AUTOMOBILE MANUFACTURING INDUSTRY, EASTERN PROVINCE

Parties Employer Organisation: the Eastern Province Automobile Manufacturers' Association
Trade Union: S.A. Yster, Staal en Verwante Nywerhede Unie; National Automobile & Allied Workers Union

Area Magisterial Districts of Port Elizabeth and Uitenhage.

Funds

1. Supplemental Unemployment Benefit Fund with employer and employee contributions, for use in times of lay-offs.

JANUARY — APRIL

SANCTIONS - 1986

try. — AP-DJ.

Soviet economics specialist Eric Reuter.

More room for new industry

STEPHEN CRANSTON

THERE has been considerable progress in the establishment of industry at the Ekandustria industrial deconcentration point, KwaNdebele, during the past 18 months.

Forty-five companies have been established and a further eight industrialists are moving into their factories.

The KwaNdebele National Development Corporation is building another 13 factories.

Private sector investment is estimated at R48m and 5 600 jobs are likely to be created.

Not all companies have been South African. There are two Israeli and two Far East ventures.

Plans are underway to extend Ekandustria from its present 100 ha to 314 ha and 23 industrial applications are being processed.

SA Washington embassy launches US newsletter

SIMON BARBER

WASHINGTON — To combat the predicted 1986 crop of sanctions and disinvestment legislation the SA embassy in Washington has begun issuing a monthly newsletter under the byline of ambassador Herbert Beukes.

The January 1 edition was sent to a list of 4 000 decision-makers at the end of last week.

It opens with a quote from Abraham Lincoln: "The dogmas of the quiet past are inadequate to the stormy present. As our case is new, so we must think anew and act anew. We must disenthral ourselves and then we shall save our country."

Beukes compares the ANC with the Palestine Liberation Organisation and urges the US not to push for talks between Pretoria and the ANC until the latter renounces violence.

President P W Botha "stretched out his hand, offering to negotiate", he writes, "but the extremists refused. Instead they called for — and have carried out — a campaign of violence, terror and intimidation, aimed more at blacks than at whites".

The newsletter also contains news items from Southern Africa which the embassy deems to have received insufficient attention in the US Press.

The snippets include: "Blacks can now own land", "Castro reported to seek war against SA", "Government incentive plan may create 77 000 new jobs" and "Inkatha refuses to accept African national conference violence".

New York still has its 'share in apartheid'

The Star Bureau

NEW YORK — Almost 18 months after officials voted to withdraw the city's largest employee-pension fund of holdings in companies doing business in South Africa, not a single share of the $10 billion (about R30 billion) fund has been sold.

The move was originally hailed by the mayor, Mr Ed Koch, and other political figures as an important "blow against apartheid".

But embarrassed officials are now explaining that they have been unable to carry out the withdrawals because of fears that disinvestment would hurt municipal pensioners who depend on the massive fund, thus laying the city open to a host of legal actions.

New York's finance commissioner, Mr Paul A Crotty, conceded yesterday that if it was found that the fund would suffer great financial losses the city might abandon its disinvestment plans altogether.

The first phase of disinvestment was to have been completed a month ago That step required the sale of stock in companies that do business with the South African military and police, that provide financial services to the Government or that refuse to pledge equality of treatment of blacks and whites in the work place.

The mayor, who became an outspoken proponent of disinvestment during his campaign for re-election last year, in which the city's big black vote plays a significant part, said he would call for a study of the situation. A few minutes later, however, a mayoral aide said such a study had already been completed.

After five years, the plan calls for disinvestment in all stocks in companies doing business in South Africa, except those that are of "substantial assistance" in fighting apartheid.

Boycott puts spotlight on Rand Monetary Area

Cutting ties with rand could hurt neighbours

The international capital boycott of South Africa has had a serious impact on neighbouring countries, and in this article DR ROGER GIDLOW discusses some of the implications of these strictures.

The future of the Rand Monetary Area, has been placed in the spotlight by the recent decision of Swaziland to enter into negotiations with other members of the area with a view to unlinking its currency from the South African currency.

For many years Botswana, Lesotho and Swaziland used another national currency as their domestic circulating medium of exchange and legal tender despite the absence of any formal agreement to underwrite such an arrangement.

These countries were, in effect, part of a wider de facto monetary area which used the rand

In 1974, these informal arrangements were replaced by the creation of an officially recognised Rand Monetary Area.

Botswana did not join this area, but all three nations have, nevertheless, maintained, to varying degrees,close economic integration with the monetary system of South Africa.

Within the Rand Monetary Area the exchange rates between the three currencies, namely, the maloti of Lesothi, the emalangeni of Swaziland and the rand of South Africa are maintained at unity with no margin for fluctuations.

Close integration

While floating exchange rates have been adopted for the major currencies after the demise of the Bretton Woods arrangements in the early 1970s, the fixed exchange rate features of the Rand Monetary Area agreement have remained intact.

In view of the close economic integration between the member states, and the limited potential for conflict arising from the dominance of South Africa, it has been difficult to visualise the Rand Monetary Area agreement disintegrating.

Instead, it is generally assumed that the smaller states might at some stage seek a revision of the agreement in the form of compensation for any perceived costs which are imposed on them.

The possible withdrawal of Swaziland has created a new situation. The exit of a member from a monetary union is not exceptional. Mali turned its back on the West African Monetary Union in 1961 and rejoined in 1984.

Nevertheless, some analysts emphasise that the political will to integrate in a monetary union is an essential ingredient for the success of such an organisation.

Of course, it's not inconceivable that increasing world hostility towards South Africa may have prompted the Swazis to try and distance themselves from this country.

At present, the monetary authority of Swaziland (as a consequence of its commitment to maintain 100 percent rand backing for the emalangeni and to keep its value at par with the rand) does not have the usual money-creating attributes of a central bank. This could change if it withdraws from the agreement.

Policy mutation

The country, however, would probably not possess extensive latitude for conducting independent monetary policies in view of its close dependence on South Africa for foreign trade and capital.

Roughly a third of Swaziland's exports are destined for South Africa, while about 80 percent of its imports originate from the Republic.

Many commentators will assume that any abandonment of the rand as a monetary standard by Swaziland will most probably be followed by a mutations in its exchange rate policies.

A floating exchange rate system between the rand and the emalangeni would appear to be ruled out at this stage by the lack of the necessary institutional banking facilities in Swaziland.

The most obvious alternative would be for the Swazis to peg their currency against the rand on a variable peg basis.

In theory, at least, this could provide an additional element of flexibility for dealing with balance of payments disequilibria.

A study covering 1974 to 1981 revealed that the global balance of payments of South Africa and Swaziland typically did not move in phase.

In other words, the usual situation has been such that a basic balance of payments surplus in South Africa was mirrored by a deficit on the basic balance of Swaziland and vice versa.

On this basis it can be argued that since the exchange rate policy of South Africa is geared to direct its own balance of payments position, this policy is likely to be inconsistent with Swaziland's requirements as Swaziland has no independent policy.

Balance of payments disequilibria in that country are, arguably, made more difficult to overcome.

This sort of analysis, however, ignores the possible impact of short-term capital flows on the Swaziland balance of payments if it adopted a variable pegging arrangement for its currency against the rand.

The Swaziland authorities might find that their managment of the currency is complicated by leads and lags influences.

The heavy dependence of the Swaziland on foreign trade with South Africa could encourage large speculative movements of funds out of the emalangeni if the currency is pegged at above par against the rand.

Conversely, large amounts of funds could be attracted into the cuurency if it was pegged below parity with the rand.

If Swaziland does withdraw from the Monetary Area it is bound to have a major impact on its economy.

In contrast, the consequences for South Africa would be slight. This is because of the huge disparities in the sizes of the respective economies — with the gross domestic product of Swaziland less than one percent of the comparable figure for South Africa.

Metlife seeks JSE listing

Metropolitan Life, one of the top 10 life insurance companies in the country, is seeking a listing on the Johannesburg Stock Exchange.

The listing is to be accompanied by a public offer of shares in Metpol, as the company will be known on the stock market.

The prospectus, setting out full financial information, is expected to be published this month.

Metropolitan is a wholly-owned subsidiary of Sankorp/Sanlam.—Sapa.

Congressmen say tougher US sanctions still possible

STAR 7/1/86 280

By Jo-Anne Richards

Six US Congressmen arrived at Jan Smuts airport last night on a 'fact-finding" tour to judge the effects of limited sanctions on Pretoria's policies

They are to evaluate the possible need for tougher measures against South Africa, delegation members said last night

They would be meeting leaders of all communities to judge their 'reaction to the change in US foreign policy by executive order of the President for limited sanctions" the group's leader, Democratic Congressman Mr William Gray, said.

As members of the United States legislative body, they were to gauge the need for "further action' Congress was soon to enter its second session and the possibility for change still existed

We must see if the sanctions are working or if they should be toughened " Democratic representative Mr Peter Kostmayer, said "but we are also here to express our solidarity with the majority in South Africa and our sympathy with their aspirations '

Mr Gray, author of the Anti-Apartheid Act of 1985, said Congress was "overwhelmingly concerned about what is happening here' — particularly since the news blackout.

The delegation had not compiled a checklist of questions for the State President, Mr Botha, but it would ask why the news blackout had been necessary

Members had not yet received a response to their request for a meeting with jailed black leader Nelson Mandela

"We hope the Government will allow us to meet him We consider it very important that we should meet the man regarded by the black majority as their premier leader '

Mr Kostmayer said he was not aware of any difficulties in the group's approaches to the Government, despite many of their outspoken anti-apartheid views

Other members are Democratic representatives Ed Towns and Charles Hayes, Republican Lynn Martin and Washington DC's non-voting Congressional delegate Walter Fauntroy



Democratic Congressman William Gray . . he is the author of the Anti-Apartheid Act of 1985



Republican delegate Lynn Martin . . her group says it wants to meet Nelson Mandela



Democratic Congressman Ed Towns . 'evaluate the possible need for tougher measures'

Overseas cash vital as 200 000 jobs axed

By Michael Chester

More than 200 000 jobs have been axed in the industrial sector as order books have shrunk in the three-year slide into recession, a Stellenbosch University Bureau for Economic Research survey has found.

The survey also said a resumption of foreign investment could be vital to regenerating employment.

It found that while pessimism among manufacturers had lifted a little, firms that expected improved sales and production volumes were still a minority.

The production capacity in use had dwindled to little more than 83 percent by the start of 1986 — which means nearly a fifth of factory space is idle.

An overall labour force of 1,5 million employed by manufacturers in January 1982 had been cut to 1,3 million by the latest count.

The survey — on 3 200 manufacturers — found the job outlook to be bleak, despite Government assurances of new economic stimulants.

Even though there may be a slight improvement in the economic tempo in the next three months, it may not be enough to cause a turnabout in unemployment trends in the factories.

GROWING

Researchers said the number of white, coloured and Indian workers registered as unemployed had increased from 16 227 in 1982 to more than 67 000 by mid-1985 — an increase of 313 percent — and was still growing.

On a count based on the Current Population Survey, the number of jobless black workers had risen from about 395 000 to more than 500 000.

The results of a separate survey into the commercial sector are likely to add to the woes of workseekers

Industrial survey unit head Mr J P Spangenberg said unemployment had created "an ideal environment for discontent, unrest and violence".

As the population seemed likely to go on growing by 2,5 percent a year, with large numbers of unskilled workers unsuitable for employment in modern business, there was now "tremendous pressure" on economic growth rates and education facilities.

He said: "South Africa's economy has to expand rapidly to accommodate and train its increasing labour force.

"Foreign capital investment is essential to achieve this — and with the depressing outlook regarding new foreign investments the employment problem is here to stay."

● Graphs on Page 15

Use sanc

– call to visiting Congressmen

(280)

SOWETAN
8/1/86.

SOWETAN Reporter

THE Council of Unions of South Africa wants visiting US Congressmen to endorse sanctions against South Africa.

Addressing the Congressmen at a meeting in Johannesburg yesterday, Mr James Mndaweni, Cusa's president, said South African blacks were impatient with people who wish to visit the country to see for themselves the evils of apartheid, "while our people are suffering and dying".

He said that soon there will be Commonwealth dignitaries visiting South Africa. "We wish to tell them through you that they should stay in London."

Six US Congressmen arrived in South Africa yesterday on a "fact-finding" tour to judge the effects of limited sanctions on South Africa.

They are here to evaluate the possible need for tougher measures against this country, their spokesman said.

Mr Mndaweni said over the past week the peaceful community of Moutse was being forcibly incorporated into a "puppet homeland". In the process people were killed.

"Throughout the country children have died of malnutrition, parents remain unemployed, pensioners wait desperately in the harsh sun to receive their pension payments.

"There has been school riots in South Africa for 10 years now. Over the past weekend, while you were at home with your families, a national meeting decided to set terms for the return to school of the children. We fully support this move," Mr Mndaweni said.

Tutu's call for US sanctions brings official repudiation

From RAMSAY MILNE
The Argus Foreign Service

NEW YORK — Bishop Desmond Tutu, who says that part of his mission in the United States is to persuade President Ronald Reagan to "uncloud his vision" and help to dismantle apartheid, has learnt that he will meet Vice-President George Bush instead

They will meet in Atlanta on January 20 during commemorations to be held in honour of slain civil rights leader Mr Martin Luther King

And in an unusual public repudiation of statements by a non-political visiting dignitary, the State Department said the Reagan Administration strongly disagreed with Bishop Tutu's comments calling for more effective American sanctions against South Africa

"We do so because there are many black South Africans who do not favour sanctions against South Africa," a State Department spokesman said in Washington

Bishop Tutu, who has achieved great popularity in the United States, has been given wide media coverage wherever he has appeared

Highly critical

He has been highly critical of the South African racial policies and has chastised Americans who have not supported sanctions

Speaking at a news conference in New York, Bishop Tutu said that many Americans were citing as an excuse for not supporting such measures the possible suffering that sanctions would cause black South Africans

"For goodness sake, let people not use us as an alibi for not doing the things they know they ought to do," he said

Calling on the Reagan administration to back stronger measures against South Africa, he said that President Reagan should apply to South Africa the policy that he applies to Nicaragua

"Voila!" he said "Apartheid would be over in next to no time."

Bishop Tutu said he hoped the President would have "a Damascus experience" — the conversion St Paul experienced on the road to that city "I hope you people are going to force him," he added

A SUPER-GIRL FROM CHINA



Two of the contestants in the Supermodel of the World competition, Molly Fitch of Rhode Island, left, and Shi Kai, of the People's Republic of China, were photographed at a press breakfast at Maxim's in Manhattan, New York. The contest is the first pageant with a contenstant from China. It is scheduled for Monday next.

Woman attacked, escapes

Crime Reporter

A QUICK thinking Somerset West woman escaped from a man who attacked her at home by slipping out of the house when he left her alone for a brief period

She went to a neighbouring house from where the police were called

However, the intruder had escaped by the time they arrived

Mrs Margaret Brotherton 20, was not seriously injured in the attack and nothing was stolen, Major Frank Alton, a Boland police spokesman, said today

He said Mrs Brotherton arrived at her home in Thom Street from the shops about 1 50pm yesterday and found a man in the hallway

He grabbed her and tied her hands behind her back before attempting to gag her

The man threatened her with a gun and demanded money He then left her and moved in the direction of the telephone

Mrs Brotherton used this opportunity to slip out of the house and escape

Congo fever case in Transvaal

The Argus Correspondent

PRETORIA — One of two men transferred from H F Verwoerd Hospital here to an East Rand hospital for contagious diseases has Congo fever

The superintendent of Rietfontein Hospital in Edenvale, Dr G B Miller, confirmed today the Congo fever patient was a 50-year-old white from Swartruggens, in the north-western Transvaal The patient was today "progressing favourably", he said

OBSERVATION

Dr Miller confirmed that a middle-aged Pretoria man was also admitted to his hospital for observation But the disease has not yet been positively diagnosed The patients' names could not be disclosed

Border controls upset Lesotho

The Argus Foreign Service

NEW YORK — Lesotho has complained to the United Nations that its nationals are not allowed to cross the border into South Africa

In a letter to the UN secretary-general, Mr Javier Perez de Cuellar, Lesotho's UN ambassador, Mr T Makeka, says "This high-handed unilateral action is bound to cause inconvenience and economic dislocation to our people"

Girl, 15, shot five times at prison warder — police

Crime Reporter

POLICE confirmed today that they are investigating a charge of attempted murder after a 15-year-old Robertson girl allegedly fired five shots in the direction of an off-duty prison warder

The man was reportedly a former boyfriend of the girl

Major Frank Alton, a Boland police spokesman, said Mr Johannes David Hugo, 21, of Waterkant Street, Robertson, was walking in Barry Street with two woman friends about 11am last Monday when five shots were fired with a small calibre weapon

The bullets did not hit anyone but one broke a window of a house

Mr Hugo and the girl apparently recently terminated their relationship and one of the women accompanying him at the time of the shooting was a close friend

The Argus was today unable to contact Mr Hugo

NEWS FOCUS

BUS DAY 8/1/86

US team unlikely to fuel sanctions debate

SIMON BARBER

WASHINGTON — Barring some unforeseen controversy, the six US congressmen currently visiting SA are unlikely to have much impact on the 1986 congressional sanctions debate.

There is one exception — Representative William Gray, the first black chairman of the powerful House budget committee, and far and away the group's most influential member.

A Baptist minister, the Pennsylvania Democrat has represented his Philadelphia constituency since 1978.

Less outspoken than many of his colleagues in the Congressional Black Caucus, he proved an adroit manager of last year's anti-apartheid legislation.

His spokesman, Charlene Grey, says the main purpose of his visit is to judge first hand the impact of President Ronald Reagan's sanctions package.

This is Gray's first trip to SA. Conclusions he draws from his planned meetings with President P W Botha and Foreign Minister Pik Botha will help set the tone of House action this year.

Gray has established a reputation as a thoughtful politician who considers it his role to be more than a mouthpiece of black discontent.



● KOSTMEYER

He has earned considerable influence and prestige in the House and, if sufficiently impressed, could prove an important, if quiet, moderating force.

Very different is Walter Fauntroy, who represents the city of Washington as a non-voting delegate.

Also a Baptist minister, Fauntroy is an activist showman.

A leader of the Free SA Movement, he was among the first to be arrested outside the SA Embassy in Washington.

He has been a staunch defender of the Palestine Liberation Organisation and tends to view any controversy surrounding a black politician — former UN ambassador Andrew Young, for example — as proof of racism.

If any member of the group is going to precipitate an incident, it is likely to be him.

He is a fine tenor, and has an unnerving habit of breaking into



● GRAY

song at the end of speeches to sing "The Impossible Dream".

The two other black congressmen on the trip, Edolphus Towns of New York and Charles Hayes of Chicago, are less well known.

Both relatively new to Congress, they were elected in 1982 and 1983, respectively.

Congressmen Pete Kostmeyer is the only visitor to hold a post on the influential Foreign Relations committee.

Like Gray's, his constituency is part of Philadelphia.

A journalist by training, he is reported to have senatorial ambitions.

The only Republican in the group is Congresswoman Lynn Martin.

She represents the corner of Illinois where Reagan was born and is considered a liberal on foreign affairs issues.

A former high school teacher, she serves with Gray on the budget committee.

French move on sanctions

PARIS — The French cabinet at its weekly meeting yesterday adopted a draft decree to implement a series of limited sanctions against South Africa.

The decree, in line with the majority decision taken by European Community nations last September, prohibits the export and re-export of oil products and paramilitary equipment to South Africa, and embargoes imports of military equipment.

Exports of material likely to be used in the nuclear sector will be subject to licence.

France halted all new investment to South Africa last July and recalled its envoy in protest against the state of emergency. — Sapa-Reuter

WEEKLY M.

10/1/86.

Why disinvestment's a boon to US business

Pulling out of South Africa hasn't hurt US business much. Some companies are even finding it profitable. LOUIS FREEDBERG reports



FOR US companies divesting from South Africa, the pain of withdrawal has proved minimal. Some have even profited from withdrawing.

Until recently, corporate America viewed ethical considerations as irritants that should play no part in corporate decision-making.

Economist Milton Friedman summed up the dominant view by labelling corporate responsibility "a fundamentally subversive doctrine in a free society".

"There is one and only one social responsibility of business," wrote Friedman in 1970, "to use its resources and engage in activities designed to increase its profits".

Cities, pension funds and universities had long argued that they should put their money in those companies that promised the greatest rate of return, regardless of where or how these companies did business.

Not any more. Close to two dozen US corporations have disinvested and many others have scaled back their operations. Forty colleges and universities have divested their endowment funds.

The amounts of money involved are staggering. The Massachusetts State Employees' and Teachers' Retirement Fund, for example, has sold off $230-million (R575-million) in stocks and bonds in two years.

Pension and other fund managers are now conceding that bringing other considerations into their investment decisions has not been as disastrous as they thought. No institutional funds are in the red, and many are doing better than before.

As for their corporations pulling out of South Africa, the pain of withdrawal has been minimal because many earned such a small percentage of their income from their South African holdings.

Institutional investors have learned it is possible to take ethical considerations into account — without hurting profits. In fact, "South Africa-free" portfolios can generate more income because investors are obliged to buy shares in smaller, rapid growth companies rather than the large, more conservative "blue chip" companies.

Mainstream companies like EF Hutton and Dean Witter are now offering "socially responsible" investment advice. The Calvert Group, in an ad pushing a money market fund, asks potential investors, "Are you profiting from oppression?" and assures them the company does not "invest in South Africa or nuclear power or weapons".

Instead, says Calvert, it "invests in the positives, like renewable energy, participative management and equal opportunity".

In addition to a clear conscience, this approach has also brought higher returns for investors For the 12-month period ended September 5, the Calvert Social Investing Fund gained 22,4 percent — outperforming the Standard and Poors 500 index which rose by 17,9 percent. Other "social investing" funds are also doing better than or about the same as the Standard and Poors index.

Some $55-billion (R137,5-million) is now being invested using socially responsible criteria, according to the Social Investment Forum, an association of investment professionals and institutional investors.

Although growing steadily in recent years, socially responsible investing has now been pushed to centre stage by the anti-apartheid movement

Even though divestment won't topple the South African government, it has helped weaken some key ideological pillars on Wall Street — Pacific News Service

Trade pattern with Nordic countries up but shifting

By Frank Jeans

Scandinavian countries might well be turning the screw on South African trade but they remain dependent on much of what this country can offer in basic resources.

'For political reasons, Norway, Denmark and Finland have cut back on imports of South African high profile and visible items which appear on supermarket shelves.

'On the other hand, there is renewed demand for South Africa's minerals as these, and other West European countries, have experienced renewed industrial activity in the wake of economic recovery.

'According to the South African Foreign Trade Organisation figures, mineral exports to Norway, for instance, for the January to July period of 1985 were valued at R20 million compared with about R15 million for the same time in 1984.

EXCHANGE RATE

For Europe as a whole, ore imports for the seven months last year hit R1,2 billion as against R825 million previously.

While the rand exchange rate must account for some of the increase in these export values, the fact remains that there is no shortage in demand from Europe for South African ores.

'South African manganese is particularly sought after by the Norwegians and although no up-to-date figures are available, statistics published in Oslo recently reveal that imports of manganese ores in 10 months of 1984 leapt by 53 percent in value and 45 percent in volume.

'There is every reason to suppose that these figures have been surpassed as industrial growth in that country continues.

COMMODITIES

Norwegian imports of South African high profile products, on the other hand, such as fruit and vegetables, have taken a knock.

Although not one of South Africa's major customers for these commodities, Norway imported fruit and vegetables to the tune of R200 000 in January-July 1985 — 33 percent less than for the same period in 1984.

While official South African trade statistics indicate that these figures are probably accurate, they are probably greatly understated because of indirect trade links through other countries

Ovation as Fauntroy cries, sings

CAPE Times 10/1/86

By TONY WEAVER

THE visiting US Congressional team was given a rapturous welcome and repeated standing ovations by a jam-packed congregation at Dr Allan Boesak's Bellville South Ned Geref Sendingkerk last night.

More than 1 000 people heard Mr Walter Fauntroy, non-voting congressional delegate from the District of Columbia — and Baptist preacher and co-leader of the Free South Africa Movement, vow to intensify the battle for all-out sanctions against South Africa.

But at a press conference after the church service, the leader of the delegation, Mr William Gray, said the group would decide on its final recommendations only once they had returned to the US

The lively, 2½-hour church service was frequently interrupted as the congregation chanted "viva, viva" (long live) and "amandla" and sang freedom songs, and most of the congressional group gave clenched-fist salutes as they were introduced to the congregation by Mr Gray.

Mr Fauntroy was given a rapturous, standing ovation when he said he brought greetings to the congregation from the US senators and congressmen who support the imposition of sanctions against South Africa.

'My heart bled'

"The people of America are saying we will not co-operate with this evil system. They are saying to South Africa, until you let our people go, we will not send you the lifeblood of apartheid which is foreign investment."

Mr Fauntroy wept when he described how "my heart bled when I talked to your President", and he had the congregation on its feet as he launched into an impassioned solo rendition of "To Dream The Impossible Dream".

Dr Boesak, who criticized the state of emergency as being "an excuse for legalized murder", said the people of South Africa did not want their battle fought for them by the people of America and Britain.

"We just want to say to them, we are marching to our freedom, so don't put anything in our way."

He said the South African Government refused to give him his passport because it was scared that if he spoke abroad, "the value of the rand will go down, but I want to say that if P W (Botha) wants the rand to continue going up, he must not speak at the end of the month (at the opening of Parliament)".

● **Squatters 'shock' US visitors, page 2**

Shell Oil boycott launched in US

The Star Bureau

WASHINGTON — In a sharp escalation of their tactics, American anti-apartheid activists today launched a nationwide boycott campaign against the Shell Oil Company, charging that it contributed to repression in South Africa.

Mr Randall Robinson, leader of the Free South Africa movement, told a Washington news conference that other large US companies operating in South Africa would become targets in the drive to discourage US investment.

A Shell spokesman dismissed the campaign as "misplaced and very unfair", and said it would hurt Americans who were independent owners of nearly all the Shell service stations in the US. There are about 11 000 Shell service stations across the country.

The spokesman said that while both American Shell and Shell South Africa were owned by the Royal Dutch Shell Company, they operated independently of each other.

"Shell Oil is unable to influence Shell South Africa or the South African Government," he said.

But representatives of the coalition of labour, civil rights and feminist groups which sponsored today's Press conference had harsh words to say about the company.

ATTACKS

One of the bitterest attacks came from Democratic Congressman Parren Mitchell of Maryland, who said: "Under Shell's operation, blood and oil are mixing. For every black man shot dead in South Africa, that blood goes on the dollars that go into Shell's profits."

Mr Owen Bieber, president of the United Auto Workers, said: "Shell has earned this boycott by its corporate misdeeds in South Africa." Mr Bieber is a member of President Reagan's new advisory committee on South Africa

The coalition urged Americans to cut their Shell credit cards in half and exchange them for "discredit cards" as symbols of their opposition to apartheid.

Describing oil as South Africa's "Achilles heel", Mr Robinson — the chief organiser of anti-apartheid activity in the US — accused the Royal Dutch

South African Government," he said.

But representatives of the coalition of labour, civil rights and feminist groups which sponsored today's Press conference had harsh words to say about the company.

ATTACKS

One of the bitterest attacks came from Democratic Congressman Parren Mitchell of Maryland, who said: "Under Shell's operation, blood and oil are mixing. For every black man shot dead in South Africa, that blood goes on the dollars that go into Shell's profits."

Mr Owen Bieber, president of the United Auto Workers, said: "Shell has earned this boycott by its corporate misdeeds in South Africa." Mr Bieber is a member of President Reagan's new advisory committee on South Africa.

The coalition urged Americans to cut their Shell credit cards in half and exchange them for "discredit cards" as symbols of their opposition to apartheid.

Describing oil as South Africa's "Achilles heel", Mr Robinson — the chief organiser of anti-apartheid activity in the US — accused the Royal Dutch Shell group of violating the international oil embargo by shipping oil to South Africa through subsidiaries, of supplying the South African military and police, and of using "union-busting" tactics at the Rietspruit coal mine.

ARRESTED

Mr Robinson was in the first group of demonstrators to be arrested at the South African Embassy in Washington. Also in that group was Mr Walter Fauntroy, congressional representative from Washington DC, who is currently touring South Africa with a US fact-finding group.

In Washington, the US Shell Company emphasised that its operations were confined to the US but that it was unequivocally opposed to apartheid "as an affront to humanity".

A spokesman said: "We have been an equal opportunity employer for many years and fully support racial equality in our employment practices.

"Companies operating in South Africa, including American firms, are making their voices heard in the same spirit — as is Shell South Africa."

Asked for a comment, a senior official of the US State Department said the American Government's opposition to disinvestment was well known. It believed that large corporations could be a force for change in South Africa.



Chief Mangosuthu Buthelezi and members of the US congressional party visiting South Africa, Ms Lynn Martin, Republican, and leader of the group Mr William Gray.

Cape Times 10/1/86 280

'Don't alienate SA' appeal to US congressmen

THE Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, yesterday told the visiting United States congressmen there was "no need to support the politics of violence, which will in the end annihilate democracy" in South Africa.

He said in a statement after a two-hour meeting in the City that there was insufficient recognition in the world "that South Africa is now on the move and that we are capable of keeping it that way"

He appealed to Western governments "not to support that in our society which they would not tolerate in their own".

"Do not alienate South Africa from the positive influences which are being brought to bear on the South African Government."

Chief Buthelezi said these governments should demand change, the release of political prisoners, the unbanning of organizations and people "and above all, in every possible respect, support humanitarian projects" here.

The upward mobility of black South Africans created "driving forces of change".

It was foolhardy in the extreme for forces of liberation to attempt to cripple the economy and make the country ungovernable

"History teaches me that countries made ungovernable remain ungovernable for a considerable period of time thereafter," Chief Buthelezi said.

Unless millions of black South Africans were rapidly integrated into a vigorously expanding economic growth pattern, the fruits of political victory for the masses would have a bitter taste

The South African economy had made blacks and whites totally interdependent and the real challenge was to translate this economic interdependence into political interdependence.

This was the stumbling block that the State President seemed incapable of surmounting.

"He is but one man and history will force him to give way to another if he does not succeed"

Chief Buthelezi said there were some who were appealing to the international community to "tip the black South African political scales in one way or another".

"Let that be the prerogative of the people of South Africa," he said. "It is ordinary South Africans here on the ground in this country who ultimately will bring about the eradication of apartheid."

He said these were the sentiments of members of Inkatha, which he described as "the largest black political organization ever to have emerged in the history of this country".

Pennsylvania Democrat Mr William Gra leading the group, sa afterwards that he four Chief Buthelezi "ve candid" and was ir pressed by his stanne opposition to apartheid

He surprised the de gation with his comm ment to negotiating change, Mr Gray said

Chief Buthelez views were "producti positive, and helpful our fact-finding m sion", the Americ said — Sapa and UPI

Campaign sponsor to advise Reagan on SA

STAR 10/11/86 280

The Star Bureau

WASHINGTON — The participation of an American labour leader in a nationwide anti-apartheid campaign to boycott Shell Oil products raises questions about President Reagan's new advisory committee on South Africa.

The 12 members of the committee have been given a year to recommend ways in which the Reagan Administration can help South Africa move away from apartheid. Before making their report to the Secretary of State, Mr George Shultz, they will gather evidence and hear testimonies in both America and South Africa.

One of the members is Mr Owen Bieber, president of the United Auto Workers, who is also one of the major sponsors of the Shell boycott campaign.

One question now is whether Mr Bieber serves any useful purpose on a fact-finding panel if he has already made up his mind that forcing American companies to disinvest is the answer.

Another committee member likely to continue his direct involvement in South African issues is the Reverend Leon Sullivan, author of the Sullivan Code of employment practices, now part of US law.

