnic origin;

☐ Companies must establish a wage and salary structure based on an appropriate local minimum economic level which takes into account the needs of employees and their families,

☐ Firms must undertake increasingly to place employees who are disadvantaged by the apartheid system in managerial, supervisory, administrative, clerical and technical jobs to increase significantly their representation in such jobs;

☐ Reasonable steps must be taken to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation and health; and

☐ Fair labour practices must be instituted which recognise the right of all employees, regardless of race or other distinctions, to organise, form, join or assist labour organisations, without penalty or fear of reprisal The right to refrain from such activity must also be recognised.

According to guidelines received from Washington by the US embassy in SA, companies which have not become signatories to the Sullivan Code will be encouraged to do so. To determine whether American companies are complying with Reagan's fair employment principles, the US will rely, at least in part, on the regular reports produced by the Sullivan auditors, Arthur D Little Inc. The intention is that this will obviate the need for the US government to set up a bureaucratic structure to do the monitoring.

But according to a spokesman at the US consulate in Johannesburg, the process of drawing up full regulations to implement this section of Reagan's executive order has not been completed. And regulations on how non-signatories to the code will be assessed still have to promulgated by the State Department.

Other difficulties

The State Department also faces other difficulties. Some of the principles, for instance, will be difficult to assess quantitatively. Others are less specific than the Sullivan Code itself

For example, the Sullivan standard on wage and salary levels is that the minimum wage in particular geographic areas should be at least 30% higher than two regularly-published guidelines — the University of SA's Minimum Living Level and the University of Port Elizabeth's Household Subsistence Level. It is unclear whether Reagan intends to use the same criteria.

The State Department will also have to clarify exactly which US companies are covered by the order. Employers of 25 or fewer workers are exempted.

But there are scores of subsidiaries where less than 50% of the equity is owned by the US parent company. Where is the cut-off point? And in some cases ownership is indirect, through a subsidiary operating in another part of the world.

Sullivan Code signatories employ 60%-70% of the total number of people working for US companies in SA. In the last Sullivan Report, issued in October 1984, 115 US subsidiaries were evaluated. Of these, 83 were categorised as "making good progress" or "making progress" in implementing the codes' requirements.

The report lists 123 US companies with more than 10 employees which are not signatories to the code. It is not known how many of these have more than 25 employees and are therefore covered by the executive order.

Commenting on the executive order, American Chamber of Commerce executive director Ken Mason says that US companies in SA, which employ about 120 000 people, have generally made great efforts to develop their employment practices.

He points out that they have spent large amounts of money on social programmes — R100m on social and economic welfare schemes and R11m on training employees. (These figures include expenditure by companies which have not signed the Sullivan Code.)

Mason describes the intent behind this section of the executive order as "meaningful." Companies whose employment practices are not presently in line with the principles are likely to attempt to remedy the situation.

But, he says, the depressed state of the SA economy means that there will be some US companies which will be unable to meet these standards.

He estimates that adherence to the code could add about 10% to the average company's pay package now — up from 3,5% when the code was first introduced.

The consequences for financially strained companies are, however, not likely to be serious. In general, export assistance from government "is not a dominant factor in determining whether a company breaks into the export market and has not been meaningful in assisting US exports," says Mason. And firms exporting to SA itself do not use US government financial export assistance at all.



Amcham's Mason ... penalty for non-adherence not serious

Thatcher agrees to face SA's unsolved problems of 1910



John Battersby
reports from Nassau in the Bahamas

SEVENTY-FIVE years after the national convention which ushered in the Union of South Africa, Britain has accepted its moral and historical responsibility on South Africa

There was unfinished business in 1910 — the issue of black political rights

What Britain failed to resolve in 1910 is now at the centre of the world stage in 1985

History has wondrous — and at times tortuous — ways, but it never forgets

The removal of Africans first from the common roll in the Cape in 1927 and then the removal of even their white representatives in 1949 are shabby and disgraceful legacies that the National Party is now having to confront

The removal of the coloured people first from the common roll and then their white representatives by packing the Senate in 1955 was an act of political manipulation and cynicism which will haunt the white minority — all whites must bear the blame well into the next century

Peaceful

But that is history and it is past. What of the future?

The significance of the Commonwealth accord on South Africa, reached in the Bahamas this week, is that Britain has finally taken responsibility for that fudge of black political rights in 1910, against which Sol Plaatje protested with such dignity

Since its formation in 1912 the African National Congress (ANC) took over the Plaatje tradition of dignified and peaceful protest

It was only in 1960 — after half a century in which every peaceful avenue was exhausted — that the extremism of the National Party and the fanaticism of Hendrik Verwoerd led Nelson Mandela to reluctantly adopt a programme of sabotage and armed struggle

Then there is the irony of history

Pressure

The British Prime Minister, Mrs Margaret Thatcher, who is an honourable and highly principled political leader, has been under pressure from two sides to accept Britain's historical responsibility in South Africa.

On the one side a succession of Afrikaner Nationalist prime ministers — particularly President P W Botha — have insisted that apartheid began before 1948 and, for that matter, before 1910

This has been their way of telling Britain it must bear some of the responsibility

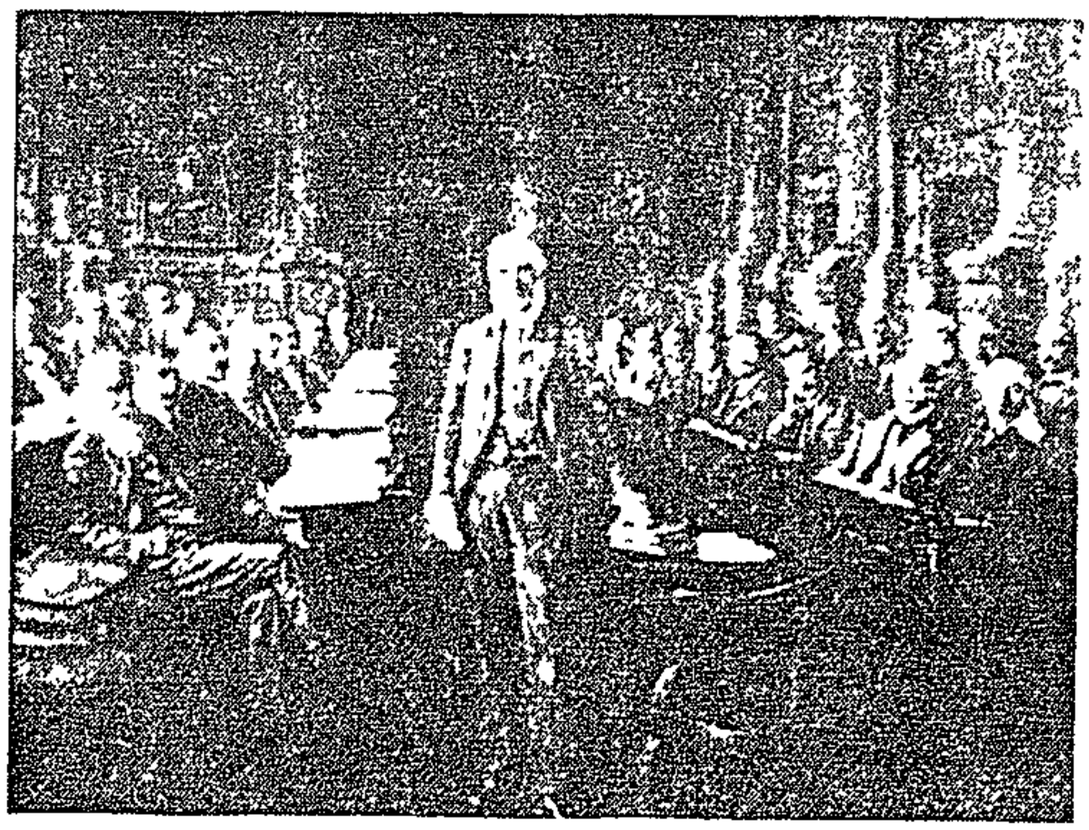
But she has been getting the same message from Common-



Mr P W Botha



Mrs Margaret Thatcher



The national convention of 1909 — some unfinished business of black political rights to take care of.

South Africa, Zimbabwe's Prime Minister, Mr Robert Mugabe, who is uncomfortable with the compromise, told Britain it had a "historical responsibility" in South Africa and took a swipe at the Lancaster House guarantees for the white minority.

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Comrade Bob and Sister Maggie do not hit it off

presence there to the Lancaster House proposals that "Peter Carrington and I drew up"

When Mr Mugabe expressed support for the liberation movements and their armed struggle, Mrs Thatcher reportedly asked him whether he approved of people who tried to blow her out of her bed in the middle of the night, referring to the IRA assassination bid in the Brighton bomb blast.

The trade-off for a limited-sanctions package — the Afri-

The head of the Nigerian delegation, Commodore Ebitu Ukiwe, also felt the iron whiplash when he made a veiled threat of sanctions against Britain

A chastened Commodore Ukiwe was defensive at his departing press conference "It is not my intention to sit here and threaten her I am sure Britain will do its utmost to ensure that apartheid is dismantled quickly"

The point is that one is dealing here with an extraordinarily tough and resilient woman and she has decided that the time has come to go for real change in South Africa through negotiation

Reform boost

That is about the biggest boost reform could get

It means the whole issue of South Africa is thrust from the realm of diplomatic rhetoric into political action

Mrs Thatcher layed great emphasis on the paragraph of the declaration which calls on Pretoria to initiate dialogue "in the context of a suspension of violence on all sides"

She had indicated in her speech at the beginning of the summit that she wanted such a call to go out from the summit

It was not easy in coming and not nearly as strong as Mrs Thatcher would have liked, but the point is that it draws the frontline states — reluctantly in the case of Mr Mugabe — into a joint acceptance of the principle of a ceasefire before dialogue.

In short, the frontline states under the leadership of President Kenneth Kaunda have agreed to deliver the ANC in return for Mrs Thatcher's undertaking to deliver the minority white government to the negotiating table.

Remarkable coup

Quite clearly Mrs Thatcher would not have done this without consulting President Botha which is what their series of letter-writing since their Chequers summit last year is all about.

This is a most remarkable coup, given the make-up of the new Commonwealth which South Africa's ambassador in London, Dr Denis Worrall — somewhat ill-advisedly — described on television last week as an "ill-assortment of nations" for whose views South Africans had the "utmost contempt".

The truth is Mrs Thatcher has gone out on a limb for South Africa and intends to pursue it to the end — namely a constitutional settlement completing the unfinished business of black political

America agrees to tackle SA's unsolved problems of 1910

(16) (280)

Cape Times 25/10/85



John Battersby

reports from Nassau in the Bahamas

SEVENTY-FIVE years after the national convention which ushered in the Union of South Africa, Britain has accepted its moral and historical responsibility on South Africa.

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What Britain failed to resolve in 1910 is now at the centre of the world stage in 1985

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This has been their way of telling Britain it must bear some of the responsibility.

But she has been getting the same message from Commonwealth, and particularly African, leaders in Nassau.

At a press conference following the compromise deal on



Mr P W Botha



Mrs Margaret Thatcher



The national convention of 1909 — some unfinished business of black political rights to take care of.

South Africa, Zimbabwe's Prime Minister, Mr Robert Mugabe, who is uncomfortable with the compromise, told Britain it had a "historical responsibility" in South Africa and took a swipe at the Lancaster House guarantees for the white minority.

He made it clear he would be strongly opposed to special protection for whites in South Africa too.

Comrade Bob and Sister Maggie do not hit it off

They are reported to have had a very frosty 45-minute encounter here this week after Mrs Thatcher had told the summit Mr Mugabe would be welcome to a presence there to the Lancaster House proposals that "Peter Carrington and I drew up"

When Mr Mugabe expressed support for the liberation movements and their armed struggle, Mrs Thatcher reportedly asked him whether he approved of people who tried to blow her out of her bed in the middle of the night, referring to the IRA assassination bid in the Brighton bomb blast.

The trade-off for a limited-sanctions package — the African states wanted comprehensive mandatory sanctions — is that Britain has assumed responsibility for what happens

The head of the Nigerian delegation, Commodore Ebitu Ukiwe, also felt the iron whiplash when he made a veiled threat of sanctions against Britain

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The truth is Mrs Thatcher has gone out on a limb for South Africa and intends to pursue it to the end — namely a constitutional settlement completing the unfinished business of black political rights.

I think President Botha would be wrong not to co-operate and there is a feeling he

Warning of repatriation not meant to be 'threat'

Neighbouring countries which took part in sanctions against South Africa would be the first to have their migrant labourers repatriated if the economy was harmed, President Botha warned last night.

At a meeting in Springs in support of Mr Piet Coetzer, the National Party candidate in the parliamentary by-election, Mr Botha said he was not threatening any country, but pointing out facts.

If international boycotts were imposed on South African minerals, a million jobs in the Western world could be lost.

Answering a question on whether the Government would repatriate foreign workers from countries who participated in sanctions Mr Botha said that if the South African economy was harmed by such measures the Government would have no choice but to give preference to its own people.

"I am not threatening the world. I have always said sanctions are foolish and will not work. But if they do, we will give preference to South Africans and their interests. Countries like the United States and Britain and others in Europe cannot in the medium and long terms do without South African strategic minerals."

(Report by D Braun 47 Sauer Street, Johannesburg.)

...greater threat than interbank '2...moves

SA companies are now disinvesting, says TCI

A TRANSVAAL Chamber of Industries spokesman warned yesterday that South African companies were beginning to disinvest at home.

"This is a far greater threat to job-creation than the international disinvestment moves," added Joe Annegarn, a leading figure in the TCI and the MD of Mono Dies on the East Rand.

Most members shared this view.

The TCI has among its ranks companies employing more than 1-million people.

Annegarn said the disinvestment situation applied to Mono Dies where capital expenditure had been deliberately withheld because they believed the economy was dying.

"This creeping lack of investment frightens the hell out of me," he said.

LAWRENCE BEDFORD

It was forcing businessmen into the political arena.

The fall in gross domestic fixed investment was likely to be more than 20% by end-1985, together with an attendant drop in investment in new offices, shops and factories.

Federated Chamber of Industries economist Jan de Jaeger confirmed that the drop in fixed investment was expected. The real value of fixed investment in the manufacturing sector had fallen by 13.3% between the first quarter of 1984 and the end of the second quarter of 1985. Total fixed investment over the same period dropped by 11.5%.

This, he said, was indicative of slower investment rather than domestic disinvestment. Various economic factors, such as government's deliberate moves to curb discretionary spending by the public, also had to be borne in mind.

"People likely to have to pay through the neck for imports, are certainly holding off," said De Jaeger.

Sanlam Investment Corporation strategic research chief Peet Strydom said despite fears that the enforced repayment of foreign debt over the next few years would make SA a capital exporting country, "there has already been a re-distribution of wealth in favour of the rest of the world. The trend has been evident since 1980."

He added: "Investment decisions by SA companies are contributing towards that situation."

Commerce plans strategies to beat sanctions

COMMERCE is not taking the threat of sanctions lying down. It is formulating contingency plans in case of comprehensive mandatory sanctions.

Johannesburg Chamber of Commerce this week held a sanctions think-tank at which various strategies to overcome a range of economic sanctions and boycotts were discussed.

Discussions were not political

ANDRE VAN ZYL

but centred around pragmatic measures to ensure the survival of business.

The chamber saw its role as helping members to continue trading in spite of obstacles placed in their way.

It would advise businesses on avoiding the pitfalls encountered in operating under sanctions, especially with difficulties in exposure to foreign exchange.

Some members had gained extensive experience from sanctions against what was then Rhodesia and their skills would prove invaluable in keeping import and export channels open.

In this context, chambers of commerce would also continue to articulate the views of its members and advise government accordingly.

Warning of repatriation not meant to be 'threat'

25/10/85 STAR

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(Report by D Braun, 47 Sauer Street, Johannesburg.)

Anti-SA stance hits city clothing exports to USA

s/c Argus 26/10/85

TOM HOOD

AMERICAN clothing importers are taking advantage of anti-South African sentiment and forcing down the price of garments exported from Cape Town factories.

Some export prices have become uneconomic but the industry should try to absorb them even though domestic business is falling, says the chairman of the Cape Clothing Manufacturers Association, Mr Simon Jocum, who has returned from a seven-week overseas visit

Export business usually took years to develop and hopefully it would become more profitable again

"Exports don't just happen — it can take a year to two years to get going — but to be successful we must enjoy the right political climate and a healthier domestic market to recover fixed overhead costs which cannot be passed on to the highly competitive clothing markets"

The industry was vigorously pursuing the export markets of the United States, Britain, and other parts of Europe and North America, notwithstanding the fall of the rand to 40 cents

Because of the high profile South Africa was enjoying on television, boycotting movements had increased their pressures from government to business

The American consumer, a fair-minded intelligent person, was exposed to daily reports of violence taking place in South Africa and perceived the police as trigger-happy and going about shooting children

"Importers see a risk factor and are asking us to quote prices at below economic cost levels, taking away the advantage of the weak rand

Distressed, depressed

"I tried to do my bit but I found resistance in bringing overseas buyers to Cape Town unless I can guarantee their safety"

Mr Jocum said the country's clothing industry was "distressed and depressed".

Unemployment increased by 700 in the Cape in the past month after two more factories closed down.

It was beginning to stabilise but the widespread unrest and the slow pace of reform did not lend confidence to the situation.

The number of employees stood at 54 700 compared with 61 800 at this time last year, a drop of 7 100

The weak rand had forced local textile mills to increase their prices drastically Wool and cotton had to be paid in dollars at internationally set prices

Retailers were holding back in their purchases "until the smoke settles" and were buying from hand to mouth, which caused chaos in planning forward for the future

They were waiting to see what happenened at Christmas before placing their orders for the first half of 1986

Buying power

"What is further disturbing is that unrest at schools has a worrying effect on the workforce Parents worry about the activities of their children unattended at home as they are not able to go to school because of the unrest How can people be expected to shop in certain areas amid the unrest? This affects the entire work situation"

The falling rand was not even helping the situation but the increased inflation rate was eating into the consumer's buying power.

The only way the clothing industry could grow was when unemployment was reduced and more jobs were created



Union boycott of post 'ineffective'

ARGUS 22/10/85 280

Staff Reporter

BANS on communications imposed by Finnish and Australian trade unions will probably have little effect on South Africa.

The Australian trade union movement has banned all mail services to and from South Africa for this week.

And Finnish mail workers plan to boycott all mail to and from South Africa from November 15 and are urging other postal unions to join them.

A Post Office spokesman in Pretoria said today that because most communications were automatic the bans were unlikely to have much effect.

SORTED AUTOMATICALLY

She said: "Mail is sorted automatically in most countries and there is no way of extracting South African mail from the system.

"Telecommunications are also automatic so, unless the call has to be booked through an office in the other country, people and businesses will be able to make communications as usual."

● The Argus Foreign Service in Sydney reports that the Australian Government has implicitly endorsed action by the trade union movement to impose bans on links with South Africa.

FLIGHTS BANNED

Some of the measures taken by the unions could well be implemented on a permanent basis by the Australian Government in the near future.

The unions have banned next weekend's South African Airways flights to and from Australia.

Other measures include banning repair work on telecommunications services to the South African Embassy and consulates in Australia and SAA offices, banning the handling of mail and banning the handling of South African-made goods.

The unions plan to extend their campaign. Building materials made in South Africa will be banned shortly and Australian companies using South African products will be given a deadline to replace them.

Keeping cool as feelings run hot on South Africa

BLAKE BAKER explains how sanctions could undermine the West's security

ECONOMIC sanctions against South Africa, no doubt to the satisfaction of the Soviet Union, increasingly preoccupy the free world, as the recent Commonwealth conference has shown.

Much British domestic employment depends on exports to SA. But there are other more important considerations than the Co-op stores not selling Outspan oranges or banks banning the sale of Krugerrands.

For in two vital matters, the West probably needs SA more than SA needs the West, however abhorrent apartheid is.

One is that the West is very largely dependent on SA for essential strategic and industrial minerals and metals.

The other is that, whatever its domestic situation, SA remains the main bastion against communist and Soviet subversion in Southern Africa, and, in the event of conflict, the Cape shipping routes are essential to Western survival, both of the US and Western Europe.

Naval bases such as Simonstown and Cape Town would be indispensable in their defence, as shown against the U-boat threat in the Second World War.

Both these strategic considerations have received much more public attention in the US than in Britain. There are in the world only two major concentrations of rare metals and minerals vital not only to armaments production but also to a vast range of modern industrial processes, particularly new high technology.

One is Southern Africa, particularly SA, the other Siberia. Without SA supplies, the Soviet Union, already largely self-sufficient, would have a virtual monopoly of the most important items — and we all know what that would mean.

Taking SA alone, apart from having about 70% of the West's gold output, it has an estimated 81% of the world's reserves of chromite, from which chromium is extracted. It has 89% of the free world's reserves of platinum and associated metals, palladium, rhodium, ruthenium, osmium and iridium, commonly described as the platinum group of metals.

It also has the largest proven reserves of manganese ore in the world, 78% of the total. One mine in Cape Province produces 25% of the free world's manganese.

SA has the largest known reserves of vanadium, about 90% of the free world's and accounts for 61% of current output and sales, and 73% of exports. It is the second largest Western supplier of fluospar.

It also has substantial reserves of aluminium silicates, antimony, asbestos, copper, iron ore, lead, nickel, phosphates, titanium, uranium, zinc and zirconium. It has vast reserves of coal.

Most of these exotic, indeed iridescent, names are probably only known to metallurgists. Their significance only becomes clear to the layman when one considers their uses. Almost all are vital to Western defence and high technology industries.

Chrome is essential for manufacturing strong, lightweight stainless steels and alloys, used in oil refineries, nuclear reactors, generator turbines, machine tools, rolling stock, ships and bridges, as well as aircraft, tanks and guns.

Chrome is an essential component of jet engines. Inadequate supplies would soon cause enormous unemployment, running into many millions.

Manganese is also essential for iron and steel production, high quality metal products, as well as a multitude of chemical and other industrial processes. Vanadium has similar applications.

Platinum, apart from jewellery, is, because of its unique qualities — catalyst, corrosion resistance, very high melting point, electrical conductivity, strength and stability — vital for a wide range of industries.