He speaks often in public on apartheid and testifies regularly at congressional hearings on US ties with South Africa.

Shell boycotted over apartheid

SIMON BARBER

WASHINGTON — A nationwide United States consumer boycott of Shell Oil was launched yesterday by the AFL-CIO, America's largest union federation, and the Free South Africa Movement.

It is part of a worldwide campaign organised by the International Confederation of Free Trade Unions.

The company is the US subsidiary of Royal Dutch Shell and was singled out at the behest of SA's National Union of Miners, because of a dispute at the Rietspruit mine early last year.

Campaign organisers estimated Royal Dutch Shell's total investment in SA at R1bn.

Shell last month issued a strongly worded statement denouncing apartheid.

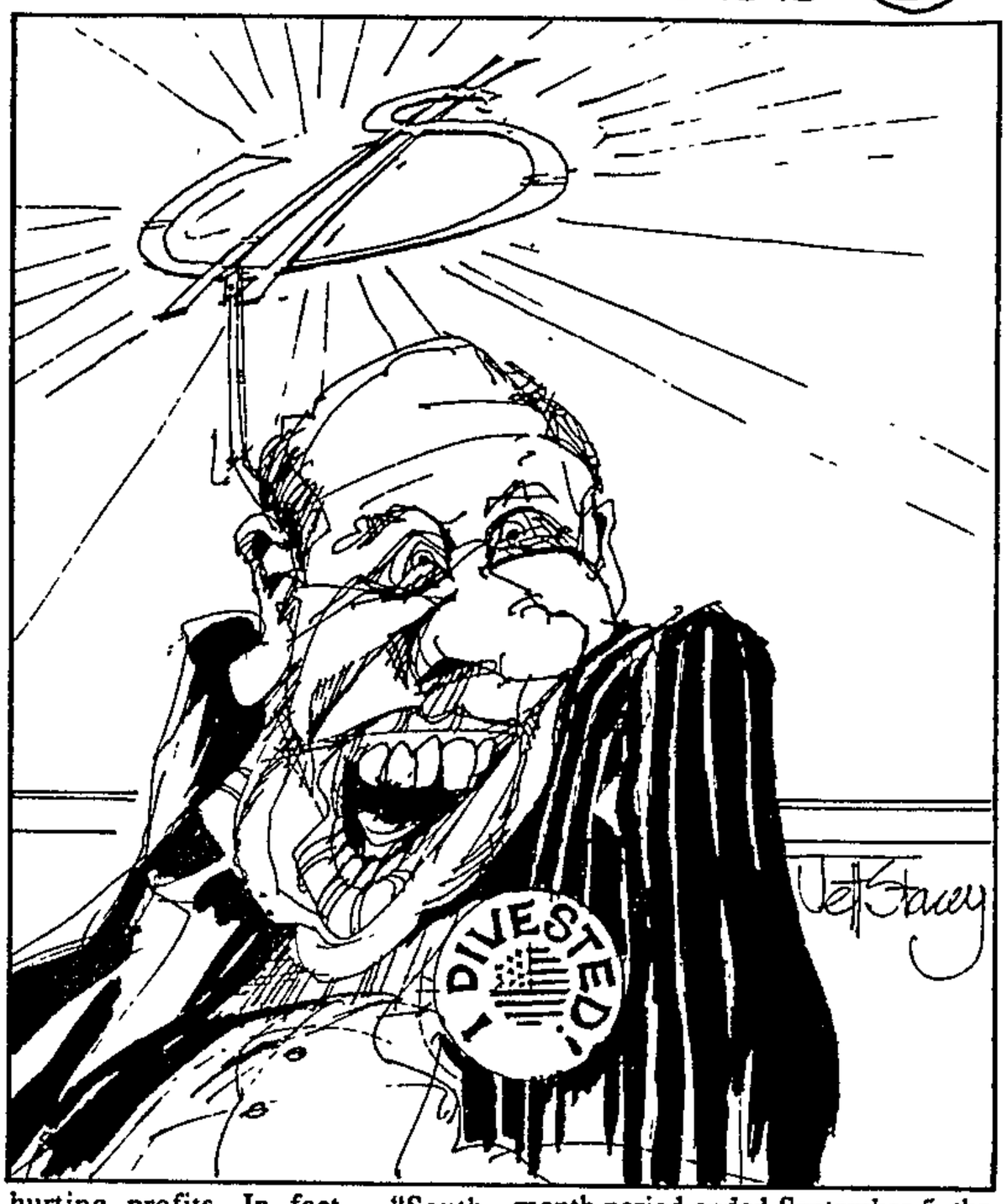
WEEKLY M.

10/1/86.

280

Why disinvestment's a boon to US business

Pulling out of South Africa hasn't hurt US business much. Some companies are even finding it profitable. LOUIS FREEDBERG reports



FOR US companies divesting from South Africa, the pain of withdrawal has proved minimal Some have even profited from withdrawing.

Until recently, corporate America viewed ethical considerations as irritants that should play no part in corporate decision-making.

Economist Milton Friedman summed up the dominant view by labelling corporate responsibility "a fundamentally subversive doctrine in a free society".

"There is one and only one social responsibility of business," wrote Friedman in 1970, "to use its resources and engage in activities designed to increase its profits".

Cities, pension funds and universities had long argued that they should put their money in those companies that promised the greatest rate of return, regardless of where or how these companies did business.

Not any more. Close to two dozen US corporations have disinvested and many others have scaled back their operations. Forty colleges and universities have divested their endowment funds.

The amounts of money involved are staggering. The Massachusetts State Employees' and Teachers' Retirement Fund, for example, has sold off $230-million (R575-million) in stocks and bonds in two years.

Pension and other fund managers are now conceding that bringing other considerations into their investment decisions has not been as disastrous as they thought. No institutional funds are in the red, and many are doing better than before

As for their corporations pulling out of South Africa, the pain of withdrawal has been minimal because many earned such a small percentage of their income from their South African holdings.

Institutional investors have learned it is possible to take ethical considerations into account — without hurting profits. In fact, "South Africa-free" portfolios can generate more income because investors are obliged to buy shares in smaller, rapid growth companies rather than the large, more conservative "blue chip" companies

Mainstream companies like EF Hutton and Dean Witter are now offering "socially responsible" investment advice The Calvert Group, in an ad pushing a money market fund, asks potential investors, "Are you profiting from oppression?" and assures them the company does not "invest in South Africa or nuclear power or weapons".

Instead, says Calvert, it "invests in the positives, like renewable energy, participative management and equal opportunity".

In addition to a clear conscience, this approach has also brought higher returns for investors For the 12-month period ended September 5, the Calvert Social Investing Fund gained 22,4 percent — outperforming the Standard and Poors 500 index which rose by 17,9 percent. Other "social investing" funds are also doing better than or about the same as the Standard and Poors index.

Some $55-billion (R137,5-million) is now being invested using socially responsible criteria, according to the Social Investment Forum, an association of investment professionals and institutional investors.

Although growing steadily in recent years, socially responsible investing has now been pushed to centre stage by the anti-apartheid movement.

Even though divestment won't topple the South African government, it has helped weaken some key ideological pillars on Wall Street — Pacific News Service

Pressure for total disinvestment is likely

Congressmen to take tough line

STAR 10/1/86

280

By David Braun, Political Correspondent

CAPE TOWN — Intense American congressional and interest group pressure for a total American ban on investment in South Africa is likely to result from this week's five-day visit by six US congressmen.

Although the visitors have said they will not make their final decisions known until at least tonight when they are scheduled to fly back to the US, from numerous statements and hints they have given it is clear that they intend to take the hardest possible line.

Asked after their brief visit to Crossroads yesterday whether they would press for tougher economic sanctions against South Africa, a grim-faced Mr William Gray, leader of the team and chairman of the Congress's black caucus, said that he was not prepared to say what they would do when they got back to America.

But Mr Gray, who is also chairman of the Congress banking committee, said at a church meeting in Bellville last night: "We want to take away the economic fuel for the political engine of apartheid."

Harsher sanctions

Representative Charles Hayes, from a Chicago district, said earlier in the day that he would definitely push for total disinvestment and harsher sanctions.

Congressman Walter Fauntroy, vice-chairman of the American "Free South Africa" campaign, announced at the Bellville meeting that his organisation had two goals for 1986. The first was to push for legislation "that will say to all Americans, inviduals and companies: You shall not invest in South Africa until the people are free".

The second was to call on all people of conscience in America and the world not to buy anything sold by Royal Dutch Shell. This was to send a message to corporations that there would not be co-operation with a system for the purpose of economic exploitation, he said.

Last night's prayer meeting, which lasted more than two hours, was held in the Bellville church of United Democratic Front patron Dr Allan Boesak.

Last night the visitors flew back to Johannesburg where they are scheduled to meet trade union and other leaders today. They will hold a Press conference before they leave for the US.

● See Page 11.

'Wallace backs anti-SA move to boost ailing US industry'

Political Correspondent

CAPE TOWN — A leading United States congressman said last night Alabama State Governor George Wallace was anxious to establish an American anti-apartheid movement to revive his own country's flagging steel and coal industries.

Mr Walter Fauntroy, vice-chairman of the American Free South Africa campaign and member of the American Congress banking and urban affairs committees, said at a prayer meeting at Dr Allan Boesak's Bellville church he had recently launched his movement in Mobile, Alabama.

"I was amazed to be greeted by an emissary of Governor Wallace, who made me a lieutenant-colonel in the Alabama State Militia," said Mr Fauntory to much laughter.

He said Mr Wallace wanted a Free South Africa movement because local steel production had declined 50 percent with the loss of thousands of jobs in recent years, while steel imports from South Africa had increased by 5 000 percent.

Major American banks had stopped investing in the US steel industry and had converted their dollars into rands and invested in Iscor.

"They are putting their money in South Africa to exploit cheap labour. They are also importing coal from South Africa and closing down American mines," Mr Fauntroy said.

Sanctions were right, says Gray

By Gary van Staden

The decision by the United States last year to impose limited sanctions on South Africa was perfectly justified, Congressman, Mr William Gray, said last night

Addressing a Press conference at Jan Smuts Airport before the six-member delegation from the US Congress returned to Washington, spokesman Mr Gray said the evidence gathered over the past few days indicated that the sanctions decision had been the right one

He would not comment on the possibility of the sanctions being increased and said the delegation would confer before deciding on what recommendation to make to the US Government in regard to further sanctions.

"We leave here with a commitment that backing racist po-

● To Page 2, Col 8

Sanctions were right — Gray

● From Page 1

licies with American dollars is wrong. We do not believe that the decision taken by the American people in 1985 — that the US would not provide the economic fuel for apartheid — was the wrong one."

Mr Gray said based on what he and his congressional colleagues had heard and seen in South Africa, most people outside of the Government indicated support for sanctions.

Sapa reports the delegation had some last-minute rebuffs: Azapo and Mrs Winnie Mandela, wife of jailed ANC leader Nelson Mandela, are understood to have declined to meet them.

Mrs Mandela is known to be bitter about what radical blacks see as the US's soft line towards the South African Government.

The Americans were also refused a meeting with the Azanian People's Organisation (Azapo), which sees no role for whites in the black fight against apartheid, except to prepare white communities for eventual black rule.

French sanctions draft 'cosmetic'

CHERILYN IRETON

THE French government's draft decree imposing limited sanctions against South Africa is cosmetic and will have no impact on French-SA trade, say trade bodies.

No French-based companies are known to be openly involved in exports and re-exports of oil products or paramilitary equipment to SA — all ruled out by the French Cabinet two days ago.

Trade organisations were surprised, therefore, at the government's decree, which they say will not bruise SA imports. Instead, the draft is seen as a step activating a similar decision taken by the European Economic Community in September.

President of the French-SA Chamber of Commerce and Total SA MD Bernard Lafitte says crude oil exports were ruled out in the Giscard D'Estaing era.

"The limited sanctions must be seen as a theoretical step, and one which will not affect South Africa," he says.

Alternative suppliers sought as ...

Paper dealers reduce imports

Bus DAY 13/1/86 (280)

CHERILYN IRETON

THREATENED sanctions by Scandinavian countries could upset the South African paper market, forcing local merchants to look for alternative suppliers.

Union and shipping bans have already forced paper importers to buy through third parties. Those countries still selling paper to SA are refusing to handle new business and are dealing only with long-standing clients.

Almost a quarter of SA's printing-paper requirements, about 75 000 tons, originate from Scandinavia.

With moves by the Danish and Norwegian governments to end all ties with SA, and Finland refusing to deal with the country until there are fundamental changes, merchants are weighing up their alternatives.

"The rand is so useless that merchants have been forced to reduce imports and bring in only lines with no local substitute," said one disillusioned merchant.

SA mills can cater for the bread-and-butter lines, but local markets for others are too limited to warrant local production.

To bypass the problem, merchants have warned that users will either have to downgrade in quality or make use of third-party suppliers — at added expense.

Downgrading and greater use of waste materials are already common practice on the local scene but are viable only for areas with export potential or grades in great demand.

Merchants who sailed through last year's near-total ban by the Scandinavian unions are confident they will survive official sanctions by making use of intermediaries.

KR ban not such bad news

14/1/86 · STAR

By Stan Kennedy

A ban on Krugerrand sales will not have the adverse effect on South Africa that is commonly believed, say Mr Iraj Abedian and Mr Brian Kahn, lecturers in the School of Economics, University of Cape Town.

Writing in *Businessman's Law*, they show how a closer examination of the issues reveal that the effect of the ban on the gold-mining industry and on South Africa's balance of payments will be of an extremely limited nature.

"The ban is a symbolic gesture that will have no effect on net gold output in South Africa, and will merely redistribute the modest profits made on Krugerrand sales from South Africa to the new major coin producers," they say.

The writers consider the effect on SA foreign exchange revenue if there are no more sales of Krugerrands.

Last year, sales were worth $657 million but they point out that it is not sufficient to merely look at the value of sales and infer that this would be the cost of the ban as the gold will be sold in the form of bullion instead.

Therefore the relevant cost is the premium or value added that South Africa gains by selling the coin instead of bullion.

In general, the premium received has been three percent above the gold bullion price.

In 1980, the value added was $56 million, dropping to $19 million in 1984, and representing only two percent of South Africa's total gold revenue.

This value added is a gross figure and does not include the cost of minting and marketing coins. In addition, they say, increased competition would have inevitably whittled away South Africa's domination of the gold-coin market, thus further reducing the prospects of sales.

Proof Krugerrands have been minted since 1967 in limited quantities. Later it was decided to introducing the standard ounce coin. This step, it was hoped, would make the market accessible to small investors, since gold was previously sold in bullion bars of 400 ounces.

The market was slow to develop because, until 1975, US citizens were forbidden by law to hold gold. The lifting of the ban resulted in a market increase from 400 000 ounces in 1971 to 4,7 million ounces in 1975.

With the declining price of gold in 1976/1977 sales were reduced to 2,9 million and 3,2 million ounces in these years respectively. In 1978, 5,74 million ounces were sold but since then the quantities have been declining steadily, except in 1983, and in 1984, the figure had fallen to 1,77 million ounces.

The rationale for the Krugerrand was to withdraw gold supplies from the bullion market by creating a parallel market for small investors.

Irish resist ban on SA goods

STAR 16/11/86

The Star's Foreign News Service

DUBLIN — The Irish Government's decision to ban the import of South African fruit and vegetables from March is meeting a surprising degree of resistance.

Critics have been quick to contrast Ireland's refusal to join President Ronald Reagan's economic sanctions against Libya with the action taken against South Africa.

Irish business and media are resisting the fruit ban — despite the massive publicity surrounding the Dunnes Stores strike. One newspaper correspondent said it was "in response to the protest of a handful of shopgirls".

Ireland's largest national daily, *The Irish Independent*, has come out strongly against the ban.

US leader puts case to SA newsmen

Sanctions against South Africa would destroy apartheid and not the country's economy, the deputy governor of the American state of Virginia, Mr Lawrence Wilder, told South African journalists during a transatlantic telephone conversation last night.

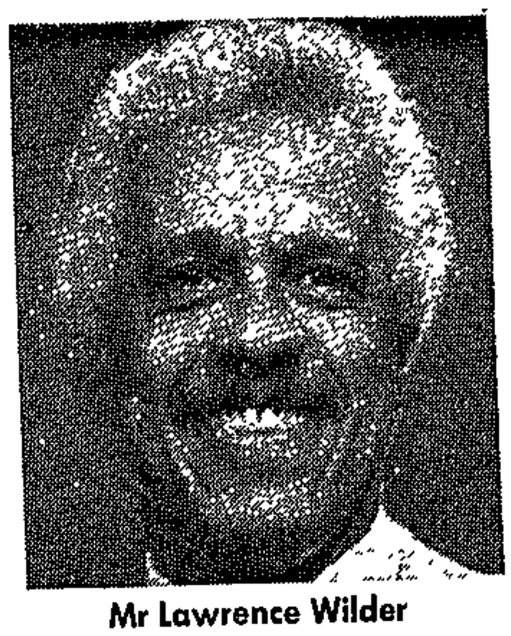
Speaking from his state capital, Richmond, Mr Wilder told a panel of journalists in Johannesburg that South Africa's blacks should be "freed" immediately.

"The time to take the foot off the neck of the oppressed is now," said Mr Wilder.

The satellite link-up interview was arranged by the United States Information Service to mark the first observance of black civil rights campaigner Martin Luther King junior's birthday as a national holiday in the United States.

Mr Wilder was elected Lieutenant-Governor of the overwhelmingly white state — formerly the heart of the rebel Confederacy — in November last year. His grandparents were slaves.

He is the first black to hold office at state level in the formerly segregationist state.



Mr Lawrence Wilder

Questioned on the effectiveness of sanctions in bringing about change in South Africa, Mr Wilder said:

"I think that whatever brings an end to a system that enslaves people mentally and physically must be done.

"Sanctions properly imposed will have the effect of South African blacks saying they will suffer together to get rid of apartheid," said Mr Wilder.

He added that the concept of shared suffering to achieve an objective was totally in line with the philosophy of the dead Martin Luther King,jnr.

Explaining why the traditionally conservative whites of his East Coast state had voted for him, Mr Wilder said he did not only represent one group but appealed to a broader spectrum of people who shared common values.

"We considered people to be different for too long," he said.

Group stages anti-apartheid sit-in at US Shell Oil office

(4) (280) 16/1/85 STAR

By Alan Dunn
Argus Foreign Service

WASHINGTON — Anti-apartheid activists bent on severing business ties between the United States and South Africa ended an 18-hour sit-in at an oil company's offices here yesterday, warning that they would be back.

The demonstrators told representatives of Shell Oil that this was the start of a protest which would include a variety of activities to force the company to cut South African operations.

Six people were involved in the sit-in. Four of them were arrested in November 1984 when they duped officials at the South African embassy here by turning an appointment into a sit-in. This protest led to daily demonstrations outside the embassy last year in which the demonstrators were arrested and taken away, but not charged.

The group included the head of the TransAfrica organisation and long-time foe of apartheid, Mr Randall Robinson and Congressman Walter Fauntroy, who last week visited South Africa.

The group also staged a sit-in at the entrance to the Washington DC offices of a leading US precious metals dealer, Deak-Perera, which was also a major dealer in Krugerrands.

The campaign will involve cutting up Shell Oil credit cards, and approaching service stations about links with South Africa.

'Tough, stubborn PW' fuels sanctions bid

STAR 16/1/86 280

By Neil Lurssen, The Star Bureau

WASHINGTON — Congressman Peter Kostmayer, the young Pennsylvania Democrat whose recent barbed exchange with State President P W Botha has been widely reported in the US, said yesterday his support for tougher American sanctions might have been softened had the South African leader shown more willingness to listen to his American guests.

"And it would have been an impression of him that I would have conveyed back to the US," he said.

"But I am going to press very hard now for tougher sanctions because I see President Botha as being very stubborn — not only in the issue-oriented sense, but even personally.

"And that is what his personal outburst meant to me — that he is really not prepared to make the kind of concessions necessary, that the only language he really understands is the language he speaks.

"That's a very tough, hard-headed language that says hit them where they hurt most — in the pocket," he said.

The State President, he claimed, had displayed no signs of the graciousness or warmth that might have been expected from someone who needed to get people to like him.

Mr Kostmayer's exchange with the State President took place when Mr Botha received a group of visiting Americans led by Congressman Bill Grey, chairman of the House Budget Committee and a leading figure in the debate over South Africa.

PRESIDENT A 'WHITE REACTIONARY'

The State President called Mr Kostmayer a "white liberal" and the congressman replied that Mr Botha was a "white reactionary".

Mr Kostmayer gave this version of what led to the exchange: "I told President Botha what I had seen in Soweto and I said it seemed inconsistent with what he had described in terms of Government expenditure for black housing, black education and black health care.

"He interrupted me, would not permit me to finish my question, and said the trouble with me was not that I had seen things I thought were wrong or that I was trying to help but that I was a white liberal.

"And I responded that he was a white reactionary."

Mr Kostmayer said Mr Botha was the president of his country and was entitled to his opinions.

"But it seems to me that, putting aside the merits, (this kind of personal remark) simply does him no good and causes him damage in the US Maybe that is not something he cares about.

"I recognise I am not a significant political figure but this is something that a lot of people now know about and it does not seem to do his country and his case any good. And that is something he ought to be concerned about," he said.

Congressman Kostmayer has spoken at length about his visit to South Africa and his impressions of Mr Botha on national and local radio and television in the US.

Speaking by telephone from his home district in Pennsylvania, he said he did not want to convey any wrong impressions about the meeting with the State President.

'NO HUMOUR, NO WARMTH, NO GRACIOUSNESS'

"Mr Botha spoke with emphasis but it would be unfair to him to say that he shouted. He did not shout and he was not rude in that sense.

"But he displayed no sense of humour — and I am not implying that this is a funny situation — and none of the kind of graciousness or warmth that you would expect from a person whose business, to some extent, is getting people to like him and proving himself to be an appealing personality.

"I am a Democrat and I disagree with almost everything that Ronald Reagan (a Republican) stands for. But Mr Reagan is an enormously charming, persuasive, hospitable, likeable person.

"And that seems to me in politics to be awfully important.

"I am sure he knew all of us had voted for stronger sanctions some months earlier, and he seemed not only uninterested in what we had to say but really uninterested in persuading us of the validity of his own point of view," he said.

Congressman Kostmayer said he was startled by the depth of black anger and hostility he found in South Africa. Some of it was aimed at the US, at President Reagan and at the weaker sanctions ordered by the President last September.

He did not feel the anger was directed at his group personally.

"You can meet people who are angry at your politics, at your country, at your point of view, but they don't seem to be angry with you.

'NUMBER OF MODERATES DIMINISHING'

"It was precisely the opposite with President Botha. His anger seemed so personal, which is fairly unusual in politics, at least in my experience.

"People disagree all the time about very, very strong issues but generally they are able to get along. But he did not seem to have that capacity," he said.

Congressman Kostmayer, who is a member of the House of Representatives Foreign Affairs Committee, said he had met white South Africans of "enormous decency" who loved their country and wanted to see it change in the right direction.

But he feared the number of moderates, black and white, was diminishing and that was dangerous for South Africa.

He said he had come away with an impression of a country of "incredible physical beauty — but a country with a terrible problem that could become a terrible tragedy."

"I think there is still time to resolve it," he added.

He predicted the drive for tougher sanctions would build up in the US once the President's new advisory commission had been given a chance to report and after the Reagan sanctions had been given time to prove their effectiveness.

There was no disagreement in the US about opposition to apartheid, he said.

SA attache out

PARIS — France has ordered SA's military attache to leave the country by January 31 and will not allow him to be replaced.

The French External Relations Ministry said yesterday the move was in line with measures against SA adopted by EEC foreign ministers in September. — Sapa-Reuter.

Peace a step away, says Buthelezi


● BUTHELEZI

STRASBOURG — The SA government was only a relatively small step away from earning the applause of the world and most blacks, KwaZulu Chief Minister Mangosuthu Buthelezi said in Strasbourg yesterday.

He told an open meeting of European parliamentarians that Pretoria needed only to announce its commitment to power-sharing with black leaders to bring this about.

The Inkatha president said he was not demanding a timetable — simply a commitment to this final goal.

Europe should give all-out support to the forces for non-violent change and reconciliation found in Inkatha, and should not hamper or play down politics of negotiation.

There was a vast reservoir of goodwill among South Africans, Buthelezi said.

Inkatha had more than a million members, and a poll by the Afrikaans newspaper *Rapport* had indicated that 75,5% of whites agreed with him and the Inkatha leadership.

Whites were ready for real dialogue and the movement towards a negotiating process would not be stopped by the stubborn attitude of government.

Buthelezi said threats of sanctions and escalating violence had already proved beneficial.

However, to actually employ disinvestment and enough violence to force government to its knees would be disastrous for generations to come — not only for SA but for the whole subcontinent.

He appealed to foreign ministers to guard against Europe and America overplaying their hands

Addressing a Strasbourg luncheon of the European Democratic Group of the European Economic Community, he said President P W Botha had isolated himself from the major forces for peaceful change by refusing to provide a declaration of intent about meaningful future power-sharing.

Buthelezi said he had met Botha once in the past four years, and that was to tell him he could not enter negotiations with government within the framework of the new constitution.

He had long called on Botha to sign a declaration of intent which would clearly state that SA was one country with one people and should be governed by one sovereign parliament, ensuring equality before the law and one constitution for all.

"The State President refuses to accept the need for such a document and he is consequently isolated from the major forces in the country which could be utilised to bring about a government of national reconciliation capable of governing SA through a transitional period," Buthelezi said

Reiterating his opposition to violence in bringing about radical change, he said such change would have a destructive effect on SA and its people

History taught that parliamentary democracies capable of running a radically industrialising society could not be produced at the barrel of a gun, Buthelezi said. — Sapa

. . . as Tutu warns of violence


● TUTU

DETROIT — Apartheid would end tomorrow if US President Ronald Reagan were to apply the same pressures against Pretoria as his administration had enforced against Nicaragua, the Bishop of Johannesburg, the Rt Rev Desmond Tutu, said in Detroit on Wednesday night.

Tutu told reporters the time could soon come when SA churches would decide conditions were such that they justified the use of violence to overthrow the SA government, which he termed "a monstrosity".

Tutu, on a fund-raising tour of the US, was flanked by political and religious leaders as well as Rosa Parks, a key figure in a US bus boycott 30 years ago which contributed to the rise of assassinated civil rights leader Dr Martin Luther King, Jnr.

Tutu said Parks' name would be "embossed in letters of gold when the history of freedom is written".

The Anglican bishop, who was given a heavy police guard on his arrival at Detroit airport, said Washington's policy towards Pretoria could be of critical importance in pressing for an end to apartheid.

"If President Reagan were to treat SA like he treats Nicaragua, apartheid would end tomorrow," he said.

Regarding sanctions, Tutu said the imposition of economic measures by Washington was more important for its psychological than its financial effect.

Heavy security was again in force when Tutu addressed a Detroit inter-faith meeting.

Police helicopters circled overhead, dozens of officers were deployed and worshippers had to walk through metal detectors.

The extraordinary security measures were ordered by Mayor Coleman Young, host for Tutu's two-day visit to Detroit.

Later, in a television interview, Tutu said he would call for punitive sanctions against SA by the end of March unless Pretoria took steps to improve SA's black education system.

He said young blacks in SA were becoming increasingly committed to using violence despite his calls for peaceful action.

"If I were younger, I would have rejected Bishop Tutu a long time ago," he said — Sapa-Reuter.

SA blockade of Lesotho puts West in a dilemma

Cape Times 17/1/86



London Dateline

JOHN BATTERSBY reports

SOUTH AFRICA'S slow strangulation of Lesotho, by applying stringent border controls, has presented the West with a dilemma

Significantly, Chief Leabua Jonathan's appeals for help, particularly an airlift of essential goods, have been directed at the two capitals where that dilemma is most intense Washington and Whitehall

Of all the Western countries involved in aid to South Africa's neighbours, it is Britain and the US alone which have repeatedly warned frontline states that there will be no special economic aid if they are hit by international sanctions.

When Mrs Thatcher was fighting a lone battle against the rest of the Commonwealth in the Bahamas last October to stave off sanctions against SA, she reminded the frontline states of this in a letter and President Reagan sent a special envoy to Nassau to underline America's concurrence

At the same time both Mrs Thatcher and President Reagan are deeply concerned about the re-emergence of Pretoria's hardline destabilization tactics in the region and the escalation of the military struggle in the region.

And both leaders are mindful of the enormous international respect for the small landlocked kingdom of Lesotho in resisting what is widely perceived as Pretoria's bully-boy tactics in imposing a de facto blockade against a small and defenceless neighbour

The warm reception accorded to King Moshoeshoe II by other Commonwealth leaders at the Bahamas summit was a recognition of Lesotho's brave stand

That must have been a major factor in Britain's prompt diplomatic response to Chief Jonathan's personal appeal to Mrs Thatcher for help

The new Minister of State in the Foreign Office responsible for South Africa, Mrs Lynda Chalker, lost no time in telling the House of Commons that Britain was appealing to South Africa to lift the border restrictions and enter into a dialogue with the Maseru government.

Some sympathy

It now looks as though security talks between the two countries are on the cards and a showdown appears to have been averted

But what would have happened if South Africa had pushed its point a little further?

While Mrs Thatcher and President Reagan have some sympathy with Pretoria's efforts to prevent guerillas of the African National Congress from entering the country, they are fully aware that the last place the ANC is likely to do this is at border posts of a rugged and unprotected border

This immediately exposes the South African Foreign Minister, Mr Pik Botha's, denial of a blockade and insistence that South Africa is merely applying stringent border checks to prevent further ANC infiltration

Britain and the US have so far been successful in urging South Africa not to resort to military retaliation against neighbouring states for recent landmine blasts on the borders

What right, it could be argued, do they now have to prevent Pretoria from using its economic power to pressure neighbouring states to take more vigorous steps to flush out the ANC?

After all, it has been the thrust of President Reagan's foreign policy in the region to bolster a "reforming" South Africa as the regional superpower and persuade neighbouring states — Marxist and otherwise — to enter into security and economic arrangements with a view to stabilizing the region

But Pretoria's point has been well taken in both seats of government it has taken a mere two weeks to bring Lesotho to its knees

This has illustrated graphically how vulnerable it, and other neighbouring states, would be if South Africa passed on the burden of international sanctions

Britain and the United States are reluctant to establish the principle of special aid to Southern African states which feel the whiplash of Pretoria's brinkmanship

It would establish a dangerous precedent and weaken the Western argument not to bail out states whose economies cannot endure the spin-off of sanctions

But if South Africa went all the way Washington and Whitehall would have little option but to make some gesture of support to the beleaguered Chief Jonathan

In this way Britain and the US could find themselves forced into a shift of emphasis in their constructive engagement policies which assume South Africa as the regional superpower

The timing of the de facto blockade on Lesotho is probably not coincidental

In the next few weeks four important events take place in Southern Africa which collectively could give a major boost to the sanctions campaign

First is a joint "forum" of the African, Caribbean and Pacific states and the European Parliamentary Assembly (ACP-EEC) due to take place in Swaziland towards the end of this month

Joint 'forum'

Everyone from the ANC's Oliver Tambo to KwaZulu's Chief Mangosuthu Buthelezi and members of the SA government have been invited (My sources tell me the ANC has turned down the invitation because Chief Buthelezi has been invited)

In early February there will be a meeting in Lusaka of foreign ministers and representatives of the 12 members of the expanded Common Market and frontline leaders under the chairmanship of Zambia's President Kenneth Kaunda

Mandatory sanctions against South Africa will be high on the agenda and both the EEC and Commonwealth members present will come under intense pressure to tighten the mild sanctions adopted so far

Later in February the Commonwealth's seven-strong Eminent Persons' Group (EPG) is expected to visit South Africa to begin its dialogue-and-peace mission before reporting on the need for tougher sanctions (Unless the EPG is allowed to meet Nelson Mandela the initiative might never get off the ground)

In the midst of this frenetic round of talks and missions the five-year-old Southern African Development Co-ordinating Conference (SADCC) will hold its annual conference in Harare on January 30 and 31 — the day President Botha is due to deliver his Rubicon II speech to the opening of Parliament

The SADCC — made up of the six frontline states and Lesotho, Swaziland and Malawi — will be under the chairmanship of Mr Robert Mugabe, the most outspoken frontline critic of Pretoria with his international standing enhanced by his chairmanship of the 101-nation Non-Aligned Movement.

It is the SADCC conference that could prove the most devastating for Pretoria

In recent months there has been a dramatic shift by Britain, the United States and the World Bank towards the SADCC, whose political aim is to rid itself of economic dependence on South Africa

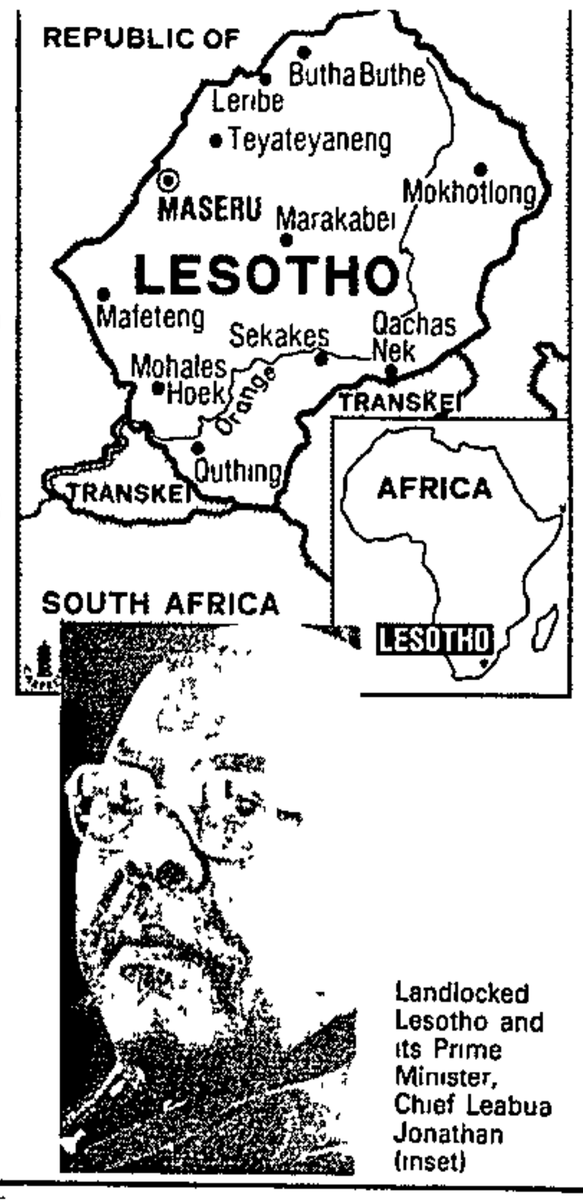
Because of its regional policies outlined above, British and American involvement in SADCC has been very low key up to now

But in the last few months Britain has pledged aid for a the building of a road from Malawi to Tanzania and the US has suddenly promised $5 million for the rehabilitation of the Harare-to Beira railway line — a favourite target of Renamo saboteurs My sources tell me South African businessmen are deeply concerned at this development

Although neither Britain the US nor the World Bank have officially changed their policy of opposing SADCC's delinking with South Africa their involvement in these projects is clearly a first step in this direction

It will serve as a warning that exercises like the Lesotho blockade could have disastrous long-term consequences for Pretoria

It is the West's turn to say to President Botha Don't push us too far



Landlocked Lesotho and its Prime Minister, Chief Leabua Jonathan (inset)

FOREIGN RELATIONS

ARGUS 17/1/86 ZPO

EEC squabbles over sanctions against SA

PETER MANN of The Argus Foreign Service in London reports that Britain and West Germany are differing sharply with their EEC partners on what sanctions to impose against South Africa

BRITAIN and West Germany are being accused of scuppering EEC plans to impose limited sanctions on South Africa.

Britain was dragged kicking into agreement after EEC Foreign Ministers met in Luxembourg last September. But since then little has been done to implement the EEC plan.

Now London and Bonn are being accused of sabotaging plans to impose an oil embargo and end all new nuclear collaboration.

Minutes of a senior EEC meeting in Brussels in December show that British and German officials are arguing about what type of oil and nuclear equipment should be included in the trade embargo.

They are delaying, says one official, and "squabbling about the fine print in the hope that South Africa will stop being a front-page story and they won't have to do anything".

The other new initiative in the EEC Foreign Minister's plan was the recommendation that EEC military attaches accredited to South Africa be withdrawn, alongside the "refusal to grant accreditation to military attaches from the RSA".

It was this which caused Britain to refuse to go along with the plan — until she capitulated a fortnight later.

Britain has withdrawn her military attaches from Pretoria. But only Belgium and Luxembourg have implemented the seconmd part of the agreement and asked South Africa to withdraw military attaches in their countries.

South Africa's military attaches are still in place in London, Paris, Rome, Madrid and Bonn. The Foreign Office says the issue is receiving active consideration from EEC Foreign Ministers.

A rift is also developing between EEC ministers and the European Parliament. Mr Willy de Clerq, the Belgian member of the European Commission in charge of relations with South Africa, has ordered that South African diplomats in Brussels be "frozen" out.

Day-to-day working contacts are allowed but social fraternising is prohibited.

The European Parliament is also criticising the British code of conduct for companies doing business in South Africa.

Britain fell back on a revised code of conduct to prove that she was applying pressure on South Africa.

But the European Parliament's Development Committee says the present voluntary code "has so far not matched the political aspirations vested in it".

It claims that only 175 000 black workers employed by foreign firms in South Africa — or only two percent of the black workforce — are affected by the code.

But more than two thirds of black workers employed by foreign firms in South Africa work for British companies.

In 1984 a survey of 107 British companies in South Africa showed that seven paid "starvation wages" to blacks. Another 39 British companies were said to pay less than the EEC recommended minimum wage.

The European Parliament will, this week, call for the code to become legally binding on all European firms operating in South Africa.

But the European Parliament is toothless and its recommendation would have to be agreed by all 12 EEC members.

They, with Britain and West Germany leading the way, continue to prevaricate.

SA will feature as US Congress starts session

STAR 22/1/86

280

By Neil Lurssen of The Star's Washington Bureau

Events in South Africa are expected to get a high profile in the second session of the 99th US Congress which starts this week, but it is unlikely that there will be any early action on demands that the US beef up its limited economic sanctions against Pretoria.

Much of the initial focus will be on internal poltical wrangles such as multibillion-dollar budget cuts and President Reagan's campaign to persuade the Senate to accept tax reforms already approved by the House of Representatives.

Apartheid has become a permanent item on the foreign policy fixture list, but immediate attention is more likely to be paid to four other areas.

They are the Middle East and its ongoing terrorism; Nicaragua, where Mr Reagan is trying to win approval of further aid to anti-communist rebels; the Philippines, where the US is worried about the security of its strategic bases as that island state heads for a troubled election; and Angola, where the squabble over whether the US should send aid to Jonas Savimbi's Unita forces is coming to a head.

Controversial

Dr Savimbi will be in Washington this week in what seems certain to be a controversial visit as opposing US liberals and conservatives use him as an ideological football to impose their will on a reluctant Reagan Administration — which supports Unita's aims but fears that aid will upset its diplomatic initiative in Angola.

Bishop Desmond Tutu's visit to the US during the Martin Luther King commemorative week has focused massive attention on South Africa's race laws.

There will be the usual demands in the Congress for fiercer sanctions, but it is expected that these will not go to the vote because of the "courtesy" of giving President Reagan's sanctions package of last September a chance to work.

Another constraint on the pro-sanctions faction is the new advisory committee on South Africa which must report to the Secretary of State, Mr George Shultz, by the end of this year.

Most Republicans and some Democrats are expected to argue that the commission should be given a chance to make its recommendations on policy toward South Africa before new sanctions are drafted

Looming over this session are the congressional elections later this year which could alter the whole tone of American politics. All the seats in the House of Representatives and one-third of the Senate seats will be contested.

The Democrats are certain to retain control of the House, but the Republicans are in danger of losing their slender control of the Senate

If the latter happens, it may be taken as a shift away from the conservative mood in the US and it would make it difficult for President Reagan to complete his second-term legislative agenda — rendering him a political lame duck even though there is no suggestion that his personal popularity has declined.

Retirement

Whatever the outcome of the elections, the flavour of American politics will be altered forever at the end of the current session — because of the retirement of some of the best-known political figures, some of whom played a leading role in last year's battle over anti-apartheid sanctions.

Among those who are quitting is the Democratic House Speaker, Mr Tip O'Neill, a mentor of former vice-presidential candidate Geraldine Ferraro and an outspoken foe of apartheid.

Also leaving (to pursue the presidency in 1988) is Democratic Senator Gary Hart who made some of the bitterest speeches about the South African Government during the sanctions debate. If his aim was partly to get black support in his presidential bid, he seems to have failed because polls indicate he has won very little support from the black community.

Others in favour of anti-SA sanctions who will leave are Republican Senator Charles Mathias of Maryland who helped draft the legislation that was adopted by President Reagan as a White House sanctions order, Democratic Congressman Parren Mitchell, also of Maryland, a veteran member of the Congressional Black Caucus, and Democratic Senator Thomas Eagleton of Missouri.

Senator Eagleton is best remembered for being dumped as Senator George McGovern's vice-presidential running mate in the 1972 elections because he had once undergone psychiatric shock therapy. The incident is said to have contributed to the Democrats' huge defeat in that election.

Harsh line

Last year, he took a harsh line on the South African Government in the Senate Foreign Relations Committee debates.

White South Africa is also losing some friends this year. Among them are Republican Senator Barry Goldwater of Arizona and Republican Senator John East of North Carolina, both of whom opposed last year's sanctions even though they deplored apartheid.

Senator Goldwater, a former presidential candidate (against Lyndon Johnson), is considered the elder statesman of the modern American conservative movement. He has served in the Senate for 30 years.

Senator East has served only one six-year term, but his health is poor and he is quitting for that reason.

Also leaving is Republican Senator Paul Laxalt of Nevada who is not thought to have especially strong feelings about South Africa but who opposed sanctions because of his loyalty to his old friend, Ronald Reagan. Senator Laxalt is said to be tired of the Senate and eager to move into a new career as a lawyer and businessman.

Packaging plan helps stave off sanctions

By Michael Morris,
The Star Bureau

LONDON — A group of South African businessmen is setting up a packaging depot in Britain to process South African imports in order to avoid sanctions or retaliation from activists.

They have formed a UK-based company to help South African businesses export, market and distribute goods in Britain and Europe.

But, in many cases, customers will not know the true origin of the products.

This is because repackaging of a wide range of South African — or other foreign — goods in the United Kingdom qualifies them for a "Made in Britain" label.

This comes as support for sanctions widens and follows moves by several major British stores to abandon South African products in favour of other supplies.

Activists have also been "penalising" stores which do carry South African products by filling trolleys with the goods and then dumping them at checkouts.

ACTION

South African exporters could avoid consumer action if their products carry "Made in Britain" or "Product of more than one country" labels.

Former Cape Town chartered accountant Mr J K Lepkowski is the front man of the company, 3949 (Pty) Ltd, which at present operates from his home in the small Surrey village of Compton.

Timber products, furniture and some machinery have already been successfully imported, but 3949 (Pty) Ltd wants to broaden the operation to cover other products perhaps including foods and wine.

The company advertised in South Africa in December offering manufacturers "unconventional export techniques" and a means to "avoid sanctions". Mr Lepkowski says the response has been "quite good".

Mr Lepkowski says confidentiality will be vital to the success of the venture.

Argus 23/1/86

NATIONAL

Pro-investment unions planned

The Argus Correspondent

DURBAN. — Workers from various Natal centres have decided to set up a new federation of trade unions supporting investment in South Africa.

They called on employees to resign immediately from any union that did not support investment in this country.

The new federation of trade unions will subscribe to the principles of free enterprise and support investment.

Workers from Newcastle, Vryheid, Pongola, Dannhauser, Richards Bay, Empangeni and the Tugela industrial region decided on the federation at a meeting held at a sportsground at Esikhawini township near Empangeni.

The chairman of the co-ordinating committee which organised the meeting, Mr M P Gumede, said it was also decided that the committee "be mandated to work towards the realisation of our goals in concrete terms and to cater for the welfare of our workers, pending the formation of our trade union".

He said an urgent appeal to all trade unions was made "to join hands with us in our battle against the destruction of the fabric of the South African economy".

re not
i owner:

ner of a Renault already,
becoming one now.
most economical 4-cyl.

heapest car to maintain

report shows the
highest used car values
rious German marques

their produce. — Sapa-Reuter.

City votes to cut SA business ties

By Day 23/1/86 R80

SAN FRANCISCO — San Francisco authorities yesterday gave unanimous approval to an ordinance that would bar the city from dealing with any organisation or corporation that does business with any group in SA.

The ordinance, passed by the San Francisco Board of Supervisors, would prohibit city government from buying any commodity worth more than $5 000 from any group that has business links with Pretoria.

The measure now goes to Mayor Dianne Feinstein, who has suggested she may veto it.

Before the vote by the 11-man board, Feinstein protested that the measure was too restrictive.

She has two weeks in which to decide what action to take.

Before final passage, some exemptions were approved, including banks which have made loans to the SA government. — Sapa-Reuter.

Don't renegotiate loans to SA — Tutu

SAN FRANCISCO. — International banks should refuse to renegotiate loans with the South Afican Government to pressure Pretoria to eliminate apartheid, Bishop Desmond Tutu said yesterday

"If we could just get the banks to say, 'We refuse to renegotiate the loans until certain political conditions are met', we are home free and dry ... and you can forget about disinvestment ..." he said.

The 1984 Nobel Peace Prize-winner was addressing an audience here of the Commonwealth Club of California and the World Affairs Council of Northern California during a three-week tour of the United States

● Bishop Tutu will return home with more than a million rand — twice the goal of his current fund-raising tour across the US.

About half the money will be used to offset a deficit in his diocese, attributed to a drastic drop in contributions from white Anglicans.

The rest will go to provide scholarships, legal aid and support for political prisoners' families — Sapa-Reuter and Own Correspondent

SA blacks reject communism, says US activist

'Africa turning against Soviets'

STAR 25/1/86

279

The Star Bureau

WASHINGTON — Mr Roger Wilkins, a prominent black American civil rights figure and a leader of the Free South Africa movement, told a nationwide television audience here this week that the Soviets were racists and that their influence was declining in Africa.

"If you have ever been to the Soviet Union — as I have in a black skin — you will know that the Soviets are awfully racist," he said.

In a debate with the South African Ambassador, Mr Herbert Beukes, Mr Wilkins said it was an insult to South Africa's blacks to speculate that they would want a communist system.

"They do not want to throw off dictatorial rule by one group of white people only to accede to dictatorial rule by another group," he said.

Mr Wilkins has played a leading role in the campaign of demonstrations and boycotts directed against the South African Government in the past 14 months

He said African countries which had started off being sympathetic to the Soviet Union soon found themselves — like Angola — trying to find a way to make peace with the West.

ANC motives

Mr Beukes replied that African countries were unable to get out of the Soviet grip

Answering questions from high school students, Mr Beukes and Mr Wilkins differed sharply on the motives and the actions of the African National Congress

Mr Wilkins said non-violence worked when protesters appealed to a compassionate conscience The ANC had tried this in South Africa, but had failed

"You ought not to be speaking strongly for the ANC when you look at the people running the show," the ambassador told him.

Mr Beukes said he was not talking about rank-and-file members, who might simply be in favour of equality or be African nationalists. He was talking about the 19 members of the ANC's 30-member national executive who were card-carrying members of the outlawed South African Communist Party.

The chairman of the SACP was vice-president of the ANC's national executive, he added.

Mr Beukes said he was waiting for people (in America) to condemn the sort of violence carried out by the ANC in which bombs were placed in shopping centres and post offices, killing women and children.

Violence deplored

Mr Wilkins replied that he was the father of a two-year-old girl

"My heart bleeds for the parents of any two-year-old child that is killed I deplore violence of any kind, I deplore terrorism of any kind I do not think that is the way people can talk to each other," he said.

He had spoken to many ANC leaders and none had given him any sense that the organisation was tied to Moscow — although they would accept help from Moscow.

Asked by a Massachusetts student how South Africa could justify racism when it had been removed in the US, Mr Beukes said "I am not supporting it or embracing it, and I am against it To the extent that it is still present in South Africa in the form of legislation or custom or tradition, it ought to be removed.

"It is easy to legislate something off the statute books But when you deal with human beings with prejudices in their hearts, with fears and anxieties that may have been built up over years, how do you legislate these away?

Company drops SAA contract

JOHANNESBURG. — Our own correspondent

The pressure to disinvest in South Africa has now struck South African Airways.

An American-based corporation, Marriott Corporation, has announced its intention to withdraw the meals aboard SAA airliners from Johannesburg and Cape Town.

The company is without precedent in South Africa's drawings because a New York university caterer has a large contract with which it plans in a joint venture to provide meals for SAA's passengers.

Marriott gave up its South African business unless the contract would run until the end of 1990 and be put out to tenders.

Mr R A Hankin, a vice-president of Marriott's corporation said the company had notified SAA that it would be unable to withdraw from the contract within a year.

Mr Hankin said Marriott's decision was based on "the current situation in South Africa".

He said: "It is not a crisis situation. We would be prepared to find new caterers. It could be a year before we could withdraw from the contract."

Mr Hankin said Marriott would be prepared to consider a contract with SAA in 1990 if circumstances changed.

Marriott is a food-service company with plans in a joint venture with Bindham-Wrightson, a South African operation.

Marriott is also

US pullout could backfire, warns top Reagan official

By Alan Dunn
The Star's Foreign
News Service

WASHINGTON — A top Reagan Aministration official has warned that the results of US companies leaving South Africa could backfire

"The effects are not necessarily those intended," the State Department's Under-Secretary for Political Affairs, Mr Michael Armacost, said

Addressing a college in Minnesota, he said a case in point was Motorola, which had operated in South Africa for 21 years.

When it decided to close operations last year, its plant and equipment were bought by a South African company which was today turning out products not unlike those produced by Motorola

" Whether the lives of black workers in that firm have been affected or not, we do not know. But I think the question is worth asking," he said

US firms in South Africa played a constructive role there, he said But they did not dominate the South African economy Although 300 firms operated in the Republic, direct investment was less than $2 billion.

Ninety percent of investment in South Africa came from its own capital. The US accounted for less than 20 percent of the remainder from foreign resources.

"Consequently, US investment hardly provides the kind of leverage that could, by itself, bring apartheid to an end," said Mr Armacost

Commitment

Little would change, he added, if American firms pulled out as long as there were British, German, Japanese and South African companies willing and able to make like products

Plant and equipment was frequently snapped up at bargain basement prices, he said, and the commitment of most American firms to racial equality would be gone

" Gone will be the substantial investment US companies have made — over $100 million in the last several years — for the education and training and employment of black South Africans "

Mr Armacost said more creative interventions were needed in South Africa The Sullivan companies (those practising principles stipulating an equal standard for black workers) were among the best vehicles for promoting positive change

He said the greatest enemy of apartheid was a modernising economy and an expanding work force which needed skilled labour, regardless of skin colour

" Economic growth does not inevitably bring political liberalisation," he said " But it can, and in South Africa it has accelerated the pace of change in a constructive direction.

" To damage that economy would not only blunt economic growth, but also condemn a whole generation of South African young people to unemployment and despair. Many young black South Africans are already educated, politicised and unemployed — an explosive combination "

The Reagan Administration sensed that three years of economic recession in South Africa had exacerbated frustration and bitterness under apartheid.

" I would repeat, therefore, that a vibrant South African economy can be a force for change. In a rapidly growing economy, it is increasingly difficult, if not impossible, for the races to continue to be separated under apartheid.

" There simply are not enough whites to go around," Mr Armacost said.

EEC Ministers discuss embargo on SA

28/11/86 Star 280

BRUSSELS — European Economic Community Foreign Ministers yesterday clarified the terms of an oil sales embargo on Pretoria ahead of a summit of South Africa's black neighbours in Lusaka next week, diplomats said.

They said the Dutch Foreign Minister, Mr Hans van den Broek, president of the EEC Council of Ministers, would represent the 12-nation group at the Lusaka Frontline conference on February 2 and 3.

All community member states would also be represented, although generally at junior Minister level, they said.

Mr van den Broek told reporters after an EEC Foreign Ministers' meeting in Brussels the Ministers had finally decided which crude oil sales to South Africa were banned under an EEC export embargo agreed upon last September.

The new definition, designed to make the often-violated embargo watertight, included crude oil available in spot markets in the community, he said.

The EEC also agreed to make available this year to non-government organisations and churches in South Africa 10 million ECUs (about R20 million) for education projects for the country's black population.

Diplomats said the EEC had no new anti-apartheid measures to announce at the Lusaka summit but would not refuse to discuss sanctions against South Africa.

Frontline states have pressed for a thorough discussion on sanctions following their disappointment at an EEC refusal to impose a trade ban, other than on oil, nuclear materials and arms.

The Dutch European Affairs State Secretary, Mr Willem van Eekelen, said Spain and Portugal, the last two EEC member states to maintain military attaches in South Africa, had undertaken to withdraw them in the next few weeks. — Sapa-Reuter.

Bloom argues the case against disinvestment

280

· STAR 29/1/86

As economic conditions have deteriorated and corporate returns diminished, international pressure on South Africa (mainly through the efforts of the disinvestment lobby in the United States) has intensified

Our critics in the United States and elsewhere were able to point to poor financial returns, as well as moral indignation, in urging companies and banks to cut economic ties with South Africa

In most cases South African branches were now contributing less than one percent of profits — yet taking up 25 percent of the chairman's time

The view that disinvestment and boycotts were negative and retrogressive steps was disregarded No one was prepared to concede the logic of the view that sanctions contributed nothing towards the fulfilment of the hopes and aspirations of black South Africans (in fact, quite the contrary, as hardship would be created among them), and that it would probably be an impediment to the process of reform that seemed to have started in South Africa

Mr Tony Bloom (pictured), chairman and chief executive of the Premier Group, was asked to deliver one of the keynote addresses at the International Food Marketing Institute Conference in Bal Harbour, Florida, in the United States, on January 13. He felt that it was important to address this gathering because of the continuing pressure on international supermarket chains to remove South African goods from their shelves This is an edited version of the talk he gave to an audience that included 1 000 chief executives of international companies and major retail chains.



Persuasion

The boycott lobby argues that anything that is done in South Africa that contributes to its economy also helps to prop up the repressive and odious system of apartheid, and that the South African Government is so immune to rational persuasion that it would react only to the stark reality of economic withdrawal

This approach is negative and destructive, and primarily harmful to the very interests it purports to assist

South Africa is of the greatest strategic importance to the world As Dr Henry Kissinger pointed out during a visit a few years ago, South Africa, not only in terms of resources but also technical skills, is in a unique position to promote the peace and progress of the continent

He said there would be extraordinary prospects for development and peace in Africa were South Africa able to achieve an accommodation with its neighbours

It is interesting to note that, despite the public rhetoric, over 90 percent of the members of the anti-South African OAU trade with us in one form or another The potential value of constructive relations with South Africa is clear

The international community is right to press for change in South Africa — a more just society would harmonise not only with its strategic interests, but also with its moral values But it is wrong in not giving credit for the change that has taken place

The changes we have seen over the past two years represent fundamental shifts in Government policy, and only the cynically naive or politically dishonest would dismiss them as cosmetic

International companies in South Africa need in no way be ashamed of their record Discrimination has been dismantled on a wide scale, jobs have been created, hundreds of thousands of people of all colours trained, upward job mobility has increased, families have been positively affected through pension funds, bursary schemes and home loans, and trade unions assisted and recognised in their formative years

These points — by no means exhaustive — represent a very considerable catalogue of progress and achievement Over $100 million has been donated to community projects

Given their track record, I argue strongly and persistently for the extension rather than the diminution of international interests in South Africa I argue for the extension of diplomatic, cultural and economic ties I argue for increased investment, not boycotts — for international corporations to lead by example, not to isolate by withdrawal.

Opposition

I express my unequivocal opposition to the apartheid system A clear statement of direction is required that race discrimination would be removed as a feature of South African life in its entirety and that preferably a timetable should be spelt out.

I personally would go further and advise that discrimination should be outlawed, but a broad statement of intent would be acceptable. I have said that racism is the ultimate sin of the second half of the 20th century, its presence in our laws sets us apart from every other country in the world

It is no use pointing to the fact that racial discrimination exists in other societies, as it undoubtedly does even in the United States and United Kingdom. South Africa is the only nation to codify it in legislation, a fact which is unacceptable to any civilised person This has to be changed and the sooner the better

There is no need for this step to form the basis of negotiations — the State President simply has to get up to pronounce that apartheid is dead and set out a timetable for its funeral.

Negotiations must commence with credible leaders on the thorny issue of power-sharing Inevitably, this will also mean talking to people who are in jail or in exile.

The one single act which would be of immeasurable positive international and local significance would be the release of Nelson Mandela Unconditionally This would provide an unmistakable and high-profile signal that South Africa is indeed changing, it would be a step that would be welcomed worldwide and would undoubtedly help to counter further calls for increased sanctions

EEC divided on SA as Frontline talks near

STAR 29/1/86 (280)

The Star's Foreign News Service

BRUSSELS — It looks as though European Community Foreign Ministers will attend their first meeting with leaders of the Frontline States in Lusaka next month with their sanctions policy against South Africa in disarray.

Diplomats said that to avoid an embarrassing clash with the Frontline leaders, most of the 12 EEC Foreign Ministers would stay away from the Lusaka meeting and send their deputies.

Telegrams of protest at the downgrading of representation are already reaching EEC capitals from Africa. However, Britain will be represented by her Foreign Minister, Sir Geoffrey Howe.

Foreign Ministers meeting in Brussels on Monday to discuss the so-called package of "negative measures" meant to be applied against South Africa by January 31 found it difficult to agree on how to define "oil exports".

Eventually, they concluded that the cessation of oil exports, agreed at a meeting last September in Luxembourg, should apply only to crude oil.

They resisted pressure from lawyers in the European Commission — the executive arm of the European Community — that each country introduce watertight legislation to ensure that no crude oil from Europe reaches South Africa.

"In other words, there is no formal ban," said one senior diplomat. "But there is agreement that no crude oil should be sent."

There is still no agreement on a definition of what nuclear technology should be banned from export to South Africa. France wants the ban limited to "new" technology, but EEC partners have pointed out that this excludes substantial existing Paris-Pretoria nuclear agreements stretching many years into the future.

It is also clear that South African military attachés will still be in place in London, Bonn, Rome and Lisbon when the Janury 31 deadline for action against South Africa comes round.

Bus. Day 29/1/86 (280)

EEC clarifies oil embargo

BRUSSELS — European Economic Community foreign ministers have clarified the terms of an oil sales embargo on Pretoria ahead of a summit of SA's black neighbours in Lusaka next week, diplomats said.

They said Dutch Foreign Minister Hans van den Broek, current president of the EEC Council of Ministers, would represent the 12-nation group at the Lusaka "Front Line" conference on February 2 and 3.

All community member states would also be represented, although generally at junior minister level, they said.

Van den Broek told reporters after an EEC foreign ministers' meeting in Brussels the ministers had finally decided which crude oil sales to SA were banned under an EEC export embargo agreed on last September.

The EEC also agreed to make available this year to non-government organisations and churches in SA ECU10m (about R20m) for education projects for the country's black population. — Sapa-Reuter.

Keep wage rises low, govt urged

Sanlam advises spending to speed recovery

MODERATE efforts by government to promote increased consumer spending, to give impetus to a recovery in economic activity, is recommended by Sanlam in its latest economic survey.

Chief economist Johan Louw warns, however, that excessive stimulation should be guarded against. He says the capital account of the balance of payments remains a problem and there is a real risk of fanning inflation to even higher levels.

In order to boost demand for goods and services, Louw suggests:

☐ Further reductions in interest rates;

☐ A less restrictive fiscal policy, including some sort of tax relief for individuals. Such a step would necessitate strict control of the rate of increase in government spending; and

☐ Moderate wage and salary increases.

Louw stresses it is imperative that wage increases should not be excessive because that would almost certainly pave the way for even sharper price rises.

He says one of the main reasons for accelerated price increases is the drastic depreciation in the external value of the rand.

"At the same time one should remember that when a country's currency depreciates, it implies that the inhabitants have to work more efficiently than

CHRIS CAIRNCROSS

before to maintain their standard of living.

"It therefore follows that demands to be fully compensated for the increased cost of living in the past year or two are not justified in present circumstances."

Louw says there is also an obligation on the part of business, in both the private and public sectors, to keep price rises to a minimum and not to use the weakening of the rand as an excuse for unrealistic price increases.

That would shorten the duration of the anticipated economic recovery, making it a mere forerunner of renewed economic stagnation and higher inflation, he says.

Sanlam believes liquidity conditions in the financial markets are likely to ease during the first half of this year, and that this will lead to a limited decline in both short and long-term interest rates.

The expected unfavourable relationship between demand for and supply of long-term funds, anticipated high inflation and the likely improvement in domestic economic activity might, however, cause short and long-term interest rates to rise again in the second-half of 1986.

Sanlam expects the inflation rate to peak this month, with the consumer price index unlikely to drop below 17% for the year.

Worrall warns on Irish ban

DUBLIN — SA's Ambassador to London, Dr Denis Worrall, has warned of trade retaliation against Ireland if the Dublin government goes ahead with its plan to ban South African fruit imports from the end of March.

The marathon anti-apartheid strike at Dunne's stores in Dublin was suspended recently after the announcement of the proposed government ban.

Prime Minister Garrett Fitzgerald said that, before implementing the import ban, his government wanted to establish if prison labour was used in the production of SA fruit and had asked to have the matter investigated

Worrall's warning, published in newspapers in Ireland on Tuesday, could prompt second thoughts on the ban.

Own Correspondent

Trade with SA is heavily weighted in Ireland's favour with exports in 1984 of almost £125m, mainly technological equipment, against imports of just over £53m, mostly fruit and vegetables.

With a sickly economy and unemployment running at 250 000, Ireland could ill afford to lose this trade.

Worrall said the proposed ban would contravene Ireland's international obligations under the General Agreement on Tariffs and Trade (Gatt) and warned that if it went ahead SA would have to consider reprisal measures.

He denied the charge that prison labour was used in South African fruit production or distribution

AIRLINE MOVEMENTS

Ireland warned: SA may boycott back

The Star's Foreign News Service

DUBLIN — Dr Denis Worrall has warned Ireland of a retaliatory trade boycott if Ireland goes ahead with its plan to ban South African fruit imports.

The ban is due to come into force in March.

Dr Worrall, South Africa's Ambassador to Britain, said the ban would contravene Ireland's international obligations under the General Agreement on Tariffs and Trade, and warned that if it went ahead South Africa would consider reprisals.

Trade with South Africa is heavily weighted in Ireland's favour, with exports in 1984, mainly high technology, worth almost R123 million.

This must be balanced against imports of just R52 million — mainly fruit and vegetables.

With a sickly economy and high unemployment, Ireland could ill afford to lose this trade.

CAPE TIMES 31/1/86 200

SADCC nations back sanctions

HARARE. — Zimbabwean Prime Minister Mr Robert Mugabe yesterday accused South Africa of destabilizing neighbouring countries and called for international sanctions against the white government

Mr Mugabe spoke at the opening of a two-day conference of nine African nations which have joined together in an effort to loosen their trade, transport and communications links with South Africa

He urged delegates and international donors at the fifth consultative meeting of the Southern African Development Co-ordination Conference (SADCC) to step up support for guerilla armies fighting South Africa.