They include petroleum products, electrical components, glass, including spectacles, and medical appliances, including pace-makers.

Iridium is essential for lasers. Fluospar is important for steel, aluminium, chemicals, enriched uranium and other production. It is also used for a multitude of familiar products, including aerosols, plastics, films, not to forget anaesthetics.

Gold, apart from Krugerrands, teeth fillings and wedding rings, has many industrial uses, including aerospace, such as jet engines and windshields, including Concorde. Aluminium silicates, heat resisting, are vital for furnaces and much else.

Titanium is a major component of jet engines and can account for 40% of the weight of a supersonic aircraft. Other rare metals and minerals have similar indispensable uses.

On them, the West, particularly the US, is very substantially dependent for its strategic and industrial survival. That is a fact which has not been lost on the Russians.

Krushchev spelled it out in Jakarta in 1960 when he emphasised the importance of Afro-Asian supplies of raw materials to the West. Major-General A N Lagovsky said in a book — "Strategy and Economics" — that American dependence on certain strategic material was the "weak link" in its military capability and argued for a Soviet effort to control such strategic materials.

Brezhnev said in 1973: "Our aim is to get control of the two great treasure houses on which the West depends: the energy treasure house of the Persian Gulf and the mineral treasure house of central and Southern Africa."

That goes a long way to explaining the underlying aims of Soviet and other East bloc subversion and military activities in sub-Saharan Africa.

Russian activites include massive supplies of military hardware, some of it as collateral for minerals, such as cobalt (of which Zambia and Zaire are major sources), yet another component of jet engines and satellites and the presence of thousands of "instructors" and troops from Russia, Cuba and East Germany, in Angola and elsewhere.

It also explains the communist penetration of the anti-apartheid movement which goes back decades. Yet again, it explains the build-up of the Soviet navy in the South Atlantic and Indian Ocean and the acquisition and development of deepwater naval harbours and airbases.

In America, there has long been recognition of all this and it has been dubbed the "resource war". Together with the Persian Gulf for oil, Southern Africa, for rare minerals and metals, could prove the jugular vein of the West.

America, too, has long recognised both the naval threat and the need to build up the strategic stockpile of at least 93 essential supplies to ensure industrial and military production for a year or more.

In Britain, a warning of the risk was given by a Lords Select Committee in 1982. A year later a modest start was made on defence stockpiling in case unrest in SA could cut off supplies.

Whoever controls the sea routes and strategic supplies has gone a long way to winning a war. So when it comes to economic sanctions against SA, realism — not loose, ideologically-motivated talk and emotion — should prevail.

Unions to discuss oil trade to SA

LONDON — Representatives of dockers' and seamen's unions from more than 30 countries will meet in London this week to discuss ways of stopping what they describe as the secret trade in oil to South Africa.

The two-day conference is sponsored by the United Nations Special Committee Against Apartheid and by Maritime Unions Against Apartheid, an organisation formed two years ago

A statement issued last week said the aim of the conference would be to co-ordinate support for a worldwide campaign by unions to enforce repeated calls by the UN General Assembly for an end to oil shipments to SA.

The chairman of the conference, general secretary of Britain's National Union of Seamen, Jim Slater, said: "It is up to the seafarers and dockers of the world to take direct action against apartheid because many governments have ignored demands from the international community to halt oil supplies to South Africa."

He said delegates would be asked to ratify a declaration of intent to monitor clandestine shipments and, if possible, take action against companies and ships known to be breaking the oil embargo — Sapa

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*Acknowledgement to Finance Week.

ANC chief leads sanctions row

Thatcher faces a rising storm

The Star Bureau

LONDON — British Prime Minister Mrs Margaret Thatcher has flown home from her defence of South Africa at the Commonwealth conference to face a storm of protest over sanctions — led by African National Congress (ANC) leader Mr Oliver Tambo

Mrs Thatcher refuses to speak to Mr Tambo, who is in London for a week and is being feted like a visiting head of state

He is to appear before the all-party House of Commons foreign affairs committee tomorrow and Conservative MPs will hear what he has to say

Mr Tambo, with Labour leader Mr Neil Kinnock, will be the keynote speaker on Wednesday at a conference of international maritime unions, jointly sponsored by the United Nations, which plans to refine strategies to disrupt South Africa's oil supplies

On Thursday he will tour Sheffield which has been at the forefront of the local authority campaign against apartheid

His visit will culminate in what organisers hope will be a massive anti-apartheid rally in Trafalgar Square on Saturday He will share the platform with the Rev Jesse Jackson

He has already criticised Mrs Thatcher ferociously over her stand at the Commonwealth heads of government meeting in the Bahamas

Support is growing for Labour's demand that she apply mandatory sanctions but right-wing Tory backbenchers are furious at what they see as her first step on the sanctions road — her agreement to the Commonwealth package

Unless some dramatic signal from President Botha breaks the tension the question can only become more vexed

Tutu: 6 months for SA

The Star Bureau

280

NEW YORK — Nobel Peace Prize winner Bishop Desmond Tutu has told the United Nations General Assembly he has altered his timetable and is giving the South African Government six months to begin dismantling apartheid.

If South Africa does not heed his call, he says the international community should "impose punitive sanctions" against Pretoria.

Bishop Tutu spoke in the assembly hall yesterday at the invitation of the General Assembly's special political committee.

He urged pressure to be applied against South Africa until it ended the state of emergency, dismantled apartheid, released all political prisoners and detainees and began talks with the authentic representatives of each sector of South African society.

29/10/85 STAR

FINANCIAL RESTRICTIONS

If these steps were not taken, then financial institutions should curb credit and bank loans to South Africa.

Bishop Tutu brushed aside the recent reforms announced by the South African Government in his assembly speech.

"Apartheid must be dismantled. You don't reform it. You don't reform a Frankenstein.

Later Bishop Tutu accused America, Britain and West Germany of being the "greatest stumbling blocks" to the resolution of the crisis in South Africa.

Bishop Tutu is in the United States to raise money for a fund for refugees who have left South Africa for political reasons.

Sanctions hammered

Thatcher defends her SA policy

260

STAR

30/10/85

The Star Bureau

LONDON — British Prime Minister Mrs Margaret Thatcher has spiritedly defended South Africa — as African National Congress (ANC) leader Mr Oliver Tambo gave evidence to the foreign affairs select committee of the British Parliament

"I do not accept that apartheid is the root of the violence, nor do most other people If it is, how then do you explain the total and utter violence in Uganda," Mrs Thatcher told the House of Commons yesterday

She added that the Botha Government had "taken more steps to dismantle apartheid than any of its predecessors"

Mrs Thatcher did not answer when Labour leader Mr Neil Kinnock challenged her to say if she would impose more sanctions if South Africa had not changed in six months

She said it was a shame that Chief Mangosuthu Buthelezi was not giving evidence to the all-party select committee on foreign affairs which was hearing Mr Tambo.

SANCTIONS HAMMERED

As a result, the committee's chairman, Sir Anthony Kershaw, a member of Mrs Thatcher's party, announced at the start of its proceedings yesterday that they expected to receive "other leaders of South African opinion" later

Officials who said on Monday that a telexed submission from Chief Buthelezi to Sir Anthony did not constitute a request for a hearing, rapidly changed their minds

Mrs Thatcher hammered sanctions, saying they would cause unemployment in South Africa and in Britain It was a "ridiculous" policy.

The Commonwealth agreement, Mrs Thatcher told MPs, was "a sensible and realistic agreement acceptable to all governments".

She added "Its rejection of violence as a way to solve the problems of South Africa is of particular importance."

Mrs Thatcher said the Commonwealth was "unanimous in its abhorrence of apartheid and in its wish to see fundamental peaceful change in South Africa as soon as possible"

CLEAR SIGNAL

The Commonwealth accord "is a clear political signal from the united members of the need for rapid change within South Africa as well as for the South Africsn Government to end its illegal occupation of Namibia," Mrs Thatcher said

Moments later, Mr Tambo arrived in the Commons to spend 75 minutes giving evidence to the select committee

Today he visits Sheffield where the local authority has been at the forefront of the anti-apartheid movement.

He is also scheduled to make a keynote address at an international maritime union conference on ways to halt oil supplies to South Africa

On Saturday he will speak at an anti-apartheid rally in London's Trafalgar Square.

Report restricted

This report has been restricted in terms of the Internal Security Act because Mr Tambo may not be quoted in South Africa

Dockers vote on SA coal

Own Correspondent

LONDON — Dockers at Swansea in Wales who have been unloading South African coal yesterday bowed to union pressure and agreed not to handle any more

About 79 of the 91 men had spent three days unloading 5 500 tons of anthracite from the German-run Angelica Shulte before considering a directive from union officials not to handle the cargo

At an emergency meeting dockers voted narrowly in favour of complying with the instructions from the regional headquarters of the Transport and General Workers Union.

Docker leader and Swansea Labour councillor Mr Tommy Hilton said "We complied with the union directive It was a very close decision"

Management at the dock say they will be meeting union officials to discuss the situation They are concerned that they may be being singled out in the union's attempt to avoid handling imports from South Africa

Some of the men who claim that South African coal is handled in large quantities elsewhere against union recommendations believe the National Union of Mineworkers has been applying pressure at a high level

A spokesman for the shipping agents said the coal was destined for the Swansea area, and that the Cyprus-registered vessel was due to sail for France soon

Thatcher "backs down" on Howe

Own Correspondent

LONDON — The British Prime Minister, Mrs Margaret Thatcher, was last night reported to have backed down from her insistence that Foreign Secretary Sir Geoffrey Howe be included in the Commonwealth team due to visit South Africa

According to a London Broadcasting Corporation news report, Mrs Thatcher was looking for another candidate

Earlier her insistence that Sir Geoffrey be included in the small team of "eminent persons" due to visit South Africa to encourage black-white dialogue, was sharply criticized by anti-apartheid sources

Archbishop Trevor Huddleston, president of the Anti-Apartheid Movement, described the choice of Sir Geoffrey as "ridiculous saying he had repeatedly proved that he would never support the imposition of sanctions against South Africa

Mrs Thatcher was apparently alone in thinking that a serving government minister should serve on the delegation

In the House of Commons this week, Labour leader Mr Neil Kinnock who also criticized the choice of Sir Geoffrey, suggested that former prime ministers Mr Edward Heath and Mr James Callaghan be considered

Mrs Thatcher is also thought to favour the UN Under-Secretary-General, Mr Brian Urquhart who is British

Last night 10 Downing Street refused to comment on the LBC report

SANCTIONS

1985

NOV. — DEC.

BOTHA

Fuel prices could increase

Seamen pull oil embargo noose tighter

280 B. Day 1/11/85

LONDON — Leading international maritime unions decided yesterday on an organised campaign of surveillance and retribution that could reduce South Africa's oil supplies and force up domestic fuel prices despite the world's present oil glut

The decision by the unions at a London conference was to tighten drastically the UN oil embargo — both by greater vigilance and tougher action against embargo transgressors

Oil experts say this could lead to a sharp increase in the price South Africa pays for this important commodity

The resolution climaxed a two-day debate, reported in *Business Day* yesterday, on ways and means of applying more pressure on Pretoria to scrap apartheid. Prominent among speakers at the conference on Wednesday were ANC

JOUBERT MALHERBE

leader Oliver Tambo and British opposition Labour Party leader Neil Kinnock

The dockers and seamen will monitor clandestine oil shipments to SA and take action against companies and ships breaking the embargo

Anti-apartheid campaigners are jubilant over the resolution. They feel it could be a turning point in the fight against apartheid

The conference praised the refusal by dockers in Swansea on Wednesday to handle a shipment of coal from South Africa.

Their action came after representations from Maritime Unions Against Apartheid (MUAA), the joint sponsors of the London conference

Yesterday the conference heard a paper by Jaap Rodenburg, of the Shipping Research Bureau in Amsterdam, who told delegates about a large number of breaches of the oil embargo

His detailed report named companies, oil dealers and tankers involved in oil shipments to SA between January 1979 and January 1983

The report contained a number of accounts of mid-sea trans-shipments between tankers of oil cargoes bound for South Africa

He said seamen could play a crucial role in exposing the secretive oil trade and suggested they should report such rendezvous at sea to their unions

They could also take photographs of

● To Page 2 ⇨

Oil embargo noose tightening

⇦ ● From Page 1

tankers in SA waters to use as evidence of breaches of the UN oil embargo.

Another proposal was made that there be an embargo on technical equipment used for oil-drilling at sea.

Of course, even the planned union action will probably not seal off South Africa entirely from world oil supplies. But the rub is likely to be in the higher cost of clandestine shipments, despite large volumes of oil being stored in South Africa, which would cushion a more effective embargo.

rgus, November 2 1985

Aussie union action holds up SA mail

Weekend Argus Foreign Service

MELBOURNE. — More than 20 000 articles of mail coming from or addressed to South Africa have been held up by a postal union's decision to press on with its indefinite ban on all mail connected with the country

The federal secretary of the Australian Post and Telecommunications Union, Mr Rob Arndt, said the union had no plans to end the ban

This was in spite of the end of the "week of action" by the Australian Council of Trade Unions which ordered bans in a number of areas including aviation and shipping as well as mail and telecommunications

Mr Arndt said he was personally opposed to any proposal to lift the bans

'In public eye

"They will not be enough to change the system of apartheid but they will keep the issue in the public eye", he added

At this stage it is difficult to guage how the general public is faring but it is known that some families are keeping in touch by telephoning while others are sending letters through friends in New Zealand and even as far away as Britain.

The South African embassy still says it has not received any complaints but it is likely that the ban could cause severe personal hardship if it continues for any length of time.

However, the Australian unions seem determined to keep the mail boycott going

Next week the Actu president will travel overseas to push Australia's union response to apartheid.

He said "The Australian trade union movement is prepared to take specific action in support of South African workers"

And the Deputy Prime Minister, Mr Lionel Bowen, helped him by declaring that the government would "certainly not impede" any Actu action.

● A spokesman for the Department of Posts and Telecommunications in Pretoria said there had been no change in the situation.

She said no request had been received from the Australian postal authorities not to forward mail.

US tightens up on computer exports to South Africa

By SIMON BARBER

WASHINGTON — New trade rules are to be published this week that place unprecedented restrictions on United States computer sales to South Africa and reinstate a total embargo on the export of any product or service to the South African police, military and weapons industry

The United States Commerce Department has just finished briefing Congress on the changes, which implement and amplify President Ronald Reagan's September 9 executive order and the 1985 Export Administration Act

As currently written the new regulations do not cover contracts entered into before September 9, though this has raised congressional concern and may be altered before the code is formally promulgated in the Federal Register

The main features are

● A complete prohibition on the sale or reexport to the South African security establishment of any United States goods or services, closing loopholes opened by the Reagan administration in 1982 and 1983 This includes products made outside the United States using restricted materials or components

● An embargo on the sale, transfer or resale by a third party of computers, software, computer servicing or technical data to government agencies designated as "apartheid enforcing"

● New licensing requirements for the export of all but the most rudimentary computers to the South African private sector and government departments not covered by the the above bans

● Denial of licences for exports to South Africa s "nuclear utilization of production agencies"

● Vigorous new enforcement and verification procedures including on-site inspection by United States officials

The net effect, in the view of some congressional staff members, is a set of controls as tight as those applied to computer sales to the Soviet Union

Potentially one of the more controversial aspects is the restriction on personal computer sales to non-prohibited end-users The only hardware available on an uncontrolled basis to "legitimate" South African consumers will be increasingly obsolescent models

A briefing paper prepared for Congress by the Commerce Department gives as examples of the machines that will now have to be licensed the IBM personal computer, Apple IIe and IIc and the DEC Rainbow 100

Also controlled is any model that contains a "hard-disc' mass storage device

The most surprising entry is the popular lap portable widely used by the South African Press, the Tandy Model 100 Though its clones are easily available from other sources this simple machine is singled out because it uses a special low-power microprocessor known as a cmos

Amid fears that the new licensing requirements will further damage United States computer sales to South Africa, the Commerce Department promises that procedures will be streamlined

However South African consignees will be required to sign a strongly-worded undertaking to comply with United States regulations

Part of the undertaking reads "I (we) will cooperate with post-shipment inquiries by United States officials to verify disposition or use of the commodities/technical data

If requested by the exporter, 'I (we) will periodically provide information concerning the disposition or use of commodities and technical data received under this licence including the identity of customers to whom the items were resold'

"Apartheid enforcing" agencies barred from all United States computers are listed as, but not limited to the Ministries of Justice, Home Affairs and National Education Constitutional Development and Planning, Law and Order, Manpower, Education and Developing Aid the development boards the rural development boards and "homeland' entities that perform similar functions

Specifically excluded from the general computer ban are the Ministries of Communication and Public Works, Agricultural Economics and Water Affairs Mineral and Energy Affairs, and Finance

Exceptions will be considered on "humanitarian grounds' on a case-by-case basis. There may also be waivers for "commodities and related technical data . . . to be used in efforts to prevent acts of unlawful interference with international civil aviation"

The ban of exports to the South African nuclear industry may exclude equipment and technology required for compliance with international atomic energy agency safeguards or for public safety

Rotterdam announces embargo

The Star's Foreign News Service

ROTTERDAM — Western European ports are to impose a crude oil embargo against South Africa, the mayor of Rotterdam has announced.

But it is not yet known how and when the embargo will be imposed.

The Mayor, Mr Bram Peper, made his announcement at a municipal committee meeting after recent suggestions that Rotterdam impose a unilateral oil embargo against South Africa.

He said it would be effective only if all other major ports in Western Europe joined in. If not, the oil shipments would simply be rerouted to other ports.

Unilateral measures would be senseless, he said, and would harm the reputation of Rotterdam, the world's busiest port.

Shell picketed over oil trade with SA

The Star Bureau

LONDON — Anti-apartheid demonstrators led by civil rights campaigner Reverend Jesse Jackson picketed Shell Oil's headquarters here in protest over its trade with South Africa.

Bearing placards condemning apartheid and calling for an oil and trade embargo, the group of about 150 paced the pavement outside Shell's offices chanting "Apartheid out, freedom in" and "We want sanctions and we want them now".

Members of the Maritime Unions Against Apartheid — which have threatened shipping and oil companies supplying oil to South Africa with union action in ports worldwide — were prominent.

A letter handed in to the Shell offices called on its chairman Sir Peter Baxendell to "confirm" that the company or its subsidiaries no longer supplied oil to South Africa.

Shell also received a copy of the declaration agreed on by seamens' and dockers' unions from more than 50 countries.

Unions say they will boycott vessels anywhere in the world owned by companies involved in any way in supplying oil to South Africa.

In a statement during the half-hour demonstration, Rev Jackson said: "As the Botha regime speeds up the machinery of repression inside South Africa we must enforce a cut-off of the fuel upon which that military machine depends.

"The Maritime Unions have taken a giant step towards putting the power of organised labour behind the many UN resolutions calling for a mandatory embargo on the shipment of oil to South Africa," he said.

Violent incidents: 2

PW warns of 'counter-trade' methods by SA

JOHANNESBURG — The Government is prepared to use non-conventional trade methods to counter sanctions President P W Botha says

This could take the form of counter-trade' or barter which he said had been developed into an accepted international method of trading

Speaking at an export achievements award at a banquet here last night he announced the establishment of a government secretariat for non-conventional trade

This and other steps were necessary to ensure the economy remained "strong and viable in the turbulent world of international trade"

Approached for comment the head of the Bureau for Economic Research at Stellenbosch University, Professor A the de Vries said this could be interpreted as a timely sanctions-busting warning

Mr Botha said that besides conventional international trade the Government was aware of the growth of non conventional trading method throughout the world "with the accompanying involvement of governments

The need for the application of counter-trade practices which formed part of non-conventional trade arose mainly as a result of financial and marketing difficulties which many countries experienced with their foreign trade

The application of counter trade practices had developed into an international method of trading which could hardly be ignored

While it did not replace existing conventional trade it could be applied to protect and supplement a country's existing foriegn trade

It was in the interest of South Africa that this method be used and the secretariat to be established as part of the Department of Trade and Industry, was aimed at fostering it

Professor de Vries said the announcement could be seen as a timely warning that the Government was no prepared take sanctions lying down.

The acceptance of counter-trade practices probably meant a move towards international barter trade where no money changed hands — Sapa

Govt acts to beat sanctions

280 MERCURY 5/11/85

JOHANNESBURG—President Botha announced the creation, last night, of a special secretariat for 'non-conventional trade' and informed business circles immediately interpreted the move as the foundation for a sanctions-busting operation.

The President was addressing a banquet here for the presentation of annual State President's export achievement awards.

He said: 'The Government is aware of the growth of non-conventional trading methods throughout the world, with the accompanying involvement of governments.'

The need for the application of counter-trade practices, which formed part of the non-conventional trade, arose mainly as a result of financial and marketing difficulties which many countries experienced with their foreign trade.

'The application of counter-trade practices has developed into an accepted international method of trading which can hardly be ignored,' the President said.

This method of trading did not replace existing conventional trade but was an alternative method which could be applied to protect and supplement a country's existing foreign trade.

'It is in the interests of the Republic that this method of trading be utilised.

Foster

'A thorough investigation of this matter was completed recently in co-operation with the South African Foreign Trade Organisation and other interested parties.

'In order to foster this aspect of trade promotion, it has been decided to establish a secretariat for non-conventional trade in the Department of Trade and Industry.

'This secretariat will assist and advise the private sector with regard to different trading activities,' Mr Botha said.

Some business circles suggested last night that one of the prime functions of the new secretariat could be the creation of an informal network to enable South African business to escape the grip of international sanctions.

To be successful any sanctions-busting activity would require the full co-operation of the Government.

One businessman pointed out that the Government, with all its resources here and abroad, would be capable of smoothing the whole process of continued trade.

It would be able to operate all transactions on a confidential basis and have the trained personnel to handle specialist projects.

He pointed out that in addition to manufactured luxury items South Africa imported a great deal of specialised machinery and the implementation of international boycotts would necessitate the creation of back-door avenues. — (Sapa)

CAPE Times 6/11/85 280

French govt 'is defying SA arms ban'

PARIS. — A right-wing newspaper yesterday alleged that the French state-owned company Aerospatiale was helping South Africa develop a combat helicopter in spite of a ban on arms sales to the Republic.