"We in SADCC are also agreed that the international community must apply comprehensive economic sanctions against South Africa as another important strategy in the struggle to rid this region of the menace and threat to peace that apartheid represents," he said

He cited the recent economic blockade of Lesotho, military incursions into Angola and South African support for rebels in Mozambique and Zimbabwe.

The SADCC chairman, Mr Peter Mmusi, who is Vice-President of Botswana, also urged members and 40 donor nations to support insurgents and impose sanctions.

Addressing representatives at the conference of the ANC, PAC and Swapo, Mr Mmusi said: "Your cause is our cause ... especially since we are increasingly threatened and attacked by the same evil power hunting you" — Sapa-AP

SACBC to consider support for sanctions

Cape Times 1/2/86 280

From MIKE CADMAN

JOHANNESBURG — The South African Catholic Bishops Conference (SACBC) has given consideration to supporting economic sanctions against apartheid in South Africa and will release a document on the issue in May, SACBC president Archbishop Dennis Hurley said yesterday.

Archbishop Hurley, speaking at a press conference after the plenary session of the SACBC had ended, said the document would also deal with issues such as civil disobedience, boycotts and conscription.

"We are deeply conscious of our responsibility as leaders of the Church was working with other churches through a body called the Inter-Church Committee on Chaplaincy in an effort to take a common stance.

Archbishop Hurley, said military chaplaincy was "a huge dilemma".

"On the one hand our young white men are forced into the army — they're conscripted under the pain of imprisonment for six years.

church to give moral guidance and to play our part in attempting to arrest the rapidly escalating violence in our society," a statement adopted during the plenery session states. "While still open to dialogue we see no choice but to envisage such forms of non-violent action such as passive resistance, boycott and economic pressure to force our country away from its present state of racial conflict."

Discussing the role of chaplains in the South African Defence Force, Archbishop Hurley said the Roman Catholic

"The other arm of the dilemma is that if we do accept having priests as chaplains, it is impossible for our black Catholics to understand how we can give that kind of recognition and support to the armed forces ... that are enforcing the policy of apartheid."

The use of church halls and churches for meetings in black areas was dealt with.

The archbishop said these places were often the only venue for meetings but this could cause problems in the future because the land was leased from the State and were to be used for what the State considered bone fide religious meetings.

Archbishop Hurley said three days of the week-long session had been devoted to church internal matters.

The SACBC also resolved to set up a committee to draw up a further response to the Kairos document, which was drawn up by theologians in response to the political crises in South Africa.

Feb. 1986

Swaziland 'not for SA sanctions'

MBABANE — Swaziland's Prime Minister, Prince Bhekimpi Dlamini, says the country is against imposing international economic sanctions on South Africa.



● BHEKIMPI

Bhekimpi, speaking when he met the new South Korean ambassador Ding Jin Choi on Monday, said:

"Our problem in this region is that sanctions against South Africa will affect us. We cannot support sanctions against our neighbour, since most of Swaziland's trade is done with South Africa."

Swaziland signed a non-aggression pact with SA three years ago, aimed at curbing activities of black nationalist guerrillas fighting against Pretoria.

Bhekimpi's remarks were sharply at odds with the policies of SADCC (the Southern African Development and Co-ordination Conference), to which Swaziland belongs.

Other SADCC states — Angola, Botswana, Mozambique, Lesotho, Tanzania, Malawi, Zambia, and Zimbabwe — have called for tougher economic sanctions against Pretoria to force change to its apartheid policies. — Sapa-Reuter.

Biko film will now be shot in Zimbabwe

NAIROBI — Universal Pictures said it has decided to shoot a film on Steve Biko, the South African Black Consciousness leader who died in police custody in 1977, in Zimbabwe because the Kenyan Government had not co-operated in an earlier film venture in Kenya.

Mr Terry Clegg, co-producer of "Out of Africa", a hit in the United States shot on location in Kenya, criticised the Kenyan Government for its lack of interest in what he said had been an important contribution to the Kenyan economy.

"We were left to our own devices when faced with very serious difficulties," he said.

Apart from the "tremendous free publicity" "Out of Africa" would give Kenya, about 33 percent of the $28,6-million (about R63,5 million) budget was spent locally, a spokesman said.

"Out of Africa" a Sidney Pollack film starring Robert Redford and Meryl Streep, is based on a book of the same title about the life of Baroness Karen Blixen (Isak Dinesen), a Danish settler and coffee farmer in Kenya at the beginning of the century.

Mr Clegg said Universal Pictures, owners of the film, had chosen Zimbabwe as a location for the planned film on Biko's life. — Sapa-Reuter.

Talks to focus on sanctions

Frontliners ask Europe to help squeeze SA

LUSAKA — Africa's Frontline states and the European Community (EC) will meet in the Zambian capital, Lusaka, today to discuss ways of putting pressure on South Africa to end apartheid.

Foreign Ministers of the six Southern African countries will hold two days of talks with their European counterparts or deputies at which sanctions against South Africa will be a central topic.

The European team will be led by the Netherlands Foreign Minister, Mr Hans van den Broek, and will include the British Foreign Secretary, Sir Geoffrey Howe, whose government so far has firmly opposed the imposition of sanctions against Pretoria.

Maintaining pressure

All six Foreign Ministers of the "Frontline" states — Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe — are expected to attend.

The talks will be the first of their kind between the two groups.

The meeting follows one last September when EC Foreign Ministers resolved to maintain pressure on Pretoria and to try to chart a joint strategy of action to influence political change in South Africa.

The talks, to be opened by Zambian President Dr Kenneth Kaunda, come only three days after South African State President Mr Botha, announced plans to amend race laws.

The announcement has been branded as disappointing by black nationalist leaders outside the country and anti-apartheid activists inside South Africa.

ANC and PAC

Among those expected to attend are representatives of the African National Congress and Pan Africanist Congress and the South West Africa People's Organisation.

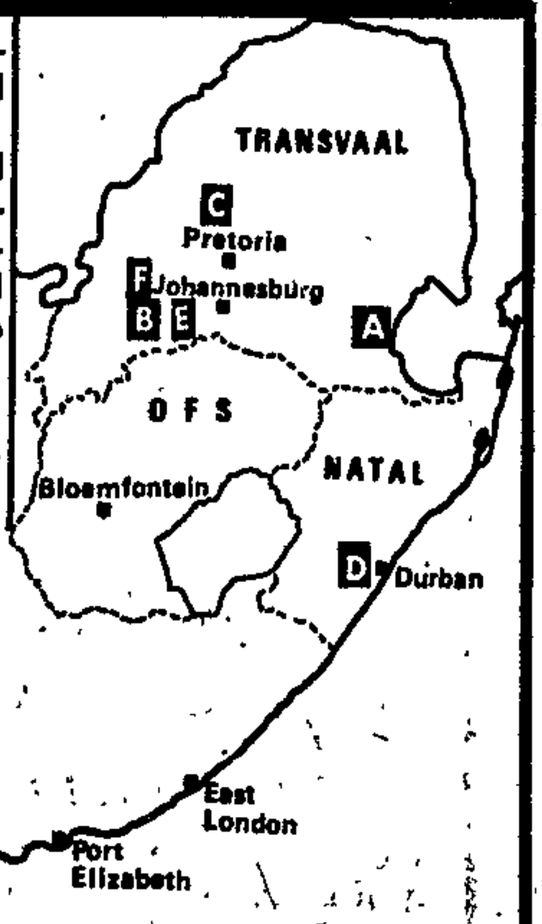
Since the September meeting, a number of EC countries have unilaterally taken some measures to cut links with South Africa, such as the withdrawal of military attaches. — Sapa-Reuter.

UNREST LATEST

The unrest report issued in Pretoria at the weekend included the following incidents:

A — A man was shot dead when a police patrol was attacked in Brayton in the Eastern Transvaal. The patrol fired birdshot and tearsmoke into the crowd.

B — A woman was killed in Mohlakeng, near Randfontein, when police opened fire on a group of stone-throwers.



C — Another woman died in Mamelodi, near Pretoria, when police fired birdshot at a mob attacking a police patrol.

D — In Lamontville, Natal a policeman was injured by shrapnel when a handgrenade of unknown origin was thrown at a police patrol.

E — Nineteen people were arrested in Soweto on charges of public violence.

F — Two black nuns were arrested in Munsieville. — Sapa.

Focus on sanctions

Own Correspondent

THE South African Catholic Bishops' Conference (SACBC) had given consideration to supporting economic sanctions against SA and would release a document on the issue in May, SACBC president Archbishop Dennis Hurley said last week.



● HURLEY

Hurley, speaking at a Press conference after the plenery session of the SACBC had ended, said the document would also deal with issues such as civil disobedience, boycotts and conscription.

"We are deeply concious of our responsibility as leaders of the church to give moral guidance and to play our part in attempting to arrest the rapidly escalating violence in our society," a statement stated.

"While still open to dialogue, we see no choice but to envisage such forms of non-violent action such as passive resistance, boycott and economic pressure to force our country away from its present state of racial conflict," it added.

Discussing the role of chaplains in the SADF, Hurley said the Roman Catholic Church was working with other churches through a body called the Inter-Church Committee on Chaplaincy (ICCM) in an effort make a common stance.

"On the one hand our young white men are forced into the army — they're conscripted under the pain of imprisonment for six years," Hurley said.

"The other arm of the dilemma is that if we do accept having priests as chaplains in the army, it is impossible for our black Catholics to understand how we can give that kind support to the armed forces of SA that are enforcing the policy of apartheid," he added.

EEC-Frontline meeting

LUSAKA — Foreign ministers of the European Economic Community (EEC) and the six Frontline states of Southern Africa met yesterday to chart ways of increasing pressure on Pretoria to end apartheid.

The unprecedented meeting opened with a message from Zambian leader Kenneth Kaunda that South Africa's racial volcano was set to erupt.

Kaunda said SA must act urgently to dismantle apartheid or be engulfed in conflagration.

He set out five steps SA must follow to ensure peaceful change:

- ☐ Declare apartheid dead and waiting to be buried;
- ☐ Lift the state of emergency;
- ☐ Lift the ban on the African National Congress (ANC) and other political organisations;
- ☐ Release Nelson Mandela and other political prisoners unconditionally;
- ☐ Establish a dialogue between government and genuine leaders, not puppets, on the future of SA.

Dutch Foreign Minister Hans van den Broek, leading the EEC delegation, said SA must take urgent measures to abolish apartheid totally or violence would escalate in the country.

The meeting was the first of its kind between the two groups. Conference sources said the African side was disappointed with the EEC level of representation.

Apart from Van den Broek, British Foreign Secretary Sir Geoffrey Howe and Greek Foreign Minister Karolos Papoulias are attending. But other EEC members are represented by deputy foreign ministers or junior officials.

The foreign ministers of all the Frontline states — Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe — are attending.

The two-day meeting is being held at the initiative of the frontline group. It comes afer a move last September by European countries when they adopted a number of limited measures against SA to try force the pace of racial change. — Sapa-Reuter.

STAR 5/2/86. (280)

Church will not break investment links with SA

The Star Bureau

LONDON — The Church of England will "seriously damage" its long-term interests if it reduces its South African investments, according to a church report.

These investments earn £8 million (about R24 million) a year and their withdrawal could break British law.

Despite a 1982 General Synod motion supporting "progressive disengagement" from South Africa, a preliminary report released by the Church Commissioners yesterday confirmed the church's financial stake in the country, estimated to account for no more than one percent of all investment income

Church investments in South Africa are a source of growing controversy and will be a key issue in the "South Africa debate" during July's synod.

Yesterday's report said although the church did not invest directly in South Africa, most of the large UK and US companies which carried a substantial portion of its £ 800 million (R2,4 billion) stock exchange investments have a stake in South Africa.

The commissioners say an attempt to reduce investments in South Africa would mean withdrawing from 65 companies in Britain alone, about two thirds of the UK portion of the portfolio.

Among them are ICI, GEC, Beecham, British Oxygen, Shell, British Petroleum and Unilever.

"To exclude such a wide range of leading British companies would risk seriously damaging the long-term interest of the church." This could run counter to British law, the report said.

"The commissioners are a charity and have statutory responsibilities to their beneficiaries, the serving and retired clergy.

"This means financial considerations must be the major factor in all investment matters and this has been underlined by a recent legal ruling on the responsibilities of trustees and management of charitable funds," the report said.

The commissioners nevertheless recognise that South African investment is potentially controversial

"Financial considerations take priority when we make investments, but at the same time we also have particular regard to the ethical and social aspects of investment."

The commissioners avoid investing in companies whose business is "primarily in areas of activity which they believe might be open to major objection or undue controversy".

A church pamphlet said: "At present these are armaments, gambling, alcohol, tobacco, newspapers and South Africa."

The secretary of the commissioners, Mr J E Shelley, said: "While we do not seek this direct involvement in South Africa, we cannot entirely avoid it. But we do not let the matter rest there.

"Where the companies in which we invest have a stake in South Africa we seek to ensure they follow enlightened employment and social policies.

"We monitor the activity of any company having an interest in that country to establish that they operate policies in line with the EEC Code of Conduct or, in the case of the United States, the Sullivan Principles.

"Where evidence of non-compliance with the codes is found, we exert pressure on them to come into line. If the company fails to take appropriate action, the commissioners are prepared to sell shares.

"It was because of its non-compliance with the Sullivan Principles that we sold our stake in Carnation in 1984."

Sanctions on SA only option, UN told

STAR 16/2/88

UNITED NATIONS — Economic sanctions on South Africa were the only peaceful means to persuade it to co-operate in seeking a solution to regional problems, Zambia said in the UN Security Council yesterday.

Responding to arguments that sanctions would harm the black South African majority as well as neighbouring states, Mr Joel Mulule Ngo, the Zambian delegate, said they were ready to make that short-term sacrifice for longer-range goals.

Alluding to US opposition to sanctions, he said those who argued the measures would not work had not hesitated to apply them on Cuba, Poland, Nicaragua and Libya.

He said South Africa had applied sanctions on its own neighbours and was threatening military measures if they did not join a regional security arrangement.

The council met at the request of the African group of states. — Sapa-Reuter.

The Marmite Factor

HOW SANCTIONS USUALLY END UP AS IRRELEVANT OR A GESTURE

By DR. HOWARD GRIFFITHS

ECONOMIC sanctions have become an extremely popular option in foreign policy during the 20th century.

They have been used well over 100 times since 1914, and the only criterion for their application is a dislike of foreign regimes. Just like other politically-motivated economic policies, sanctions have enjoyed a spectacular series of failures and misfires.

The total irrelevance of the sanctions imposed on Mussolini after his invasion of Abyssinia may well have encouraged Hitler in his designs on Europe. The United States shot itself in the foot when it imposed sanctions and an oil embargo on Japan in 1940 in protest against the war in China.

The sanctions didn't stop Japanese aggression in China, they helped to push Japan along the road to Pearl Harbour.

Objectives

In general, there have been four types of objectives set for economic sanctions:

- Minor policy changes.
- Major policy changes.
- Political destabilisation.
- Short and long-term military debilitation.

The success or failure of economic sanctions is rarely clear-cut, as the criteria for success may not even concern the target country. All too often economic sanctions are imposed for domestic consumption, despite the inevitable accompanying rhetoric.

In addition, the perception of success or failure of any given sanctions policy will vary according to the geographical and political viewpoint of the assessor.

For example, the recently-published Bingham Report in the UK has judged the sanctions imposed on Rhodesia to have been a success.

On the other hand, it is clear that sanctions encouraged industrial growth by stimulating import replacement in Rhodesia. Most ex-Rhodesians would claim that sanctions played a very minor role in the collapse of UDI.

Irrelevant

The loss of Marmite and Smarties hardly constituted a morale-breaking policy. A convincing case can be made for the idea that the collapse of UDI from 1976 onwards had rather more to do with Gerald Ford's presidential election campaign in the US and the search for a quick foreign policy success.

The Bingham Report laid great stress on the Wilson government's blind eye towards the operations of the multinational oil companies. This is an excuse and an historical irrelevance. As long as South Africa could buy oil and as were willing to sell some of it to the Rhodesians, sanctions were a paper tiger.

Another case that is touted as a successful example of the use of economic power is the Arab oil embargo of 1973-74.

In the short term, the US might have made greater efforts to persuade the Israelis to come to the conference table and thus save Cairo and Damascus from occupation. However, in the long term the Arab oil exporters only succeeded in producing a backfire:

- No Saudi king has yet prayed in Jerusalem. Israel still holds much of the Arab land it took in 1967 (the only portion that has been returned was the Sinai — and this was due to Anwar Sadat's political courage rather than any economic power exercised by the Saudis).
- The embargo (and the greed which pushed up oil prices still further) helped to produce the greatest post-1945 economic recession in the Western world, and consequently a fall in the demand for oil.
- The price increases induced both additional exploration and increased efficiency of energy use.

The net result of the last two points has been a rapidly-declining share of the Arabs and a drastic reduction in their oil revenues to the point where even Saudi Arabia faces a deficit on its balance of trade.

Despite the many spectacular failures, there have been successful sanctions policies. Between 1960 and 1962 the US imposed sanctions on the Dominican Republic.

The policy was imposed quickly, unilaterally and effectively. The target country in this case ceased its interference in the internal affairs of Venezuela.

Other sanctions policies have resulted in considerable losses in economic welfare in the target countries, although they have not achieved their primary objectives.

Conditions

The regime in Cuba has not changed because of the US boycott on its exports, but it now requires considerable financial assistance from the USSR to maintain a minimum standard of living acceptable to the people. The same process may now be working in the case of the US sanctions policy against Nicaragua.

There seem to be three necessary conditions for the success of a policy of economic sanctions:

- The target country and dependent on only one or two export products.
- Sanctions should be imposed as quickly as possible. Gradual imposition only allows the target to take defensive measures which may reduce the impact of sanctions.
- Where possible, sanctions should be unilateral rather than multilateral.

Multilateral sanctions inevitably take time to impose and are bound to be as watertight as a colander in the majority of cases. Under ideal circumstances the target country should also lack alternative 'friends'.

Although Rhodesia was friendly, small and dependent on a few export products, sanctions were slow in coming and it did not lack for other friendly countries.

How would sanctions affect South Africa? Would they result in major policy changes? To try to answer these questions a balance sheet would be helpful. On South Africa's debit side there are a number of weaknesses:

- South Africa does depend on diamonds, gold, coal and a few other minerals for the bulk of its export earnings.
- Its economy is small compared to those of its major trading partners, but tent by the high degree of self-sufficiency that has already been achieved.
- South Africa is friendly to those countries which might impose sanctions. However, this is partly offset by the newer avenues of trade with countries like Taiwan.

On the credit side of the balance for South Africa, there are some major strengths:

- South Africa is deeply embedded in the matrix of international trade, and consequently any sanctions would have to be imposed multilaterally. This means that the imposition would be slow and incomplete, giving the target country time to adapt and to develop other avenues for trade.
- As in the case of Rhodesia, South Africa does have other friends who would not be adverse to additional trade.

In the short term, time seems to be on South Africa's side. Economic sanctions, if ever imposed, are unlikely to achieve any radical change in policy. At best, they may cause short-term problems which can be surmounted — at a cost.

The recent refusal of the world's banks to roll over South Africa's trade credit is a good example of the sudden sanctions which have a chance of being effective.

The withdrawal of co-operation was unexpected and the discomfort persuaded the Reserve Bank Governor to tour the Western world trying to re-establish financial links. However, South Africa seems to have weathered the immediate financial storm.

Toothless

There have been some policy changes, but apartheid remains in place. It now remains to be seen what the long-term effects of South Africa's unilateral moratorium will have. What one country can do, others may follow.

If Saudi Arabia precipitates a large oil-price cut, countries like Mexico and Nigeria will find themselves in difficulties. Unilateral moratoria may become more common, causing difficulties for the West's banking system.

It is clear that the practical difficulties of imposing, and then maintaining, sanctions against South Africa constitute a toothless policy.

Hence, those Western politicians in favour of sanctions fall into two categories: those with nothing or little to lose (as in France), and those who make the gesture for domestic political consumption.

Dr Griffiths is a former Wits economics lecturer living in London.

Investing in SA a betrayal of the clergy — minister

STAR 6/2/86

280

The Star Bureau

LONDON — The Church of England's Commissioners have been accused of betraying the trust of the clergy by not withdrawing investments from South Africa.

The Rev William Whiffen of Oxford says the commissioners are failing to observe a Synod resolution of 1982 supporting "progressive disengagement" from the South African economy.

In a report to this week's Synod, the commissioners confirm the Church has South African investments that earn about R24 million (£8 million) a year.

Mr Whiffen, whose motion to the Synod calling for disinvestment is being held over until July, said in an interview yesterday:

"I find it hard to accept that they (the commissioners) are fulfilling the objectives of the Church for which they have been set up if they do not listen to the voice of the Church, which has said it wants progressive disengagement.

"The commissioners counter that they would be betraying the trust of the clergy if they withdrew South African investments, risking or reducing the Church's income, but I say they are already betraying our trust."

In their report, the commissioners say the South African investments are not direct, but a small part of the Church's stake in large UK and US companies which have South African interests.

Complete withdrawal would seriously damage the Church's long-term interests.

They say they monitor companies in which they have an indirect stake, to ensure that the EEC Code of Conduct or the Sullivan Principles are applied. Where they are not applied, investments are withdrawn.

But Mr Whiffen said: "They have made it clear that there are social and ethical factors in deciding their portfolio of investments, so therefore there is nothing preventing them from withdrawing because of our views on apartheid.

"When I propose my motion in July, I will make it clear that withdrawing might increase the risk or reduce income.

"My feeling is that although withdrawal of Church investments would not apply significant financial pressure on the South African Government, it would be a clear moral lead to others," he said.

Euro MPs to seek tighter sanctions

6/2/86

EUROPEAN Parliament socialists on a five-day fact-finding mission to South Africa said yesterday they were returning to Europe resolved to call for stronger economic sanctions.

They met community leaders and representatives of the Black Sash and the United Democratic Front, said one of the parliamentarians, Barbara Simons.

The delegation left SA last night for Lusaka where they are expected to meet African National Congress officials.

Simons, from West Germany, said the aim of the visit was to gain the "newest" information on SA.

Janey Buchan, from Scotland, said the group had tried to take a bunch of red carnations and a note to Nelson Mandela in Pollsmoor prison yesterday, but had been unsuccessful.

United Nations observers have arrived in Maseru to establish a mission after the death of nine people, including six ANC members, in the Lesotho capital in December.

Rune Wrangdahl, of Sweden, has been appointed representative of the UN Secretary General in Lesotho in pursuance of Security Council Resolution 580 of 1985. The resolution condemned SA for the killing of the nine.

Wrangdahl is being assisted by a Ugandan, James Ngobi, a political affairs officer attached to the UN Security Council in New York.

The mission will observe and report on any developments affecting the territorial integrity of Lesotho. — Sapa.

Aussie union holds up Pick 'n Pay

The Star's Foreign News Service

MELBOURNE — Australian union opposition to apartheid may result in the collapse of a planned R560 million South African hypermarket chain planned to be developed throughout the country.

The Plumbers and Gasfitters Union said today it had been told by the Pick 'n Pay retail chain that a R56 million hypermarket proposed for an outer suburb of Melbourne was likely to be shelved unless the union lifted its bans on construction work.

Persuade the union

A union spokesman, Mr Bill Davis, said his union had also been told by the chairman of the retail chain, Mr Raymond Ackerman, that plans for another nine hypermarkets were also being jeopardised by the stand taken by the union.

Mr Ackerman had flown from South Africa in a bid to persuade the union to lift its bans.

He told the union that his firm had participated in a campaign against apartheid.

However, it seems his journey was in vain because Mr Davis said "people in South Africa" had urged his union to continue their action and it intended to do so.

The plumbers and gasfitters imposed their bans last August during a general union call to oppose apartheid in this way.



● ERASMUS



● WALKER

Sapoa lives up to vow to fight disinvestment

BUSDAY 7/2/86

280

IT WAS no idle promise when the SA Property Owners' Association (Sapoa) said last year it would play a part in the anti-disinvestment campaign

Four prominent North American property people have been lined up to visit SA on a see-for-yourself mission. One of them, G Vern Tatham, is already here.

Sapoa is an apolitical organisation, says executive director Peter Erasmus.

However, it considers the disinvestment campaign to be ill-advised, particularly for the business community.

The purpose in bringing the Americans over is twofold — to expose the local property market to trends and thoughts abroad, as part of the association's continuous educational process, and to expose visitors to local conditions.

JANE STRACHAN

"We are concerned about distortion of the situation by the North American media," says Erasmus.

"We want these people to see things for themselves, to come over with open minds and no preconceptions."

Sapoa's action was sparked by a social parliamentary luncheon in Cape Town a year ago at which a senior minister reiterated government's appeal to private enterprise to play its part in countering the disinvestment campaign.

A Sapoa sub-committee, formed to examine options, came up with the idea of bringing over the four property leaders.

It will also co-ordinate, though not at this stage, a tour by US property investors and brokers.

President Roland Walker of Sapoa won't yet reveal the names of the other three, fearing political pressure could be exerted on them not to come.

G Vern Tatham, president of the influential US-based Building Owners' and Managers' Association International (Bomai), was advised not to come.

Walker says the purpose of the exercise is not for Tatham to go back and wave flags on behalf of SA. It is hoped, rather, that he will convey his impressions to friends and colleagues.

"We're putting no pressure on him, but obviously we hope he'll go away with a favourable idea of SA and its problems," says Walker.

The itinerary lined up for Tatham is designed to expose him to a cross-section of South African life and property.

He will meet Chief Mangosothu Buthelezi in Ulundi, tour Indian developments in Durban, talk to members of political parties, government officials and black and white businessmen.

□ Sapoa represents about 75% of commercial, retail and industrial property owners.

February 8 1986

e focus

SA 'needs investment'

STAR 8/2/86

280

CAPE TOWN — Representatives of the International Society of Human Rights visiting South Africa on a fact-finding mission said yesterday investment was needed to abolish apartheid.

"We are concerned that black and white people will suffer if there is disinvestment," Mr Ivan Agrusov, a co-founder of the society, told Sapa in an interview in Cape Town.

Through improving the living standards of people in South Africa by providing jobs and housing through investment of "millions and billions of rands", the radical situation in the country could be changed, he said.

"Unemployement makes people radical," said Mr Agrusov, whose delegation has visited black townships and met various organisations.

Another member, Pastor Ndabenzinhle Musa, formerly a commander under Mr Joshua Nkomo in Zimbabwe who came to resist orders to assassinate an evangelist and converted to Christianity and now works as a minister and human rights activist in West Germany, said:

"Our purpose is that sanctions do not help the black man. Sanctions are a political philosophy and rhetorical posture for people who are not in South Africa.

Intimidation

"We have to provide the black man with the ability to change. If you disin vest you kill the goose that lays the golden egg.

"The black man suffered in Zimbabwe. He is the first to feel the brunt of sanctions, intimidation and boycotts. Here people are made to drink bottles of cooking oil to accept the philosophy that is not his."

He said blacks and whites in South Africa needed to talk to solve their differences. When asked if he meant the government needed to speak to the African National Congress, he said:

"The ANC are not the people of South Africa. In Zimbabwe the Patriotic Front struggled for liberation. Today they are killing each other. There are many parties in South Africa. Why should one talk to only one? There is the PAC, Azapo and the UDF and many others."

Mrs Brita Norberg, a lawyer from Sweden, said they believed South Africa could manage without outside interference.

"There is a lot of goodwill here and bright people who can do it (bring about the abolition of apartheid) with the right help."

Mr Agrusov said the delegation had come to learn about human rights in South Africa and wanted to take back a neutral picture to the countries they represented. Europe was misinformed about what was happening in South Africa, he said.

"We only see Tutu on the TV screens but we never hear the opinions of men like Bishop Mokoena of the Reformed Independence Churches, who we met in Soweto. We think he is important."

He said they wanted to promote education for black trade unions by sending European union leaders, whose experience in fighting for human rights was vast, here.

The delegation recently met workers involved in widespread sackings at a platinum mine near Rustenburg. They also met opposition party leaders in Bophuthatswana. — Sapa.

EC will push SA

THE European Community and six Southern African countries decided after a two-day meeting in Lusaka they will increase pressure on South Africa to scrap its apartheid policy.

But no formal decision was taken on sanctions.

This meeting co-incided with another meeting between a British delegation and the ANC. Prime Minister Margaret Thatcher said "this does not mean support for the ANC".

● A group of European parliamentarians who were on a fact-finding mission to South Africa said they will call for stronger economic sanctions against SA on their return.

. The delegation left on Wednesday for Lusaka, where they were to meet with ANC officials. – Sapa.

'Frisco curbs ties

SAN FRANCISCO — San Francisco mayor Dianne Feinstein has signed into law an ordinance which bars the city from dealing with companies which do business with South Africa.

The mayor, who opposed the measure and could have vetoed it or allowed the ordinance to pass without her signature, said she signed the ordinance "to say as loudly and clearly as we can" that the city rejects racism.

Under the ordinance, the city may not contract with companies which have financial ties with SA, or invest money with financial institutions linked to SA.

The ordinance provides that San Francisco would deal with a company doing business with SA only if it is the sole source of a commodity. — Sapa-AP.

'Blackmail' moves US firm to quit SA

BUSDAY 11/2/86

BELL & HOWELL, a world leader in microfilm and information technology, is to sell its SA subsidiary to local interests because of threats of boycotts in the US.

The US parent has taken this move "because of its exposure to blackmail — that's not too strong a word — in tendering to state governments", Bell & Howell SA MD, Barry McCurdie, told *Business Day*.

MATTHEW WHITE
Technology Editor

McCurdie said he believed the subsidiary, which has budgeted for a R25m turnover this year, would be an excellent acquisition. Several companies were involved in negotiations, but he declined to name them. The sale is expected to be concluded before the end of March.

By its own estimate Bell & Howell SA has 40% of the SA market for micro-imagery equipment. Assessing its share of the market for a comprehensive range of visual communications equipment was more difficult, said McCurdie, but purchases of Japanese JVC equipment in 1985 were 40% up on the previous year in yen terms.

Dutch firms told to cut SA ties

BUSINESS DAY 12/2/86 280

AMSTERDAM — Amsterdam's city fathers have threatened to boycott a number of Dutch companies if they continue doing business with the SA government.

In a note outlining the city's policy towards apartheid, Amsterdam mayor Ed van Thijn said he would urge several large Dutch firms to sever their trade ties with SA.

"If these companies continue to do business with the apartheid regime, Amsterdam will consider stopping doing business with them," spokesman Aad van Cortenbeghe said yesterday.

He said no specific companies had been targeted for action and the mayor's note was subject to city council approval.

He quoted the mayor as saying "the apartheid system is a form of government characterised by minority dictatorship, where the white minority is employing a racist theory to maintain its privileged position". — Sapa-AP.

UK boycotters suffer pay cuts

LONDON — Health service workers in Portsmouth have had their pay cut for refusing to handle South African goods.

The 12 stores staff and 17 drivers are refusing to deliver tinned fruit to hospitals.

They are members of the National Union of Public Employees.

Their union representative said: "Management is refusing to enter into discussions with us, and the members are getting fed up with constantly being sent home or constantly having cuts in their pay."

The stores staff earn about £77 a week.

They are losing £5 and their 10% bonus payment.

The health authority said the effect of the boycott had been minimal, with no impact on hospital patients. — Sapa.

Union showdown looming in UK over SA fruit boycott

Own Correspondent

LONDON — National Health Service managers in the Portsmouth and Southampton areas are recruiting private contractors to distribute SA fruit to local hospitals.

The move is designed to beat a growing anti-apartheid boycott which was started five weeks ago by a few National Health Service union branches in Portsmouth and has now spread to the transport union.