The national daily Le Quotidien de Paris said five senior engineers had been in South Africa on attachment since the beginning of September in a deal best described as a "transfer of grey matter" rather than a sale of equipment.

A spokesman for Aerospatiale's helicopter division said: "This is fantasy — I don't believe it. But I will be checking."

In Pretoria, an Armscor spokesman declined to comment on the report.

The newspaper said Aerospatiale had been helping South Africa uprate its Puma military helicopters since 1981 by sending parts through intermediaries such as Israel and Algeria. The company had now stepped in to help South Africa build a new combat helicopter.

Former President Valery Giscard d'Estaing imposed a ban on French arms sales to South Africa after a mandatory United Nations embargo in 1977.

Since coming to power in 1981, President François Mitterrand's socialist administration has been outspoken in its criticism of South Africa's apartheid policies.

Commercial links have continued, although the French Prime Minister, Mr Laurent Fabius, announced a halt to all new investment and the recall of France's ambassador in July in protest against Pretoria's imposition of a state of emergency.

Le Quotidien said Aerospatiale's move to help South Africa build its own combat helicopter followed an American refusal to sell advanced Black Hawk aircraft to Pretoria.

It named senior Aerospatiale staff it said were involved in setting up the deal, adding that it believed payment was being made through the Netherlands, although it was unable to quote any figures.

The five engineers directly involved had been detached from their duties at Aerospatiale but were still on the firm's staff list, the newspaper said.

France is the world's third-largest arms exporter after the United States and the Soviet Union, and the second-largest supplier to developing countries after the Soviet Union.

No officials were immediately available for comment at the French Prime Minister's office.

Le Quotidien said the operation being mounted to help Pretoria build its own helicopters raised the question of governmental hypocrisy.

"Under the pretext of respecting a socialist morality which is a pure facade, we now find ourselves on an objectionable route," it said. — Sapa-Reuter

(280) B. Day 6/11/85

BUS

Canadian ban on SA liquor backfires

CANADIAN moves to clear South African liquor products from state-controlled liquor stores has backfired.

News of the ban in Ontario — the latest province to take action against SA — has resulted in an unprecedented pre-Christmas buying spree.

Sales there, according to KWV's chief marketing executive Kobus van Niekerk, are 70% up on the

LAWRENCE BEDFORD

previous-year August-to-December period. Canada accounts for between 15%-20% of SA liquor exports.

KWV has been trading in Canada for 50 years and has invested heavily in the market. Its brandy — marketed under the Paarl label — is still, says Van Niekerk, the market leader among its drinkers.

Ontario's ban — too late to clear the shelves for the festive season — was implemented after provincial government elections put a Liberal Party and National Democratic Party coalition in power.

Van Niekerk says according to the rules of the provincial liquor board, products are only dropped when they fail to achieve certain sales volumes, "which is certainly not the case with KWV products".

Nyerere may lead 'wise men'

Own Correspondent

LONDON — Former Tanzanian president Dr Julius Nyerere has been chosen to lead the group of Commonwealth elder statesmen who will try to assist the process of internal dialogue in South Africa, according to diplomats in New York

But the Commonwealth Secretariat in London was unable to confirm Dr Nyerere's appointment

"We know nothing of this," a senior secretariat spokesman said

But he confirmed that the Commonwealth Secretary-General, Sir Sonny Ramphal, was due to meet former Canadian prime minister Mr Pierre Trudeau today to invite him to be a member of the "eminent" group

Independent sources said, however, that an announcement was expected to be made by the secretary-general in London today

Well-placed diplomatic sources said that the other members of the panel were still being considered It was for that reason that the announcement of the full team was being delayed

Mr Malcolm Fraser chosen

During the recent Commonwealth conference in the Bahamas, it was agreed that a group of "wise men" would be chosen to facilitate an internal dialogue with the South African Government

This was designed to assist the process of change away from apartheid In six months time there would be a review of progress, or lack of it

Former Australian prime minister Mr Malcolm Fraser confirmed that he had been chosen by his Prime Minister, Mr Bob Hawke, to be on the team of "wise men"

United Nations sources said that originally Mrs Thatcher had proposed Mr Brian Urquhart, a UN Under-Secretary-General, who retires at the end of the year after a 40-year career with the world body

But she later changed her mind in favour of the Foreign Secretary, Sir Geoffrey Howe She again changed her mind and nominated Lord Barber, the chairman of Standard Charter Bank

Sources close to the South African Embassy indicated that if reports that Dr Nyerere had been appointed to lead the group were correct there would be little chance of Pretoria co-operating with the group

SA AND THE UNITED STATES

Constructive engagement is in serious trouble

The second of three articles by LEON MARSHALL, Political Editor of The Argus, on his month-long tour of the United States.



EVEN from South Africa the Reagan Administration's policy of constructive engagement has for some time seemed to be heading for trouble.

It was astonishing, however, to find on arrival in the United States how deeply in trouble it indeed already was.

Many of the politicians, government officials, academics and others I spoke to still see some role for the United States in guiding South Africa to a more democratic and peaceful society.

But they doubt whether constructive engagement is still the answer. They even seem doubtful whether there is any other way.

Even adherents of constructive engagement seemed close to despair.

As one official pointed out, the policy was originally intended as a means of securing South African Government cooperation in settling the Namibian dispute.

It has hardly been a success as far as Namibia is concerned. But to make matters worse, because of the upheavals and growing conflict in South Africa it has become more and more associated with what has been happening inside the country.

South Africa was coming to be seen not as a country in distress but as a conflict situation between two sides. And constructive engagement was increasingly perceived as a backup to the Government as the one party to the conflict, the spokesman said.

It was not difficult to understand what he was talking about. The daily scenes on American television of clashes between rioters and the police create the impression of full-scale civil war, with hardly anybody left in-between to pursue peaceful means of change.

Peaceful

It was difficult to persuade people that there might still be a substantial section of our community, black and white, who would like to seek change by peaceful means

Clearly, if there is such a thing as a middle-ground left in South Africa it would have to identify itself much more clearly and forcefully, even dramatically, if it wishes to make an impression on the American public.

One shudders to think what impact it must have had on ordinary Americans to see the Government slapping curbs on the Press and withdrawing Dr Allan Boesak's passport and those of others to prevent them from talking to the ANC.

A major problem for the Reagan administration is that its perceived support for Pretoria has become a potent weapon in the hands of the anti-Reaganites.

Supporters of constructive engagement seem close to despair

The Free South Africa movement was described to me by one of its leading figures, Roger Wilkins, as an "astonishing movement". What he meant clearly had as much to do with the campaign against the Botha Government as with that against the Reagan Administration.

He spoke with such excitement about what the South African Government's racialistic and authoritarian actions were doing for his movement, that I wondered whether he might invite Mr P W Botha to his organisation's next general meeting.

He told of how divided the anti-apartheid body was before, and how the passing of the new constitution in South Africa, the establishment of the UDF, renewed demands for the release of Mr Nelson Mandela, and the unrest, arrests and shootings have contributed to its unification.

The turning point came when, against the background of these events in South Africa, anti-apartheid protestors were arrested at the South African embassy. It was then decided to form a coalition of the various anti-apartheid movements, and they haven't looked back.

Racism is something about which all Americans have feelings

They have arranged a series of mass rallies and maintained constant demonstrations, particularly at universities.

Timing was the important factor, said Wilkins, for it also had much to do with what was happening in American politics. Many liberals seemed appalled by the outcome of the last American election with its undercurrent of jingoism and racialism. It seemed to suggest that racial oppression had a strong residue in America.

He believed it was part of the motivation, for whereas the Free South Africa movement was black-led, all kinds of Americans have since flocked to it and were now participating in its actions.

Pressure

It has succeeded in turning South Africa into one of the top policy issues in the United States, and as already shown by President Reagan's limited sanctions, his administration is feeling the pressure on its constructive engagement policy.

The basic reason for his organisation's success, said Wilkins, was that racism was something every American had

Black Americans see much in common with black South Africans

feelings about, more so than baseball or football or nuclear weapons. And it had considerable emotional depth.

Black Americans in particular recognised that they had much in common with black South Africans. When he visited South Africa some time ago, he heard conversations in Soweto which sounded very much like conversations he heard when he was a child. The humour was the same, and so were the tragedies.

He has heard Chief Mangosuthu Buthelezi, Bishop Desmond Tutu and Dr Allan Boesak express similar views about black Americans.

"Those people in South Africa are no strangers to us. There are no cultural barriers we have to get through to understanding them or feeling for them.

"We understand only too well their economic and political exploitation, by a regime that says it is part of the Western World and that it holds Christian values.

"I think Botha is like Reagan. They are both racists."

The vehemence with which Wilkins spoke about Mr Reagan revealed something about

Several drinks and slaps on the back for me in a New Orleans bar

racism in the United States which I was only to be confronted with fully later when I walked into a New Orleans pub.

Identification of myself as a South African secured several drinks and slaps on the back, with assurances that "you people over there have the right idea"

Minority

"We know what it is all about," said a burly man with a beard. "Blacks here say they are a suffering minority. But why, if that is so, are they taking over everywhere?"

I gathered the tirade had something to do with New Orleans elections.

I received more slaps on the back and the bearded fellow said he and his friends agreed with everything I said.

I replied that I couldn't recall saying anything up to that point and they seemed somewhat offended when I asked to be excused.

It struck me that if ever the need arose, Mr Jaap Marais could find a happy retirement place somewhere in New Orleans.

280

Harare woos SA disinvestment lobby

By COLLEEN LOWE MORNA, Harare

IF you're pulling out of South Africa, why not pull into Zimbabwe?

This is the newest sales pitch devised in a bid to woo foreign investment, according to Norman Reynolds, chief executive of the Zimbabwe Promotion Council (ZPC), which promotes Zimbabwe overseas.

"It's not the council alone," he added recently. "The banks are obviously key people. But we have had meetings, we've discussed it with government, and we've been in touch with a variety of agencies on this score."

Only two months ago, Director of Information John Tsimba was sent to New York to fill a new senior public relations post set up largely to draw investments to Zimbabwe.

According to Reynolds, prime targets of the campaign are companies pulling out or planning to pull out of South Africa.

Over the past four years, mounting international pressure against apartheid has forced foreign investment down from $2,6-billion (R6,5-billion) in 1981 to $1,8-billion (R4,5-billion) in 1984.

While British firms have tended only to threaten boycotts, disinvestment has been taken more seriously in the United States.

In anticipation of economic turmoil in South Africa, Zimbabwe also has taken some precautions to disentangle itself from South African-linked capital.

For historical reasons, most of the 300 multinational companies here have been extensions of South African operations, according to a spokesperson for the Confederation of Zimbabwe Industries (CZI).

Investment has been one of the sorest points for the country. Despite its relative peace and economic prosperity, Zimbabwe has only attracted some $50-million (R125-million) worth of investment since independence from white minority rule in 1980.

Among the reasons cited for this slim showing are ideological uncertainty, bureaucratic inertia and political instability in the southwestern part of the country.

These and other factors still make it difficult to persuade companies which have seen their money grow in South Africa to turn to Zimbabwe instead, Reynolds said.

"There is a difficulty, because of the history of the image of our country, to set up Zimbabwe as the alternative to South Africa," he noted.

"The other problem is that in many respects we are not an alternative. We are too small. South Africa is much bigger. It's far more complex and sophisticated."

However, he added, "For many companies, products and processes, Zimbabwe could at least be a part-alternative to South Africa. We understand from banks here, and from the contacts we have, that there is a fair amount of interest.

"That could take many forms, of course. One could be cynical window dressing, such as setting up a head office here and calling it 'head office Africa limited', rather than 'head office South Africa'.

"I don't think we are very interested in that."

But, he noted, two regional groupings have helped set Zimbabwe up as a regional centre.

The first is the Southern Africa Development Coordination Conference (SADCC), a nine-member grouping of black southern African states which aims to ease dependence on South Africa through regional economic cooperation.

The other is the 15-member East and Southern African Preferential Trade Area (PTA), part of an effort to create an African economic community by the year 2 000.

"There is a clear amount of optimism among investors that Zimbabwe will become much more of a regional hub," he said.

In the short term, however, he concedes the very instability in South Africa which is being used by Zimbabwe as an argument to invest here has left some uncertainty.

"We still don't have a company that has publicly declared that it will come and set up in Harare," he noted.

"Whereas things were moving in that direction, the last three months have seen such an acceleration of events in South Africa that in terms of business decisions, we just have to wait."—IPS

Church leaders' call to banks

JOHANNESBURG. — Creditor banks should not agree to reschedule South Africa's foreign debt repayment unless the government first resigned, Bishop Desmond Tutu and Dr Beyers Naude said in a statement yesterday.

Bishop Tutu, the Anglican Bishop of Johannesburg, and Dr Naude, general secretary of the South African Council of Churhes, returned this week from the United States where they urged the presidents of ten of South Africa's major creditor banks to demand the resignation of the government before agreeing to reschedule debts.

Bishop Tutu and Dr Naude said the "present regime" in South Africa stood in contradiction to the Christian Gospel.

"The implications of the rescheduling negotiations impinge directly upon areas of our concern, including the right and ability of all people in South Africa to determine their political and economic future."

They had urged banks to reschedule debts provided the "regime" resigned and was replaced by "a government responsive to the needs of all South Africa's people". — Sapa

Repatriation threat to workers

THE Government yesterday said it had no immediate plan or desire to repatriate foreign black workers in South Africa, but said repatriation was a possibility in the face of disinvestment, sanctions and boycotts".

"Since charity begins at home, the Government has no option but to give preference to the needs of its own citizens as regards job opportunities," Manpower Minister, Mr Pietie du Plessis, said in a statement from Pretoria.

In reaction to a report in *Business Day* yesterday that up to 1.5 million workers stood to be sent back to the neighbouring countries, Mr du Plessis said:

"The Government is constantly monitoring the effect of sanctions and disinvestment, especially as regards the labour situation, and is obliged to consider contingency plans to deal with a possible deteriorating situation in unemployment.

"There is no immediate plan or desire to summarily repatriate large numbers of foreign workers.

"Contingency planning in this regard is however essential as part of the Government's overall long and short-term strategy for relieving unemployment in the face of disinvestment, sanction and boycotts.

"The threat of repatriation is provocative and will not go unchallenged, said Mr Marcel Golding, publicity officer of the National Union of Mineworkers yesterday.

"At our special congress held in August this year, it was pointed out that the State President and his Government were seeking a confrontation with the mineworkers with their threat of repatriation," said Mr Golding.

He said the congress resolved that should the Government proceed with the "ill-advised policy" the union would have no option but to call a national strike of all the mines until the policy is reversed.

The general secretary of the Black (Allied Mining and Construction Workers Union, Mr Phandelani Nefelochodwe, said: "We view the threat in a very serious light, and regard it as a threat to all blacks."

Most of the labourers who could be repatriated are mineworkers, a large percentage coming from Mozambique and Lesotho, sources in industry said.

"This is in no way a retaliatory measure against neighbouring states," Mr du Plessis said, adding that the Government takes the strongest exception to a *Business Day* editorial which said the Government was deliberately trying to hurt the economies of Mozambique and Lesotho. — Sapa



Burst pipe provides fun

RESIDENTS in Zola township, Soweto, have been having water problems since Saturday. And yesterday when council technicians came, they fidgeted with the pipes — and one of the pipes burst. For these children it was fun as they frolicked in the water.

PIC LEN KUMALO

N Zealand imposes limited SA sanctions

Argus 12/11/85 28C

AUCKLAND. — The New Zealand Prime Minister, Mr David Lange, today announced limited economic sanctions against South Africa and warned of sterner measures if apartheid did not end.

In a speech to the International Affairs Institute, Mr Lange said the sanctions included an embargo on the sale or re-export of computer equipment, a ban on the export of arms, ammunition and military vehicles, and a ban on the import of gold Krugerrands.

He also instructed the State-owned import-export corporation to stop helping companies doing business with South Africa and ordered an end to all cultural and scientific contacts with the country.

JUSTICE

Mr Lange said the sanctions followed recommendations adopted at the recent Commonwealth heads of government meeting in the Bahamas. He said they would remain until the Commonwealth was satisfied that social and political justice had been restored to South Africa.

He said if South Africa did not show progress on ending its policy of racial separation, New Zealand would impose further measures of "considerable economic significance."

These include a proposed ban on agricultural imports from South Africa and a ban on the promotion of tourism to South Africa.

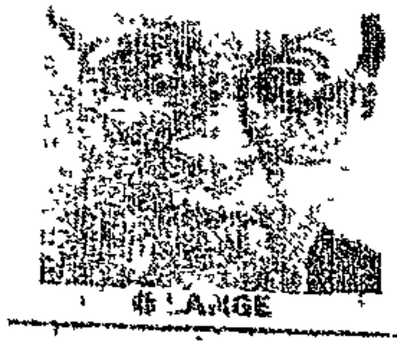
OPPOSITION

"We shall honour all these provisions scrupulously if the time comes," Mr Lange said.

● In London, the British Prime Minister, Mrs Margaret Thatcher, last night defended her opposition to tough economic sanctions against South Africa.

Speaking at the annual Lord Mayor's banquet, Mrs Thatcher said: "Apartheid is wrong and it must go, but economic sanctions are not the way to promote peaceful change." Sapa-AP.

(280)


LANGE

New Zealand imposes limited sanctions against South Africa

CHRISTCHURCH - New Zealand Prime Minister David Lange yesterday announced limited economic sanctions against South Africa.

In a speech to the International Affairs Institute, Lange said the sanctions included an embargo on the sale or re-export of computer equipment a ban on the export of arms, ammunition and military vehicles, and a ban on the import of Krugerrands

He also instructed the State owned Import-Export Corporation to stop helping companies doing business with South Africa and ordered an end to all cultural and scientific contacts with the country

Lange said the sanctions followed recommendations adopted at the recent Commonwealth heads of government meeting in the Bahamas - Dapa AP

NATIONAL/INTERNATIONAL

Argus 14/11/85

SA must speed up reform, says banker

ZURICH — The former head of Switzerland's central bank, appointed to help reschedule South Africa's foreign debt, has said Pretoria must speed up political reform

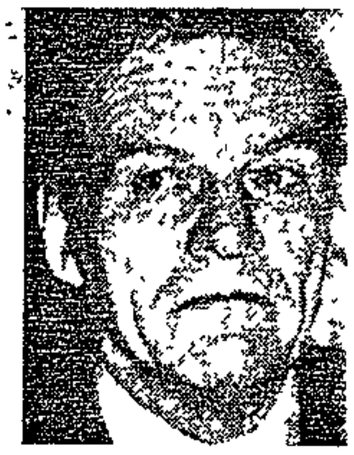
Mr Fritz Leutwiler said "There is a great majority, for example in America and in South Africa, who believe reform is better than revolution. This is my opinion as well

"But the reform should be speeded up, must be speeded up No one benefits from bringing South Africa into chaos"

Mr Leutwiler was appointed in September to mediate between South Africa and its creditor banks over rescheduling at least some of the country's $24-billion (about R63-billion) foreign debt

He described restrictions imposed on foreign journalists' coverage of the unrest as South Africa's "dumbest" move so far, adding that he believed President P W Botha favoured reform but was under political pressure

In his view outside financial pressure was "more effective" than sanctions



Mr Fritz Leutwiler

Mr Leutwiler has held one meeting of senior South African officials and Pretoria's 29 main creditor banks.

He said a second would take place on November 26

The subjects discussed at the first meeting were technical, not political, "but to be sure banks have had thoughts They have had to, because they have customers who will not give them any more money (if they invest in South Africa). And they are big customers, universities and pension funds"

He said there were steps Pretoria could take immediately, such as releasing political prisoners, relaxing the curbs on journalists, ending controls under which blacks must identify themselves if asked, and stopping forced resettlement — Sapa-Reuter.

Argus 14/11/85

French ban on imports of SA coal

Argus Foreign Service

The move could be seen as a vic-

AK6037/4(1)(3)

...forced resettlement. — Sapa-Reuter.

280

French ban on imports of SA coal

Argus Foreign Service

PARIS — French Prime Minister Mr Laurent Fabius has extended anti-apartheid measures to include a ban on South African coal imports

He told the National Assembly yesterday "We will stop South African coal imports from January 1" He said France, "a country of human rights", could not possibly buy coal "from an apartheid country of blood"

Mr Fabius said France — the first Western European country to implement a major trade boycott of South Africa — would not renew its coal contracts with South Africa.

The move could be seen as a victory for the French Communist Party, and its CGT trade union ally, which have led a vigorous campaign against coal imports, with commando units preventing ships unloading it or trains carrying it.

In 1984 France bought 5,6-million tons of coal, though imports this year averaged about 4,5-million tons. The largest contract — for 3-million tons — expires on December 31.

There are several other contracts but it was not immediately clear when they expired

It was presumed by the coal trade here that by mid-1986 France would have to find an alternative supplier to replace South African coal

Dr Zac de Beer, a director of Anglo American, who is visiting Paris said "I heard the news with great regret because an immediate effect will be a loss of jobs in South Africa, and they will be primarily black jobs"



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Education Reporter

NO charges are being laid against 17 University of Cape Town students who spent a week in detention after allegedly attending an illegal

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Owen fears SA will lose Britain orders

Own Correspondent

LONDON — Britain would lose orders and international trade over its stance towards South Africa Dr David Owen leader of the SDP-Liberal Alliance said here

Speaking on a television panel discussion programme following the Prime Minister's address at the Lord Mayor of London's banquet Dr Owen said Mrs Margaret Thatcher had not shown sufficient sensitivity to world opinion over South Africa

"I think we will lose orders and a good deal of trade over our stance on South Africa' Dr Owen said

"For the last two or three months Britain has been depicted around the world as being the last country to support the South African government

"The Indian Prime Minister Mr Rajiv Gandhi for instance left the Commonwealth summit last month very disillusioned" Dr Owen said

Commenting on Mrs Margaret Thatcher's opposition to economic sanctions Dr Owen said "Eventually Mrs Thatcher came on board but she could have done that two months ago and not have been as isolated and as shrill in the process

In an interview published in Business Day at the end of July Dr Owen predicted that Britain could hold out "about two months' before conceding the principle of economic sanctions

It was at the Commonwealth summit in mid-October that Mrs Thatcher agreed to some limited economic pressure on Pretoria

In her banquet speech Mrs Thatcher used the strongest language she has ever used in public to denounce the policies of the South African Government

"I detest apartheid I couldn't stand being excluded or discriminated against because of the colour of my own skin

"If you can't stand the colour bar against yourself, you can't stand it against anyone else

"Apartheid is wrong It must go" she said

Mrs Thatcher said Britain should encourage the "major changes taking place in South Africa

"The right way to deal with political grievances is not by violence but by genuine dialogue between the SA government and the black community

'And for the dialogue to succeed there must be a suspension of violence on all sides

"The whole Commonwealth agreed on that' Mrs Thatcher said

She reiterated her arguments that sanctions did not work and would hit blacks and neighbouring states the hardest

Police assault

Outcry over Norwegian shipping plan

The Star's Foreign News Service

OSLO — A Norwegian plan to log and publish the visits to South Africa of all ships flying its flag, is being protested by shipowners who say it could cost them 10 percent of world trade.

The shipowners say the move would be more serious than the ban on the transport of crude oil to South Africa.

Norway plans new, unilateral legislation to implement the plan. But the Norwegian Shipowners Association, in a report to the government, claim they would lose 10 percent of total world trade as a result.

The report prepared by the US shipping and trade consultancy, Arthur D Little says the repercussions would be permanent — unless Norwegian shipowners register their ships under other flags.

He adds "In a market with ample tonnage available South Africa would suffer no loss if Norway were to boycott it."

Sanctions won't bring SA to its knees says Safto chief

By Stan Kennedy

While sanctions may hurt, it is a pipedream to believe they will force South Africa to its knees, Dr PK Hoogendyk, chairman of the SA Foreign Trade Organisation (Safto) said in Johannesburg yesterday.

Speaking at the Safto annual meeting, he said the various governments, left-wing groups and fellow-travellers criticised South Africa's internal policies, mainly for political expediency or to salve their own consciences.

"However, our numerous friends and supporters abroad have complimented us on our pragmatic and fair approach to complicated problems. They were happy and even felt privileged to be associated with us because we had a stable and prosperous economy.

"Unfortunately, our economy has been allowed to slip into a deepening recession during the past two years. Many of our friends and supporters, being practical businessmen, are concerned about the stability of their investemts and disappointed with their dividends, if any."

He appealed to foreign investors to be practical and take the longer view of the SA economy "because there is no doubt that it will bounce back".

The first priority was to ensure that the rand improved by about 100 percent against the US dollar. If this was not achieved, the external debt burden would strangle the country for many years to come.

"We have the means and ability to strengthen our currency," he said, "but it will require some sacrifices by the authorities and the private sector.

"While the economic circumstances are not easy, I believe the exporting commmunity has distinct advantages because of the weak currency.

"It is now up to us to shake off the prevailing pessimism and realise that we have a wonderful, economically viable country, which has the will and ability to emerge from the present depressed circumstances."

Consolidated revenue of the SA Foreign Trade Organisation (Safto) for the year to end June increased by 27 percent to R3,7 million.

This included extra funding from the Department of Trade and Industry for three specific export programmes, which raised Government's contribution from 17 percent in the previous year to 26 percent. There was a modest surplus of R3,7 million (R6,4 million).

The year was marked by a greatly increased demand for Safto's services, especially for membership, which now stands at 1 220, export efficiency consultancies, the small exporter development programme and various international marketing programmes.

TRADE

British industry braced for SA losses

MICHAEL MORRIS of The Argus Foreign Service in London reports on British reaction to the Commonwealth sanctions package

BRITISH exports will suffer and jobs will be lost when subsidies for trade missions to South Africa are cut as part of the Commonwealth sanctions package say industry spokesmen.

British companies have found South Africa one of their most lucrative markets and trade missions have helped to improve their stake.

But they warn that Britain's share of the market will decline because trade missions will be forced to pull back when Government funding stops.

Trade will continue they say and trade missions will still be able to visit South Africa but not nearly as frequently.

British industry sends an average of one trade mission a month to South Africa and each mission of about 20 people receives in the region of R40 000 in Government subsidies, through the British Overseas Trade Board.

Industry spokesmen say that for an annual subsidy outlay of between R480 000 and R520 000, British industry wins orders of as much as R560-million.

Since 1980, government funding for trade missions to South Africa has more than doubled — from R220 000 in 1980 to R520 000 last year.

But Ms Anna Small export director of the Engineering Industries Association, says industry will be the loser if government funds run dry.

"British industry will lose important contacts with the market because we will not be able to go on trade missions as often on our own.

"It also means there is very little incentive for first-time exporters."

She said the association, representing firms country-wide, sent three trade missions to South Africa annually and each one brought in about R1-million in orders.

"South Africa is a highly competitive market. If we cannot go as often as that we will lose out. A cutback will also cost jobs — it could be about 300 a year."

She said smaller companies would suffer first while bigger firms could probably afford to back joint missions but still not as frequently as over the past few years.

There is some doubt over an Engineering Industries Association mission due to leave for South Africa next month.

Industrialists in Britain's West Midlands — where South Africa is highly regarded as an export market — will also have to slash their trade mission programme.

Mr John Hambidge, chief executive of Sheffield's Chamber of Commerce — which lists South Africa among its favourite trading partners — said "I have led trade missions there four or five times in the past six years and they have always been successful. It's a popular market."

He said he believed 'small and new' companies would "suffer" from a cut in trade mission subsidies.

"It is not helpful," he said.

And in Birmingham assistant secretary of the Chamber of Commerce Mr Keith Lawler — who believed it was not up to businessmen "to tell South Africa what to do" — envisaged a reduction in trade missions.

'SA could lose millions of rands'

280

Argus Africa News Service

HARARE. — South Africa stands to lose millions of rands if payments from Zimbabwe are stopped following the imposition of sanctions and retaliation by Pretoria.

This warning was given by Zimbabwe's Finance Minister, Dr Bernard Chidzero, who told a meeting of government officials that sanctions would not lead to the collapse of the Zimbabwean economy but would slow it down, lead to shortages, increased unemployment, and general hardship.

Dr Chidzero said, however, that Zimbabwe had some leverage through its payments to South Africa which, excluding trade, amounted to more than R260-million a year. This was made up of payments for services, of profit, dividend and interest remittances, and of pensions and annuities.

Inflows from South Africa to Zimbabwe, on the other hand, came to only about R36-million.

Sanctions threat is limited — Buthelezi

JOHANNESBURG. — The capacity of overseas countries to bring about change in South Africa through economic sanctions was limited, according to the Chief Minister of KwaZulu, Chief Mangosutu Buthelezi.

He said on return from a trip to the United States and Canada, that as far as humanitarian aid was concerned, however, there was "absolutely no limit to what they can do".

He said that multinational corporatons that withdrew from South Africa would deprive their countries of whatever leverage they had had in the Republic.

The most important thing for countries like the US and Britain to do was to balance the partial sanctions with humanitarian aid.

There was an urgent need for development programmes for blacks and the international community could play an important role here.

Commenting on the recent by-elections, Chief Buthelezi said Mr P W Botha, should interpret them as a green light to move forward more briskly with reform. — Sapa

Unions in 30 countries unite

Global bid to cut oil flow to SA

The Star Bureau

LONDON — A global plan by seamen and dockworkers to stop South Africa getting oil is likely to be launched in earnest next month, according to union sources.

Preparations for the programme will be wound up with a briefing to the United Nations Special Committee on Apartheid next week.

The plan, agreed by seafarers and dockers unions from more than 30 countries is to take industrial action anywhere in the world against any vessels owned or chartered by any oil or shipping company involved in the secret sale or transport of oil to South Africa.

US visit

Mr Jim Slater, general secretary of the British National Union of Seamen (NUS) — the forefront of the Maritime Unions against apartheid action — will visit the United States next Monday and Tuesday to address the UN Special Committee

He will present a paper outlining the global plan which unions believe will reduce South Africa's crude oil supply to a trickle

An NUS spokesman in London said the programme would be launched in earnest early in December and oil shipments and the companies involved would be monitored by unions in ports worldwide as well as by the Shipping Research Bureau in Amsterdam.

Unions believe the increased likelihood of industrial action in any port will deter shipping and oil companies from signing deals with South Africa and the increased risks will push up South Africa's crude oil bill

NUM endorses economic boycott of SA

MICHAEL HARTNACK

HARARE — Delegates from South Africa's National Union of Mineworkers (NUM) have joined a unanimous call for the imposition of total sanctions against SA.

The call came at the end of a four-day conference of mineworkers, held in Harare. The 54 representatives from Zimbabwe, Lesotho, Botswana, SA and Zambia, urged the international labour movement to organise an effective economic boycott of SA.

Delegates agreed to form a Southern African Miners' Federation, with headquarters in Harare.

"The Southern African Miners' Federation will take concerted militant action should the regime go ahead with its repatriation policy," the delegates said

US-SA SANCTIONS

Companies targeted

Twelve key US corporations have been selected as the target of a new anti-apartheid shareholder campaign. The companies, Burroughs, Chevron, Citicorp, Control Data, Fluor, Ford, General Electric, International Business Machines (IBM), Mobil, Newmont Mining and Texaco — are all corporations said to support apartheid through their key products and services.

The Interfaith Centre on Corporate Responsibility, representing Protestant and Roman Catholic Church organisations and their funds, has called on the corporations to end sales and service relationships with the South African government and government-owned corporations.

"Our goal is no longer to encourage US corporations to ameliorate the effects of apartheid but to apply their part in dismantling the system," says Timothy Smith, executive director of the centre.

Smith said the ecumenical funds would take new action, calling for the withdrawal of corporations from SA, selective buying campaigns and divestment of stock, if the companies failed to respond.

The corporations had strategic involvement with the South African government. For instance, Mobil has refused to stop sales to the police and military and disclose information about sales to the South African government, says Smith. Fluor is the US sales agent for Sasol technology, but had expressed no concern about apartheid at shareholder meetings nor was it prepared to disclose any information about its South African activities.

Computer companies were targets because they were the South African government's largest suppliers. Control Data's sales to government and its agencies accounted for 50% of its South African revenues, making up 30% of Burroughs' and 17% of IBM's, it is estimated. ■

Financial Mail November 22 1985

AL

Sanctions of doubtful value, Slabbert tells UK

Argus Foreign Service

LONDON. — Economic sanctions against South Africa would undercut black union power, weaken the internal campaign against apartheid and strengthen the Government's hand.

This is how PFP leaders Dr Frederik van Zyl Slabbert and Mr Colin Eglin outlined their stand on sanctions to the British Government's all-party foreign affairs committee at the House of Commons yesterday.

The same committee heard evidence last month from ANC leader Oliver Tambo.

While pressures mount on world governments to apply economic sanctions, Dr van Zyl Slabbert told the committee the most important pressures in the country over the past five to 10 years resulted from economic growth "high urbanisation, increased industrialisation and improved organisation of labour.

"Pressures from these developments are far more effective in bringing about change in apartheid structures and the philosophies of the Government."

"I question whether things will get better if they get worse. I think they will stay worse for a long time."

Dr Slabbert said he could not see how sanctions could strengthen the resolve of blacks in a situation of increased unemployment.

"The ability of blacks to apply pressure through their labour organisations would suffer because labour would be more easily substituted."

Asked what role foreign governments could play, Dr Slabbert said: "The assumption is that you are in a position to do something effective. I simply question that. I have low optimism about external pressures being effective."

He said, however, that instead of sanctions, foreign governments could embark on a "greater degree of involvement" in education and training that would better equip black people to oppose apartheid.

They could apply diplomatic pressure effectively as well as other measures likely to promote negotiation. He and Mr Eglin believed the Commonwealth package, which included forming a committee of "eminent persons" to nurture negotiation, was "positive".

Turning to the Government's likely response to economic sanctions, Dr Slabbert warned of "increased obstinacy".

He said a tough world sanctions campaign could prompt the Government to "batten down" and "they could maintain repression that could last a long time.

"The Government's position of power will become stronger in maintaining repression and control. It is therefore debatable whether sanctions would have the effect that those in favour of them would like."

280 B. Day 22/11/85

Telecommunications ban likely

OSLO — Norwegian telecommunications workers announced yesterday they were considering cutting telephone links with South Africa in protest against apartheid.

They added they may appeal for a worldwide communications boycott of the country.

The Norwegian Telecommunications Workers' Association said in a statement its first likely step would be to sever all operator-assisted telephone services between the two countries. Finnish workers intend introducing a similar measure next week.

Norway's postal workers are refusing to process mail to and from SA. Finnish postal workers began a similar action earlier this month, planned to last until the end of the year.

And in New Delhi, Indian Prime Minister Rajiv Gandhi said yesterday the "road has opened" for the end of apartheid in SA as a result of the limited economic sanctions approved last month by Commonwealth countries.

The 49 nations agreed to impose strict economic sanctions if SA did not progress towards abolishing apartheid in the next six months.

Gandhi told Parliament the action taken during the Commonwealth summit in Nassau was a "major breakthrough" towards ending apartheid.

He said Britain, by agreeing to the Commonwealth sanctions, had displayed a "positive shift" in its policy on SA.

In Paris, apartheid was strongly condemned this week by the foreign affairs spokesman for France's largest opposition party.

Jacques Kosciusko-Morizet, spokesman for the Gaullist RPR, said in an interview: "Apartheid is morally indefensible and politically disastrous."

But, he continued, sanctions against SA were not an effective way of putting pressure on government. He described the measures taken against SA by the French government as "grotesque".

A Gaullist government in power after next year's parliamentary elections would dismantle these measures, Kosciusko-Morizet said.

"We believe that the best way to bring about change in SA is to increase contacts," he added, noting that "there has already been some progress under Mr P W Botha's government".

But, he warned, there was a danger that reforms would come too slowly and too late.

The RPR is led by Paris mayor Jacques Chirac. He recently criticised Prime Minister Laurent Fabius for protesting in front of the SA embassy against the execution of Benjamin Moloise. — Sapa-Reuter-AP.

Swedes lift transport ban

CHERILYN IRETON

SWEDEN's transport trade union has lifted its month-old ban on goods bound for SA, but workers in Denmark and Norway are still refusing to handle freight destined for the Republic. SA imports 25% of its printing paper from Scandinavia.

Although Sweden's action has been welcomed, and Denmark is due to call off its official embargo at the end of the year, unofficial boycotts are gaining momentum, according to SA paper buyers.

British churches call for selective sanctions

Own Correspondent

LONDON. — The British Council of Churches has called on the British Government to impose selective sanctions against South Africa.

The call was made at the BCC autumn assembly yesterday following recommendations by a delegation of nine church representatives who visited South Africa in September.

The BCC voted in favour of "carefully-targeted sanctions" discouraging cultural and scientific agreements, stopping oil exports and South African exports of military equipment, and a total refusal to co-operate with South Africa on military issues.

On Monday the general secretary of the South African Council of Churches, Dr Beyers Naude, expressed the need for sanctions in an address to the assembly.

The assembly resolution said Christian duty called for a "BCC policy of strong advocacy and full support for carefully-targeted sanctions".

The delegation's report said sanctions should include a ban on new investment and loans to South African banks companies and State institutions.

It also called for the selective withdrawal of current investments — particularly in the high-tech field — and a boycott of South African exports.

Moves to stop SA getting oil

The Star Bureau

LONDON — Maritime unions worldwide are mobilising their programme this week to stop South Africa getting oil.

And companies involved in the secret trade are being told to withdraw or face boycotts.

Mr Phillip Heaton, spokesman for the Maritime Unions Against Apartheid in London, said yesterday that letters were being sent to all shipping and oil companies known to be supplying crude oil to South Africa warning them any of their vessels would be targets for union action anywhere in the world if they continued to fuel apartheid.

"We believe it is only fair to warn them firs. The letters they will receive spell out in detail the declaration approved at our recent conference in London," he said.

In terms of that declaration, seamen's and dockers' unions from more than 30 countries have agreed to boycott or take other action against vessels anywhere in the world belonging to oil or shipping companies supplying oil to South Africa.

Over the next week, unions throughout the world will receive lists of companies and ships known to be involved in the trade. They will then monitor shipping movements and take action in terms of the declaration.

Unions hope to squeeze South Africa's oil "pipeline" and reduce the 15 million ton annual supply to a trickle.

They also believe the increased risks suppliers will now have to take will make the oil that does reach South Africa more costly.

It is estimated South Africa's present oil supply costs around £3 billion (about R11,4 billion) a year.

SA Rugby Board withholds invitation 'in interests of rugby'

ARGUS 2/12/85 280

Lions tour off

By A C PARKER

THERE will be no rugby tour of South Africa by the British Lions next year.

An official statement by the South African Rugby Board today indicates that it has decided against inviting the Lions "in the interests of rugby".

The full statement, issued today by Mr Alex Kellermann, manager of the SA Rugby Board and emanating from the president, Dr Danie Craven, reads:

"The South African Rugby Board has decided, in the interests of rugby football, to withhold an invitation to the British Lions to tour South Africa in 1986

"This decision has also been taken in order that relations with the Four Home Rugby Unions remain intact for the future

"Efforts will be made to look after our players according to their abilities and we brace ourselves internally for a bright future"

For some time

Asked to comment and elaborate on the statement, Dr Danie Craven, president of the board, said from Stellenbosch that his board had been contemplating this this step for some time

The fact that the Lions would not be coming next year did not, however, mean that there would not be an alternative opportunity for South Africa's best players to be in action next season

"We are examining other options because we want to look after our best players and give them the opportunities they deserve at top level," he said.

Asked if this step by the board had been decided on so as to save the British Home Unions from a delicate situation and possible political embarrassment, Dr Craven replied "Our statement is clear We want to preserve our links and cordial relationship with the Home Unions"

No "rebel tour"

Dr Craven gave a categorical "no" when asked if the SA Board had some form of "rebel tour" in mind

"That is not our intention at all, and we have no intention of breaking our links with the International Board"

On my suggestion that this decision could open the way for professional promoters — it is known that two such bodies have been informed — making overtures to the country's top players to "play for pay", Dr Craven said. "I suppose that could be a consequence. But, as I have indicated, we have the interests of our players very much at heart".

CAPE Times 2/12/85

Cosatu threat to bur

280

From PHILLIP VAN NIEKERK
and BARRY STREEK

DURBAN. — South Africa's biggest labour federation, formed here at the weekend, yesterday gave the government six months to scrap the pass laws and supported economic disinvestment.

The Congress of South African Trade Unions (Cosatu), representing more than half-a-million mainly black workers, adopted a tough political stance which could lead to imminent confrontation with the government.

Mr Elijah Barayi, the newly-elected president of the "super-federation", called for nationalization of the mines and major industries.

"Ultimately there will be a socialist state in South Africa," Mr Barayi said in an interview after he had addressed some 15 000 jubilant people at King's Park rugby stadium.

Mr Barayi publicly warned President P W Botha that unless the pass laws were scrapped within six months, "we are going to burn the passes of the black man".

He said Cosatu gave its "full support" to disinvestment from this country

Mr Barayi's hard-line speech followed a keynote address at the start of the congress on Friday night by Mr Cyril Ramaphosa, general secretary of the National Union of Mineworkers and a leading figure in Cosatu.

In his speech Mr Ramaphosa, who set the tone for the launch of Cosatu, called on workers to recognize that the "struggle on the shop-floor cannot be separated from the wider political issues"

However, he said politics was not simply a matter of changing the government.

He said Cosatu would attempt to draw all people into a programme to restructure the economy so the wealth of the country would be "democratically controlled and shared by all its people".

In an explicitly socialist declaration of principles, Mr Ramaphosa called for the elimination of unemployment and poverty, and a redistribution of wealth.

Cosatu said 871 delegates representing 450 250 paid-up members of 34 trade unions and 61 official observers attended the congress where the new federation's constitution was ratified after a lengthy debate.

The drawing together of these unions into one powerful federation is the culmination of four years of often bitter wrangling within the country's emerging union movement.

The newly-elected executive reflects a greater politicization of the union movement.

The new general secretary, Mr Jay Naidoo, is an official of the Sweet, Food and Allied Workers' Union and is believed to be a strong sympathiser of the United Democratic Front.

His assistant, Mr Sydney Mafumadi of the General and Allied Workers'



The first president of the newly-formed Congress of South African Trade Unions (Cosatu), Mr Elijah Barayi, is carried shoulder-high around King's Park rugby stadium by singing workers yesterday.

threat to burn passes



The first president of the newly-formed Congress of South African Trade Unions (Cosatu), Mr Elijah Barayi, is carried shoulder-high around King's Park rugby stadium by singing workers yesterday.

Union, is a UDF official in Johannesburg.

Mr Barayi, the new president, was an activist in the ANC before it was banned and was detained during the 1960 emergency.

Messages of support for Cosatu were received from Mr Steven Dlamini, president of the exiled South African Congress of Trade Unions (Sactu), and, according to Mr Mafumadi, from "our comrades who were driven underground".

SACP pamphlets

Pamphlets purporting to be from the South African Communist Party, welcoming the federation, were widely distributed at the stadium

The UDF also issued a pamphlet which called the formation of Cosatu "another great step in the heroic struggle of the workers".

Trade unions in the United States, Canada, Britain, Scandinavia, Holland, Philippines, Israel, West Germany, France, Italy, Zambia and Zimbabwe sent messages of support.

There was also a message from the Council of Unions of South Africa (Cusa), the largest black union body not to join Cosatu.

During speeches at yesterday's public rally, calls for the release of Mr Nelson Mandela and the resignation of President P W Botha were greeted enthusiastically.

Mr Barayi also called for the immediate lifting of the state of emergency and withdrawal of the troops from the townships.

Mr Chris Dlamini, the former president of the Federation of South African Trade Unions (Fosatu), is the first vice-president of the new federation. Mr Mahlhulu Leowaba is second vice-president.