Spokesmen for the campaign claim more than 100 trade unionists are involved actively in the boycott and that they are are heading for a "showdown" with National Health Service managers.

Richard Jewison, area officer of the National Union of Public Employees, says his members are being victimised for supporting "a just action against apartheid goods".

"Members have had their pay docked, they have been sent home early and their jobs are now being endangered by private contractors.

"Managers are determined to try to break us and force us to handle the apartheid produce.

"Their attitude is disastrous. They will not break our solidarity. We are meeting on Friday and, if it comes to a showdown, we may be forced to take strike action next week," Jewison says.

The workers are demanding an end to all SA imports bought by the National Health Service.

They are seeking to emulate anti-apartheid workers at Dunnes supermarket in Dublin whose two-year strike after refusing to handle SA produce has culminated in a government threat to ban the import of all SA fruit and vegetables to Eire.

US banks urged to put pressure on SA

STAR 19/2/86

(280)

The Star Bureau

WASHINGTON — An influential group of United States congressmen has urged American banks to take a tough line against apartheid when they meet this week to negotiate repayment of nearly $14 billion (about R28 billion) in loans frozen by the South African Government.

The congressmen say there must be no new credit for South Africa without progress toward real political reform.

The bankers' meeting with South African officials takes place in London tomorrow.

Among the 15 legislators who signed a letter to the banks was the Speaker of the House of Representatives, Mr Tip O'Neill.

And, in a separate move, the heads of 20 American church groups yesterday urged the 10 American banks involved not to reschedule the loans until apartheid was abolished.

ECONOMIC PRESSURE

"We have concluded that economic pressure on South Africa is the most important non-violent method for bringing an end to the apartheid system," the religious leaders said in a telegram to the banks.

While the congressmen and the church leaders are trying to use the meeting to score political points against the South African Government, some of the bankers themselves appear hopeful that a reasonable deal can be worked out in London.

A report in today's *New York Times*, quoting unnamed bankers, said the two sides were dealing with proposals that for the first time struck a middle ground between what Pretoria wanted and what the banks might accept.

At tomorrow's meeting in London, Western bankers are expected to consider proposals by Swiss mediator, Mr Fritz Leutwiler, to resolve the crisis.

Botha was advised on how to halt disinvestment

19/2/86 STAR

280

By Bruce Cameron,
Political Correspondent

CAPE TOWN — A bold initiative and stability were required to halt the disinvestment campaign, Dr Van Zyl Slabbert told President P W Botha after the then Opposition leader returned from an around-the-world trip.

In addition, he warned Mr Botha that the handling of the visit by the Commonwealth "eminent persons" group was important.

This was revealed in the transcript of the meeting between Dr Slabbert and Mr Botha last year.

Dr Slabbert said he had been told by senior British Foreign Office officials that Prime Minister Mrs Margaret Thatcher had gone out on a limb to turn the sanctions debate and her credibility was on the line.

EMINENT PERSONS VISIT 'VITAL'

The officials had understood vaguely that the South African Government could not welcome the eminent persons with open arms, but said the reaction was important.

There was nothing that could be done about the sanctions debate and he believed it would become irrelevant as those who screamed loudest were those who could do the least.

What was serious was the attitude of business interests in the United States and Britain.

However, there were differences about what should be sought — one wanted a transfer of power, another wanted to get rid of domination, while others accepted that the future of whites was important.

MOZAMBIQUE CITED AS EXAMPLE

President Botha said that there was a contradiction in the argument in that they wanted stability but they also wanted concessions, while not wanting an African situation.

He cited the lack of investment in Mozambique as an example.

Earlier in the conversation, Dr Slabbert revealed to Mr Botha that the New Zealand Premier, Mr David Lange, was a "little sneering" about his Australian counterpart, Mr Bob Hawke.

From his meetings with them, Dr Slabbert said they did not appear to like each other.

Mr Hawke had attempted to impress on him that the eminent persons' visit should be seen as an important initiative, even though it was difficult to understand why he and Mr Lange had appointed former Australian Premier Mr Malcolm Fraser.

Call for increased pressure on SA

JOHN BATTERSBY

LONDON — A secret meeting in Paris last week of about 30 business executives from US, British and West European multinationals has called on the international business community to step up its opposition to apartheid.

Endorsing recent anti-apartheid initiatives by SA business, the meeting put "strong emphasis on the need for the SA government to implement quickly through legislation the dismantling of apartheid".

The two-day meeting, which was attended by several unnamed SA businessmen, took place behind closed doors under the umbrella of the International Chambers of Commerce (ICC).

The ICC, which opposes sanctions and disinvestment, declined yesterday to name the companies represented at the meeting, but said they were from the US, Britain, Holland, West Germany and France.

The call on business to step up action aimed at the dismantling of apartheid coincided with the dramatic move by General Motors (GM) last week pledging "legal and financial support" to any of its 30 000 employees who chose to defy Port Elizabeth's beach apartheid laws.

A spokesman for the ICC declined to confirm a link between the meeting and the GM action.

An ICC statement released at the weekend disclosed that a call went out for international business to shift its priority from "general" statements condemning apartheid to the "implementation of specific points . . ."

The ICC meeting also urged its corporate members "to expand social development programmes beyond the workplace to focus on health, education, housing, training, and management and community development".

In a clear reference to the recent Business Charter released by the Federated Chamber of Industries, the meeting backed calls by SA business for support for full social, economic, civil and political rights for all citizens and for the beginning of a negotiating process.

SATS finds no irregularities in handling of famine relief

STAR 25/2/86

By Kym Hamilton, Pretoria Bureau

South African Transport Services paid out R2 600 to the World Food Programme (WFP) during 1985 in compensation for bags of the American-made famine food powder which went missing during transit, a spokesman said.

He said the money was paid to the WFP and not the shipping agents, Gundelfinger and Sons, as was previously understood. All the claims related to bags which were destined for Lesotho, but for various reasons were left behind in SATS trucks and were later impounded at Kazerne and other railway depots.

Some of the bags of Corn Soya Milk (CSM) were sold on public auction by the SATS to defray expenses.

However, the auction was stopped by the Minister of Transport, Mr Hendrik Schoeman, this month (after a Press report about famine relief food being sold) and only 240 of the 22 kg bags were sold to the public.

The spokesman said representatives of the WFP had been in touch with the SATS and were satisfied with the arrangements.

No irregularities found

An investigation by the Railways Police had also failed to uncover any irregularities.

Earlier reports said 400 tons of the food powder had failed to reach Botswana. However, the Zimbabwe Railways was responsible for transport to Botswana and SATS was not responsible for any missing freight in that instance, the spokesman said.

SATS transported about 65 000 tons of CSM during 1985 and 22 tons of that was impounded when it failed to reach its destinations. The food powder was shipped from the United States to Durban where some of it was loaded by SATS and others by Gundelfinger and Sons at the shipping agents' sidings.

Gundelfinger and Sons said arrivals in Botswana from a recent shipment continued into February. The receiving destination first lacked certain cargo transit particulars and it was possible that would account for initial reports that there was a shortage of 400 tons.



Two baby squirrel monkeys ! family in Fish Hoek adopted th two babies loo

Krugerrand ban not yet official

STAR 25/2/86 280

The Star Bureau

LONDON — Mrs Thatcher's proposed ban on the import of Krugerrands appears to have failed so far.

Customs officials at Birmingham international airport tried to impound a consignment of the coins last Friday — to find that no official import ban has yet been made.

An unspecified number of the coins in an unaccompanied case was awaiting collection by their owner when customs officers began proceedings to impound the coins.

The Department of Trade and Industry said its officials were still studying rules governing free trade and import controls to decide on the best way to ban the import of Krugerrands.

More UK workers may boycott SA goods

280 STAR 26/2/86

The Star's Foreign News Service

LONDON — Health and local authorities throughout Britain are expected to join a boycott of South African goods launched six weeks ago by a group of health-authority workers in Portsmouth.

The 10 workers in the central stores of the Portsmouth local health authority have been refusing to handle South African tinned fruit and are supported by distribution drivers and some catering staff in hospital kitchens.

The boycott applies only to 13 items of about 6 000 held by the stores.

However, Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees (Nupe), predicted yesterday that many more workers would join the boycott.

He said the union would not be deterred if the Portsmouth workers, or any others, were disciplined.

According to Nupe, the Portsmouth health authority has refused to discuss finding alternative supplies of tinned fruit and has penalised workers, who are losing as much as R50 out of R200 take-home pay.

Business plans apartheid talks in UK

JOHN BATTERSBY

LONDON — Chief executives of leading South African, US and British companies will meet behind closed doors at Leeds Castle in Kent on March 8 to review business strategy on dismantling apartheid.

The meeting will be chaired by former British Prime Minister Edward Heath, and has been organised by the Reverend Leon Sullivan, US architect of the Sullivan Principles. .

It will be addressed by Jan Steyn, chairman of the Urban Foundation (UF), who will be heading a UF delegation visiting Britain next month.

Steyn will also address the Royal Institute for International Affairs.

Other SA businessmen expected to attend include Premier Milling's Tony Bloom, Barclays Bank's Chris Ball, Barlow Rand's Mike Rosholt and Anglo Vaal's Basil Hersov.

The Leeds Castle meeting is expected to endorse a tougher and more direct business strategy to speed the dismantling of apartheid

It comes after a secret meeting of multinationals operating in SA, held in Paris last week under the umbrella of the International Chambers of Commerce.

Neither Heath nor Sullivan would comment on the meeting yesterday.

Other companies expected to attend include Control Data, Fluor, Mobil Oil, Goodyear International from the US, and Barclays Bank, Shell UK, and Rio Tinto Zinc from Britain.

The opening address by Sullivan is expected to highlight the slow pace of reform in SA against the backdrop of a deteriorating political situation.

□ The meeting was condemned last night by the London-based Anti-Apartheid Movement (AAM).

"It is an attempt by foreign business to determine the future of SA without reference to those who will be most affected, namely the black opposition," an AAM spokesman said.

Sources close to the African National Congress (ANC) said that until SA business was prepared to abandon its involvement in the "repressive economic machinery" — particularly the Key Points Act and financial support for national servicemen — it would be regarded by blacks in SA as "the enemy".

Blacks first to suffer, Suzman tells Oxford debate

Beware sanctions, Weekend Argus Correspondent

LONDON. — Helen Suzman has delivered a tough warning on the effects of comprehensive trade sanctions on South Africa.

Mrs Suzman and Dr Chester Crocker, United States Assistant Secretary of State for Africa, were speaking in the Oxford Union Society debate against the motion that "sanctions are necessary for the abolition of apartheid".

She cautioned that the "euphorical idea that sanctions will bring down the Government shows a woeful ignorance of the intransigence of the Nationalist Afrikaner character".

"The brunt of sanctions will be felt by blacks and they will be the first to be fired."

Donald Woods

But Mrs Suzman and Dr Crocker were overwhelmed by the support for their opponents, Mr Donald Woods and General Joseph Garba, chairman of the UN special committee on apartheid.

Mrs Suzman told the audience: "Do not believe sanctions will bring down the Pretoria regime and do not think they will get rid of apartheid and bring in a non-racial democratic system of government."

Black people could "enhance their economic muscle" only in a growing economy and the danger of sanctions was that "once investors have withdrawn, they do not come back".

"Sanctions blunt the cutting edge of the real weapons blacks can use to make demands that have to be accommodated. Sanctions will destroy the inheritance that blacks one day must share."

She urged: "Keep up the other kinds of pressure against apartheid — but not at a cost of more poverty, more misery, more starvation and more oppression."

Life-blood

General Garba lashed the United States, Britain and West Germany for their "massive" investment in South Africa, which he described as the much-needed life-blood for the economy.

"Those countries hold the key to the abolition of apartheid," he said.

Dr Crocker warned that if South Africa were faced with tough, comprehensive sanctions the Government would be forced into a corner — "They have the ability to wage a scorched-earth policy and bring that country down."

He said it should be asked whether sanctions would "push the country towards evolution or revolution".

The snappy debate ended with the vote: 253 in favour and 168 against.

Suzman backs growth

JOHN BATTERSBY

LONDON — Punitive international sanctions would blunt the cutting-edge of black industrial power in South Africa, PFP MP Helen Suzman told an Oxford University debate at the weekend.

She was speaking against the motion: Economic sanctions are necessary for the abolition of apartheid.

"Sanctions will blunt the cutting-edge of the real weapons that blacks will ultimately be able to use against apartheid to make demands that will have to be accommodated.

"They are the strategy of despair that will destroy the inheritance that, one day, blacks certainly will share. It never seems to occur to the advocates of sanctions that their successful implementation would undermine the most significant power-base blacks could acquire," she said.

She was supported by US Assistant Secretary of State for Africa Chester Crocker. Joseph Garba, head of the UN Centre against Apartheid, and Donald Woods, former editor of the *Daily Dispatch*, spoke in favour of the motion.

The sanctions motion was carried by 253 votes to 168.

Suzman's argument against sanctions precipitated a lively debate and, according to observers, defused a highly-charged emotional advantage for the motion. Observers had expected a landslide win for those in favour of sanctions and were surprised at the vote.

Suzman said there was a place for internal sanctions such as strikes and consumer boycotts, "but these weapons would be more effective when blacks dominate the skilled-labour market and have increased their consumer power. Blacks will acquire enhanced economic muscle in an expanded economy, not in a shrinking market for black manpower induced by sanctions or disinvestment."

Govt asked to act 'with deliberate speed'

End apartheid, say top bankers

The South African authorities should proceed with "all deliberate speed" to implement changes designed to move the country away from institutionalised discrimination, say two top bankers.

Barclays chairman Mr Basil Hersov and managing director Mr Chris Ball said in a strongly-worded comment on the political situation in the bank's annual report for 1985: "The human aspirations of people who are not white must be accommodated if we are to achieve a stable society and bring an end to conflict."

They said the move would require courage, adding that it was their belief that most South Africans, black and white, had accepted that apartheid had to be dismantled

"Between the diehards who wish to maintain the status quo at all costs ... and the proponents of violence ... there is a large range of active interest groups in our society, including the business sector, who anxiously seek an opportunity for involvement in building a society beyond apartheid"

Turning point

The bankers said they hoped that 1985 would prove to be a turning point in South Africa's history "The individual actions of the Government, though meaningful, were perceived as not being introduced as part of a clear-cut programme of reform As a result, the propensity for conflict within South African society was realised, with an intensive build-up in the emotive elements in the conflict.

"Looking ahead, we have to acknowledge that tensions and even conflict in our society will continue for as long as group discrimination exists and participation by all in the decision-making process is denied."

What was needed was to manage the change so as to minimise dislocation "This requires sensitivity and leadership, patience and goodwill South Africans should not allow past and present conflict to distort their view of the future.

"Apart from the basic ethnic issues, education and job creation are the critical prerequisites for success To achieve these, we need higher economic performance targets. Achieving these will enable us to raise our political sights" — Sapa

More US blue-chip companies leave SA

BUS DAY

280

3/3/86

NEW YORK — Blue-chip US companies are pulling out of SA at an increasing rate as they find little success in battling the twin pressures of unrest and political harassment at home, reports the *Wall Street Journal*.

Such influential US companies as General Electric, Marriott, and Phibro-Salomon recently announced their exits, and many observers expect the pace to pick up as more managers conclude that the SA government cannot or will not deliver reform.

Meanwhile, corporate efforts to stem the tide of US anti-SA investment laws have largely failed.

If anything, the divestment movement has accelerated. So far 16 states and 54 US cities, including Washington DC and New York City, have passed legislation restricting investments in and purchases from companies with SA ties. Last Wednesday, Phoenix, Arizona joined the list.

Last spring, many influential US business officials launched a campaign arguing that pulling out of SA would hurt black workers only and would eliminate US companies' leverage for reforms. But increasing violence in SA overtook those arguments.

"The stage of just being nice to your local workers is over," says Dumisani Kumalo of the US committee on Africa, a pro-divestment group. As a result, says Burroughs spokesman Irving Geller: "I don't think that's being offered as an argument very strongly anymore."

The anti-divestment forces were particularly vexed that Republican governor Thomas Kean of New Jersey, despite pressure from President Ronald Reagan, signed a law last fall that set in motion the divestment of about $2bn in his state's pension-fund stocks. — AP-DJ.

Suzman says sanctions campaign has given false hope to blacks

OXFORD — The false impression that transfer of power to blacks was imminent had kept unrest in South Africa at fever point and had caused the death of more than 1 000 people in the past 16 months, Mrs Helen Suzman, the Progressive Federal Party's spokesman on law and order, said in a debate at Oxford University.

Mrs Suzman, who was taking part in a debate at the Oxford Union on whether sanctions were necessary to abolish apartheid, said the sanctions campaign had created a delusion among township blacks that the transfer of power was imminent.

"Nothing could be further from the truth. People living 9 000km away from the scene, who think they can judge the situation accurately, have no idea of the ferocity of the military inside South Africa."

Victory was not only not around the corner but not even within sight.

"Keep up the condemnation of apartheid but not the pressures that will lead to chaos and the wrecking of the economy," she said.

Mrs Suzman said the eradication of apartheid would be an important gain for civil rights movements, but it should not be done at the cost of more deaths, poverty, misery, starvation and oppression.

Anyone who believed the Government would collapse following the imposition of sanctions showed ignorance of the intransigence of the nationalist Afrikaner character and the determination of many English-speaking whites to retain white domination for as long as possible.

She said if continued pressure was applied, the Government would retreat into the laager and bring about an even more oppressive system.

BUSDAY 3/3/86

Bank wants loans repaid

RICHARD WALKER

NEW YORK — Threatened with the loss of its municipal business, Philadelphia National Bank is seeking repayment on its two outstanding commercial loans to SA.

A Philadelphia City Council committee last week endorsed a proposed law to bar any municipal funds from being deposited in financial institutions which do business with SA. Sponsors anticipate the council will enact the measure soon.

Bank vice-president Charles Coltman said no loans to the SA government had been made since 1979, and it had been policy not to make loans of any kind to SA since mid-1985.

Under the proposed measure municipal deposits would also be prohibited in banks which sell Krugerrands.

Morality test for SA's opposition

STAR 3/3/86.

By Gregory Fossedal, a media Fellow at Stanford University's Hoover Institution on War, Revolution and Peace

To earn popular support in America, Third World resistance leaders must pass a kind of test. They must offer some reasonable prospect that their triumph will lead to a humane, democratic regime — and not a greater despotism

As they plead for greater support from the West in the form of sanctions, the leaders of the South African opposition now face precisely that challenge.

Boiled down to one question, the test is Will you hold honest free elections? As evidence, freedom fighters should be ready to reject, actively and explicitly, extremists of the Right or Left who do not share their democratic commitment.

That is why South African Bishop Desmond Tutu's recent American tour was such a disappointment.

True, some useful publicity was generated, a commodity in short supply since the South African Government imposed strict limits on the Western media Even an oft-told story deserves retelling when it's as cruel as apartheid.

But few Americans oppose sanctions against South Africa because they are uninformed about, or numb to, apartheid In fact, few Americans oppose sanctions even President Reagan, Representative Jack Kemp and columnist William Safire approve of some, limited measures The stakes in the debate have changed

The issue in South Africa is not whether the forces opposed to apartheid will eventually triumph They will, as Bishop Tutu confidently asserts. The question is, which forces — a broad, democratic opposition or a small clique of undemocratic Marxists, willing to ape apartheid's ruthlessness?

The undemocratic forces within the resistance pose a clear threat. Several leaders of the African National Congress are avowed Marxists who may well prefer class war to balloting

Their numbers are small, but then so are those of many Marxist groups that have nevertheless managed to seize control of what were once democratic movements

Much of the African National Congress's money is raised in America and Europe Here in the United States in January, Bishop Tutu solicited funds with leaflets extolling such "freedom fighters" as Muammar Gaddafi of Libya and Daniel Ortega Saavedra of Nicaragua

Bubble over

Bishop Tutu himself warns that if economic pressure is not applied to the apartheid Government soon, South African blacks' resentment may bubble over and give tyrants of the Left a chance to seize control

His American supporters echo these prophecies. If cited as a possibility by so many long-time opponents of apartheid, the danger of a Marxist dictatorship must be something other than right-wing fantasy

Yet in January, in a long speech at Stanford University, and in similar addresses at Atlanta and across the country, Bishop Tutu offered no plans for dealing with this danger

In fact, he scarcely referred to it, dismissing such concerns as evasion of the "real issue"

In Atlanta, he chided Americans for being so late to recognise that South Africa has a succession problem — and he suggested that the reason might be our ill motives.

Asked what sort of government should follow apartheid, the Bishop said that South Africa's "legitimate leaders" would have to get together and do some "horse-trading"

In other words, the Bishop's attitude, and that of his American supporters, has been to take offence if one so much as raises the question of undemocratic infiltrators within their movement.

"You are either for us or against us," Bishop Tutu told his campus audience. An important issue is thus treated with contempt.

Other freedom fighters — the Contras in Nicaragua, the opposition in Kampuchea and the Government of El Salvador — have had to answer similarly difficult questions, and to purge some of their own ranks in order to win increased American aid.

Indeed, all three of these groups are still on a sort of moral probation in the United States

Even if they find it demeaning, freedom fighters looking for American support are wise to answer such concerns

In her campaign against Philippine dictator Ferdinand Marcos, Corazon Aquino confronted head-on charges that her party was riddled with communists

She benefited, projecting an image of confidence and putting the Marxists on notice that only democrats are welcome in her opposition.

To ask for similar signals from apartheid's opponents is not to demean them. It is the essence of democracy

In the same way, we expected, say, the Democrats to denounce student hecklers who would not allow the former chief delegate to the United Nations, Mrs Jeane Kirkpatrick, to speak at their college, and we expected Ronald Reagan to swiftly chastise fanatics who bombed an abortion clinic in the name of human life

In a like way, Bishop Tutu and his supporters should denounce non-democrats in the African National Congress — should denounce them loudly and by name.

Instead, they have skirted the issue

Bandwagon

Apartheid's opponents have made it difficult for people like Reagan and George Bush to support them, impugning the Administration's motives for applying sanctions (much tougher than any from Europe) and for not sending Mr Bush to Atlanta when Bishop Tutu was honoured there recently

Apartheid's opponents should make it easy, not hard, for latecomers to jump on the bandwagon

If they do not, they will betray those of us in America who have broken ranks with our own party to support them

To date, that support, by a handful of House Republicans and newspaper columnists, has rested mainly on hope — a gamble that leaders such as Tutu will not allow the white dictatorship to be replaced by a black one

If, on the other hand, Bishop Tutu and others can make some hard choices about membership in their own movement, our faith will be justified

Then the apartheid opposition will tap into something strong a moral consensus, on the part of a powerful and generous people, that South Africa's freedom fighters deserve our support. — *The New York Times*



US businessmen looking for facts

A team of 60 American businessmen has arrived in South Africa for a seven-week, private fact-finding tour.

The group, through seminars in Johannesburg, Cape Town and Durban, intends to tell local businessmen and politicians about South Africa's position in the United States and hopes to gather information to counter the growing US lobby for disinvestment and sanctions.

Nickel spells out why this is a crucial year

280 BUSA STAR 5/3/86.

This is an edited version of the address delivered by the United States Ambassador, Mr Herman Nickel (right), at an industrial relations seminar in Johannesburg last week.



I am here to share some ideas with you on the very topical question of "sanctions"

I note that the overall theme of this seminar is "Negotiations — a way of life". I think these two concepts — negotiations and sanctions — are linked in obvious ways.

Economic sanctions — or the threat of sanctions — can be a way to induce a recalcitrant adversary to the negotiating table — that, at least, is the intention.

Conversely, failure to negotiate can provoke some sort of sanctions by the other side. These rules can apply equally to the worlds of industrial relations, domestic politics and international affairs.

The debate on the pros and cons of general economic sanctions as a means of pressuring the South African Government to speed the dismantling of apartheid has grown in volume and intensity, both in my country and elsewhere.

A feature of this debate is the effort of the proponents of sanctions to construct a syllogism that since apartheid is evil and sanctions are aimed at apartheid, every right-minded foe of apartheid must support sanctions, and every opponent of sanctions must, therefore, be at least a closet supporter of apartheid.

This is a preposterous proposition, but that has not kept it from being used with some effect against the opponents of sanctions who argue that general economic sanctions in the South African context are not likely to achieve the desired objective and that their cost is morally unacceptable.

What is striking about the way the pro-sanctions, pro-disinvestment lobby states its case is that it does so increasingly in terms of abstract general principle, and that it appeals to people's readiness to accept, more or less on faith, that what is demanded will indeed achieve the desired objective.

Democratic replacement

This presumably should not just be the end of apartheid, but also its replacement by a democratic society in which the rights of the individual are protected without regard to race, colour, religion or national origin.

Clearly, a policy that would merely achieve the former without the latter could easily mean the replacement of one evil system by another — hardly a moral result.

This critical point often escapes those who see the drama of South Africa as a morality play, pitting just demands of the black masses against their white oppressors.

In a morality play, the curtain usually goes down at that stage and the audience leaves with a satisfying feeling that justice has been done. History, of course, doesn't work that way It goes on.

The job of politicians and diplomats is not to punish but to lay the basis for a better future. And that is why their moral responsibility must be to think through the results of their actions.

The problem with general sanctions is, of course, that they are a very indiscriminate instrument, which hurt the oppressed as well as the oppressor

We are urged by the proponents of sanctions not to be too solicitous of the effect of sanctions on the poor, because, as the phrase goes, "blacks are prepared to suffer" — as if this absolved those who mete out the suffering from making their own moral judgment.

There are two fatal flaws about this argument.

In the first place, what data we do have cast grave doubt on the proposition that there is majority support among South African blacks that more suffering will be good for them.

Ambivalent stance

Furthermore, the organisations that are the most directly concerned with black jobs, ie the black trade unions, are more than a little ambivalent on this whole question.

Some unions argue for "selective" disinvestment. Others are on record as wanting foreign companies to remain in South Africa because they had become part of the "social fabric"

Still others have taken a strong public line in favour of general disinvestment; but if we probe beneath the surface, what most of these unions seem to be saying is that foreign firms can pull out as long as they "leave the wealth in the hands of the workers" How many multinational corporations can satisfy this condition remains unclear.

In the same vein, we are often told that general economic sanctions and disinvestment represent "the last chance for peaceful change" in South Africa

Assuming the inevitability of change, how peaceful is it likely to be when a government dependent on the support of white voters defends the living standards of these constituents and — in the process — polarisation deepens and the cycle of revolt and repression spins further out of control?

Of course, there may be some people who have quite a different hidden agenda, and that is to use economic pressure precisely because they think it will hasten a violent, revolutionary struggle. Those who pursue this hidden agenda should be forced to put their cards on the table.

In my country there is a broad consensus for the abolition of apartheid and the establishment of a truly democratic society in South Africa. But there is certainly no popular support for a scenario of violence, indiscriminate terror and the emergence of a totalitarian dictatorship which this normally entails.

In our actions, we must weigh the likely consequences for the future welfare of the people — all the people — of this country and this region.

The criteria that we must put to ourselves is whether US policy will effectively promote conditions conducive to peace, justice, and welfare in Southern Africa, whether it speeds the process leading away from apartheid to a full sharing of power by all the people of South Africa on a mutually acceptable and non-racial basis.

That apartheid is doomed is a given. What truly matters is how it goes and what follows it.

Our policy rests on a number of fundamental propositions:

- Apartheid is not only a moral affront. It is a prime source of internal and regional instability in an area of great importance which opens up targets of opportunity for our global adversary
- We oppose violence from whatever source. This goes for official repression as much as it goes for terrorist activity

Regional stability

- We realise that South Africa is inextricably intertwined with and, indeed, is the powerhouse of the rest of the Southern African subcontinent. Therefore, we recognise the need for regional stability and security Improved relations between South Africa and her neighbours and the internal reform process are mutually interdependent.
- We realise that the principal impetus for change in South Africa is and will continue to be internal.
- We accept that US influence in and on South Africa, while important, is limited. When added to the forces for change that are already at work in South Africa itself, it can help to create a "critical mass" or, in a different metaphor, help tip the scales. We do not intend to lessen or lose that influence by taking our chips from the table and walking away from the problem.
- We do not accept the notion that the role which American investment has played in the development of the South African economy has merely "undergirded" the system of apartheid.

Our attitude towards sanctions and disinvestment is a function of this pragmatic analysis of our interests and goals.

We will continue to resist a course that while advertised as moral in intent is, in fact, morally unacceptable in its likely consequences.

We will continue to oppose punitive sanctions that would damage growth prospects of the South African economy, hurt the people they are ostensibly intended to help, and lead to further political polarisation and violent conflict.

We must also look to the future. As I have said on a previous occasion, "the notion that once the investment tap has been turned off, it can be turned on again at will after the political objectives have been reached requires more than the normal dose of economic naivete".

President Reagan's Executive Order of September 9 1985 is a continuation of a long-standing US policy because its measures, I would submit, are not punitive in an indiscriminate way

That is, they are aimed at the machinery of apartheid, rather than targeting the entire economy and people of South Africa.

The main provisions are:

- No bank loans to the South African Government.
- No export of computers or computer technology to the South African military, police, or apartheid-enforcing agencies.
- No exports of nuclear technology
- No imports of military equipment from South Africa.
- The requirement that all US subsidiaries with more than 25 employees comply with a set of fair labour principles that are similar to but not identical with the Sullivan Code.
- The penalty for non-compliance with these fair labour standards is the denial of export marketing assistance to the US subsidiary in question by the US Government agencies anywhere in the world.

Anyone who has any familiarity with the realities of the political situation on Capitol Hill knows that the alternative to the Executive Orders was the passage of much more stringent, and in our view, counterproductive measures.

Let me be frank with you: the political pressure to push through legislation of this kind this year is going to be tremendous.

Congressman William Gray, the powerful chairman of the House Budget Committee, has already served notice that he will introduce a Bill, as we call it, which could well contain a provision banning new investment in this country

The Reagan Administration will call on its supporters in Congress to oppose such measures, especially since it would pre-empt the findings of a broadly based Advisory Committee on South Africa to the Secretary of State which is comprised of 12 distinguished Americans. They will be visiting this country on a fact-finding mission soon, and their report is due in January of 1987.

But 1986, as you know, is also a congressional election year, and we must face the fact that South Africa will be an issue, especially if the news from here is not positive.

Tough posture

Under such circumstances there will be great pressure on many candidates, even of moderate and conservative persuasion, to adopt a tough posture — if only to avoid the stigma of being "soft or racist"

So this year will be as crucial to the relations between our two countries as it will be for South Africa itself.

South Africans must keep in mind that what happens in the United States regarding South Africa depends very largely on the perceptions of the actions of your Government over here.

My Government welcomed State President Botha's acknowledgement on January 31 that apartheid is an outdated concept.

If the pass laws are scrapped, clearly and unequivocally, on July 1; if South African citizenship is restored to those South African blacks who lost it as a result of the policy of grand apartheid, these would clearly be significant steps away from apartheid and should encourage representative black leaders to come forward to negotiate the political meaning of black citizenship in a post-apartheid order that reflects the consent of the governed.

But I would have to add that as long as the state of emergency continues to deprive blacks in the major urban areas of due process of law, and as long as their interface with the authorities is characterised by Casspirs and tearsmoke, it will be difficult for this Government to put itself across as a government of reform, both internally and internationally

One wonders why such a matter as the decision to force 120 000 Sotho-speaking Moutse people to become part of kwaNdebele before that homeland gains a dubious independence is allowed to put the South African Government's commitment to reform into doubt.

Political experience

We know from our own political experience that long-ingrained political attitudes do not change overnight. It took until 1954 for our Supreme Court to strike down the doctrine of "separate but equal"

But today it is no longer a saleable political commodity It does not seem likely to me that the important commitment to abandon "outdated" apartheid will be taken at face value here or abroad, as long as such basic aspects of life as where one can live, where one can go to school and how one can exercise political rights as a citizen remain dependent on one's racial classification.