The seven affiliates of Fosatu, which is now dissolved, the National Union of Mineworkers, the General Workers' Union, the Food and Canning Workers' Union, the Commercial Catering and Allied Workers' Association (Ccawusa), the Cape Town Municipal Workers' Association, a large number of unions affiliated to the United Democratic Front (UDF), including the SA Allied Workers' Union, and affiliates of the National Federation of Workers were among the 34 unions which formed Cosatu at the weekend.

Two of the unions, the Food and Canning Workers' Union and the SA Tin Workers' Union, are former affiliates of Sactu, which went into exile in the early 1960s.

Cosatu includes the country's strongest unions in the mining, metal, retail, automobile, transport and food industries.

Opted out

Despite its strength in these and other industries, Cosatu's outspoken political stand could soon bring it into conflict with the government.

● Two big unions, the Council of Unions of South Africa (Cusa) and Azanian Confederation of Trade Unions (Azactu), have opted out of Cosatu, Sapa reports.

Cusa's Natal co-ordinator Mr Norman Middleton said only black leaders could effectively serve the majority black workers' interests and as the "so-called" super-union was being initiated by whites this need could not be adequately fulfilled.

Congress says yes to US gold coins

STAR 3/12/85

WASHINGTON — Congress yesterday passed and sent to President Ronald Reagan a bill allowing the Treasury to mint its first gold bullion coins in more than 50 years, in competition with the Krugerrand.

The Bill authorises minting of gold coins in four sizes: a one-ounce coin with a face value of $50, a half-ounce coin valued at $25, a one-quarter ounce coin valued at $10; and a one-tenth ounce coin valued at $5.

Final action came when the House of Representatives passed the Senate Bill on gold coins by voice vote.

Mr Reagan banned imports of Krugerrands on October 1 as part of a series of US economic sanctions against South Africa to protest against apartheid. The order did not affect the sale of Krugerrands already in the United States.

South Africa said on November 13 it was stopping production of Krugerrands.

Supporters of the bill said it would give coin collectors a choice and a chance to show their opposition to apartheid.

"This bill will let Americans and others vote with their pocketbooks for a gold coin symbolising liberty and democracy," Ohio Republican Mr Chalmers Wylie said.

Last year, Americans bought about $600 million worth of Krugerrands and another $400 million of gold coins from other countries, including Canada and Mexico.

GOLD STANDARD

The coins would be available for sale by 1987. They would be the first US gold coins minted since 1934, when the United States abandoned the gold standard.

Supporters of the bill said it should not be seen as a step towards returning to the gold standard. Gold for the coins would come from domestic mines and would be purchased at the world price. — Reuter

Danish ban on SA coal threatens 5 000 jobs

GEORGE YOUNG

LAST month it was the Norwegians who argued about the wisdom of cutting shipping trade with SA. This month it is the Danes.

An 11-week ban on handling SA coal cargoes consigned to the Elsam electricity utility in two ships, Elsam Fyn and Elsam Jylland, could put more than 5 000 workers out of work.

The ships, now carrying 320 000t from Richards Bay, normally discharge at Aabenraa, in Jutland, and provide considerable work for dockers, stevedores and others.

If the ships are to be boycotted for six weeks or longer, the crews may have to be paid off. And the Employer's Federation says the boycott is in breach of labour contracts and could lead to court action.

Denmark is seeking alternative sources of coal, but concedes that no overseas supplier could prove as economical as SA.

Colombia is regarded as a possibility for future supplies if, as reported, the utility stops buying SA coal in four years. However, economics, rather than politics, frequently prescribe policy, and SA coal has much to commend it for coal-fired power stations.

In addition to the two bulk carriers now approaching their destination, a third vessel on charter is nearing its discharge port and its hire may have to be cancelled if continuity of employment cannot be assured.

The Danes also plan to embargo SA fruit, but none is moving at present and the subject will be considered in March.

Meanwhile, the Norwegians are maintaining their connections with the Republic.

For ships on the Canadian route, southbound cargoes constitute a problem because the exchange rate discourages imports by SA.

Grey Recruitment 12419.

Forex brokers out in the cold as overseas banks shun SA

STAR 3/12/85

280

By Stan Kennedy

The trading position of the four foreign exchange brokers operating in Johannesburg has been seriously affected by the unwillingness of some foreign banks to trade with South African banks in the wake of the debt standstill.

Dr Roger Gidlow, writing in the Bank of Lisbon's *Economic Focus*, says some overseas banks are reluctant to deal with the brokers.

"Under present circumstances, the brokers are conducting very limited transactions and it is conceivable that one or more might close down unless turnover in the foreign exchange markets picks up considerably."

He says the local foreign exchange market is already overbroked and the banks active in foreign exchange can hardly support four brokers.

While a reduction in the number of brokers will not be a particularly negative development, Dr Gidlow says they fulfil a valuable role and if all of them decided to disengage, the foreign exchange market would be detrimentally affected.

Their straitened circumstances seems to have broken the back of Interforex. Its staff was not at work yesterday and opinion within the industry suggest that it may have shut up shop.

RESOLUTE

The others, however, appear to be more resolute and have no plans to leave.

"What Dr Gidlow says is very very true," said Mr Phil Bramley, director of Cheetah International Money Brokers.

"The volume has dropped off dramatically. We have reduced the scale of our operations and cut our staff considerably. If business does not pick up we, like the others, will have to reassess our position to see if it is worth our while staying in SA."

He said he was watching the situation very closely and would decide early next year where to go as a company.

"It is very difficult to bring foreign banks and SA banks together because of the situation and the fear that overseas banks have in being seen to be dealing with South African institutions.

"We would not like to close. It would be shortsighted as there could be an upturn in business and it would not be easy to get back again."

Mr Frank Palinkas, senior forward rand broker, Astley and Pearce, says: "We have no intention of leaving SA. We are here to stay regardless of what happens.

"We have 18 offices throughout the world and we have never closed down any of them for any reason."

SIX BANKS

The closing and re-opening of the markets caused a loss of confidence in SA banks, said Mr Graham Birkett, chief executive, BM Interbank.

At that time, there were only about six banks worldwide that would do business with SA.

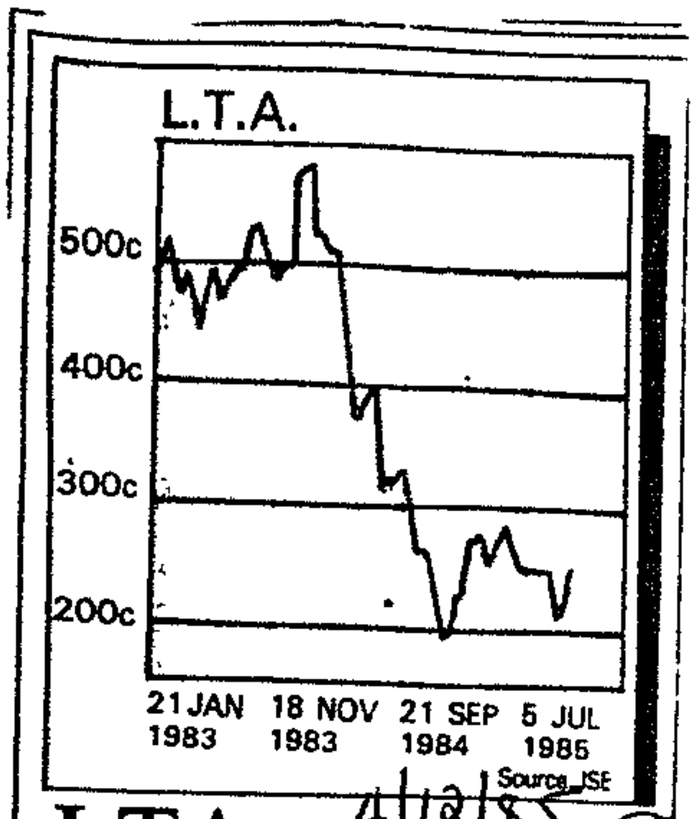
"Rather pessimistically, we sat down from one month to another discussing the future because of the big lack of confidence in SA banks in spot trading.

"But time is a great healer. Since then we are the only brokers to have kept our full complement. All the others have sent their overseas staff home.

"We have tried in our own way to stimulate the market. Our offices in Dusseldorf have helped to strengthen our position here and in Europe — now there are probably 24 banks that will do business in spot trading with SA banks. There are also about six in the Far East and four in the United States."

He said he could see the situation improving, with overseas confidence in SA banks returning. However, some SA banks had not been able to take advantage of the situation for one reason or another.

"One has got to push the names through the system. In one instance, we had to get eight banks to switch one deal."



LTA posts a loss of R4,8m

MERVYN HARRIS

LTA plunged into the red in the six months to September to post an attributable loss of R4,8m, against a R3,1m attributable profit for the same period last year.

Most of the damage was caused by a setback in its Australian operations because of anti-SA restrictions which forbid the award of Federal construction contracts to SA-controlled companies.

Two important contracts which were about to be awarded to the group were deferred and again put up for tender, but LTA was unable to bid.

Chairman Zac de Beer and MD Colin Wood say the loss of this work and other anti-SA restrictions have given the group no option but to withdraw from Australia as soon as existing responsibilities have been discharged.

Earnings attributable to shareholders from continued operations slumped from R3m to R249 000 which, the directors say, are in line with expectations.

Trading conditions were difficult with fierce competition in the industry

● To Page 2

Australian setback hurts LTA

● From Page 1

reducing margins to levels that are almost uneconomical.

Although the construction industry's prospects are not good, management believes the results in the second half of the financial year should show no further deterioration.

However, there is more bad news for shareholders as the directors say the issues related to the Soweto contract are unlikely to be resolved by negotiation.

The recovery of the substantial amounts due to the group will have to be sought through the legal process, which is expected to be protracted.

Buthelezi: Cosatu 'new front for ANC'

ULUNDI. — The KwaZulu Chief Minister and Inkatha president, Chief Gatsha Buthelezi, yesterday accused Cosatu, the newly formed Congress of South African Trade Unions, of being a "new front" for the ANC

The 500 000-strong union federation was launched in Durban at the weekend and called for increased disinvestment from South Africa.

Chief Buthelezi said in a statement yesterday that "seven million Zulus" had not given him a mandate to call for sanctions

"Those who supported sanctions so far from inside have done so as surrogates of the ANC

"They must resign from their jobs as an example of what they want others to taste when sanctions are applied in South Africa," he said.

Inkatha also urged all its members who belonged to trade unions to report any hostile reference to the cultural "liberation movement" by trade unionists

It also warned that it had the right to find alternative means of negotiating for workers if any trade union abandoned industrial bargaining in favour of party politics

These warnings came yesterday in a press release on resolutions of the Inkatha central committee passed here at the weekend. — Sapa

Sullivan civil disobedience call

WASHINGTON — The Reverend Leon Sullivan called on Tuesday on US firms to practice "civil disobedience" in SA and demanded a total boycott of SA if "grand apartheid" was not eliminated by May 1987

The Philadelphia preacher issued his new ultimatum at a meeting of Sullivan Code signatories in New York.

Sullivan said he would be joining the State Department's "special advisory committee" on SA, which is being formed under President Reagan's September 9 executive order.

Details of the meeting were published

SIMON BARBER

in yesterday's *Washington Times*, which decided to sign the code because it maintains a staff correspondent in SA.

"I call on you to practice corporate civil disobedience and to use the full strength of your company legal departments to challenge existing laws," Sullivan said

As an example, he urged firms to open all housing under their control to black employees and their families, regardless of location

Pressure forces KLM to stop SA promotions

BUS DAY 6/12/85 (60) (250)

AMSTERDAM — KLM had stopped promoting its flights to SA after heavy pressure from anti-apartheid groups, the airline confirmed yesterday.

But KLM did not plan to cancel its twice-weekly flights to Johannesburg, said Marjo L'Homme.

"The decision to stop printing promotional material on travel to SA was taken in the face of several circumstances, among them pressure from anti-apartheid groups," L'Homme said in an interview.

"Another reason to stop our promotional activities has been the violence directed at companies dealing with SA," she added, noting that "although an airline should not be involved in politics, there are compelling reasons to hold off as far as SA is concerned".

She said that the bulk of the promotional material in question was leaflets and brochures with facts, figures and travel suggestions, but added that KLM had never been involved in organising package tours to SA.

There is a highly vocal anti-apartheid movement in Holland, which has long-standing economic and cultural ties with SA.

There have been several cases in recent months of vandal attacks on Dutch companies dealing with SA.

No such incidents against KLM have been reported.

The number of passengers travelling from SA to The Netherlands with KLM was slightly down over the past few months, she added, attributing the decline to the falling value of the rand against the guilder. — Sapa-AP.

WCC divided on sanctions

HARARE — Churchmen at the World Council of Churches meeting on South Africa were divided on the sanctions issue yesterday with leading Western bishops cautioning for limited economic sanctions and other churches promising support for guerilla movements calls for a total embargo

While the ANC and PAC lobbied for churches to support a blanket economic embargo, British and Canadian prelates insisted they would only recommend targeted sanctions

The disagreement came on the second of a three-day emergency meeting of 85 church leaders to map out strategy to force an end to apartheid.

The Very Rev John Hapgood, the Anglican Bishop of York, said the British Council of Churches is "committed to targeted sanctions with a specific aim of negotiations in view".

"Some of us believe the best way to use sanctions is very protective, very selective sanctions," said the Most Rev Edward Scott, Primate of the Anglican Church of Canada.

An ANC official said: "We are going to try to force this issue ... But it doesn't look like the (West) Germans, the British and the Canadians are prepared to go far enough." — Sapa-AP

WCC asks total SA boycott

280

STAR 7/12/85

The Star's Africa News Service

HARARE — Church leaders from all over the world who have been attending an emergency meeting on South Africa called by the World Council of Churches (WCC) have called for immediate and comprehensive sanctions — and for church support through prayer for the country's liberation movements.

In a strongly worded document at the end of their three-day deliberations, the church leaders said they fully supported calls for the resignation of the Government.

More than 80 churchmen, including prominent archbishops and heads of churches from Europe, North America and elsewhere, issued the "Harare Declaration" after being locked in closed session for several hours in the final stage of the conference.

The final document was much stronger and pointed than had been expected.

Earlier appeals for selective, targeted sanctions have been overtaken by the call for comprehensive sanctions which were said by a leading black South African delegate, The Rev Bongani Finca, to include stopping all trade with South Africa and cutting all diplomatic links.

One churchman delegate, a member of the ANC, when asked if the declaration meant a victory for the radicals, replied: "It is a victory for the people of South Africa."

At a news conference, WCC officials said the change of heart by some delegates followed the passionate and moving contributions by many of the 37 South African churchmen present who said the people were prepared to suffer under sanctions.

Dr Emilio Castro, Secretary General of the WCC, said the overwhelming impression he had been left with was that there was still hope for a solution with the minimum of violence in a relatively short time.

He said the emergency meeting had helped to dramatise the situation and had given South African church leaders a wonderful opportunity to meet among themselves and to have talks with exiled South Africans.

This had given an important dimension to the meeting and it was one which had not been planned.

Asked what kind of support for liberation movements was expected, Dr Castro replied: "First of all prayer. Remember we are churches."

This meant "upholding these people" whether you agreed with a political option or not.

Their honesty, sincerity and love of their country could not be denied.

He said they must not be treated as pariahs or outcasts, but as children of the church.

When he was asked why the declaration made no mention of the use of violence, Dr Castro said the concept of violence was not discussed because it was not on the agenda.

There had been surprisingly little debate about the use of violence apart from denunciation of the violence of repression and crying over lives lost every day.

"The question of violence should really be put to individual churches because the WCC was not a super church," he said.

The churches in South Africa still had to make clear their stance on opening their buildings to trade unions, their attitude to the liberation movements, their stance on chaplains for the liberation forces, on conscientious objection and other matters.

Bus Day

Blacks in committee on SA

10/12/83

280

US policy on SA heads for a showdown

SIMON BARBER

WASHINGTON — America's policy of constructive engagement with South Africa is set for a rough ride.

Several hard-line, black Democrats are expected within the next few days to be named as members of the Reagan administration's long-awaited special advisory committee on SA.

The committee — which, it seems, will be at least half black — promises to be anything but a rubber stamp for President Ronald Reagan's South Africa policies.

The list of members and even the panel's size have been kept a closely-guarded secret.

Separate sources have confirmed four names: civil rights leader Vernon Jordan, the Rev Leon Sullivan, former secretary of transport William Coleman and Franklin Thomas of the Ford Foundation.

Aside from Coleman, who served under former president Gerald Ford and has been named co-chairman, all four are black Democrats who have been critical of the administration's policy.

The committee is being formed in accordance with Reagan's September 9 executive order.

Its task is to produce a set of bipartisan recommendations by the end of next year, and although its members are technically presidential appointees, it will report directly to Secretary of State George Shultz.

State Department officials have been at pains to distinguish the panel from Henry Kissinger's bipartisan commission on Central America, which was set up in 1983 to help develop a national consensus on US policy towards Nicaragua and El Salvador and was accorded considerable prestige and authority.

The only member to have so far admitted publicly that he is on the committee is Sullivan, who told a meeting of Sullivan Code signatories in New York last week that he intended to make his views uncompromisingly clear.

At that meeting, Sullivan called on the signatories to practice "civil disobedience" in defiance of apartheid laws.

There has been some mystery over why the committee's formation has taken so long.

State Department officials, including Assistant Secretary of State for Africa Dr Chester Crocker, promised the announcement would be made "very soon" a month ago.

UK businesses opposed to sanctions

STAR 11/12/85 (280)

The Star Bureau

LONDON — Britain's employers, already the target for criticism over their financial support for South Africa, have come out with a fierce criticism of apartheid while simultaneously reaffirming their total opposition to sanctions.

In a policy paper published last week, the Confederation of British Industry states that apartheid is "morally indefensible and hinders growth."

It adds: "The CBI acknowledges that progress has been made in dismantling the system, but this is not fast enough and the CBI believes it should be abolished as soon as is practically possible," the paper continues. But, the CBI goes on to insist that British industry has no intention of withdrawing from South Africa.

South Africans heading for brutal Budget

STAR 11/12/52

Debt standstill: hope fades for tax relief

280

South Africa is heading for one of its harshest national Budgets next March because of the capital boycott being imposed on the country by the international banking community. Earlier expectations of tax reductions have all but vanished.

Yesterday Dr Chris Stals, the Director-General of Finance and the man heading this country's debt rescheduling team, announced that (despite strong opposition from overseas banks) the standstill period had been extended by a further three months to the end of March.

The money was borrowed for periods of between three to 12 months and, because overseas banks have refused to extend these funding facilities for further or longer periods, they have forced South Africa to suspend all repayments.

Unprecedented situation

The situation is unprecedented. No country has ever been called on to repay all its outstanding short-term debts immediately.

Unlike the South American or Eastern Bloc debtor countries, South Africa is actually trading very profitably these days and is quite capable of repaying its debts, but, because apartheid is now very definitely Public Enemy Number One in the world, normal banking rules and practices no longer apply.

The normally apolitical banking community is now demanding political change before it begins lending money to the country once again.

Because the talks have become bogged down over politics and no longer revolve around technical factors, it appears that there is little possibility that the issues will be resolved before the end of March.

Major political changes

Even if, as is being forceast, State President P W Botha does announce major political changes when Parliament reconvenes next year, the Budget for 1986 will have largely been drawn up by then.

Because SATS, Escom, Iscor and the Government will be stopped from borrowing abroad, their and all other State and parastatal funding will have to be done locally. Earlier hopes of tax reductions have all but disappeared. Some token relief is still expected for the top income earners, but for the average taxpayer the prospects for next year are grim.

The demand for money is expected to push interest rates higher; administered price increases are already pushing the consumer price index higher; and, with the very weak price of the rand in the foreign exchange markets, next year is going to see a sharp fall in the standards of living of all South Africans.

The
E
JOHANNESBUR

African states push for ban on air travel to SA

STAR 12/12/85

280

The Star's Foreign News Service

PARIS — A major campaign was launched against Pretoria at the three-day Franco-African summit here yesterday — with poet Breyten Breytenbach well in the forefront

Last night he joined a high-powered delegation to meet the chairman of the Organisation of African Unity (OAU), President Abdu Diouf of Senegal

He was accompanied by the secretary-general of the South African Non-Racial Olympic Committee (Sanroc), Mr Chris de Broglio, and delegation from the Association of African Jurists (AJA)

The delegation detailed plans for the 36 nations attending the summit to clamp a total boycott on all airlines flying to and from South Africa

STANDSTILL

The implementation of the plan could mean air traffic to and from South Africa would come to a standstill

The AJA delegation wants to ban the use of all African airports and airspace, not only to South African planes but to aircraft of all nationalities flying to and from South Africa.

The AJA, which was created in 1979, held a big anti-apartheid conference in Tripoli, Libya, at the end of last month

With the backing of Libya's leader, Colonel Muammar Gaddafi, it created a solidarity fund which will build the Steve Biko University in memory of the Black Consciousness leader who died in detention in 1977. The university will take only young South Africans and will serve as a centre of information on the evils of apartheid

Mr Diouf told delegation members he would see them again in the next 48 hours OAU sources said he favoured the AJA boycott demand and would also like to see a ban on all mail and telecommunications with South Africa — so no letters will be delivered and telephone calls made to the country

The summit is being attended by 36 nations including France, and 18 have sent presidents or prime ministers

The six Frontline states have sent ambassadors as observers Summit sources said many leaders of French-speaking African countries were opposed to enlarging the summit to include the six states

The three days here will focus on resolutions to isolate South Africa Even President Omar Bongo of Gabon, looked on as a moderate African leader, was breathing fire and brimstone to get South Africa and said moves against it "should be much stronger".

"Western powers, instead of selling us guns, should instead put pressure on South Africa where people are humiliated, tortured and killed every day," he said

Under intense discussion was the proposal that France would grant political asylum to Nelson Mandela.

A summit source said: "There will definitely be an announcement about Mandela by the time the conference ends tomorrow."

Melbourn cricket f jeer Wes

MELBOURNE — jeered former So batsman Kepler the Melbourne cri last night during match between Queensland.

Wessels was Queensland in the Allan Border.