How South Africa is seen to be tackling these issues will be critical to your political and economic future. The threat of sanctions and disinvestment legislation will continue unless progress is seen to be happening.

What is probably more critical, however, is the possibility that international market judgment about the investment climate and the long-term stability of your country could come to coincide with the political judgment of those who would want to impose sanctions as a punitive measure.

Sanctions that run counter to market judgments normally don't work. Where sanctions and market judgment run parallel, they could reinforce each other

All of us have every reason to work hard to keep this from happening.

Maggie blocks SA sanctions by Bermuda

The Star Bureau

LONDON — Mrs Margaret Thatcher has blocked a move by the Government of the British colony of Bermuda to introduce limited sanctions against South Africa.

It has been disclosed that in a letter to Bermudan Prime Minister Mr John Swan last month she rejected his request to ban the import of South African goods and the sale of Krugerrands.

She said: "The proposal to ban all imports from South Africa would go further not only than any measures we have taken but also than anything contained in the Commonwealth Accord."

no objection to Bermuda continuing "its long-standing policy of not investing Government funds in South Africa" but she believed "the measured approach" would be more effective.

In Bermuda yesterday, Mr Swan called on the business community "to support the spirit of our proposal" and implement their own sanctions.

In London yesterday, the Anti-Apartheid Movement said Mrs Thatcher's decision was "outrageous". The issue is expected to be raised in Parliament this afternoon.

EEC countries urged to contribute aid

STAR 6/3/86

By Maud Motanyane

More aid from EEC countries — not economic sanctions or disinvestment — would contribute to black advancement, members of the European Parliament said at a Press conference last night.

The four, who are in South Africa as guests of the Bureau of Information, said a constructive alternative had to be found to counter the European lobby for disinvestment and sanctions.

Dame Sheila Roberts, Dr Ernest Muhlen, Mr Axel Zarges and Mr B Ohls, who have been in the country since February 22, said they were approaching the tour with "critical and open minds". The group is here until Friday.

During their two-week visit, they had consulted with a wide range of leaders, including MPs and community and trade union leaders, to obtain a overall view of the situation. There was no question that apartheid in every form had to go, said Dame Roberts but experience had shown sanctions could not achieve political aims.

Dr Muhlen said European countries had to invest more in schools and the industrial infrastructure.

UK urged to put pressure on SA



● THATCHER

KANGWANE Chief Minister Enos Mabuza said yesterday he had persuaded UK Prime Minister Margaret Thatcher to bring diplomatic pressure to bear on South Africa.

Mabuza said he had also made known his rejection of government's homeland policy.

A memorandum presented to Thatcher was obtained by *Business Day* this week.

SOPHIE TEMA

Mabuza met Thatcher in Britain last November and presented her with the memorandum which said the majority of black people rejected the homeland policy.

"We reject the homeland policy in its entirety and we are committed to the creation of a truly democratic society in South Africa."

He also said that black townships in SA had been in flames since August 1984.

"At the core of this violent expression of black anger are the appalling conditions which prevail in some black townships."

He added that black parents had persistently rejected Bantu Education since its introduction in 1953.

"It is the statutory discrimination against, and the denial of political rights to blacks, which will continue to fuel black anger and give rise to political unrest."

Mabuza said the SA government should address the legitimate grievances of the people and speak to the accepted leaders. It should also take urgent steps to dismantle apartheid.

Govt renews efforts to sell houses to blacks

JANE STRACHAN

THE government has embarked on a national advertising campaign in a renewed effort to sell houses to blacks.

Part of the programme is an appeal to employers to promote home-ownership among their staff.

Sale co-ordinator Alex Weiss of the Department of Constitutional Development and Planning says of a total of 345 000 houses made available since July 1983, about 40 000 have been sold. Most of the buyers were from the West Rand and Soweto.

Homes are being sold under a leasehold scheme.

Weiss says prices have been dropped by up to 40% and in some instances amount to little more than the original erection cost. Homes can be paid for over periods of up to 30 years.

"We are making it as easy as possible for registered tenants to buy their own homes," he says.

The 10% deposit is repayable over 24 months and for those in arrears with their rents, some development boards will capitalise the arrears and add this to the purchase price of the house.

Employers are being encouraged to play a part in helping their employees buy their own homes. Weiss says employers such as Sats, Escom and some of the large commercial enterprises are actively promoting home-ownership through vigorous housing assistance programmes.

Smaller employers could follow suit, he adds, and the department is prepared to put interested parties in touch with some of the institutions for guidelines on employee housing programmes.

A representative of the West Rand Development Board says the average sale price on leasehold ranges from R800 to R1 500, including all costs. However, the replacement valuation price of exactly the same properties ranges from R8 000 to R10 000, excluding land.

He says all sales being made now are still under the leasehold system.

Freehold ownership is almost certain to be passed during the current parliamentary session. Assuming it goes through, it is possible that purchasers will have a choice between the systems, and those on leasehold will be able to convert.

Government representatives are reluctant to pre-empt Parliament's decision and comment on what options will be available.

It is possible that those who have bought on 99-year leasehold will have the opportunity to change to freehold, but it is not known if this will be by a simple certificate change or if the difference between the leasehold and valuation price will have to be paid in.

United Building Society deputy GM Piet Kruger says the society has not yet heard anything formally from government about the freehold possibility.

Demand from blacks for loans for homes is very active, he adds, but he cannot attribute this to last December's freehold announcement.

NSW hardens its anti-SA stance

MARSHALL WILSON

SYDNEY — The Labour government in New South Wales will apply to the letter of the law Canberra's policy of active disengagement with South Africa.

This week NSW premier Neville Wran confirmed he had approved a buying policy which requires all tenderers for government contracts "to indicate the level of South African ownership or source of supplies, where relevant".

"I have now concurred in a request that the state co-operate in the implementation of a ban on all new government loans to the government of South Africa or its agencies," Wran said.

Meanwhile the new Independent Teachers' Association has also joined the campaign.

This week its general secretary Michael Raper warned that the union would not allow private schools to host SA Rotary exchange students to circumvent regulations which will ban them from entering state schools for 1987.

About 20 exchange students from SA come to NSW every year.

BUYING OR SELLING A COMPUTER?
Call
THE COMPUTER EXCHANGE
The used computer marketplace.
728-7115 or 728-7139

Divestment could prove expensive

SIMON BARBER

WASHINGTON — New studies in Pennsylvania and Michigan warn that divestment of SA-related stocks from state pension funds could prove very costly.

Legislation under consideration in the Pennsylvania legislature calls for $1,5bn worth of investments to be shed by the state's two pension funds.

Under the proposed law, the State Public School Employee Retirement System would be required to sell $800m worth of stock in 200 firms, which is about 10% of the total portfolio.

A study commissioned by the fund, and released at hearings on Wednesday, found this could cost the system $349m in income and market value over five years.

A second report, prepared for the $6bn State Employee Retirement System, predicted losses of $15m a year.

In Michigan, which is proposing to sell about a quarter of its $12bn stock portfolio under divestment measures favoured by Governor James Blanchard, a $23m loss could be expected, according to consultants US Trust of Boston and SEI of Chicago.

The findings enraged anti-apartheid activists in both states. Fund directors in Pennsylvania were subjected to savage verbal abuse at Wednesday's hearings.

Barclays won't reschedule SA's debts

From JOHN BATTERSBY

LONDON — Barclays last night refused to make any new loans to South Africa — or formally reschedule existing debts of just under $1,2 billion (R2,4-b) — until Pretoria showed it could cut its foreign debt and confirm the scrapping of apartheid.

The shock move by Britain's biggest bank was announced by the Barclays' chairman, Sir Timothy Bevan, at a routine meeting to announce annual results.

The announcement came on the eve of a secret meeting of multi-nationals and South African businessmen at Leeds Castle in Kent.

Organized by the Rev. Leon Sullivan, author of the Sullivan Principles, and chaired by former British Prime Minister Ted Heath, the meeting will review its anti-apartheid strategy in the light of recent South African developments.

Although Sir Timothy did not specify what changes would satisfy Barclays he cited the release of the jailed ANC leader Nelson Mandela as a "helpful" first step.

Barclays' new tough line caused an immediate flurry in banking and financial circles, indicating a radical departure from the normal reticence of British banks to link loans to political demands.

Sir Timothy said: "We shall commit no new money to that country nor shall we be party to any financial debt rescheduling until South Africa has demonstrated its ability to reduce its indebtedness and meet its obligations and until there are changes which confirm an end to the bankrupt policy of institutionalized racial discrimination."

The standstill on $14-b (R28-b) short-term loans imposed last September had made its chances of attracting fresh funds from abroad "almost non-existent", he said.

• He noted that deprived of access to new loans the country would find it increasingly difficult to stimulate economic growth to provide employment for its growing black population

Barclays represents 25 percent of the South African banking system and employs 40 percent of blacks in this sector.

AAM and unions in joint drive against SA

The Star Bureau

LONDON — A week of mounting pressure against apartheid South Africa will include a trade union campaign to urge consumers to boycott South African goods, it was announced here yesterday.

In this African's isolation fund, the Anti-Apartheid Movement and the British Council of Churches (BCC) will launch a joint campaign to urge consumers to boycott South African goods.

Speaking at the launching of the campaign, Mr Simon Sapper said: "Our aim is to increase pressure on the apartheid regime through disinvestment and trade boycotts and to promote a broad-based movement in support of the struggle for liberation in South Africa."

Barclays decision on loans regretted

Weekend Argus Financial Staff

THE decision by Barclays Bank, London, not to make fresh loans to South African companies was not unexpected, but was none-the-less regretted, according to Cape Town bankers.

They pointed out that the demand in South Africa for loans from Barclays, London, is expected to drop simply because under the Leutwiler agreement they are to cost borrowers an extra 1,5 percentage points.

Bankers believe that because of the increased cost, borrowers might attempt to repay these loans and switch to domestic funds.

However, they do not rule out the possibility that the Reserve Bank will adjust the cost of forward exchange cover so as to eliminate the difference between the cost of borrowing overseas and in South Africa.

The Reserve Bank would not want to see an upsurge in the capital outflow or an increase in the demand for domestic funds and cause domestic interest rates to rise, a banker said.

However, regret was expressed about the medium-term implcations of Barclays' decision. There have been expectations in official circles that foreign loans might start flowing more freely to South Africa in a year's time or so. Barclays' call for political reforms before it again makes loans to South Africa would seem to be a serious blow to these hopes.

UK and SA bank ties strained as politics comes to the fore

Fall-out at Barclays

Bus. Times 9/3/86

By David Carte

LINKS between Barclays UK and South African associate Barclays National could be weakened further after political demands on SA by Barclays UK chairman this week.

Sir Timothy Bevan said: "We shall commit no new money to that country, nor shall we be party to any formal debt rescheduling until South Africa has demonstrated its ability to reduce its indebtedness . . and until there are changes, which confirm an end to the bankrupt policy of institutionalised racial discrimination."

Picketing

Sir Timothy's statement was embarrassing for Barclays National, which fears losing business at home as its SA rivals capitalise on what they term "political meddling by foreigners".

At the same time, the SA connection has long been an agonising embarrassement for Barclays UK.

Recently 125 of Barclays UK branches were picketed by anti-apartheid demonstrators. For years, the Barclays general meetings have been disrupted by demonstrators. Thousands of accounts have been lost to other banks in the UK because of the SA connection.

Barclays UK has reduced its stake in Barclays National from 65% in 1983 to 40,4% by failing to follow two rights issues and permitting the SA company to issue shares in the acquisition of Southern Life.

Emphasising the growing gap, Barclays National has five years in which to change its name. It has shown its independence of the international group by setting up its own offices in New York, Hong Kong and Zurich.

Credit lines

Barclays UK also has an apolitical excuse for distancing itself from South Africa — too much exposure to one country. In 1983, when the rand was high, Barclays National accounted for more than a quarter of the international division's profit.

Apart from ordinary credit lines, at present amounting to £800-million, Barclays UK has not put any new money into South Africa for more than a decade. It has taken out millions annually in dividends.

Barclays National played down Sir Timothy's statement as "nothing new". It explained that foreign banks feel obliged because of political pressure to "make their views known" and stressed that "as a South African bank, we have a different view of the issues".

But other bankers said the relationship between Barclays UK and the SA group was becoming increasingly untenable.

They expected its two biggest shareholders, Anglo American and Southern Life, eventually to take up more shares in the SA bank to end the mutual embarrassment. London was a hotbed of rumour on this score only a month ago.

Outspoken

Chris Ball, managing director of Barclays National said: "There has been no discussion about a change in the relationship."

Anglo American holds 25% of Barclays National and Southern Life 7,7% Unless they get Reserve Bank permission, neither may hold more than 30%, so as things stand together they cannot absorb more than another 27%.

Mr Ball has been an outspoken critic of the Government Some of Barclays rivals maintain the UK parent applies pressure on him to do so. Recently, all Barclays UK staff members were given a brochure explaining how Barclays National is a force for democracy and the general good in SA.

But until the relationship is put at even more than an arm's length, both the UK and South African banks stand to lose accounts because of political differences.

Summit on SA promises progress

SALDRU
SCHOOL OF ECONOMICS
U.C.T.

Cape Times
12/3/86
280

From JOHN BATTERSBY

LONDON. — A summit of South African, US and British business executives held at Leeds Castle on Monday appears to have made substantial progress towards an international business consensus on South Africa.

The convener of the meeting, the Rev Leon Sullivan, author of the Sullivan Principles, yesterday described the meeting as "encouraging".

But he would not comment further on the all-day meeting at the secluded castle in Kent.

The three South Africans present at the closed meeting were Premier Milling's Mr Tony Bloom, Barlow Rand's Mr Mike Rosholt and the Urban Foundation's Mr Jan Steyn.



Mr Steyn

Pressure

Mr Steyn, director of the UF, made an address to the conference in which he stressed the major role being played by South African business with "well-directed" reformist pressure on the government.

It is understood that the broad consensus at the meeting was that both SA business and international companies would have to step up pressure for change if the threat of total disinvestment and trade boycotts were to be averted.

There was an appreciative understanding of the role of organized business — particularly the FCI's Business Charter and Assocom's proposals for a non-racial federation — in promoting the climate for negotiation.

There was discussion about the contact last year between leading SA businessmen and the African National Congress and similar contacts between the ANC and British and US businessmen.

There were no specific proposals about follow-up meetings with the ANC, it is understood.

The meeting also reviewed the imposition of limited sanctions by the Reagan Administration, the EEC and the Commonwealth and the impact of the foreign-debt crisis on the SA economy.

There was also a discussion on the recent moves by General Motors in Port Elizabeth and the government reaction to its commitment to assist "legally and financially" any of its 30 000 employees who defied the local beach apartheid laws.

Mr Bloom said that the Leeds meeting was another in a series of such meetings.

'Constructive'

"It involved a constructive exchange of views between people who had interests in South Africa," he said.

Mr Rosholt and Mr Steyn could not be reached for comment yesterday.

A spokesman for the former British prime minister, Mr Edward Heath, who chaired the meeting, said that he had "no comment" to make on the meeting.

Mr Sullivan referred further enquiries to Mr Bloom and Mr Rosholt.

Sanctions by US alone are 'useless'

By Alan Dunn,
The Star Bureau

WASHINGTON — Unilateral sanctions applied by the United States would be useless in denting the armour of apartheid, an expert in international financial diplomacy told a Congressional hearing here yesterday.

The United States and key European countries had to coordinate their policies to create even a semblance of effective economic pressure on the South African Government, Professor Gary Hufbauer of Georgetown University said.

He was addressing the House Foreign Affairs sub-committee on international economic policy and trade at a hearing on the impact of and alternatives to economic sanctions.

Citing US economic moves against South Africa and Nicaragua as "instructive guides on how not to deploy sanctions", Professor Hufbauer said a coordinated effort might be best directed over a period of time at effecting specific reforms to gradually erode the pillars of apartheid.

"The South African Government could be asked to take pragmatic steps," he said.

But, if reforms came to South Africa, he noted, they were likely to be inspired by internal developments incidentally related to Western economic pressure.

FOREIGN BANKS

"The South African Government may ultimately decide to unwind the system of apartheid, but reforms are far more likely to be inspired by domestic chaos and nervous foreign bankers than by official sanctions," the professor said.

He said the cost to South Africa of United States sanctions imposed in isolation would quickly be compensated by trade and financial flows with other countries, noting that the US accounted for only 15 percent of South Africa's imports and exports.

The Swedish experience in South Africa since its 1979 investment ban had show that one country's withdrawal was soon replaced by another's deposit, with little net drain on South African resources.

Professor Hufbauer said sanctions were seldom powerful enough to coerce a strong government into making fundamental political reforms.

"Indeed, sanctions against South Africa may strengthen the 'laager' mentality that drives the apartheid regime — much as sanctions did with the white minority regime in Rhodesia.

"The message of US sanctions was garbled, he said, because of the internal policy dispute between Congress and the Administration.

"Bluntly put, it lets the target country off the hook."

Dockers refuse SA cargo after protesters march

12/3/86
BDAY
280

SAN FRANCISCO — Dockers refused to unload a ship carrying cargo from SA after 200 anti-apartheid protesters blocked the entrance to the ship.

The protesters marched in a circle near the Dutch ship Nedlloyd Kembla this week, chanting slogans and carrying picket signs that said: "Don't Touch the Cargo: People's Embargo".

More than 80 police officers in riot gear watched from the sidelines.

Police Inspector Manuel Barretta said two people were arrested and one police officer was slightly injured during the four-hour demonstration.

Spokesman for the demonstrators Stuart Fisk said the pickets would continue until the ship left without unloading its shipment. Representatives of the Nedlloyd Liner Service, owner of the vessel, refused comment.

"The most effective way to shut down the apartheid system is to refuse to handle the cargo," said longshoreman Jack Heyman.

The workers who refused to cross the picket line were longshoremen from Local 10 of the International Longshoremen's and Warehousemen's Union and ship clerks from Local 34 of the Ship Clerks' Association.

In November 1984, workers from both locals refused to unload SA cargo from the Kembla's sister ship, the Nedlloyd Kimberly, for 10 days. That standoff ended when a federal court injunction threatened the workers with fines and arrests. — Sapa-AP.

Dockers refuse SA cargo after protesters march

SAN FRANCISCO — Dockers refused to unload a ship carrying cargo from SA after 200 anti-apartheid protesters blocked the entrance to the ship.

The protesters marched in a circle near the Dutch ship Nedlloyd Kembla this week, chanting slogans and carrying picket signs that said: "Don't Touch the Cargo: People's Embargo".

More than 80 police officers in riot gear watched from the sidelines.

Police Inspector Manuel Barretta said two people were arrested and one police officer was slightly injured during the four-hour demonstration.

Spokesman for the demonstrators Stuart Fisk said the pickets would continue until the ship left without unloading its shipment. Representatives of the Nedlloyd Liner Service, owner of the vessel, refused comment.

"The most effective way to shut down the apartheid system is to refuse to handle the cargo," said longshoreman Jack Heyman.

The workers who refused to cross the picket line were longshoremen from Local 10 of the International Longshoremen's and Warehousemen's Union and ship clerks from Local 34 of the Ship Clerks' Association.

In November 1984, workers from both locals refused to unload SA cargo from the Kembla's sister ship, the Nedlloyd Kimberly, for 10 days. That standoff ended when a federal court injunction threatened the workers with fines and arrests. — Sapa-AP.

3 DIAM 13/3/80 280

Driver sacked for SA House protest

Own Correspondent

LONDON — A black driver has been sacked for refusing to deliver his firm's goods to the South African embassy.

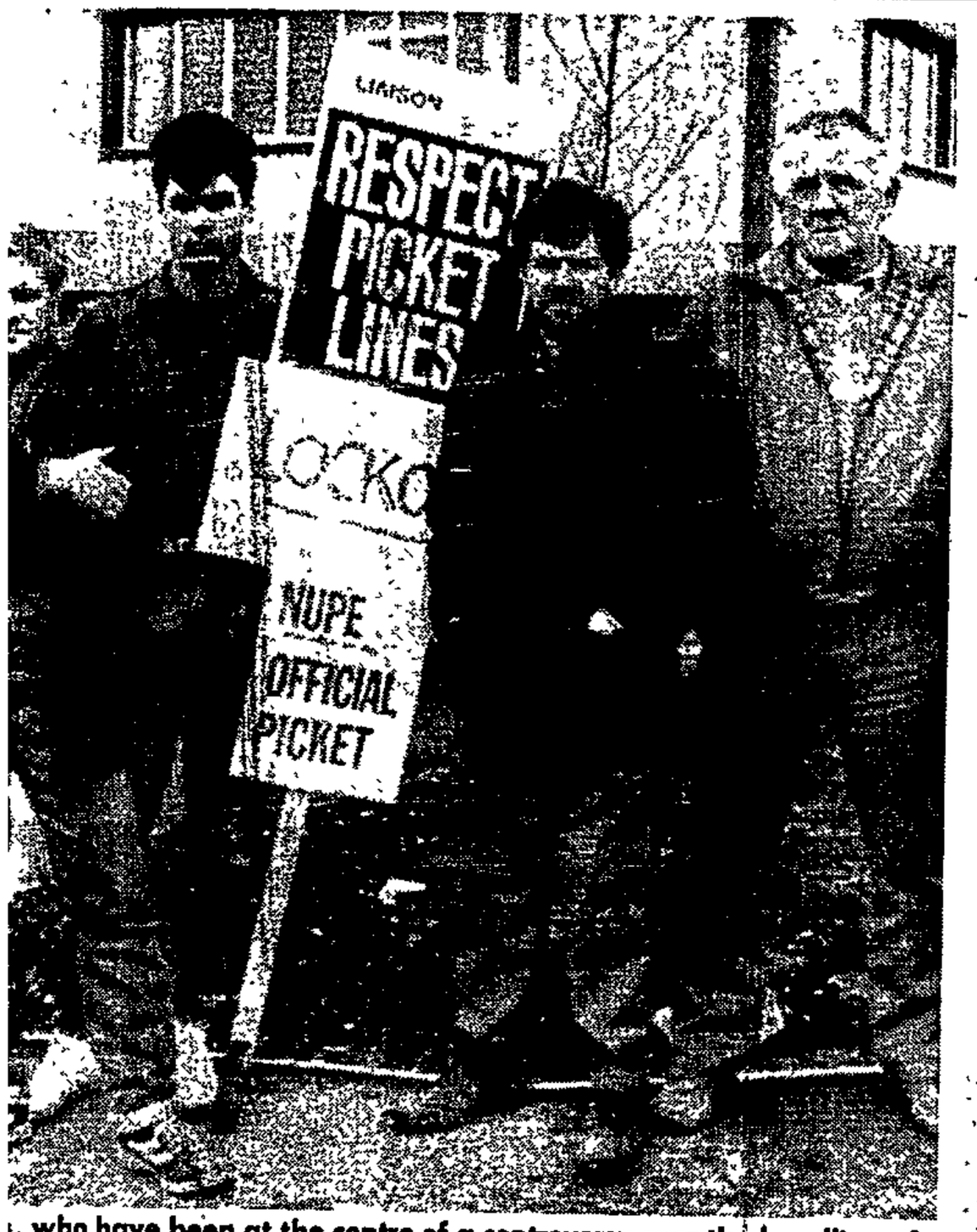
Dennis Daley, 32, who told his employers that it would have been "immoral" for him to deliver to the embassy, is now taking his former employers to an Industrial Tribunal, alleging unfair dismissal.

His former boss Colin Smith said Daley had "persistently refused" to deliver goods to the embassy and "finally refused to do the job."

He denied Daley's claim that he was deliberately put on embassy work.

The unrepentant Daley said: "I would rather put my job on the line than allow myself to be seen as a slave by the racists of the South African embassy."

280 STAR 13/3/86



, who have been at the centre of a controversy over the handling of frican goods, picket outside their depot.

Row over 36 cans of fruit threatens Portsmouth health

The Star Bureau

LONDON — Three dozen cans of South African fruit have become the issue that is threatening the health of the people of Portsmouth.

This is the quantity of South African products which Portsmouth's area health authority buys every month. And 10 storemen, employed by the authority, have refused to handle it.

The resulting disruption is escalating to the point where Portsmouth's three main hospitals could be closed to all but accident and emergency cases.

The health authority has locked the storemen out and called in alternative contractors to do their work.

The storemen, backed by lorry drivers who work in the authority's divisional depot, began their stand over South African produce in January. The men, members of the National Union of Public Employees (Nupe), took random strike action when the authority refused to ban South African goods.

The authority responded by bringing in outside contractors. Spokesman Mr Dennis Gibson said: "It would be easier for us to maintain a level of service if they (the Nupe workers) stayed out altogether and allowed us to find alternatives by bringing in contractors, or calling for management volunteers."

The Nupe men were then locked out. Union spokesman Mr Richard Jewison said: "We have no choice. We are not on strike. We are not refusing to work. Our members are there and able and willing to do the job.

"A very small proportion of the health authority's produce comes from South Africa. There are alternatives available.

"Even if there weren't alternatives available, the work — the vast majority of the work — is still there for our members to do."

After a day-long meeting between the health authority and Nupe on Tuesday, Mr Jewison said the two sides were edging toward an agreement but there was still some way to go.

"The authority is not prepared to back down on its insistence that its employees do the full range of the work, which includes handling South African goods," sad Mr Jewison.

"We, on the other hand, want an agreement that establishes the right for storemen, acting on deeply held convictions, not to handle apartheid-soiled products.

"However, we have a problem. We want to continue our campaign but now the whole district is on accident and emergency status. And our members are not prepared to take action on behalf of the suffering in Africa which inflicts suffering at home.

"So we're not prepared to escalate this to the point where it affects patients — we'd rather back down. We're looking for a solution but we're not going to crawl back to work."

The depot in Portsmouth's industrial area contains food medical equipment (but no pharmaceuticals), clothing cleaning equipment and stationery for Portsmouth's three big hospitals, the Queen Alexandra and St Mary's general hospitals and St James's, a psychiatric hospital, as well as several small hospitals in the area.

Mr Tony Duke, standing on the picket line outside the depot on Tuesday, said: "We are trying not to affect patients. There is no point in that. We have not hindered the delivery or removal of items of medical equipment at all — just things like cornflakes, the lack of which means a lot of hassle, but isn't life-threatening."

The men on the picket line are confident of their ground.

"We know that 36 cans of fruit a month isn't going to change South Africa's policies," said Mr Duke, "but it's creating publicity and getting attention here."

STAR 13/3/86 280

BoP 'must be carefully handled'

The announcement by Barclays Bank that it will not provide any new loans to SA or have any part in any formal rescheduling emphasised the problem the country will be facing in obtaining foreign capital, Trust Bank says in its weekly economic report.

This will have a negative impact on the economy, says the report.

"Considering this, it once again emphasises that the coming budget should not be too stimulating as the balance of payments must be carefully handled," comment the bank's economists.

Indications are that the Reserve Bank would like to stabilise the rand above 50 US cents depending on the revenues available, their control over the flow of funds on the forex market, a stable dollar and the dollar gold price, Trust says.

"We expect the rand to remain at current levels for the time being," says the bank. — Sapa.

Treurnicht hits at US policy on SA

By Melody McDougall, Vereeniging Bureau

If the United States wants to make itself hated by white South Africa then it must try to force its own abortive recipe for human relations on us, says Conservative Party leader Dr Andries Treurnicht.

Speaking at a meeting in the Vereeniging town hall last night, Dr Treurnicht lashed out at yesterday's reports of Presidents Ronald Reagan's proposal of greater US involvement in bringing about change in South Africa.

Dr Treurnicht said it was time to tell both President Reagan and Dr Chester Crocker their designs for white South Africa simply meant the white man is expendable.

"We will not allow ourselves to be sold out. We have a right to be here, we are here to stay and we will fight to live in freedom," he said.

Dr Treurnicht asked when the Government would stop using harsh words against Britain and America and yet proceed to carry out their instructions step by step. He suggested it was no longer a question of "adapt or die", but rather "adapting and dying".

Dr Treurnicht stressed that in spite of the policies of the National Party there was hope for the future and that his party was on the winning road.

Bid to ban SA coal

STRASBOURG — The European Parliament yesterday called for an embargo on coal imports to the European Community from South Africa.

By a margin of one vote, members backed a statement saying "the European Parliament insists that all (EC) member states decide to end all imports of coal from South Africa".

Parliament also gave near-unanimous backing to a report calling for stronger support for the EC coal industry.

Aid from EC governments for coal mining was due to end in June this year. — Sapa-Reuter.

Pretoria boycott renewed

Pretoria Correspondent

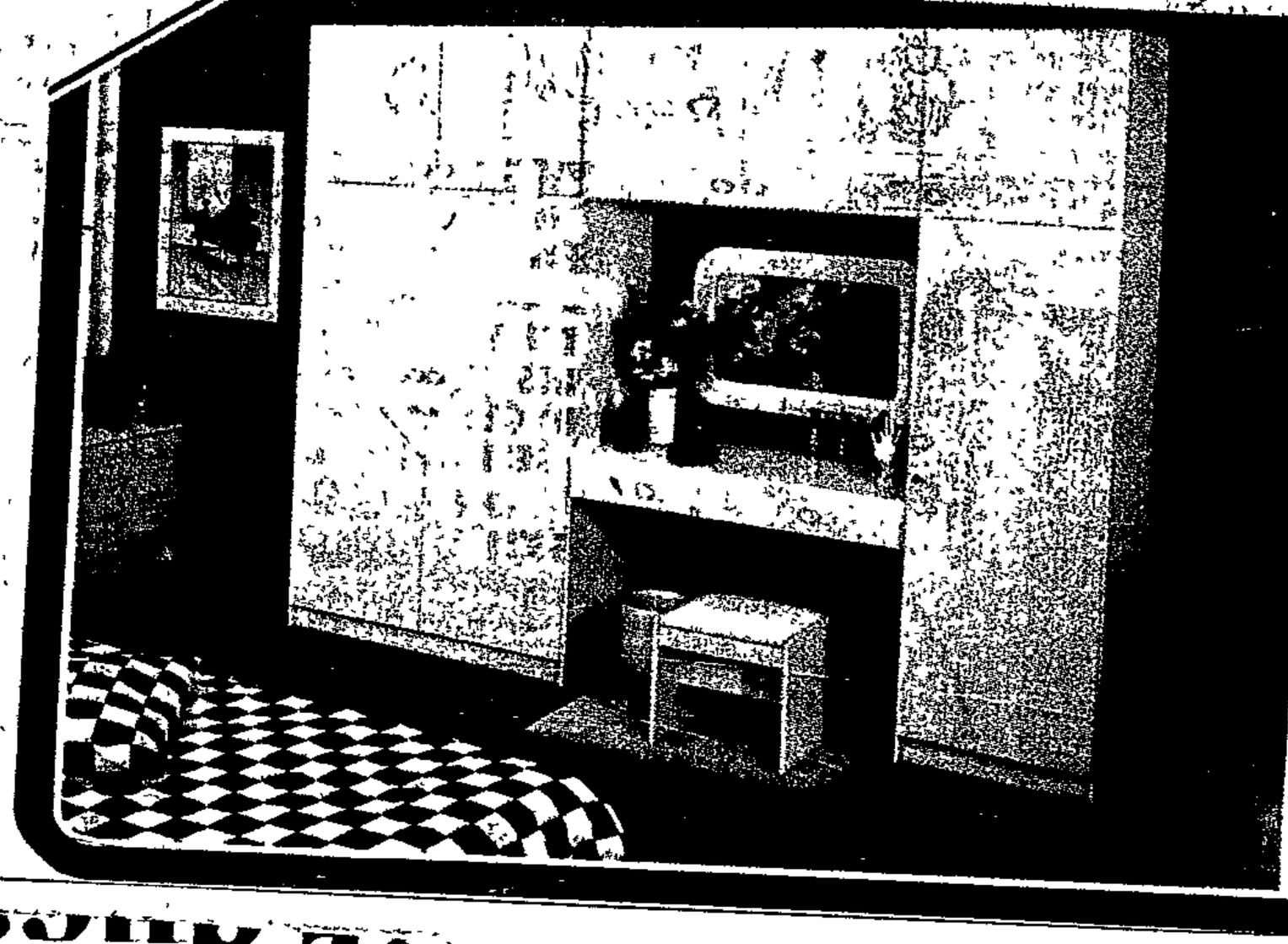
The business community in the capital is in for another tough time after the Pretoria Consumer Boycott Committee's decision this week to call for an indefinite boycott of consumer goods sold by white shops from March 24.