Some of the 3 tors shouted at W his Test cricket and speculation t soon return to So

Wessels was upset by the de but then ignored

Wessels made Queensland defea by seven wick Star's Foreign Ne



THE NATIONAL NEWSPAPER FOR DECISION MAKERS

Guy Ier B Elliot

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TUC, Cosatu hail move as six major UK chains join SA boycott

LONDON — The anti-SA boycott campaign received a strong boost yesterday when six major British chains announced they had decided not to stock SA goods

Trades Union Congress (TUC) general secretary Norman Willis announced the stores' decision yesterday after TUC leaders and delegates of the newly-formed Congress of SA Trade Unions (Cosatu) had met for the first time.

Both sides welcomed the move.

JOUBERT MALHERBE

The decision by the six stores came after written representations by the TUC to Britain's top 50 retailers, calling on them to remove SA goods from their shelves.

Earlier this year the Co-op chain announced it would cut its links with SA, and Sainsbury's and Tescos said last month they were seeking alternative sources of supply for SA goods.

Willis said Littlewoods, British Home Stores, Argos, Next fashion stores and Harris Queensway had told the union they would no longer stock SA products

An anti-apartheid representative said another chain, Richard Shops, had made a similar announcement.

Speaking at a Press conference after meeting Maxwell Xulu, Jeffrey Vilane and Bernie Fanaroff, all leading officials of the SA Metal and Allied Workers' Union (Mawu) and Cosatu, Willis said Britons recognised the horrors of apartheid

"Apartheid is bad business. Shoppers don't want so-called bargains — at Christmas or any other time — paid for by the suffering of innocent black South Africans."

He attacked the British government's refusal to impose comprehensive economic sanctions against SA

The TUC would continue to try to persuade retailers to boycott SA goods, Willis said.

It would also keep a "beady eye" on the British government to monitor its response at the end of the six-month re-

● To Page 2

Big boost for boycott campaign

● From Page 1

form deadline set for SA by the Commonwealth.

"The clock is ticking away," Willis said.

Xulu, treasurer of Cosatu, said the congress supported any pressure on Pretoria and, therefore,a policy of disinvestment "as a point of pressure".

However, foreign firms who decided to pull out of SA should not take their assests with them, he said.

"The assets which have been built up belong to the workers of SA."

Xulu said Cosatu delegates would discuss the continuing dispute at British Tyre and Rubber's (BTR) SA subsidiary, Sarmcol, when they met BTR trade unionists.

Sarmcol had fired 970 workers after a legal strike and Cosatu would ask BTR unions to take solidarity action, Xulu said.

If BTR management persisted in their refusal to reinstate the sacked workers, Cosatu would call on BTR to leave SA, he said.

Willis condemned Pretoria's decision to refuse a passport for Cosatu delegate and Mawu official Moses Mayekiso.

Taste is all it takes to switch to Jim Beam.



Kentucky Straight Bourbon Whiskey Distilled and bottled by James B. Beam Distilling Co., Clermont, Beam, KY.

DMM J8589/1

Plea over SA crisis

SHOULD the state of emergency in SA continue, international involvement could be limited, reform delayed and unemployment increased, the American Chamber of Commerce in SA said yesterday.

The chamber said the state of emergency was viewed by the business community as a regrettable necessity. Its duration should be limited and it should be lifted as soon as practicable.

"We now wish to stress further at this stage that without effective co-operation in a secure and stable environment, there can be no hope for negotiation." — Sapa.

British unions could act on dismissal of Natal workers

The Star Bureau

LONDON — British trade unionists may take action in support of the 970 workers dismissed by Sarmcol in Natal, a subsidiary of BTR Industries based here.

The workers were dismissed about nine months ago after striking legally for two days

Now representatives from South Africa's Metal and Allied Workers' Union (Mawu), who are visiting Britain, will be meeting union officials from BTR.

They want union members at the company's British operation to take action in support of the 970 workers in Howick

Mawu treasurer Mr Maxwell Xulu told a British Trades Unions Congress Press conference yesterday "We will be calling for all kinds of support

"It is difficult for us to say what kind of support local unions will be able to provide, but we will have talks with BTR union representatives and proposals will be worked out then.

PASSPORT REFUSED

"Our feeling is that BTR should withdraw from South Africa if the 970 are not reinstated — but they must leave their assets."

● The Mawu delegation will have talks with union representatives in Britain, Europe and America before returning home shortly before Christmas.

Another MAWU executive member, Mr Moses Mayekiso, was to have joined the tour, but was refused a passport. Th... the second time his passpor... been refused for travel ab... on union business.

TUC general secretary Norman Willis attacked South African authorities fo... fusing Mr Mayekiso's passp...

"These are serious ... unions seeking to deal ser... with their problems and I ... extremely unwise and wro... this kind of action to be ta... he said.

'Company assets belong in SA'

The Star Bureau

LONDON — Disinvestment is unacceptable if it means multinationals will withdraw all company assets, visiting South African trade unionists have told their British colleagues

A delegation from the Metal and Allied Workers Union (Mawu), and representing the newly-formed Cosatu federation, said the assets of foreign-based companies belonged to the workers

Mawu's treasurer, Mr Maxwell Xulu, told Britain's Trades Unions Congress (TUC) "We strongly support any pressure, but we would not accept multinationals pulling out their assets, because these belong to the workers The assets are the product of the workers of South Africa."

But he said workers fully supported the British trade union campaign to persuade firms in the United Kingdom to ban South African goods.

Mr Xulu is accompanied by Mawu executive member Mr Jeffrey Vilane and national organiser Mr Bernie Fanaroff.

They welcomed TUC general secretary Mr Norman Willis's announcement at a Press conference yesterday that more firms were supporting the boycott

The list so far includes Littlewoods, Argos, British Home Stores, Next, the Co-op group and Harris Queensway.

Tesco and Sainsbury stores have told the TUC they will cut their range of South African goods and find alternative supplies where poss ble

Mr Willis said other firms had joined the boycott, but had not announced their stand

The delegation urged more companies to join and rejected the view it would ultimately make conditions worse for blacks.

"That is the argument put forward by the multinationals, but when they introduced new technology and machinery, they left thousands unemployed — but this they never considered

The South African delegation was told people in Britain "recognise the horrors of apartheid and are prepared to show it in a practical way".

Mr Willis told them "There is still a long way to go before we have a complete or effective boycott, but the pressure is building up and we are doing all we can to make sure that retailers are fully aware of public feeling.

"Apartheid is bad business. Shoppers don't want so-called bargains paid for by the suffering of innocent black South Africans."

● Mawu representatives were given a china plate commemorating the 1381 peasant's revolt in London — a gift from the TUC "to the youngest national trade union organisation".

Strangler of woman (75) may have struck twice, say police

By Don Holliday, Crime Reporter

There was "a very strong possibility" that the fugitive who strangled a 75-year-old woman and assaulted her husband on an isolated farm in the Eastern Transvaal on Monday night may have been involved in another attack on an elderly couple at a neighbouring farm three weeks ago, police said yesterday.

The man, who is probably wounded, is still at large in the rugged district of Roossenekal.

Mrs Johanna Jacoba Margrieta Botha, of Dreyershof farm, was strangled and her husband, Mr Lukas Martinus Botha (79), was

16 yachts enter Australian race

PERTH — The largest 12-metre yacht field assembled since World War 2 will take part in next February's World Championship off the West Australia coast, the Royal Perth Yacht Club said yesterday.

The club said 16 yachts from six countries, the largest field for 40 years, had entered the championship. It will be staged on the same course as America's Cup in early 1987

We're in forefront of SA change, claims firm

STAR
12/12/85
280

The Star Bureau

LONDON — A London spokesman for Royal Dutch Shell maintains its wholly owned South African subsidiary, Shell South Africa, is "among the forerunners of enlightement in South Africa."

The claim follows the announcement in Washington that the powerful American anti-apartheid lobby is poised to launch a global campaign against the company in a new drive to embarrass multinational companies doing business in the Republic.

PICKETS

The Free South Africa movement's campaign, supported by the AFL-CIO trade union confederation, could mean a boycott of Shell products as well as pickets and protests at the company's service stations, indicating potentially serious commercial damage for the Anglo-Dutch group.

On Tuesday night its US subsidiary protested that it was "unequivocally opposed to apartheid as an affront to humanity."

The Free South Africa movement's year-long protest outside the South African Embassy in Washington has generated spectacular political momentum.

The movement's constituent organisations, which include civil rights groups, churches and anti-apartheid lobbyists, are not concentrating on the private sector. Up to now they have focused on institutions and individuals.

In London, the British Anti-Apartheid Movement welcomed the campaign against Shell in America and promised increased action elsewhere next year.

No specific allegations about employment practices were being made Tuesday night.

One investment researcher suggested that the stretegic role of companies like Shell in importing oil to South Africa might be a factor.

More British shops won't stock SA goods

Own Correspondent

LONDON — The British campaign to boycott South African trade received a strong boost yesterday when it was announced that six more major British firms have decided not to stock South African goods.

The announcement by the general secretary of the Trades Union Congress (TUC), Mr Norman Willis, came on the day of the first-ever meeting of TUC-leaders and a delegation of the newly-formed Congress of South African Trade Unions (Cosatu)

The decision by the six firms followed written representations by the TUC to Britain's top 50 retailers calling on them to remove South African goods from their shelves.

Earlier this year the Co-op chain announced that it was to cut its links with South Africa. Two other major chains, Sainsbury's and Tesco, announced last month that they were in the process of minimizing their range of South African goods by seeking alternative suppliers.

The firms the TUC said would not stock South African goods, include Littlewoods, British Home Stores, Argos, Next fashion stores and Harris Queensway

An anti-apartheid representative said another chain, Richard Shops, had also announced that they would boycott South African goods

At a press conference after TUC leaders met Mr Maxwell Xulu, Mr Jeffrey Vilane and Mr Bernie Fanaroff, all leading officials of the Metal and Allied Workers' Union (MAWU) and leading figures in Cosatu, Mr Willis said people in Britian recognized the horrors of apartheid.

They were prepared to show it in a practical way and this had led to increasing pressure on retailers not to stock South African goods.

"Apartheid is bad business. Shoppers don't want so-called bargains — at Christmas or any other time — paid for by the suffering of innocent black South Africans," Mr Willis said.

Mr Xulu, Cosatu's treasurer, said the union federation looked forward to becoming the major representative organization of black workers in South Africa.

Cosatu supported any pressure on the South African Government and therefore supported a policy of disinvestment "as a point of pressure".

'Assets'

But foreign firms who should decide to pull out of South Africa should not take with them their assests. "The assets which have been built up belong to the workers of South Africa," Mr Xulu said.

The Cosatu delegation will meet with trade unionists at British Tyre and Rubber (BTR) to discuss the dispute at BTR's South African subsidiary, Sarmcol, at Howick. A total of 970 workers were dismissed after two days of a legal strike.

They will ask BTR-unions to take solidarity action, Mr Xulu said.

Mr Willis condemned the decision by South Africa to refuse a passport to Mr Moses Mayekiso also of MAWU.

UK unions urge more big stores to bar SA goods

LONDON. — Britain's labour federation, the Trades Union Congress, representing 10 million workers, yesterday called for more big British chain stores to stop selling South African goods.

The TUC general secretary, Mr Norman Willis, told visiting representatives of the newly formed Congress of South African Trade Unions that several big firms had already publicly stated their support and that other chains either operated a boycott or were cutting back on South African goods.

Britain is one of South Africa's main foreign trading partners.

Mr Willis said big firms which have told the TUC they will not stock South African goods include Littlewoods, Argos, British Home Stores, Next and Harris Queensway.

HORRORS

He said the Co-op supermarket chain had already announced it was cutting its links with South Africa and that both the Tesco and Sainsburys supermarket chains were minimising their range of South African goods and seeking alternative supplies wherever possible.

"People in Britain recognise the horrors of apartheid and are prepared to show it in a practical way. There is still a long way to go before we have a complete or effective boycott but the pressure is building up and we are doing all we can to make sure retailers are fully aware of public feeling," Mr Willis said.

"Apartheid is bad business. Shoppers don't want so-called bargains, at Christmas or at any other time, paid for by the suffering of innocent black South Africans."

PROPORTION

Mr Maxwell Xulu, treasurer of Cosatu, said the South African Government argued that sanctions hurt blacks but had not previously shown concern for black workers. He welcomed the support of British trade unions.

The Littlewoods department store chain said in a statement: "We have decided to ban South African goods from our stores throughout Britain because the company does not agree with apartheid."

But it said the ban affected only a small proportion of items, mainly foods, which were on sale at Littlewoods before the decision.

"We have already made arrangements for alternative supplies and will not be taking any more goods from South Africa," it said.

The British Home Stores chain said: "We do not sell, nor do we plan to sell, any goods of South African origin."

The Co-op and Fine Fare supermarket chains recently decided to cease trading South African goods as a protest against apartheid. — Sapa-AP.

Leutwiler talks to US bankers

BUS DAY 13/12/85

ZURICH — Fritz Leutwiler, the Swiss mediator between SA and its creditor banks, made a one-day trip to New York on Wednesday to speak with top bankers, a spokesman for Leutwiler said yesterday.

It was part of his attempt to build a platform for the next round of technical discussions, the spokesman said, adding that Leutwiler returned to Switzerland.

In a recent letter to bankers, Leutwiler had said he hoped to have a further round of discussions — as early as possible next year — but a date had not yet been set, the spokesman added.

He said Leutwiler was willing to make a trip to SA if the authorities wished to speak to him.

Leutwiler sharply criticised the SA government recently for limitations on the Press.

He also attacked it for a lack of progress in political liberalisation. — AP-DJ.

Danes press for total SA boycott

Pars Day 17/12/85 (280)

DENMARK's parliament has called on its minority government to impose a total trade boycott on SA.

Parliamentary deputies voted in favour of a proposal calling on the centre-right government to introduce legislation by February to ban the import of SA coal and for legislation by April to ban all trade with the republic "as soon as possible".

Government deputies abstained from the vote on the parliamentary resolution, which is non-binding on the government.

Opposition spokesman for Third World affairs Christian Kelm-Hansen claimed Denmark would be the first country in the world to ban all trade with SA.

However, PM Poul Schlueter told parliament Denmark had already imposed far-reaching sanctions.

"Although government is willing to go a little further, the trade ban goes beyond sanctions agreed by Nordic countries and could isolate Denmark."

The parliamentary resolution backs up a 11-week Danish trades union boycott of exports to and imports from SA which is due to expire on January 31.

The ban has left three Danish bulk ships carrying 400 000 tons of SA coal stranded in Jutland. The London-based shipping newspaper *LLoyds List* says the ships were unlikely to pick up more SA coal after discharging at the end of the boycott.

The coal is destined for the Danish electricity board Elsam, which owns two of the ships and acts as importing agent for all Denmark's other power generation companies.

Coal accounts for about 85% of Denmark's total imports from SA which are worth about R350m a year, with Danish exports to SA worth R190m last year. — Sapa-Reuter.

PRICE MOVES AT A GLANCE

PRETEX

Smith: SA could take sanctions in its stride

I doubt whether anyone would challenge my claim that I have more experience on sanctions and their effect on the country concerned than anyone else in our world today — 14 years of combating sanctions, fairly successfully, too, while I wonder whether anyone else can claim to have even one day's experience. — Mr Ian Smith, the former Rhodesian Prime Minister, in a hard-hitting article which first appeared in The Sunday Express, London.

I would like to appeal to the Free World leaders to pause for a moment in their dash to impose sanctions against South Africa and consider the following

- The effect of their action on countries other than South Africa
- The double standards such action would be guilty of practising
- Their wrong assessment of the cause of the problem and the effect of their action.

I doubt whether anyone would challenge my claim that I have more experience on sanctions and their effect on the country concerned than anyone else in our world today — 14 years of combating sanctions, fairly successfully, too, while I wonder whether anyone else can claim to have even one day's experience.

The first 10 years of sanctions proved to be a most stimulating tonic for Rhodesia — we had a growth rate in our economy which many international industrialists and financiers informed us was double what it would have been under normal circumstances, and, moreover, statistics substantiated this claim.

We developed a strong, wide base to our economy which would not have taken place under normal circumstances, and expanded industry, both primary and secondary, into new fields which many people believed to be impossible

There is no doubt in my mind that sanctions against South Africa would be the very stimulant which that country needs today

For a number of years past, South Africans have experienced boom conditions and this promoted complacency and easy living.

However, over the past few years things have changed, forcing them to adapt to the new strains on their economy, and today they could easily take sanctions in their stride. There would be a resulting beneficial expansion of their industry and overall strengthening of their economy

The countries to suffer would be the others in Southern Africa — all of which, without exception, derive great economic benefit from their economic relations with South Africa. And the land-locked countries of Swaziland, Lesotho, Botswana, Zambia and Zimbabwe would be the hardest hit of all.

My own country, Zimbabwe, relies more on South Africa today, particularly in the field of transport, exports and imports, than ever before, caused mainly by the collapse of Beira and Maputo as ports of entry

Whenever our principal fuel supply, the oil pipeline from Beira, is interrupted — this happens all too frequently because of sabotage by the Mozambique National Resistance — South Africa immediately comes to our assistance with streams of tankers motoring in with the necessary fuel supplies.

One could give many other examples of the importance to us of their vital lifeline

Secondly, in fairness and justice I feel compelled to comment on the double standards associated with a campaign sponsored by the Free World to impose sanctions against South Africa

While conceding the need for further change in South Africa — and let me make it clear that I am opposed to forced discrimination based on race, colour or creed — by comparison with Russia and many other totalitarian countries South Africa is a model of freedom and justice.

Today Russia is illegally occupying and persecuting people in Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, Estonia, Latvia, Lithuania, plus a few more in Europe and Asia and most recently Afghanistan where, without a day's exception, they are violating human rights and murdering innocent people.

This is the greatest evil on our Earth today and what do we hear about it from the Free World? A deafening silence.

Over the last few years I have met dozens of people from commerce, industry and the media who have travelled throughout Africa, and heard the majority of them comment that although the situation in South Africa is far from perfect, there is more freedom and justice there than in 95 percent of the countries to the north

Are the leaders of the Free World and the people, too, aware of the fact that the present South African Government has done more to remove racial discrimination over the past few years than was done in the previous 30 years?

Are they aware that whenever the Free World attacks South Africa it gives great happiness and satisfaction to the extreme right wing in South Africa who are constantly attacking their government and accusing them of selling out the white man and his civilisation in its efforts to appease the outside world?

Does the Free World know that there are many of the reasonable, moderate voters in South Africa who are deeply concerned that President Botha, because of the concessions which he is making, is losing the support of his electorate, with the consequent danger of the right wing returning to power?

Thirdly, it is all too clear, tragically, that Free World leaders are ignorant of the real cause of the problem in South Africa Twenty years ago I was given my first briefing on Russian plans for obtaining a stranglehold on Southern Africa.

The strategy was to establish a saddle across Africa to our north, and use this as the launching pad for attaining its ultimate objective of control of Southern Africa, the area which is the richest treasure house of strategic minerals on our planet.

The only other place where there is a similar conglomeration of strategic minerals is Russia In the event of Southern Africa falling under communist domination, there are many vital strategic minerals, used by the Free World every day, which would come under the complete control of Russia

It should not surprise anyone that Southern Africa, along with the Persian Gulf, are the two most important objectives in Russia's plan for world domination In keeping with its well-known tactics, it is promoting racial confrontation in order to undermine the South African Government

This should not surprise the people of Britain after the recent happenings in that country and the police confirmation that the communists have been among the many instigators The technique is to undermine law and order — this enables the gangsters to take control — and thus establish that fertile ground upon which communism thrives

In South Africa, as in every other country of our world — except Great Britain — the Government has given its police the means of maintaining law and order and protecting the man in the street without first waiting for innocent people to be brutally murdered

Is it not unbelievable that we are now witnessing the leading countries of the Free World aiding and abetting the Russians in their plan to take over South Africa and develop it as a South Atlantic base from which they will dominate and control the vital Cape sea route to Europe, subjugate all the lesser countries of Southern Africa, including my own home land of Zimbabwe, and gain a monopolistic control of certain vital strategic minerals, which will seriously prejudice the security of the Free World?

It is more than unbelievable, it is absolutely monstrous — *The Sunday Express*



Mr Ian Smith

CAPE Times
17/12/85

SA coal mines losing profitable market

Own Correspondent

LONDON. — Three Danish bulk ships laid up with 400 000 tons of South African coal are unlikely to make any more calls in the Republic after a vote in the Danish parliament calling for a total trade ban, Lloyds List, the shipping journal, reports

The vessels have been held up at Aabenraa in Jutland by an 11-week trade union boycott on South African trade due to expire on January 31.

The Danish parliament has now voted overwhelmingly in favour of legislation implementing a total ban by the middle of next year.

The effect of this is that the three ships — the 137 000 tonnes deadweight sisters Elsam Fyn and Elsam Jylland and a chartered vessel — will not pick up more South African coal after discharging at the end of the boycott

Undertaking

The three ships carry coal for the Danish electricity utility/Elsam, which owns them and acts as importing agent for all Denmark's other power generation companies.

Coal accounts for about 85 percent of Denmark's total imports from South Africa which are worth about Krl.3 billion ($142m) a year.

Because of widespread disquiet over the use of South African coal, Elsam had already given an undertaking to secure alternative sources of supply by 1990.

The parliamentary vote means these plans will have to be brought forward with Colombia and Australia emerging as favoured future suppliers

A move to call off the union ban because of the parliamentary move did not receive sufficient backing.

Metal markets

LONDON — Closing prices (in sterling) on the London Metal Exchange in the order of Turnover, market tone, cash buyer seller, three months buyer seller and settlement.

Copper. Higher grade — 7 925, steadier, 984,00/984,50, 1 005,00/1 005,50, 984,50. Standard Cats — 500, quiet, 979,00 980,00, 993,00/996,00, 980,00

Tin Suspended

Lead 7 600, about half carries, steady, 273,50/274,00, 280,00/280,50, 274,00.

Zinc Higher grade — 7 250, mainly carries, firmer, 487,00 489,00, 489,00 491,00, 489,00

Zinc. Standard — nil, idle, 463,00/466,00, 466,00

Silver Large — nil, idle, 404,0/405,0, 416,0/416,5, 405,0

Silver. Small — nil, idle, 404,0 405,0, 416,0/416,5, 405,0

Aluminium 21 100, strong, 774,00 774,50, 799,00/800,00, 774,50.