The Pretoria Consumer Boycott Committee said today the boycott would involve residents of Atteridgeville, Mamelodi and Soshanguve, "because their demands had not been met".

Early this year, the committee lifted a month-long boycott of white shops imposed in December, last year.

7-DAY SPECIAL! ON ALL WARDROBE COMBINATIONS

Now! This complete Melan
Wardrobe combination for on



- As illustrated - a ful
- Add on as your need
- Many other combin
your very own unit!
- Durable wipe-clean
- Fully adjustable she
- Self-closing door hi
- You get Sembel-It's
back-up service
- Also available in Sa
louvred doors
- Available assemble
- Immediate delivery

SE

It's eas

OPEN TO THE PU

WYNBERG WAREHOUSE & SHOWROOM 122 Fifth St Wynberg Tel 440-7097

BRA Cnr Lo & Wyn Dvon & Tel 44

BLAIRGOWRIE SM Centre cnr Jan Smuts & Gordon Avenues Tel 787-3928

CRESTA Cresta Cen Tel 678-7

PARKWOOD Cnr Jan Smuts Ave & Bolton Rd Tel 442-6924

RANDBU Sanlam Cen Hill Street Tel 787-70

KEMPTON PARK Kempton City Tel 975-7327

PRETORIA Jakaranda Cen Rietfontein Tel 70-4986

Tra

B & O latest victim of Danish trade embargo

Own Correspondent

DURBAN — Denmark's pending trade embargo against South Africa has put paid to the local wholesale marketing of the European country's luxury Bang and Olufsen hi-fi equipment.

The Bang and Olufsen division of Johannesburg-based Bromain Holdings will officially close on March 31 — the day before legislation comes into force in Denmark prohibiting all but vital and humanitarian trade with South Africa.

Future imports of the specialised equipment will no longer be direct and prices will inevitably rise because of the higher landed costs, says division general manager Walter Licata.

But dealers in Cape Town, Johannesburg and Pretoria have bought stocks of new machines and spares from the importers which should tide them over the next 12 to 18 months.

The manufacturers had been most co-operative with the local dealers, says Mr Licata, but felt the political pressures in Europe, and particularly their own country, made it wise to retire gracefully.

Three people will lose their jobs with the division, while the remaining technical staff of three will be absorbed by Bromain's electronic arm, Teltron, in Johannesburg.

The B & O division achieved turnover in the 1985 financial year of R1,6 million, giving it a tiny 0,9 percent of the audio market.

This represented between 500 and 600 complete new hi-fi systems — the most sophisticated available of which peaks at about R18 000.

'Sanctions and boycotts the last resort'

By MOJALEFA MOSEKI

A RETIRED British priest on tour of South Africa yesterday said he will urge his government to impose sanctions against this country because of its practice of the "evil and violent apartheid" system.

Former chairman and secretary of Conference of the Methodist Church in Britain, the Reverend Kenneth Greet, was speaking at a Press conference in Johannesburg yesterday.

Today he leaves the country after a month's study tour.

"The black South Africans have reached a stage of desperation and only sanctions and boycotts remain the last resort to those who believe in non-violence. Governments do not easily respond to moral pleas but no government can preside for long over a crumbling economy," said Dr Greet.

He said he heard stories of fear by whites that can lead to "laager mentality" and rightwing backlash but that would not stop the black majority in South Africa.

He said he would report to the British Council of Churches, which backs sanctions, church organisations and the media because he knew Prime Minister Margaret Thatcher and her Members of Parliament were victims of propaganda.

"The lifting of the state of emergency has not removed the danger and hardships under which blacks live and means no change as security laws similar to it would be brought into operation. It is just for overseas consumption. It actually increases fear and mistrust of the government," said Dr Greet.

'Racism' beats divestment move

RICHARD WALKER

NEW. YORK — Black legislators in Pennsylvania blamed "racism" for their failure to push through laws forcing state and local authorities to dump all investments in companies doing business in South Africa.

Of five Bills introduced in the state general assembly, four were defeated and one diluted. The survivor required an $8 000m Schoolteachers' Pension Fund to dispose of any investments it might have in companies not subscribing to the Sullivan principles.

About $1 000m of the fund is invested in SA-linked businesses.

German industrialist says . . .

South Africa needs time



● MESSER

FRED STIGLINGH

DISINVESTMENT was based on the idea of a revolutionary climate which could backfire should it lead to a real revolution in South Africa.

German industrialist Hans Messer, chairman of Messer Griesheim, major shareholder of Fedgas, said the aftermath of such a revolution would mean a lower standard of living and less personal freedom.

"Evolution, not revolution, will solve SA's problems and this needs time," he said.

Messer, president of the Frankfurt Chamber of Commerce and Industry and chairman of the employer association of the Frankfurt metal industry, is in SA to visit the Fedgas operation as well as to acquaint himself with "the real state of the economy".

A meeting with Trade and Industries Minister Dawie de Villiers on Tuesday left him with the impression that government was "ready to take steps of reform", Messer said.

He would not be drawn on whether progress was taking place at a satisfactory pace, but indicated he had expected to see more developments since his last visit four years ago.

"Government has lost time, but it is never too late to make a good move," he said.

Messer said he urged De Villiers to speed up deregulation and privatisation and to "give the black population more chance in the economy and industry".

Discussions with the Minister included the shortage of skilled labour and Messer commented that more emphasis should be put on trade skills, as the country would need a high number of specialists in the future.

Messer Griesheim has over the past three years invested R30m in Fedgas, producers of industrial and speciality gases and welding equipment.

The operation should reach full production by the end of the year, Messer said.

Future expansion would strictly involve new developments in the company's existing products and would not incorporate other fields of industry.

"Fedgas wants a bigger share of the market, and we'll get it by improving service," Messer said.

Leading UK cleric to press for sanctions

14/3/86

Political Reporter

When a leading British churchman returns to London today after a month-long visit to South Africa, he will ask British Prime Minister Mrs Margaret Thatcher to impose selective sanctions against South Africa.

Dr Kenneth Greet, a former senior official in the British Council of Churches, who has close links with Downing Street, said at a Press conference yesterday that he believed selective sanctions were the most effective non-violent means of forcing change in South Africa.

Dr Greet spent the past month on an extensive tour of South Africa and, he said, what he saw and heard were enough to convince him that the original decision by the council of churches in Britain, to suggest sanctions, was correct.

Once having rejected violence as a means of changing South Africa it was then neccessary to weigh-up the non-violent strategies, he said.

"The moment you say that, you are into the discussion about boycotts and sanctions."

Dr Greet said that he had discussed the matter at length with Bishop Desmond Tutu and, after listening to various points of view, had come to the conclusion that selective sanctions were a better solution than violence

He said he had been told there would be many more graves in South Africa if the British Government imposed sanctions.

"It is an argument to which one must attend," Dr Greet added.

But, he said, all things considered, he was convinced that selective sanctions would provide enough political and economic pressure to increase the pace of change in South Africa.

Call for ban on SA coal imports

STRASBOURG — The European Parliament yesterday called for an embargo on coal imports into the European Economic Community (EEC) from SA

By a margin of just one vote, members backed a statement saying: "The European Parliament ... insists that all (EEC) member states decide to end all imports of coal from South Africa."

In another vote, parliament gave near-unanimous backing to a report calling for stronger support for the EEC coal industry.

The report said state aid was vital as a way of cutting dependence on imported energy. — Sapa-Reuter.

Beyers Naude in favour of sanctions

15/9/88 Mercury 28

Mercury Reporter

DR BEYERS Naude, general secretary of the South African Council of Churches, yesterday said in Durban that he supported disinvestment and sanctions as means of putting political pressure on the South African Government, because they were alternatives to violence.

Speaking at the official opening of the Black Sash national conference, Dr Naude said he supported civil disobedience because it was vitally important that whites showed solidarity with blacks

He said the role of Parliament would become increasingly irrelevant and vital decisions affecting the future of the country were being made by pro and anti-Government forces outside it.

To loud applause Dr Naude said he supported the resignations from Parliament of Dr Frederik van Zyl Slabbert and Dr Alex Borraine.

He said that all black education might close down if negotiations between the Government and the Soweto Parents' Crisis Committee did not satisfy blacks.

Dr Naude said if an education conference at the Natal University, Durban, on March 29 and 30 was banned, virtually all black schools would be closed by the end of the year.

Outgoing Black Sash president Sheena Duncan said changes being made by the South African Government were designed to entrench the structures of apartheid

Mrs Duncan said the removal of race barriers at a social level and the significant improvement in labour laws were to be welcomed but did not affect apartheid.

'There has been no reform to the apartheid structures,' Mrs Duncan said.

She said apartheid would crumble if the Population Registration Act, which requires people to be classified by race, were repealed.

Mrs Duncan, who has been Black Sash president for the past four years, has said she will not stand for re-election but was not leaving the Black Sash.

Harvard drops SA-linked firm

RICHARD WALKER

NEW YORK — Harvard University announced that it was selling its investment in a car parts manufacturer because of uncertainty over the company's conduct in South Africa.

About $2m is involved in the disinvestment action against the Connecticut-based Echlin Corporation, which becomes the fourth SA-linked firm to be dropped from Harvard's portfolio.

Echlin did not respond with information about its SA operations.

Danech Mining Supplies Limited

(Reg. No. 69/00432/06)
(Formerly Danx Investments Limited)
("Danech")

DMS

BUSINESS DAY, Monday, March 17 1986

Anti-SA meeting comes under fire

280

RICHARD WALKER

NEW YORK — A grandiose "World Conference on Sanctions against Racist South Africa" has been given the go-ahead in the face of strong US and British objections.

It will be staged in Paris on June 16-20 with Unesco acting as host.

Unesco director-general Amadou M'Bow, the man the West is trying to oust, had offered the facilities of his Paris headquarters and a preparatory committee was now at work.

The conference, approved in December by the UN General Assembly, is to be a joint venture of the UN, the Organisation of African Unity and the Non-Aligned Movement.

The stated intention is to take up where a similar 1981 conference, also in Paris, left off and to "recommend concrete measures". Measures cited in the provisional agenda consist of a familiar litany of sanctions, with emphasis on a strengthened arms embargo and an effective oil embargo.

Only six countries — Britain, the US, Belgium, Portugal, Italy and West Germany — voted against the proposal when the General Assembly had its approval on December 12.

The British and Americans were strident in voicing their objections, mainly on the matter of cost. The fast-developing UN budget crisis appeared to put it in jeopardy, but then the Unesco chief came to the rescue.

"The policy of granting blank cheques to such activities has to be stopped," the US told the assembly in December.

Britain's Sir John Thomson asked: "What will be said and done there that is not already said and done many times over here?"

A companion "International Conference for Immediate Independence of Namibia" remains in doubt.

Tentatively scheduled for Vienna in August, its fate could depend on the generosity of the Austrian government. Last week, the project was said to be $200 000 short in funds.

Pressuring for reform

DURBAN. — The principle of sanctions is increasingly being seen by foreign governments and private organizations as a means of putting pressure for reform on the South African Government, Mr Harry Oppenheimer told the national meeting of the South African Institute of International Affairs yesterday.

Delivering his report as national chairman of the institute, Mr Oppenheimer said pressures from abroad were becoming powerful influences on the government's reform policies.

Serious

While it had previously been possible to ignore protest from anti-apartheid movements and student activists in Western countries, "their advocacy of disinvestment and economic withdrawal has now become a serious force".

Private sanctions from foreign banks, universities, trade unions, church groups and international corporations were the most serious form of pressure, he said.

He said the disinvestment campaign in the US was instrumental in the decison by US banks at the end of August not to extend their loans to South Africa — a move which "raised the international pressure on us to a level never before experienced, and demonstrated South Africa's vulnerability in our economically dependant world".

Mr Oppenheimer noted that overseas concern about reform in South Africa was also reflected in the appointment of high level groups — such as the Eminent Persons Group — by both the private sector and governments to monitor the situation in South Africa.

He hoped these groups would be able to "find sufficient grounds for recommending policies other than sanctions" to their constituencies.

Pressure on Mobil for oil ban

WASHINGTON — Administrators of the New York City Municipal Workers' Retirement Plan want to stop Mobil selling oil to the South African Government.

Mobil said yesterday that documents mailed to shareholders said the retirement plan was asking them to vote at the annual meeting on May 8 for a resolution which would prohibit sales to all South African Government agencies, including the military and police.

The administrators feel such a ban would increase pressure on South Africa to end its apartheid policy, Mobil said.

The retirement plan owns 391 200 shares of Mobil common stock, a mere one percent. But if a majority of shareholders vote in favour of the proposal, the result would be binding on the company.

The Mobil board of directors recommends that shareholders oppose the proposal. — Sapa-Reuter.

Sanctions stay, says Reagan

WASHINGTON — President Ronald Reagan said yesterday that South Africa's racial segregation policies continue to pose an unusual and extraordinary threat to the foreign policy and economy of the United States.

He said that America's economic sanctions, ordered last year, would remain in force.

In a report to Congress, Mr Reagan detailed actions taken by the US since September 9 when he declared limited sanctions in protest against apartheid.

Among other steps, the US has banned the importation of Krugerrands, prohibited bank loans to the South African Government and banned exports of nuclear materials as well as the export of computers sought by government agencies which enforce the policy of apartheid. — Sapa-AP.

British sanctions pressure

CME Times 19/3/86

280

Staff Reporter

A VISITING British academic has warned that pressure in Britain for major sanctions against South Africa is increasing because of the perceived failure of constructive engagement.

Professor Jack Spence, head of the Department of Politics at the University of Leicester, said last night at a meeting of the SA Institute of International Affairs that the British Government was being pushed — by combined world action and the perceived failure of constructive engagement — into enforcing sanctions against South Africa.

"President Botha must not underestimate Mrs Thatcher's profound hostility to racial discrimination and the fact that she can change her mind if convinced that she is on the wrong course."

STAR
293/96 BSA 280

Low-key Reagan springs a surprise

From Neil Lurssen in Washington

When President Reagan sent a message to the Congress this week that South Africa continued to be an "unusual and extraordinary threat" to the economy of the US, it took most of Washington's Press Corps — and some of the President's top officials — by surprise.

The newsmen, hearing vague reports about the message, rushed to their news agency tickers to see what latest outrage had prompted the President's ire. And when they called top white House spokesmen, the officials had to admit that they knew nothing about it.

The South African Embassy in Washington, which usually gets the bad news first as a matter of diplomatic courtesy, seemed to have no idea either.

In fact, the public disclosure of Mr Reagan's latest message on South Africa was so unusually low-key that some observers feel the Administration made a deliberate attempt to play it cool.

It emerged yesterday that the statement was not pegged to any specific development in South Africa. It was simply a statement that Mr Reagan is obliged to make periodically in terms of his executive order on sanctions on September 9.

The statement repeated the language of the original sanctions order — and it is likely to be repeated again in six months unless Pretoria comes up with sufficient reforms to allow Mr Reagan to kill the sanctions.

In Washington, where the Press plays an important role in conveying political messages to and from all parties, White House statements usually find their way to reporters with speed and efficiency.

But only a sharp-eyed reporter of the Associated Press picked up President Reagan's message this week — leaving hordes of mildly fed-up newsmen covering South Africa wondering why they were not informed.

It may be that the Administration decided to slip the President's message under the Congress's back door



Ronald Reagan . . . why the ire?

because it did not want to ruffle South African feathers any more than it has in recent days.

Dr Chester Crocker's qualified statements — dragged out of him last week by a politically hostile liberal congressman — that the African National Congress is composed of freedom fighters, that the US favours black rule in South Africa, and that the South African Government's commitment to negotiations is a sham, did not go down very well in Pretoria.

US officials hastened to explain afterwards that their attitude was not quite like that.

The US and South Africa are currently in one of their delicate diplomatic phases, this time involving Pretoria's offer to start the Namibian independence process in August.

It is a fragile situation and the offer could collapse — and, along with it, US hopes of finally achieving two of its top foreign policy goals in the region: the Cubans out of Angola and Namibia's independence.

In the circumstances, with Assistant Secretary of State Dr Crocker under severe fire for allegedly having achieved very little in five years, President Reagan's men may have decided deliberately not to draw attention to yet another reason for irritation in Pretoria.

It may be the much-vaunted White House public affairs office just did not do its job properly with the message.

It may be, too, that newsmen in Washington were not paying sufficient attention to their duties -- though few would admit to that.

Whatever the reason for the low-key message by President Reagan, the officials who became aware of it yesterday either declined to comment or said it was merely a routine thing. — *The Star's Africa News Service.*

Profligate state spending is a worry, says Joop de Loor

Own Correspondent

DURBAN — Auditor-General Joop de Loor is concerned about the profligacy of state departments, but simultaneously confident that steps being taken to reduce government spending will bear fruit.

He told Durban businessmen at a University of Durban-Westville/Natal Building Society seminar yesterday that many empires had been built in the civil service — and with their powers of political lobby, expenditure-cutting exercises by the government met considerable resistance.

"In the nature of the case, any pruning of the vast apparatus of such expenditure is bound to be a halting process, and I should be less than candid if I were to claim that the resolve to cut back could always be vigorously translated into action But the events and pressures of the past several years have been potent in bringing home the realisation that things cannot go on as before," said Dr de Loor.

Expressly steering clear of the political issues, Dr de Loor said massive spending was necessary to do this and to narrow the gap between the first and third worlds of South Africa "in the way we all wish".

People had to brace themselves for massive spending to provide the necessary infrastructure — and if at the same time they wanted to see government spending rolled back, or at least contained, they had to be prepared to see something give.

The ever-present danger in South Africa of over-concentration of activities in the hands of monopolies had to be avoided and the funds generated from the sale of state affairs should not be injected into capital holdings, but rather be used to reduce public debt or finance capital projects.

B.Day 20/3/86

Tutu, Boesak oppose Harvard teaching plan

RICHARD WALKER

NEW YORK — A scheme to send Harvard University graduates to teach in South Africa is on the point of collapse.

Objections have come from black South African political leaders and the university's own student-run Southern African Solidarity Committee.

Harvard president Derek Bok has ordered a study on whether to proceed with the R2m scheme. Opponents include Bishop Desmond Tutu and the Rev Allan Boesak, who have accused Harvard authorities of failing to consult the people they are supposed to be helping.

Student activists say the scheme is a device to evade demands that Harvard shed R800m of shares in companies doing business in SA.

Tutu recently told a Harvard student newspaper: "I am a little tired of having white people prescribe to us what should be the solution to our problems."

Neither he nor Boesak saw two programme planners when they visited SA last month.

"They have to learn first to take black South Africans more seriously and then speak to them," says Boesak. He claims a consensus of black community leaders is against the programme.

The declared aim of the scheme is to help black education by establishing internships at selected SA educational institutions.

It was a "chance to make a long-term contribution by helping to compensate for the lack of educational opportunities available to blacks under the apartheid regime", Bok said when announcing the three-year programme last year.

Koornhof hammers Western dishonesty, double standards

The Star Bureau

LONDON — Dr Piet Koornhof, chairman of the President's Council, yesterday accused the Western nations of being dishonest and applying double standards in their approach to South Africa.

At a dinner in London's Cafe Royal, attended by parliamentarians, industrialists and others who had visited South Africa and who are attending a symposium at South Africa House today, Dr Koornhof said that the international community had swallowed the line that widespread violence initiated by the African National Congress was evidence of "a great surge forward in the struggle".

"An anti-South African hysteria, fed by biased television coverage and domestic political considerations, took hold of the mighty United States of America. It was expediency at its worst.

"In their panic, leading American banks misread the situation and pulled the plug on South Africa. President Reagan retreated before the storm and authorised additional sanctions and sharpened his anti-South African rhetoric."

Dr Koornhof said the campaign in the US highlighted the attitude of the entire West.

It was claimed that the hostility to South Africa was caused by apartheid and this was dishonest, Dr Koornhof said.

He suspected some big businesses were more concerned about the safety of their cash than about moral issues in South Africa.

The West had been glad to accept South Africa's help in the Berlin airlift and in Korea — when apartheid was in full cry.

"The West had no moral qualms about using South Africa's ports when the Suez canal was closed. When Springbok teams were all white, they were enthusiastically welcomed in Britain, Australia, New Zealand and France.

"There was no talk of disinvesting by foreign corporations or of foreclosing by foreign banks when business was good — but black trade unions were not even recognised."

Dr Koornhof was it was "irony with a vengeance that the holy indignation of the world community" should have risen in direct proportion to the broadening of democracy and removal of discrimination in South Africa.

"One suspects that the real concern of more than a few international boardrooms was not South African policy (they had co-existed with that easily enough before) but the prospect, as they saw it, that the economy might pass from experienced hands into disorder."

This would not happen.

"The world's view is falsely based on a general underestimation of Pretoria's resources and determination. We will ensure that a free enterprise economy is maintained under responsible direction and management."

Dr Koornhof said Western politicians now deemed it expedient to come to terms with Pretoria's enemies and Oliver Tambo was being "feted and given a hearing in your highest institutions".

He said the West's approach was "tragic". It was encouraging and prolonging violence in South Africa and discouraging moderate blacks from negotiating with the Government.

"There are other consequences. The confidence of the ordinary White South African in the justice and decency of the Western World has been badly damaged. I doubt whether he would be anxious today to have the resources and facilities of his country placed at the West's disposal in an emergency."

"Meanwhile, the worst that revolutionaries and the world can do will be overcome."

Dr Koorenhof denied that South Africa had lost its bona fides. Pretoria had delivered "over the widest field" on its undertaking that discrimination would be progressively removed and that the quality of life of all its people would be upgraded.

Shell told to quit SA '... or else'

STBM

21/3/86

The Star Bureau

LONDON — Anti-apartheid bodies in Britain and Holland have called on the Royal Dutch/Shell group to withdraw from South Africa and Namibia by mid-May or "face the consequences".

The warning is given in a letter from Bishop Trevor Huddleston, president of the Anti-Apartheid Movement, which was being delivered to the group's London headquarters today.

The letter says "campaigning activities" against the group will be intensified unless it withdraws.

The new action is aimed at intensifying a campaign to stop oil supplies reaching South Africa.

The action is being undertaken by the AAM, a new organisation called Embargo!, the Holland Committee on Southern Africa and the working group Kairos.

The group has been singled out for action because of what the AAM calls "its very significant involvement in and support of the apartheid regime" and because of its multinational nature.

Irish 'backing down on SA ban'

DUBLIN — The Irish Government is backing away from a decision to restrict South African fruit imports, says one of its backbenchers.

Senator Francis O'Mahony said the delay in announcing a decision indicated a rethink was taking place.

To settle the marathon anti-apartheid strike at Dunnes Stores in Dublin, the Government announced it would consider curbing South African fruit imports.

There are reports that some of Ireland's EEC partners are unhappy about the proposed fruit ban. — The Star's Foreign News Sercice.

Why West mustn't impose sanctions

22/3/86.

DISPATCH

British MP Julian Amery puts the case for encouraging change in South Africa without putting on economic shackles.

In Lusaka, Sir Geoffrey Howe and his European colleagues had little difficulty in blocking any extension of sanctions against South Africa

The leaders of the "front line states" expressed disappointment, but, probably, felt a great relief. Angola and Mozambique have civil wars on their hands, while Zimbabwe is plagued by unrest in Matebeleland. None of their fragile economies could stand up to the knock-on effects of serious sanctions against South Africa.

In Cape Town, President Botha opened Parliament with a speech which described apartheid as an "outdated concept" and, although short on detail, committed his régime to some form of power-sharing with blacks at local, provincial and national level. But the African National Congress and the United Democratic Front, predictably, rejected the President's speech.

Chief Buthelezi, the most prominent moderate African leader, at first gave the President's speech a cautious welcome but has since drawn in his horns. Meanwhile the agitation in the "townships" seems to be on the ebb The fall in the oil price and some rise in the price of gold has steadied the economy.

The immediate crisis is ending. What next? The signs are that the area is approaching one of those turning points when yesterday's issue gives way to tomorrow's.

In Angola, Mozambique and Zimbabwe, black nationalism has triumphed over colonialism. The successor



Howe ... blocked sanctions

Marxist régimes, however, now face a determined and armed opposition based on social, economic and tribal interests The same thing is beginning to happen in the South African Republic.

Resentment of apartheid, the rise of black nationalist régimes on their borders, and growing Soviet influence, have drawn many of the growing black élite towards the ANC and other radical movements.

But, there is another side to the coin The "homelands," based largely on tribalism, have produced black ministers, officials, officers and businessmen. They, and many of the urban black intelligentsia, have seen the bankruptcy of the Marxist régimes to their north. They may not like Pretoria, but they don't want to become Maputo.

In 1984, President Botha brought the Indian and Coloured communities into the political process at the national level. This was the turning point. and so, it was clear to all that a deal with the blacks must be the next step The question was, what deal and with which blacks? The white régime has no intention of transferring power to a black majority elected on the basis of "one-man, one-vote" in a unitary state

The government has been talking with moderate blacks to see what might be agreed. These talks have not been negotiations, but exploratory "talks about talks." The ANC, however, saw in these talks the danger of a conservative coalition of blacks, Asians, Coloureds and whites Any such arrangement would put paid to the ANC concept of a black socialist one-party State.

The ANC cannot hope by themselves to overthrow the white régime They cannot wage a guerrilla war as the Patriotic Front did in Rhodesia, unless they can establish bases in neighbouring countries. This, the South African armed forces can and will prevent.

However, what they can do is to intimidate the moderate blacks so as to deter them from doing a deal with the whites. The issue is thus moving from a purely racial black-white confrontation to a social economic and tribal confrontation of black against black.

Can President Botha find significant black leaders to join his statutory council? Much will depend on the detailed proposals brought forward to implement his speech at the opening of Parliament

The most difficult issue will be the Group Areas Act, which prescribes which races live where. Affluent blacks would naturally like to move into what are now European areas where they would be not only more comfortable but safer from intimidation. On the other hand, there is strong white resistance to anything which would lead to the development of black shanty towns round the main urban centres

In the short term the South African régime holds most of the cards. Money, military strength and the deep divisions among its opponents, both within the Republic and outside. In the longer run, however, it needs to have capital; from the industrial West if it is to meet the requirements and expectations of a growing population. It will get that money only if it can restore stability and that means some deal with significant blacks.

What is the British interest in all this? The importance of our investment in and trade with South Africa means that we want a private enterprise system there.

Our strategic interests and those of the West, as a whole, equally indicate that we need a pro-Western régime in control of the Cape and the strategic raw materials which the Republic produces. A one-party socialist state, such as the ANC aim at, would not serve our interests. But, if we can help bring about the kind of power-sharing arrangements now under discussion in the Cape Parliament we shall be serving South Africa's interests as well as our own.

British TV, film union gets tough

Own Correspondent

LONDON. — Britain's strongest television and film technicians' union yesterday voted to impose a series of wide-ranging bans on their dealings with South Africa.

These could have severe affects on films and TV productions going to South Africa, as well as those made within the country.

The annual conference of the Association of Cinematograph, Television and Allied Technicians (ACTT) voted overwhelmingly to ban all film and video productions involved in South Africa, except for news and current affairs.

They also voted that commercials for South African products would neither be produced, processed, distributed nor transmitted in this country.

The motion was carried by 150 votes to 19.

In passing this, the conference "deplored the South African Government's policy of apartheid and the actions of the authorities in South Africa" and the "consequential introduction of reporting restrictions".

The conference also called for the reinstatement of the ban on ACTT members working in South Africa, or for South African companies, with the exception of political documentary and current-affairs assignments.

This too was carried by an overwhelming 158 votes to 12.

Harvard abandons $1m SA study plan

RICHARD WALKER

HARVARD UNIVERSITY has abandoned a $1m programme to send students to work and study in SA.

It said catalysts for the decision had been objections raised by Bishop Desmond Tutu and the Rev Allan Boesak and "concerns about the safety of the students".

Under the plan, Harvard students would have studied and worked as interns at SA educational institutions. It had the strong support of Harvard president Derek Bok, who hailed it as a way of encouraging social change.

Critics called it paternalistic and maintained that the Harvard authorities were looking for ways to evade demands that they dispose of $400m worth of stock in companies doing business in SA.

Referring to the plan on a recent visit to Harvard, Tutu said he was "a little tired of having white people prescribe to us what should be the solutions to our problems"

Scattered demonstrations across the US and the first screening of a United Nations documentary on the Mandelas marked Friday's 26th anniversary of the Sharpeville shootings.

Student action included a suprise raid on a trustees meeting at Cornell University, scene of mass arrests last year. Cornell trustees have been resisting calls to dump $120m worth of investments in companies with SA ties.

Dartmouth college students meanwhile transported the "Biko Memorial Hall" — a tin-and-board shanty — to New York where they managed to erect it briefly before the headquarters of the Phelps Dodge Company, whose chairman George Munroe is a Dartmouth trustee and opponent of disinvestment.

At the UN, where the Sharpeville anniversary is marked as an annual International Day for the Elimination of Racial Discrimination, secretary-general Javier Perez de Cuellar told a commemorative meeting that the lifting of the state of emergency was "a welcome step in itself", but that peace and stability in the region would remain elusive if Pretoria failed to heed the many UN appeals for the release of all political detainees and the establishment of "a free, united and democratic society on the basis of universal suffrage".

Cape Times 25/3/86

Botha attacks 'sinister' calls for sanctions

Political Correspondent

PRESIDENT P W Botha said yesterday that there "must be something sinister" in both the motivation and timing of calls for economic sanctions against South Africa, particularly from Western countries.

He said it was an "interesting irony" that both the calls for economic sanctions against South Africa and their "actual imposition" were now coming mainly from Western countries.

Opening the Third World Congress of Brahman Breeders in Johannesburg, Mr Botha said the apparent motivation for foreign economic pressure against South Africa was presented as an attempt to coerce the Republic into applying reformist policies.

"It is said to be done to aid the underprivileged and the powerless in South Africa.

'Dramatic phase'

"But this uncalled-for intervention in our domestic affairs comes at the very time when we are in the most dramatic phase of fundamental reform in the country's history.

"There must therefore be something sinister in both the motivation and the timing of calls for economic sanctions against us, particularly from Western countries," he said.

Despite South Africa's "capability and willingness to participate in normal international relations", there had been increasing calls and "a great deal of pressure" for sanctions.

These calls were not only from the ranks of the communist and East Bloc countries, nor only from Third World countries.

'Weaken poor'

"Today both the calls for economic sanctions, and the actual imposition of such sanctions, come mainly from the ranks of Western countries."

Mr Botha said sanctions would weaken the poor and hamper the process of reform. This, in turn, would encourage violence and revolutionary change.

"If this is the real object of the attempts to impose economic sanctions against South Africa, Western leaders will have to seriously rethink their role in the unwarranted campaign against us."

Mr Botha said South Africa was a civilized country: "We believe in civilized norms and values, and we uphold human dignity, life and liberty.

"We believe in a democratic system of government. We believe in the sovereignty of the law as the basis for the protection of the fundamental rights of individuals and groups."

BDA/25/3/86

SA TV ban not expected to hurt

BERENICE MARGOLIS

THE proposed British ban on films and TV productions for SA and from SA will not have much impact on the local industry.