Nickel. 1 278, about half carries, firmer, 3 029/3 030, 3 050 3 055, 3 030. — Sapa Reuter

siness Day

THE NATIONAL NEWSPAPER FOR DECISION MAKERS

HONDA
SALES & SERVICE
JOHANNESBURG
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BUS DAY 18/12/85

Norway announces oil ban as Sweden slashes SA trade

OSLO — Norway, whose ships carry up to 40% of SA's oil imports, has approved a seven-point programme to slash trade with SA in protest against apartheid.

Sweden's Foreign Trade Minister, Mats Hellstrom, also yesterday announced a ban on Krugerrands and the importation of SA agricultural products and fruit from January 1.

Norway said it would formally ban all sales of Norwegian crude oil to the Republic, halt imports of SA fruit and vegetables and force shipowners to register vessels that carry cargoes there.

Commerce and Shipping Minister Asbjoern Haugstvedt told reporters Norway would call on other shipping nations to join a binding boycott of SA ports.

The UN Security Council would be asked to initiate an international register of vessels, mainly oil tankers, that sail to SA, he said.

In Stockholm, Hellstrom said "Sweden's Riksdag (parliament) has never been as united as now against apartheid".

All parties represented in the Riksdag, except the Conservatives, voted in favour of the sanctions, proposed by the ruling Social Democratic party.

The ban also allows local authorities to independently boycott any SA products and services.

Total imports from SA in 1984 amounted to R130m, including agricultural products amounting to R37,8m.

Last April, Sweden tightened a five-year old investment freeze imposed on Swedish companies in SA.

Meanwhile, the visit to SA by six US members of Congress, who were scheduled to meet President P W Botha and other leading political and community figures, was called off yesterday as Congress continued its end-of-year session.

The US Congress could sit until December 22, and President Ronald Reagan could request all members of Congress to remain until voting had been completed, diplomatic sources said.

The Congressmen had been scheduled to arrive in SA late today, a spokesman for the US Embassy in Pretoria said. They had been scheduled to meet Foreign Minister Pik Botha soon after their arrival.

The visitors, invited to SA as guests of the SA Council of Churches, were also to have met Minister of Education and Development Aid, Dr Gerrit Viljoen, the spokesman said.

The group, which had planned to hold talks with various church, political and labour leaders, included Bill Gray, chairman of the House of Representatives Finance Committee, and four other Democrats, Walter Fauntroy, Ed Thomas, Robert Edgar and Peter Kostmayer.

bours spokesman said he wa...

Cape Times 18/12/85

SA fruit banned

STOCKHOLM. — Sweden has decided to ban the importation of South African agricultural products and fruits from January 1 to protest against apartheid, it was announced yesterday.

"Sweden's Riksdag (parliament) has never been as united as now against apartheid," said the Foreign Trade Minister, Mr Mats Hellstrom.

The ban also included the South African Kruger rand, and local authorities were allowed to independently boycott any South African products and services.

Total imports from South Africa in 1984 amounted to 403 million kronor (R130 million), including agricultural products amounting to 116 million kronor (R37,3 million). — Sapa-AP

● Norway to cut SA trade, page 4

Black union 'opposed to disinvestment'

Mercury
18/12/85
280

Labour Reporter

THE Black Allied Workers' Union (Bawu), which says it represents 150 000 workers, was strongly opposed to disinvestment as a means to bring about changes in South Africa, Mr Bheki Khumalo, the general secretary, said after the union's annual congress in Durban yesterday.

Bawu, which is a federation of 17 trade unions representing workers from a wide spectrum including the building, iron, steel, agriculture and clothing industries, has dissociated itself from Cosatu, the newly formed Congress of South African Trade Unions

But at its congress at the weekend Bawu decided to co-operate and work with any union or union groupings on any subject of common interest to workers on condition that they were on 'equal footing and not under the influence or pressure of foreign manipulators or sympathisers'

Bawu urged foreign multinational companies and quasi-Government companies, including SATS, Sasol, Iscor, Escom, the Water Board and development boards to invest more in black housing, black education and black advancement projects

Mr Khumalo said employers should end racial discrimination in salaries and wages.

The Government was also urged to raise the R4 a day paid to unemployed workers on various projects to a reasonable amount of at least R15 a day

The congress also called on President Botha to speed up the dismantling of apartheid

New attempt to settle Dublin's anti-SA strike

Own Correspondent

DUBLIN — A new attempt to settle the 18-month anti-apartheid strike at Dunnes Stores in Dublin is to be made, possibly this week, by the Irish government.

A confidential report on the dispute has been prepared by the Labour Court, Ireland's top industrial relations body, at the request of Labour Minister Ruairi Quinn.

It has already been discussed by the Cabinet and decisions are expected soon.

The Labour Court report concedes what has already become clear — that the strike cannot be resolved through normal industrial channels.

The court, it is understood, offers two options to the government — the official imposition of sanctions against SA imports or an amendment to unfair dismissal legislation.

Since Foreign Minister Peter Barry has ruled out unilateral sanctions against SA, the government is likely to concentrate on the second option as a means of breaking the deadlock.

Tampering with the law on unfair dismissals is not likely to prove popular with Irish business.

Jackson calls for SA shipping boycott

SEATTLE — Opponents of apartheid must fight corporate targets such as shippers that provide trading links to South Africa, the Rev Jesse Jackson told 150 American demonstrators before five of them were arrested on trespassing charges.

"We must cut trade with South Africa and jam the jugular vein to that evil system," Jackson said.

The five were arrested on Sunday at the Madison Park home of honorary South African consul Joseph Swing, in a demonstration marking the first anniversary of civil disobedience in weekly protests at the residence.

Hundreds of people have been arrested on trespassing charges at the home over the past year, but charges against almost all have been dismissed and those who have gone to trial have been acquitted.

Jackson said the protests had helped mobilise opposition to apartheid and called SA the "historical successor to Nazi Germany".

He said it was time to expand the anti-apartheid movement and "redirect the course of US corporate interests".

Noting that the United States and Great Britain were South Africa's main trading and investment partners, he called on protesters to "take civil disobedience to the shipyards" and try to prevent the loading and unloading of ships going to and from South Africa.

"America and Britain can do without apartheid, but apartheid cannot do without America and Britain," Jackson said.



● JACKSON

Will the US now move on to 'constructive confrontation'?

BUS DAY 20/12/85 280



☐ CROCKER . . . treated harshly

SIMON BARBER in Washington

AS 1985 — the year of South Africa — draws to a close, the curtain is also falling on what, if anything, is left of "constructive engagement".

Though almost everyone has had a different interpretation of what that much-abused phrase meant, it would be difficult to find anyone who would argue that the strategy it described still obtained.

The proof of this is that every Africanist in America is busy trying to invent — "craft," for some reason, seems to be the preferred word — a new policy to fill the vacuum.

This is true even of the State Department, which this week formally unveiled a team of consultants tasked with developing an approach to the SA nightmare around which the country, or at least those who busy themselves with the subject, might eventually rally

The encouraging thing is that, for the first time in years, there is a genuine debate about how to deal with apartheid. The serious players in the administration — Congress, academe and the business community — appear, albeit temporarily, to have called a truce in an effort to find some consensus answers

Helping frame the colloquy are a pair of substantial articles published in the current issues of *Foreign Policy* and *Foreign Affairs*, the two journals most often used by the international relations crowd to send each other messages.

One piece — "Beyond constructive engagement" — is by Michael Clough, who teaches at the naval postgraduate school in Monterey, California, and who would not look altogether out of place in Chester Crocker's office.

The other is by Sanford Ungar, of the Carnegie Endowment for International Peace, and Peter Vale, of Rhodes University.

It would not be too surprising to find Ungar serving a Democratic administration. He and Vale call their offering "Why constructive engagement failed"

Clough is milder and more measured in his analysis. Ungar and Vale treat Crocker and the Reagan administration harshly and offer some very concrete prescriptions

Yet the gulf between the authors is ultimately one more of tone and bias than of substance. Both call for what Clough calls "a new, comprehensive strategy" Somewhere between them lies the course the US will very likely take before 1986 is out.

Clough, to borrow one of his favourite terms from another context, is a minimalist and a pragmatician He obviously eschews economic sanctions, but aside from warning that SA's ruling elite will likely be going through a critical and potentially revanchist leadership struggle in 1986, he does not waste space rehashing arguments about their effectiveness.

He stresses instead what would be useful and practicable in terms of American politics and interests, and in the process rules out three broad options

First, "constructive disengagement" — the liberal approach that seeks to dissociate the US economically and morally from SA while making white intransigence increasingly costly

This "will not work, because the Reagan administration will not go along with it. Attempts by Congress to impose such a policy will only create a domestic stalemate and send dangerously mixed signals to SA.

"The situation in SA is too serious to wait for 1989, when a president more inclined to constructive disengagement might take office."

Second, "ideological engagement" — the conservative strategy that seeks to denounce apartheid and communism in the same breath and which tends to function through selecting heroes such as Chief Buthelezi and Jonas Savimbi, opposing "enemies" like the ANC, the MPLA and Frelimo and reserving "moral suasion" for Pretoria.

The problem with this is that it automatically undermines the credibility of the chosen heroes and "by sending a signal that Washington would oppose all movements and government not willing to embrace American conceptions of democracy and capitalism . . (it) would also force many African leaders preemptively to align with the Soviet bloc".

And in the case of SA, it would further deepen the gap between the US and most of the opposition.

Third, and perhaps the most beguiling of all — "decent noninvolvement". Recent polls show that most Americans would prefer that the US issued strong rhetoric but otherwise minded its own business.

A majority in the Congress and the administration would likely concur. Their agendas are full enough as it is.

Again, Clough says no "No matter how decent, noninvolvement would leave the US less prepared to deal with the onset and aftermath of an SA revolution (and) would cause it to forfeit any chance (of) contributing to a more rapid, less violent, predominantly political transformation in SA . .

"Decent non-involvement would (also) send a strong, clear signal to African leaders that they should look for support elsewhere."

So what does Clough suggest the administration do? Here he becomes more impressionistic. He argues convincingly that the US should enter an even-handed "public dialogue" with all parties in the region, government and opposition alike, but places the heaviest emphasis on developing a truly bipartisan consensus at home that would enable Congress and the administration to speak and act as one

'US policy will never be effective . if the domestic debate continues to be dominated by those who believe that white-led change is still an option and by those who believe that a negotiated capitulation is imminent.

"A good starting point for a new Southern African policy would be a bipartisan statement outlining US interests and objectives — perhaps developed by Reagan's new advisory commission on SA"

Ungar and Vale are less timid about prescribing the details of their "entirely new and more imaginative approach to SA"

Their central thesis is that the Reagan administration erred disastrously in persistently believing it could "reform the SA system by working entirely within it and honouring its rules" — to the extent that Crocker, according to a report quoted from *City Press*, "met formally with only 15 SA blacks between January 1982 and December 1984".

Rejecting the notion that President Reagan's September 9 Executive Order represented a radical departure, the authors sum up their proposal thus: "Only by establishing much more direct communication with the SA majority and by granting it far greater and more practical assistance can the US hope to influence the course of events there

"In effect, a new, parallel set of diplomatic relationships is necessary. And only by taking further steps that risk hurting the pride of SA's current rulers can American leaders hope to win enough credibility to be listened to in the debate over the country's future"

To implement this thesis, the authors proffer a series of concrete steps they term "constructive confrontation". These include

☐ Reduction or termination of SAA's US landing rights;

☐ Expulsion of SA's military attaches in the US,

☐ A cumbersome visa application process for South Africans wishing to visit the US,

☐ Even tighter export controls;

☐ "Massive" educational aid programmes "to help black South Africans learn how to run their country";

☐ The appointment of a prominent black American to replace Ambassador Herman Nickel in Pretoria,

☐ The opening of a real dialogue with the ANC and other black organisations;

☐ Official encouragement of US firms to ignore apartheid law; and

☐ The public naming of any of those companies that treat their black employees badly

At first blush, this is a tall and controversial order, yet it stops well short of economic sanctions

That is why these articles are important. they represent the skeleton of what could become, by present standards, a moderate but activist consensus on how the US should proceed now that almost everyone has agreed that American policy, such as it is, must be overhauled

(280)

Anti-SA law hurts US city

(280) (22) 20/12/85 Bus Day

NEW YORK — West Hollywood, a city with one of the United States' toughest anti-apartheid laws, is having trouble avoiding the purchase of equipment from companies that have ties with South Africa.

West Hollywood's ordinance does more than ban investment of city funds in firms doing business in SA. It prohibits the city from buying supplies and services from companies with financial ties with South Africa.

But city staff say most major manufacturers of computers, office equipment and vehicles do business in South Africa. Unless the law is changed, the city may not be able to buy such items.

As a result, staff have recommended that the city council soften the law to permit purchases from companies that have agreed to an affirmative action programme aimed at bettering conditions for black employees of US companies in South Africa.

When the anti-apartheid policy began in April, leased IBM office equipment and other products made by firms doing business in South Africa were returned and replaced with relatively unknown brands.

☐ The New York Post, the racy tabloid owned by media mogul Rupert Murdoch, has evened the score against a local television station which first broke the "scandal" about the Post using newsprint from South Africa.

A few months ago, media hounds throughout the city came down hard on the Post after television journalist Mike Taibbi revealed that Murdoch had, in fact, bought the offending newsprint.

The Post hit back by asking why three television channels, including the station that broke the story, earned about $6m between them from advertising promoting one of SA's biggest companies — the De Beers diamond syndicate.

One Post reporter said:

"Last Wednesday we tipped Mike to another 'scandal'. His own network was profiting from a generous budget promoting De Beers."

Game score: one-all. — Sapa-Reuter-AP.

Tables turned in row over SA paper

NEW YORK — *The New York Post*, the racy tabloid owned by media mogul Mr Rupert Murdoch, has evened the score against a local television station which first broke the "scandal" about the paper using newsprint from South Africa.

A few months ago, media hounds throughout the city came down hard on the *Post* after television journalist Mike Taibbi disclosed that Mr Murdoch had bought the offending newsprint.

Yesterday the *Post* hit back by asking why television channels, including the station which broke the *Post* story, earned a hefty amount from advertising to promote one of South Africa's biggest companies — De Beers.

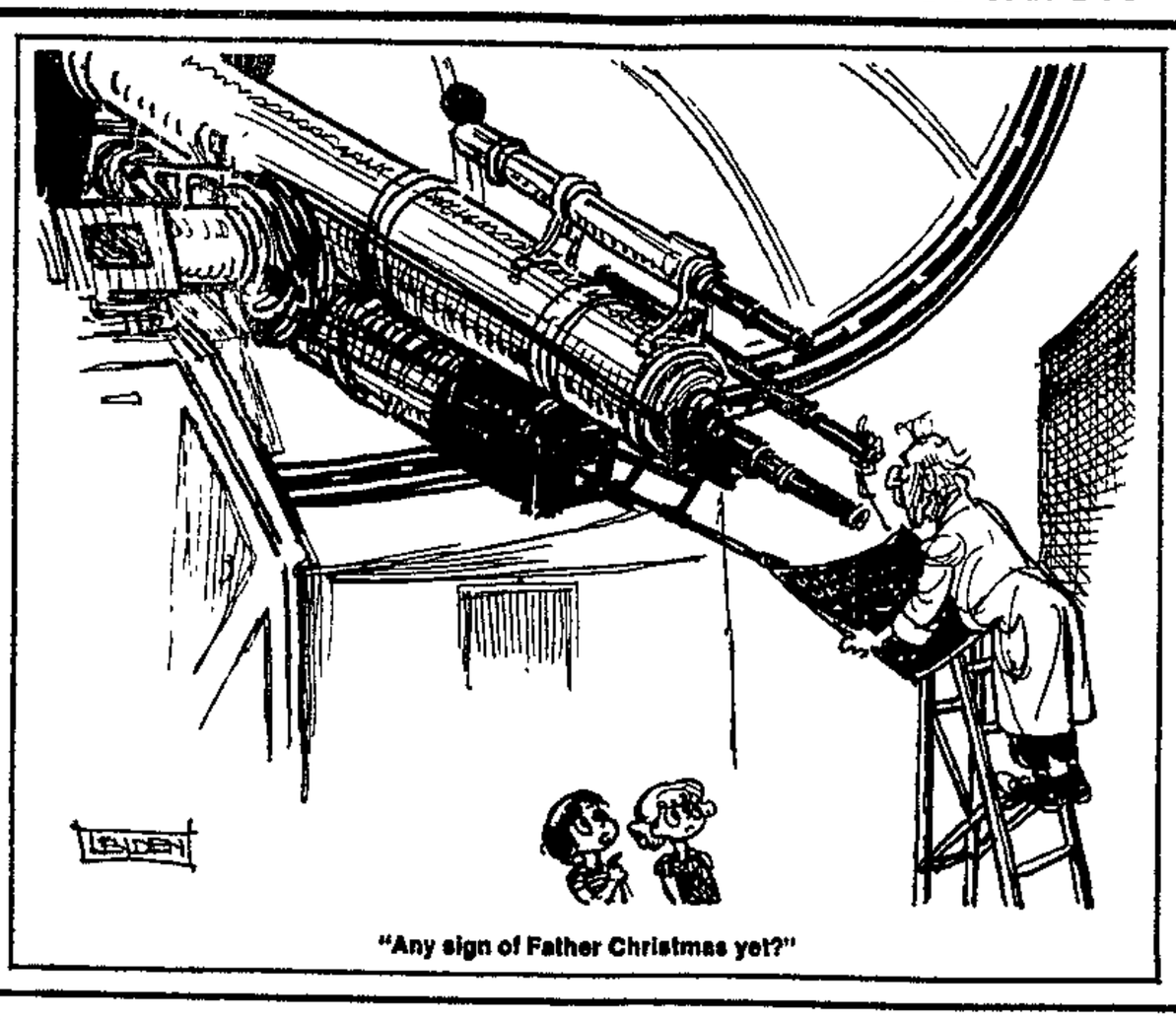
One *Post* reporter said: "Last Wednesday we tipped Mike to another 'scandal'. His own network was profiting from a generous budget promoting De Beers."

"Said Mike at the time, with terrier determination: 'I'm going to have to find out whether this is true'."

Six days later when the *Post* journalist telephoned Taibbi, he got a reply "No comment . check with my news director"

The journalist said "His news director was out of town. We asked for his deputy. He passed us on to someone else, and so on down the line."

The *Post* then telephoned the advertising agency which dealt with the De Beers account and found out that about R15 million is spent on three different television networks



"Any sign of Father Christmas yet?"

Unhappy with stand adopted by Wits

READERS' VIEWS

The Council and Senate of the University (sic) of the Witwatersrand have, according to the reports, issued a policy statement calling on the Government to negotiate with the ANC and Swapo and urging various other courses of action.

In doctrinaire Leninist style the university has now been converted into an activist lobby group

Can anyone seriously argue that Wits can serve any useful purpose as a forum for a debate and wide-ranging research?

As a student of the university I feel deceived, especially in view of the fact that the students were never consulted.

In a major statement at an assembly of the university during the last term the vice-chancellor firmly reiterated the university's commitment to the principle of academic freedom and corporate impartiality

These noble sentiments have now turned out to be hollow cynicisms.

With the Marxist-Leninists now firmly in control of Wits I would advise any open-minded matriculant not to make the same mistake I did — don't come to Wits.

Afraid of reprisals

Krugersdorp

SEE LETTERS Page 9

South Africa and its neighbours

23/12/85 SMM 254 280

The countries in Southern Africa are inextricably linked. At centre stage is South Africa, but the relationship with its neighbours is a complicated one. Recession has affected all the countries and now the threat of sanctions has added yet another variable. JOHN D'OLIVEIRA, Editor of *The Star's* Africa News Service, analyses the situation.



Southern Africa moves into the second half of the '80s finely balanced between widespread upheaval and considerable promise

At centre stage, as always, is South Africa

It dominates the region economically its transport services are indispensable to the subcontinent, and its military machine is still the unchallenged master of almost all it surveys

However, the past year brought a dramatic intensification of the pressures, both internal and external, on South Africa's ruling elite.

As a result, considerable apprehension has been generated throughout the region as black politicians and officials try to anticipate what sanctions against South Africa will do to their own economies, what South African military action against its enemies will do to their countries, and what potential chaos in South Africa will mean to their transport infrastructures

Already the South African recession has hit the region hard Neighbouring economies are either almost totally dependent on South Africa (Botswana, Lesotho, Swaziland), marginally so (Zimbabwe) or in a state of chaos (Angola, Mozambique Zambia)

Any further deterioration in the South African economy might be more than some neighbouring states might be able to bear

However, some of the countries' leaders believe that if serious sanctions are applied to South Africa, the rich Western countries will provide enough compensatory economic aid to see them through, or, at least, cushion the effects of sanctions on their economies

What they really fear is the South African military machine

Countries such as Lesotho and Botswana fear that increased unrest in South Africa will lead to further strikes into their territories as South Africa tries to find and destroy the African National Congress activists it believes are fomenting the violence in South Africa

Mozambique still insists — despite repeated South African denials — that South Africa continues its help to the MNR rebel movement and that this help will increase as the situation in South Africa itself deteriorates

Angola entered December claiming South Africa had massed troops, armour and other matériel on its southern borders, ready for another major offensive (a claim the South African military denied vigorously) This was followed by claims that South African forces had actually invaded southern Angola in contravention of the Lusaka Agreement.

Zimbabwe waits anxiously to see whether the South African Defence Force will strike across the Limpopo in pursuit of the ANC terrorists who laid a series of landmines in the Northern Transvaal

Perhaps the most dangerous situation is the one developing in southern Angola

The Angolan Government is committed to smashing Dr Jonas Savimbi's Unita rebel movement and the Russians have allowed themselves to be drawn deeply enough into this conflict to make its outcome an issue of Russian military credibility — as much as anything else

There are now almost 30 000 Cuban combat troops in Angola, more than 6 000 Cuban military advisers and possibly 2 000 more advisers from other communist bloc countries

Russia and its allies have provided Angola with billions of dollars, worth of military equipment, much of it more sophisticated than anything South Africa can deploy

South Africa, in turn, is committed to providing 'moral, material and humanitarian" assistance to Dr Savimbi, although it is not nearly as deeply committed as the Russians are to their Angolan allies.

Both the Russians and the South Africans are determined that Angola should not develop — for each of them, respectively — into another Vietnam

However, the available evidence suggests that every round in the battle between Fapla (the Angolan Defence Force) and Unita is fought at a higher level of intensity and, as the levels of intensity increase, so do the risks.

So, as 1985 draws to a close, there is tension and apprehension almost everywhere in the region

The tragedy is that it could all be so different — if only the South African Government could resolve satisfactorily the issue of full black participation in the country's economic, social and political systems.

By most world standards, Southern Africa is under-populated and potentially rich White South Africa has an infrastructure and levels of expertise found nowhere else in the Third World The region's different countries, with their varied resources and characteristics, complement each other as do few other regional groupings.

If the whites could reach an accommodation with their black compatriots, the world would almost certainly feel so relieved that the rich Western nations would probably flood the area with investment and aid

All this would not, in itself, resolve the region's economic, social and administrative problems — but the prospects would look a hell of a lot better than they do now

US computer firm drops SA deal plans

FRED STIGLINGH and RICHARD WALKER in New York

A BLACK-OWNED US firm has dropped plans to sell specially-toughened IBM computers to a Boksburg firm, after claims they were destined for a SA government agency.

Scientific Systems of Cambridge, Massachusetts, was to supply Edward L Bateman of Boksburg, an IBM distributor, with 100 "ruggedised" IBM personal computers (PCs). But staff at the small US firm protested that the deal was set up by IBM to dodge American embargo regulations.

Bateman MD John Treger has denied the allegation, saying the equipment was meant for the local mining industry.

The ruggedised model is housed in metal rather than plastic, is sealed to keep out dirt and is better able to withstand the bumps and wide temperature variations associated with military and some heavy industry use.

Scientific Systems does most of its business with the US Defence Department.

IBM reportedly declined to sell the model directly to SA. Some Scientific Systems employees accused the computer giant of arranging the transaction between their firm and Bateman as a way of getting around the US ban on supplying high technology items to the SA military, police or apartheid-enforcing government agencies.

A spokesman for IBM corporate headquarters in Armonk, outside New York, denied the charge, calling it "misleading, offensive and without merit.

"If we were aware of any violations, we would take the appropriate actions and notify the appropriate authorities, the spokesman said."

An IBM SA spokesman said IBM had rigidly adhered to the embargo since it was imposed in 1978.

"In the US, as is the case locally, we sell PCs through a dealer network, and we have no knowledge of where the computers go."

Bateman MD John Treger said Bateman Process Instrumentation (BTI) was a supplier of capital equipment to the mining industry.

He said the company had acquired an export licence for the hardened PCs once they were launched by IBM in the US in May. Bateman intended to import the equipment "in due course although no purchase orders have yet been placed".

Australia to gain most from embargoes against SA coal

BUS DAY • 23/12/85 (280)

PROSPECTS for the future of the SA coal industry do not look particularly healthy, with foreign embargoes threatening to cut off exports and local price increases falling below the rise in production costs.

Recent cancellations of orders by European customers are seen by coal analysts as being just the tip of the iceberg, with either more nonrenewals to come or a sharp decline in the overseas price paid for SA coal.

Last year, coal sales claimed second spot as an export earner for SA. Gold continued to lead the race at R11,6bn, followed by coal at R1,7bn and diamonds at R518m.

Including local sales, coal production in the year realised R3,4bn Home delivery of 121-million tons produced revenue of R1 714m, compared with R1 712m from the exportation of 38-million tons.

Since then the rand has continued to plunge against other currencies, providing additional advantages to exporters.

In September 1984, nearly 3,3-million tons were exported for an income of R161,7m. The same month in the current year saw 3,9-million tons shipped — but with revenue almost doubled at R294,4m.

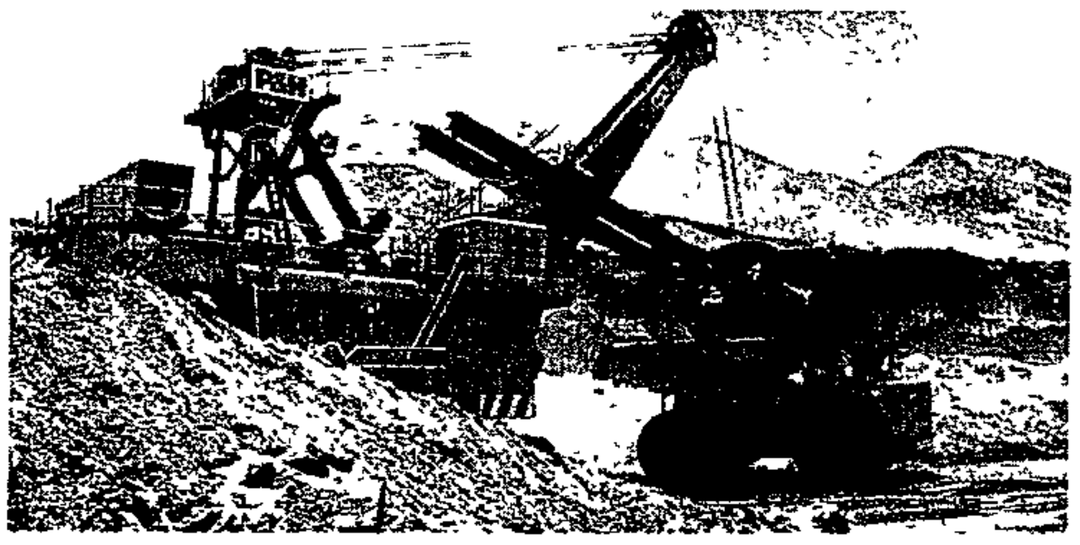
Figures released by the Minerals Bureau show that, for the nine months to end-September, 31,1-million tons were sold abroad for R2 005m, which indicates that SA will sell 41,5-million tons for R2 673,5m in the current year.

Local sales have not enjoyed the same boost. Up to the end of September, 92,3-million tons were bought for R1 419m.

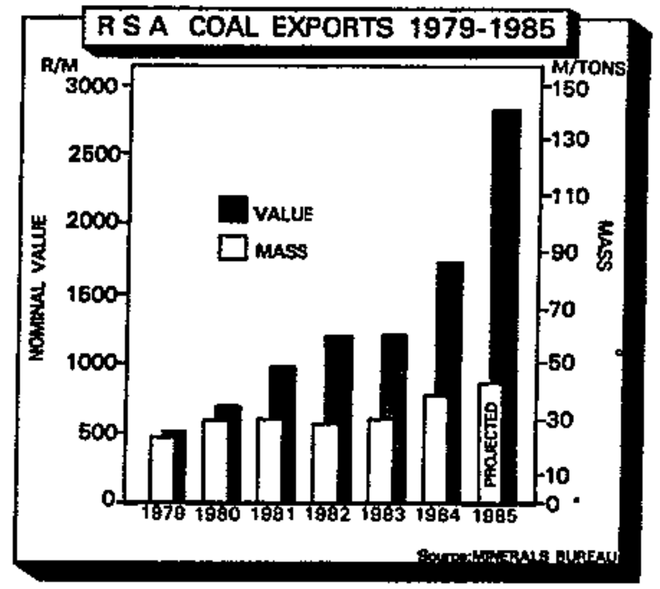
Which, annualised, indicate approximately a repeat of last year's tonnage sold for only a 10% increase in revenue at R1 892m.

Chairman of Duiker Exploration Terence Wilkinson says that the increase in the controlled price of local sold coal is substantially below the annual rate of the increase in production costs general to the industry.

This he believes does not paint an encouraging picture for coal and anthracite sold on the inland markets



BLACK GOLD . . . Amcol's New Vaal colliery, which has 1-million tons of reserves



ROY BENNETTS/Mining Editor

At present about 50% of SA coal exports are directed at Europe, with the Far East and others buying the remainder.

Denmark is this country's best customer at about 5-million tons a year, but there are grave possibilities that these contracts will be terminated in the near future.

Following the recent ban on SA coal imports by France, Japanese buyers are reported to be pressurising SA coal sellers to reduce prices in the knowledge that beggers cannot be choosers.

Analysts believe that the Japanese are playing a cat-and-mouse game. Although not prepared to join the European countries in cancelling contracts, they realise that, with an over-supply in world production, SA may be forced to sell its export coal at well below the current world market price of about $35 a ton.

This pattern is expected to be repeated by existing European customers, such as Spain and Italy.

While SA possibly ships the highest quality, low sulphur coal at low international prices, world over-supply and political pressures are expected to drastically alter present market trends.

The present world surplus has been prompted by the drop in oil prices, the international fall in electricity consumption and the entry of other coal producers into the market, particularly Columbia.

Analysts claim that such a scenario provides for the possibility of a complete ban on SA coal in the Northern hemisphere, and a take-it-or-leave-it attitude concerning the buying price from Far East importers.

Worldwide production of bituminous (hard) coal and lignite (brown coal) currently exceeds 4 000-million tons, of which the Soviet Union, Eastern Europe, China and other centrally-planned economies contribute around 2 300-million tons a year.

America individually leads the field as a producer, with 807-million tons of hard coal a year, followed by China (772-million tons), the Soviet Union (554-million tons) and Poland (191-million tons).

East Germany produces 296-million tons of brown coal but no hard coal, while the Federal Republic recovers 85-million tons of bituminous and 127-million tons of lignite.

Australia — SA's major competitor as a vendor into Europe and Asia — produces 115-million tons of hard coal and 35-million tons of brown coal.

This is the country that has the most to gain from sanctions against the sale of SA coal.

The coal battle between the two countries centres around the Richards Bay Coal Terminal and the recent New South Wales rail strike that spread into the port loading facilities.

Australia claims that Richards Bay, and its direct rail links with the Natal and Transvaal coalfields, allows SA to underprice its coal sales in the Pacific rim area.

Added to this, the stoppage of supplies to customers, because of the New South Wales rail strike, allowed the Transvaal Coal Owners Association (TCOA) to fill in certain supply gaps and at the same time secure contracts in traditional Australian coal markets.

The present anti-SA pressures have already started to reverse this trend, with the Queensland coal industry claiming to have already gained three new export orders, bringing the total of its client countries to 30.

Coal sales of more than 400 000-tons have recently been made to the Philippines, Hawaii and Sweden by the Queensland coal vendors. The sale to the Philippines is alone said to be worth about A$15m.

Major growth for Queensland has been in the sale of steaming coal, which has increased from 3,47-million tons in 1983 and 1984 to 10,19-million tons in 1985.

Queensland's Minister of Mines and Energy has predicted that by the end of the current year the state would be exporting a composite 50-million tons, making it Australia's leading coal exporter

In spite of the current surplus, new coal mines are reported to be opening up around the world

The Soviet Union is known to be in the process of commissioning a massive new mine, and China's An Tai Boa mine is expected to become the world's largest open-pit coal operation with a capacity of 15-million tons a year

India has discovered new coal deposits stretching for more than 22km in the Godarvari Valley, containing at least seven coal seams. These deposits would add to the country's present yearly production of 148-million tons of hard coal and 6,5-million tons of lignite

Following its recent year-long coal miners' strike, Britain is gearing its coal production for a re-entry into the export market at a price of $35 a ton.

Many of Britain's older, deep-level mines have already been closed, to be replaced by more cost-efficient operations, such as the Vale of Belvoir and the giant Selby conglomerate, with its planned output of 10-million tons a year.

Recently Britain's National Coal Board announced plans for a new development in south Warwickshire which is expected to cost between £400m and £500m.

With a planned yearly output of 3-million tons, the new pit could become the largest single underground coal mine in Britain

Unions back Danish govt

COPENHAGEN — The Danish Federation of Trade Unions has decided to stop its boycott of goods coming from or going to SA, because of parliament's decision last week to outlaw all trade with SA.

And the Irish government may impose a ban on South African fruit and vegetable imports from March next year

The Danish boycott, which was originally to have operated from November 18 to January 31, halted all handling of goods from and to SA by unionised unskilled workers, hotel and restaurant workers, metal workers and truck drivers

The Federation of Trade Unions said in a report the "gratifying" move of the Folketing. the Danish parliament, had made it possible to terminate the boycott as of today

The Irish ban will be imposed if a government investigation "points to the abuse of prison labour" in the production of fruit and vegetable products in SA.

The Irish government is considering implementing the ban from March 31 next year — Sapa-Reuter

Irish ban on SA produce

STAR 23/12/85

(280)

DUBLIN — The Irish Government's decision to introduce selective sanctions against South African imports has been welcomed by the people mainly responsible for bringing it about.

The 11 supermarket workers, who have been on strike for 17 months over their refusal to handle South African produce, say they are delighted with the move.

Miss Mary Manning, whose refusal to check out a South African grapefruit began the dispute, said: "It is more than we ever thought we were going to get."

But there is still confusion over the precise details of the ban.

The Government said a system of licences for South African imports would come into effect on April 1 because of evidence that forced prison labour was used to produce fruit and vegetables there.

But Foreign Minister Peter Barry stressed that was not the only reason. — The Star's Foreign News Service.

US 'no' to divestment

NEW YORK — Most Americans do not want US businesses to pull out of South Africa in protest against apartheid, but there is no consensus on the correct United States policy, says a Media General-Associated Press poll released yesterday.

Asked "Do you think US businesses should stop investing or doing business in South Africa, or not?" 32% of the 1 462 respondents said yes, 40% said no and 28% were unsure.

Eighty United States colleges or universities have divested all or part of their stock in South Africa-related companies and at least 10 states and 32 cities have some kind of divestment policy, according to the Investor Responsibility Research Centre, which monitors business activity in South Africa.

In addition, about 20 American businesses have closed operations in South Africa in the past year.

Half the respondents said business divestment would hurt blacks and whites, 28% said it was immoral to conduct business in South Africa, and 22% had no opinion.

Slightly more than half the respondents said they believed apartheid would be abolished in the next 10 years and two-thirds said SA's problems would lead to civil war.

Respondents included a random, scientific sampling of 1 462 adults across the US from November 8 to 14. The results were subject to an error margin of three percentage points either way — Sapa-AP.

British Council staff vote could end SA involvement

23/12/85 STAR

280

The Star Bureau

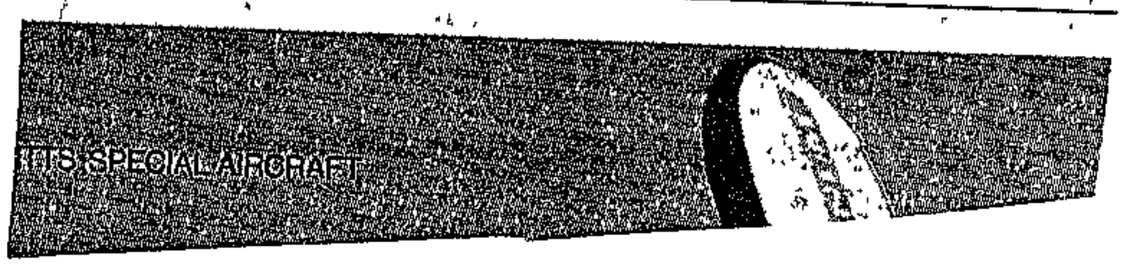
LONDON — British Council staff are expected to vote in favour of their joint trade union organisation's demand for the council to end its involvement in South Africa.

Mr Donald Anderson, Labour's spokesman on Southern Africa, told a staff meeting that by being in South Africa, the British Council was "in danger of legitimising the Government there".

Union representatives estimate that about 30 percent of the council's 2 000 London staff have invoked a conscience clause allowing them to refuse to be involved in the South African programme.

The British Council has offices in Cape Town and Pretoria. The management in London argues that the South African programme is providing essential training and educational facilities for blacks.

But the Anti-Apartheid Movement says the council is trying to promote a "third force" of leadership in opposition to the ANC.



Xulu calls for boycotts

STAR 23/12/85 (280)

STOCKHOLM — Mr Maxwell Xulu, vice-chairman of the South African Metalworkers' Union, has called here for increased boycotts against South Africa.

"We welcome all and every form of pressure that can be brought against the apartheid regime in South Africa," he said.

Mr Xulu is due to have meetings with the Swedish Trades Union Congress. — The Star's Foreign News Service.

COMPANIES

(280) 24/12/85 BUS DAY

SA trusts appeal against divestment

TRUST companies in South Africa, through their association, have addressed the powerful trust lobby in the United States on why American trustees should set their face against the SA divestment campaign.

In a major article in the October issue in Atlanta of the influential magazine *Trusts and Estates*, James Baigrie of Cape Town, a director of the Association of Trust Companies in SA, stresses the ineffectiveness of disinvestment as a tactic likely to produce change in South African society.

"By divesting from South Africa, American investors will be undermining the very foundations of their power to contribute to social justice in South Africa.

"Instead of leaving a vacuum into which, no doubt, a fair amount of virtually unprincipled international capital will find its way because of profit opportunities, do the facts of the situation not favour American tactics that continue to participate in SA but which demand a steadily higher price in social justice terms for their participation?"

In a foreword to Baigrie's article, association chairman Arthur Skelton says Baigrie presented his analysis in a detached and professional spirit, minimising the impact of his own political views and, in this light, the article could be read as incorporating the association's views. — Sapa.

Outcry and renewed call for sanctions in Britain

LONDON — Conservative and Labour Members of Parliament yesterday denounced the arrest of South African civil rights leader Mrs Winnie Mandela

Labour's foreign affairs spokesman Mr Denis Healey said the arrest removed the last possible excuse for Prime Minister Mrs Margaret Thatcher to resist imposing economic sanctions against the South African Government

Mrs Mandela was freed from police custody in Johannesburg yesterday pending trial on a charge of breaking a State order banning her from her Soweto home

Mr Healey said the arrest was the culmination of a series of recent abuses by South African State President Mr P W Botha

He said. "In the week before Christmas, Mr Botha has invaded Angola yet again, sent his death squads into Lesotho to murder his opponents, has moved a great stride towards martial law itself and, finally, has arrested Mrs Mandela for the crime of living in her own home.

"Yet Mrs Thatcher has just provided government finance for a trade mission to South Africa Her odious hypocrisy over apartheid is a disgrace to Britain"

A Conservative lawmaker, Mr Robert Adley, also angered by the arrest of Mrs Mandela, said he sent her a Christmas card by way of the South African Embassy in London

Mr Adley, founder of a parliamentary group of Conservatives pressing for reform in South Africa, said he asked British Ambassador Dr Denis Worrall to forward the card to Mrs Mandela.

He said "Only a government as stupid and harsh as that running the South African police state would choose to arrest Mrs Mandela at Christmas

"The South African regime seems to be proving the veracity of the old saying that those whom the gods want to destroy, they first make mad"

Commonwealth Secretary-General Sir Shridath Ramphal called the arrest of Mrs Mandela "a violent act" — Sapa-Associated Press



Friends, relatives and admirers crowded around Mrs Winnie Mandela yesterday soon after she was released on warning after appearing in a Johannesburg Magistrate's Court on a charge of contravening her banning order.

● Picture by Herbert Mabuza.

Sweden smiles on SA gold

28/12/85 STAR

280

The Star's Foreign News Service

STOCKHOLM — South African gold has put the bite on Sweden's ban on apartheid imports — triumphing in the dentist's chair.

Swedes will continue to have South African — not Russian — gold in their teeth.

The Swedish Association of Dental Surgeons has forced the socialist government to allow South African gold to be used for filling teeth.

The association has extracted an undertaking from Foreign Trade Ministry officials who have issued special exemptions to gold trade dealers in Stockholm, allowing the import of 1 500 kg of South African gold — worth R7,14 million — in 1986.

Argus 30/12/85 (280)

Secret anti-sanctions squad helps SA trade

Argus Correspondent

JOHANNESBURG. — South Africa is using a silent network of companies that operate as export ghost squads to help run the gauntlet of international political sanctions and trade boycotts.

They operate much like the Taipans that made Hong Kong the hub of Far East trade.

South Africa's new Taipans now account for a staggering R5 000 million worth of non-gold exports a year.

They have emerged as a key factor in a spectacular increase in exports that promises to boost earnings to above R35 billion for 1985.

Several of them were teethed on the skulduggery learned to circumvent economic blockades erected around Rhodesia in the old UDI years. They have now added more sophisticated refinements to their sanctions-busting arsenal.

The SA Foreign Trade Organisation estimates the Taipans have already set up 350 export companies, which between them have close links with at least 2 000 trade offices in overseas markets.

They accounted for more than a quarter of South Africa's non-gold exports of nearly R13 billion last year and their share is expected to prove even larger when 1985 figures are analysed.

Most of them follow secretive Taipan strategies of using an elaborate spider-web of world-wide business contacts that find new routes into overseas markets and strike multi-million rand deals in new export contracts.

Known as "export houses", they are fashioned on the concept of specialist merchants swinging business deals on behalf of manufacturers but confining their own role to acting as middle-men and making a close secret of their techniques and contacts.

Political hostility

Though export houses are not new to South Africa, they have mushroomed in number and rocketed to prominence as a result of the surge in official and unofficial trade boycotts.

Much of their success is due to their expertise in dealing with red tape with sophisticated systems of documentation that often disguise the fact that shipments originated in South Africa.

Among their most brilliant coups has been helping boost exports to Africa, where nearly all South African trade is officially banned by politicians.

The new Taipans operate in Africa in diplomatic silence through as many as 240 trade offices strung across the continent.

In spite of political hostility, South African exports to Africa in the first 11 months of last year rocketed above R1 450 million — almost twice as high as in 1984.

"Export houses draw their strength from the quality and extent of their foreign contact networks, their employment of key traders, and superb market intelligence," said a Safto executive.

"Their access to more than 2 000 offices and trading companies abroad has ensured that South Africa remains well connected with the rest of the world.

"Aside from all their quiet activities in black Africa, 74 of them have operations going in Britain, 68 are inside West Germany, 67 in the United States and 56 have links in Japan.

"They are expert not only in weaving a way around sanctions but also in finding solutions to such international trade headaches as protectionism and discrimination.

"More and more of the big South African industrial companies are turning to them to handle their export problems — and they are playing a remarkable role."