"The less stuff available the more we'll produce internally," said Koos Hattingh, a director of Trillion, the largest independent production facility in Africa.

He was reacting to a report from London that the annual conference of the Association of Cinematograph, Television and Allied Technicians (Actt) had voted to ban all film and video productions involving SA.

Lesotho cagey on support for sanctions against SA

25/3/86 (280) STAR

By David Braun,
Political Correspondent

CAPE TOWN — Lesotho appears to be taking a more reserved line on the issue of support for international sanctions against South Africa.

In marked contrast with the first anti-sanctions noises made by the new Lesotho Government, the country's Foreign Minister, Mr Lengolo Monyake, yesterday refused to be drawn on the subject.

"The issue of sanctions has not yet arisen with the present administration," he said in answer to a question after a meeting with his South African counterpart, Mr Pik Botha, in Cape Town.

Later, he said that this answer should not be interpreted to mean that Lesotho was keeping its options open.

"It is just that we have more important priorities to deal with," he said.

Mr Monyake and the Lesotho Minister of Finance, Mr Retselisitsoe Sekhonyana, were in Cape Town for talks with Mr Botha and the South African Minister of Water Affairs, Mr Greyling Wentzel.

High on the agenda was the Lesotho Highlands Water Project,

Pretoria delayed an agreement on the scheme because the previous Lesotho Government would not come to a satisfactory security arrangement with South Africa.

But the new Government has already expelled more than 100 members of the African National Congress and has vowed that its territory will not be used as a springboard for attacks on its surrounding neighbour.

In a statement after yesterday's meeting, Mr Botha said a variety of issues had been discussed. Apart from the Highlands project, they had talked about increasing mutual trade and about agricultural matters.

Mr Botha said the two countries were agreed on the international principle that neither would make its territory available for the planning or execution of violence against the other.

He said that, if there were a firm understanding on this between them, a written agreement would not necessarily make the implementation of the principle more effective.

Progress on an agreement on the Highlands Water Project now apparently depends on what the Cabinets of the two countries decide in the light of yesterday's discussions.

A crucial aspect of the project will be its financing.

Johannesburg boys save bathers in Natal

Two Boksburg bathers were saved from drowning in heavy seas at an Umdloti, Natal, beach at the weekend by scholars from Johannesburg's Northview High School.

Mr M Parker, a member of the school's governing body, said a group of scholars on a rugby and hockey tour were on the beach when they were told by a hotel employee that two bathers were in trouble.

The school's swimming captain, Gary Reichenberg (17), swam out and brought out both bathers — Miss Gail Breiers (20), and Mr Bradley Biddal — after another pupil, Mark Bishop (17), got to them first, Mr Parker said.

In the process Mark was almost washed out to sea but was helped by Andre Herman (17), Mr Parker said.

"The current was so strong I was able to move only very slowly and by the time I had brought them both out, I was exhausted," Gary said.

The boys were directly assisted by Darryl Abrahamson (17), Warren Pogorelsky (17), Sean Parsons (18), Steven Arden (19), and Apostolas Vourazerif (16).

Four of the boys are to be nominated by the school for the prestigious Wolraad Woltemade award for bravery. They are: Gary Reichenberg, Mark Bishop, Darryl Arden and Warren Pogorelsky.

Call on Western leaders to rethink

Botha queries real sanctions motives



● BOTHA

IF THE real object of sanctions was to encourage revolutionary change, Western leaders would have to seriously rethink their role in this "unwarranted campaign" against SA, State President P W Botha said yesterday.

Speaking at the third World Congress of Brahman Breeders in Johannesburg, Botha said there were a number of "interesting "ironies" to recent calls for sanctions.

They were no longer coming only from the ranks of the Communist and Eastern-bloc or Third World countries.

"Today both the calls for economic sanctions, and the actual imposition of such sanctions, comes mainly from the ranks of Western countries. This is the first irony."

The second irony lay in the real object and questioning of the timing of these calls for economic sanctions.

"It is said to be done to aid the under-privileged and the powerless in SA. But this uncalled-for intervention in our domestic affairs comes at the very time when we are in the most dramatic phase of fundamental reform in this country's history.

"There must, therefore, be something sinister in both the motivation and the timing of calls for economic sanctions against us.

The third irony lay in the possible effects of economic sanctions. Those actions would be mainly to the detriment of the under-privileged and the poor, and therefore mainly the blacks of this country.

Ultimately, economic sanctions would have nearly the opposite effect from that which was envisaged, if the motivation was to be believed.

South Africa was a civilised country, believing in civilised norms and values, and upheld human dignity, life and liberty.

As a highly developed and industrialised nation, SA had a responsibility to all its communities.

It wished to take up its responsibilities at home and in the rest of Africa. But for too long it had been caught in the crossfire of the international struggle between world power blocs. — Sapa.

26/3/86 Star

Senator proposes Bill to stop SA steel, coal exports to US

By Alan Dunn
The Star's Foreign News Service

WASHINGTON — A US senator has proposed legislation to stop South Africa's billion-rand steel and coal exports to America.

The move, contained in a Bill now before the Senate Finance Committee, contains a prohibition on trade which means roughly R1,1 billion to the Republic each year.

But one of the avenues open to South Africa and other opponents of the Bill could be to lobby for exports of chromium, vanadium and platinum to be included in the Bill — thereby depriving the US of a major source of these crucial metals.

A congressional source close to Senator Paul Simon, a democrat from Illinois who is author of the Bill, said there was some interest among other senators in the legislation.

Congressional feelings are that the Bill is not likely to come up for consideration for some time, with its future later this year depending largely on developments in South Africa.

If it did come up for debate, the source said, it had a good chance of picking up support from both Democrat and Republican senators, chiefly because it was a limited action with domestic and international consequences for the steel and coal industries.

Also included in the Bill is fluorspar. Passage of the Bill is likely to be complicated by an agreement on steel between South Africa and the US, limiting exports to America.

In January 1984, the countries entered a voluntary restraint agreement on steel, governing the quantities to be exported by South Africa. This obviated the US government imposing a quota on South Africa.

It is believed South Africa exports about 550 000 tons of steel to the US, annually, worth roughly R1 billion.

Coal is not a major market for South Africa, very seldom topping the $20 million mark. According to official US statistics, America imported 612 000 tons of coal from South Africa in 1984, and 662 000 tons in the first three-quarters of last year.

Presenting the Bill to the Senate, Senator Simon said the prohibition was "designed to send a signal to the government of South Africa that it should modify its racial policies or face further economic isolation."

"It is clear that South Africa's unjust and immoral system of apartheid must end. The only question is whether it will end peacefully or with more and more violence," the senator said.

"The United States should continue to make clear that we disapprove of that policy and push toward its peaceful termination. This Bill can be part of that push," senator Simon said.

He added that Americans must recognise that the US could not impose a solution to South Africa's problems. The future of the country would be decided by black and white South Africans, "but we should take steps to discourage the active complicity of Americans in the apartheid system," he said.

UK backlash feared about SA academic

The Star Bureau

LONDON — An invitation to a former South African Government adviser for a two-month research project at the London School of Economics (LSE) has raised fears of a backlash from students.

Professor Colin McCarthy, who was Foreign Minister Mr Pik Botha's economic adviser in 1977 and now heads the department of economics at the University of Stellenbosch, has been invited to the LSE to carry out research in May and June.

The London Times diarist suggested yesterday that the invitation was a "potential bombshell" and that a member of the LSE staff "fears a repetition of the 1967 student riots in protest at the appointment of a white Rhodesian professor".

An LSE spokesman declined to comment on the possibility of student opposition, but said: "He has been invited as an academic visitor.

"One of the articles of the school is that no academics or students will be discriminated against on political, religious or economic grounds.

"The LSE does not view Professor McCarthy as a representative of South Africa or of its Government, but as a well-known economist."

Ireland to ban imports of SA fruit

The Star's Foreign News Service

DUBLIN — Ireland will ban imports of South African fruit and vegetables from the beginning of next year — the first European community country to take such a step.

The Irish Government announced yesterday the ban will be phased in gradually from October 1 in an effort to limit damage to Irish companies involved in the trade.

Government spokesmen admitted that the ban had been introduced in large measure in response to a year-long strike by a small group of supermarket workers in Dublin who drew huge public attention and sympathy over their attempts to get South African goods boycotted.

From October 1 Irish importers can apply to the Ministry of Agriculture for licences on a shipment-by-shipment basis to import South African goods if they have been regular importers from South Africa for three years and if they can show they could not secure other supplies.

PRISON LABOUR

From January 1 next year no more licences will be granted unless importers can prove to the Ministry that the system of prison labour in South Africa has been abolished.

It is this provision that Irish officials believe makes the move legitimate under the General Agreement on Tariffs and Trade (GATT) rules.

The government says it has established that prison labour is used in South Africa in the production and harvest of fruit and vegetables.

Officials in Dublin said Norway and Sweden had introduced similar bans and so far South Africa had neither taken reciprocal trade sanctions against them, nor had it moved to sue them for breach of GATT rules.

Irish exports to South Africa, comprised largely of electronic goods, are worth R100-million a year compared with imports of R50-million. Fruit and vegetables make up the biggest import item.

will be grate-
Seaside Fund,

OK

prayers
erson

for R2,00
R2,00)

4th Floor,
b

ar

SING

30

RTISING
IT PAYS!

es.

me.

S

ent."

Shell SA 'opposes apartheid — and sanctions

Shell South Africa does not support apartheid but does not believe in disinvestment, says chairman Mr John Wilson.

Commenting on the call last Friday by British and Dutch anti-apartheid groups for the parent company, the Royal Dutch and Shell Group, to withdraw from South Africa or face anti-apartheid campaigns, Mr Wilson said Shell believed apartheid was indefensible.

The group was singled out because of what the Anti-Apartheid Movement termed "a very significant involvement in and support of the apartheid regime". Mr Wilson said Shell denied this.

The company did not believe disinvestment was the best way to achieve peaceful political reform because the wholesale withdrawal of investments would stop the pressure for change exerted by multinationals, he said.

Enlightened employment and social policies of the multinationals had helped make significant improvements to the working and living conditions of the black community.

Shell had called for meaningful political participation for blacks, universal citizenship, an end to the forced removal of people and the further development of free and independent trade unions, Mr Wilson said.

He added that Shell South Africa had long been committed to providing all its employees with good, safe working conditions.

"There is no discrimination on grounds of race, colour, sex or creed in any of Shell's practices in South Africa.

Newly-formed Tory group to press for SA change

SA government and its apartheid policies, and cause despair to sensible people."

A Conservative MP who has been "most vocal" on SA affairs, right-wing secretary of the all-party British SA Parliamentary Group John Carlisle, lashed back yesterday at the three MPs.

"That is an appalling thing to say and totally inaccurate. How do these instant experts, who have been only once to SA, dare to pit their limited, scant knowledge against those of us who know the country well and who are desperately trying to see the dismantling of the apartheid system?"

The three MPs said they felt confident Thatcher and her ministers would welcome the formation of the new group as representing the broad range of opinion within the party on apartheid.

The MPs claimed they had already had a positive response to the formation of their group from about 50 Conservative Party MPs.

The MPs — part of a group of six MPs who toured SA — are Tim Rathbone (Lewes), Robert Adley (Christchurch) and Hugh Dykes (Harrow East). They spent two-and-a-half weeks in SA, visiting Pretoria, Johannesburg, Bophuthatswana, KwaZulu, Durban and Cape Town.

"It was a marvellous tour," Rathbone said yesterday. "The government were immensely hospitable and we met an amazing cross-section of South Africans."

Rathbone identified Botha's Rubicon I speech in Durban last August as the turning point in the attitudes of many Western governments and businessmen, particularly bankers, towards SA. The speech had symbolised the gap between the promises and the practices of reform.

"The Rubicon speech resulted in a major re-assessment by governments and businessmen of the situation in SA. The speech, and its financial consequences, brought about an international awareness of the SA situation in a way nothing else could have done," Rathbone said.

In a weekend statement, the three MPs said: "Now that formal links have been established between the (British) government and the ANC, we shall be inviting London representatives of the ANC, as well as representatives of other bodies, to address Conservative MPs."

UK Govt restates sanctions opposition

LONDON. — The British Government last night reiterated its opposition to sanctions against South Africa.

A spokesman for the Foreign Office said Britain was opposed to sanctions because it did not think they achieved what was wanted.

They were replying to the call by Bishop Desmond Tutu for punitive sanctions against South Africa.

Referring to the lifting of the ban on Mrs Winnie Nomzamo Mandela, the Foreign Office said they had "noted this move". This cautious reaction was because they still had to ascertain just how much freedom the lifting of the ban would bestow on Mrs Mandela.

But while this language was guarded, Whitehall sources last night enthusiastically welcomed this move.

The same Whitehall sources say that, for the foreseeable future, Britain will not support sanctions against South Africa. This attitude could change, but at this stage it remained the same.

But while the British Government was restrained in its reaction to Bishop Tutu's call for sanctions and to the lifting of Mrs Mandela's bans, the London office of the African National Congress (ANC) welcomed both moves enthusiastically.

While pointing out that official reaction would come today from Lusaka, a spokesman said that this call for sanctions was welcomed, particularly as it came from a black from within the country.

Those who opposed sanctions often said that they would cause harm to South African blacks.

But here was one such spokesman saying that this should be discounted and full punitive measures applied.

Predictably, the ANC here welcomed the lifting of the ban on Mrs Mandela. They said this was a positive step, and they praised Mrs Mandela as a brave and outspoken fighter against apartheid.

In Washington the Reagan administration swiftly rejected Bishop Tutu's call for sanctions.

"The United States does not believe that punitive sanctions will help promote change in South Africa," a State Department spokesman, Mr Bernard Kalb, told reporters.

"In the US view, punitive sanctions would hurt South Africa's economy, which is central to the region's stability and a major force for change domestically.

"They won't be effective in ending apartheid and could escalate the level of violence and polarisation within the country," Mr Kalb said.

Meanwhile, the Association of Chambers of Commerce (Assocom) said it "regrets" the call by Bishop Tutu for full-scale punitive sanctions.

The chief executive of Assocom, Mr Raymond Parsons, said in a statement released in Johannesburg: "Like Bishop Tutu, business has been involved in the process of change for many decades and believes that a growing economy remains an essential condition for evolutionary reform in South Africa.

Mr Parsons said businessmen in South Africa found it hard to reconcile a call for economic sanctions with their daily experience of blacks seeking work at shops, offices and factories. While governments did not suffer pain, people did.

"If further economic sanctions are successfully applied the costs thereof will undoubtedly be passed on to the South African population and to neighbouring countries."

He said successful economic sanctions would also weaken the blacks in the very sphere in which their power has been growing — on the labour market. Effective sanctions would undermine the best strategies available for further black advancement.

"Bishop Tutu is correct when he says that there is still a large fund of internal goodwill available to solve South Africa's problems, but Assocom believes that a call for punitive economic sanctions can only deplete this reservoir of goodwill," Mr Parsons said. — Own Correspondent and Sapa

CAPE TIMES
3/4/86
280

Nel notes Tutu call

PRETORIA. — The South African Government has "taken note" of Bishop Desmond Tutu's call for sanctions against the country, the Deputy Minister of Information, Mr Louis Nel, said last night.

In a statement Mr Nel said sanctions would be particularly disastrous for blacks, as well as for the people of neighbouring countries — but not for the Bishop of Johannesburg.

He said: "Sanctions would lead to unemployment and misery, would increase polarization and escalate violence in South Africa. Bishop Tutu is well aware of this. This is a strange objective for a Christian, a Nobel Peace laureate and a holder of the Martin Luther King non-violent peace prize.

"Bishop Tutu has no mandate to call for such action. He shows an unfortunate lack of compassion for the less-fortunate.

"The South African Government will not succumb to pressure from whatever quarter, but will continue along the difficult path of peaceful constitutional development. I find it surprising that the bishop has never seen fit to call on black South African leaders to participate in these peaceful constitutional negotiations.

"The South African Government will not abandon its responsibility to maintain and promote free political, economic, religious and cultural institutions, nor its determination to protect the rights of all minorities — regardless of what radicals might demand or do.

"Bishop Tutu must state clearly whether he has now rejected the path of peaceful negotiation and evolution." — Sapa

Bishop Tutu flirts with jail by calling for world sanctions

By Estelle Trengove
Religion Reporter

Bishop Desmond Tutu may have exposed himself to the risk of arrest yesterday, calling unequivocally on the international community to apply punitive sanctions against the South African Government.

"I have no hope of real change from this Government unless they are forced. We face a catastrophe in this land and only the action of the international community by applying pressure can save us," Bishop Tutu said at a Press conference held at St Alban's Church yesterday.

"Our children are dying. Our land is burning and bleeding and so I call on the international community to apply punitive sanctions against this Government to help us establish a new South Africa, nonracial, democratic, participatory and just."

This call is the climax of a long buildup in which Bishop Tutu often threatened that if the Government did not dismantle apartheid, he would call for punitive economic sanctions

When he was enthroned as Anglican Bishop of Johannesburg at the beginning of last year, he set an ultimatum of between 18 and 24 months for the Government to begin dismantling apartheid actively.

Bishop Tutu said yesterday that since then, the situation in the country had deteriorated to such an extent, that he foreshortened the period to make the call now.

He stressed that the call for punitive sanctions was a "nonviolent strategy".

Even if he was at risk of being arrested for calling for punitive sanctions, he would not have been deterred by that, he said

The Internal Security Act determines in Article 54(2)b that any person who, with the intent to achieve, bring about or pro-

Black politicians applaud Tutu's sanctions call



Mr Jaap Marais

By Maud Motanyane and Duncan Guy

Black political organisations have come out in strong support of Bishop Desmond Tutu's call for punitive sanctions against South Africa.

But the whole spectrum of white political organisations — from the Progressive Federal Party to the Herstigte Nationale Party (HNP) — as well as commerce and industry, have rejected the bishop's stand.

Bishop Tutu yesterday carried out his long-standing threat, calling on the international community to apply punitive sanctions to help bring about change in South Africa

DETRIMENTAL

One of the important questions relating to the issue of sanctions is how they would affect blacks It was most of the white organisations that used this argument as a basis for rejecting the call, saying sanctions would be detrimental to blacks.

But black political organisations welcomed the bishop's stand as the last remaining non-violent way to achieve change in South Africa

UDF spokesman Mr Murphy Morobe said. "Given the way the State has behaved towards its own citizens over the past 18 months, calling for punitive sanctions has become one of last options open to people committed to peaceful change," he said

"We hope that Bishop Tutu's call and that of the National Education Crisis Conference in Durban will be seen by the international community as a desperate call from the oppressed section of the South African society to exert more decisive pressure on this racist Government"

An Azapo spokesman said the call for economic sanctions was long overdue

"The continued maintenance and support of this unrepresentative minority regime has left us with the conclusion that the so-called Western democracies have been silent about the iniquities of this Government simply because it is white," he said.

"It is simply a despicable shame that more than 1 000 black lives were lost over a period of a year because of protests against education and the general state of affairs in the country, while the Western countries mantained a deafening silence".

HNP leader Mr Jaap Marais called on the Government to take action against Bishop Tutu, who was "declaring war in the name of God"

The PFP spokesman on Law and Order, Mrs Helen Suzman, said "I'm against sanctions because of the horrendous effect it will have on widespread unemployment in South Africa, which has no social security safety net, but at the same time it should be clearly understood that if sanctions are imposed it will not be due to Bishop Tutu — the blame rests entirely on P W Botha and his Government for failing to honour their undertaking to dismantle apartheid"

A PFP representative on the President's Council, Mr Pieter Schoeman, said "We have seen black leadership emerging in big business If sanctions are applied, these opportunities will close and there will be a leadership vacuum.".

UNEMPLOYED

Assocom said it regretted Bishop Tutu's call. Chief executive Mr Raymond Parsons said "Like Bishop Tutu, business has been involved in the process of change for many decades and believes that a growing economy remains an essential condition for evolutionary reform in South Africa

He said businessmen found it hard to reconcile a call for economic sanctions with their daily experience of blacks seeking work at shops, offices and factories Governments did not suffer pain, people did

He said successful economic sanctions would also weaken the blacks in the very sphere in which their power had been growing — on the labour market.



Bishop Desmond Tutu at his Press conference yesterday where he called for punitive sanctions by the international community.

Bishop's plea rejected by US Govt

The Star Bureau

WASHINGTON — The United States Government today rejected Bishop Desmond Tutu's call for immediate international economic sanctions against South Africa.

The US State Department's chief spokesman, Mr Bernard Kalb, said the US did not believe punitive sanctions would help promote change in South Africa.

Asked by reporters why the US believed economic sanctions would work against Nicaragua and Libya but not South Africa, Mr Kalb replied the situations were different.

Punitive sanctions would hurt South Afruca's economy which was central to the region's stability and a major force for change within the country.

Secondly, he said, sanctions would not end apartheid and could escalate the level of violence and polarisation in South Africa.

ABHORRENCE

US officials have said repeatedly the sanctions measures ordered by President Reagan last September were designed to demonstrate American abhorrence of apartheid but not intended to harm the wellbeing of individual South Africans.

"We are not about to declare economic war on South Africa," the Assistant Secretary of State for Africa, Dr Chester Crocker, told Congress recently.

Today, Mr Kalb said the US welcomed reports that a number of restrictions on Mrs Winnie Mandela had been lifted.

"We would obviously be pleased. We have long opposed banning any person for his or her political beliefs," Mr Kalb said.

mote any constitutional, political, industrial, social or economic aim or change in the Republic, cripples, prejudices or interrupts at any place in the Republic any industry or undertaking, or industries or undertakings generally or the production, supply or distribution of commodities or foodstuffs, or attempts to do so, is guilty of subversion.

Subversion is the second most serious offence under the Act and carries a maximum sentence of 20 years' imprisonment, or if the offence resulted in violence which the accused should have foreseen, then maximum is 25 years

Western countries that rejected sanctions because they would allegedly hurt blacks most, should stop being so hypocritical, Bishop Tutu said yesterday. A survey published in the London *Sunday Times* recently showed that over 70 percent of blacks supported sanctions of some sort.

For the past ten years, he had made efforts to speak to the Government to try and bring about a peaceful solution in South Africa, but his pleas and warnings went unheeded

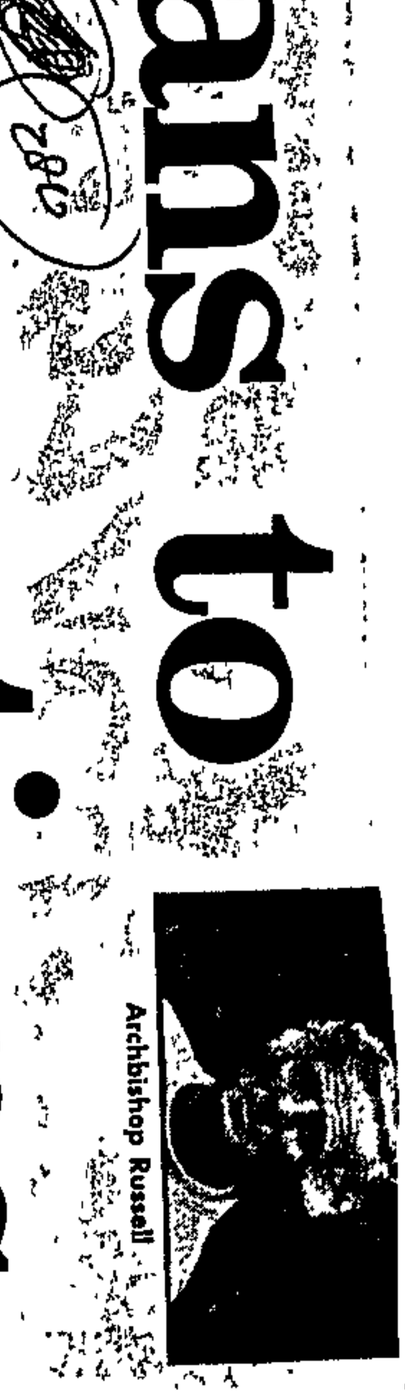
He said that since 1984, 1 200 blacks had been killed

"Nothing Mr Botha has said has made be believe that he and his government are serious about dismantling apartheid."

Anglicans debate sanctions

By KAREN STANDER
Religion Reporter

THE Anglican Church in Southern Africa — more than two million strong — may call for international sanctions against the Government, the head of the Church, Archbishop Philip Russell, said today.


Archbishop Russell

Blacks for, whites against Tutu's call

The Argus Correspondent

JOHANNESBURG — Black political organisations have given strong support to Bishop Desmond Tutu's call for punitive sanctions against South Africa

However, the whole spectrum of white political organisations, from the Progressive Federal Party (PFP) to the Herstigte Nationale Party (HNP), as well as commerce and industry, have rejected Bishop Tutu's stand

Black political organisations, the United Democratic Front, and the Azanian People's Organisation welcomed Bishop Tutu's stand as the last remaining non-violent way to achieve change in South Africa

A UDF spokesman, Mr Murphy Morobe said. "Given the way the State has behaved towards its own citizens over the past 18 months, calling for punitive sanctions has become one of last options open to people committed to peaceful change"

"HORRENDOUS"

An Azapo spokesman said. "The continued maintenance and support of this unrepresentative minority regime has left us with the conclusion that the Western democracies have been silent about the iniquities of this Government simply because it is white"

HNP leader Mr Jaap Marais called on the Government to take action against Bishop Tutu, who was "declaring war in the name of God"

The PFP spokesman on Law and Order, Mrs Helen Suzman, said: "I'm against sanctions because of the horrendous effect it will have on widespread unemployment in South Africa,

(Turn to Page 3, col 7)

Nothing new

Commenting on the implications for the Church of Bishop Tutu's call on the international community for immediate sanctions, the Archbishop said it was nothing new that some people in the Church disagreed with "pronouncements the Church makes on certain social issues"

He said "But this is not limited to this country It happens throughout the world and surfaces wherever faith is a vehicle of concern and compassion.'

"And it will continue. It makes little difference if the head of the Church is the most liberal or the most conservative.

"We will continue to wrestle with the problem of the Church and the world in which it exists."

Responsibility

Archbishop Russell said every Church member was entitled to "have his say" although a bishop carried more responsibility.

The only time the Church could speak as a whole was through the provincial synod.

Those who believed that a member of the Church stating his opinion was speaking for the whole Church did not un-

(Turn to Page 3, col 2)

The Church's division of justice and reconciliation is considering a resolution on sanctions passed last year by the South African Council of Churches.

Church support for sanctions could have wide repercussions in its ranks, particularly if the controversial Bishop of Johannesburg, Desmond Tutu — who has urged international sanctions — is elected Archbishop of Cape Town and head of the Church later this month

Archbishop Russell, who is retiring, said today the SACC resolution would be discussed in November by a standing committee which makes recommendations to the Provincial Synod, the highest policy-making body within the Church.

Anglicans may back sanctions

Continued from Page 1

derstand how the Church worked.

Bishop Tutu would be a strong contender as the next Archbishop of Cape Town if he makes himself available for election.

The elective assembly meets in Cape Town on April 14 to elect an Archbishop following the retirement of Archbishop Russell.

Not available

Bishop Tutu has said he would not be available for election as he is committed to the diocese where he was enthroned as Bishop only last year.

But an informed source in the Church said it was likely Bishop Tutu's name had been put to the advisory committee

If he changed his mind it was still possible for Bishop Tutu to be elected

The Dean of Cape Town, the Right Rev Edward King, said Bishop Tutu's sanctions call would have some implications for the election

"His views"

"It will make people more clear on what his views are, although his views are old news In the Church there will be some that support him and others who are critical."

He did not think the call would worsen any conflict in the Church and said he hadn't noticed many people leaving the Church

"What we are looking for in a new Archbishop is someone who is a faithful shepherd, with pastoral powers and a prophetic voice as a leader.

"The Church is aware of its need to be heard and to be involved in what most people call politics. It isn't going to back out of this"

Challenge to whites on economy

Tutu calls for all-out sanctions



● TUTU

BISHOP Desmond Tutu wants punitive sanctions against government.

He is calling on the international community to apply immediate clamps.

"We can't sit around and let three deaths a day become part of the scenery," he says.

The Nobel Peace Prize-winning Bishop of Johannesburg says that the country is facing a catastrophe and he sees no hope of real change unless government is forced.

Deputy Information Minister Louis Nel replies that Tutu is advocating mass unemployment and misery.

Tutu's call for punitive sanctions was greeted with regret by Assocom head Raymond Parsons.

"Businessmen find it hard to reconcile a call for economic sanctions with their

PETER WALLINGTON
and ALAN RUDDOCK

daily experience of blacks seeking work at shops, offices and factories. Governments do not suffer pain, people do."

Parsons adds that business believes "a growing economy remains an essential condition for evolutionary reform. Effective sanctions will undermine the best strategies available for further black advancement".

● Comment Page 6

Federated Chamber of Industries president John Wilson says Tutu "has undoubtedly expressed the frustrations of many blacks in calling now for punitive international sanctions".

He said: "The FCI cannot, however, support a unilateral telescoping of the timetable for change asked for by the Bishop and to which he himself is committed.

"Constraint and responsibility are needed by all leaders within SA if serious conflict and human tragedy are to be minimised."

A police spokesman could not comment on whether the police were investigating the possible legal implications of Tutu's action.

Tutu, asked whether he feared arrest because of his call, says his actions will not be determined by their possible consequences.

Tutu adds he could not prescribe what kind of sanctions he thought should be

● To Page 2

Tutu calls for sanctions

● From Page 1

imposed by the international community.

He says he is not making the call for sanctions on behalf of anyone but himself.

"Massive unemployment engineered by apartheid already exists."

He says independent surveys indicate that 70% of blacks support sanctions.

Government and the white community must decide whether they want the economy to be ruined.

"If they want the economy destroyed, let them remain intransigent. We don't want it destroyed. But what else do you want us to do? We have begged and protested and petitioned since 1912."

Tutu adds that there are three ways to change a system. Firstly, through voting, but blacks do not have the vote. Secondly, through violence, and he rejects that option. Thirdly, through peaceful means, and economic sanctions fall into that category.

Tutu says the ball is still in government's court and if real change were implemented sanctions would not be necessary.

"In SA you are everyone's blue-eyed boy if your peaceful methods don't stand a chance of succeeding. If something can succeed, you are an ogre."

He says in 1984 government, far from heeding the calls for change, introduced the tricameral constitution which was "the climax of the policies of exclusion to which blacks had been subjected since 1910".

Tutu calls for sanctions to 'force change'

THE Anglican Bishop of Johannesburg, Bishop Desmond Tutu, yesterday called on the international community to apply immediate punitive sanctions against South Africa in a bid to force the Government into peaceful change.

He said this at a Press conference held at St Alban's Anglican Church, Johannesburg yesterday.

"I have no hope of real change from this Government unless they are forced. We face a catastrophe in this land and only the international community, by applying pressure, can save us.

"Our children are dying. Our land is burning and bleeding and so I call the international community to apply punitive sanctions against this Government to help us establish a new South Africa, non-racial, democratic-participatory and just. This is a non-violent strategy to help us do so," said Bishop Tutu.

He said there was still a great deal of goodwill between the races in the country. "Let us not be so wanton in destroying it. We can live together as one people, one family, black and white together," he said.

SOWETAN 3/4/86

280

Oil giant boosts SA education

By GORDON KLING
Financial Editor

WITHIN 24 hours of Bishop Desmond Tutu's call for sanctions, the biggest US investor in South Africa has emphasized its determination to stay by injecting R40-million into a black development foundation.

The American oil company Mobil yesterday said the foundation would have two subsidiary trusts — one for education and the other for small business and rural development.

Directors

The boards of directors of each of these have yet to be disclosed but Mobil sources yesterday said they would be manned by business people, community leaders and educationists.

A company statement said: "The announcement comes after 12 months of intensive planning and development with community leaders, and represents an important new emphasis to Mobil's commitment to social improvement."

However sources close to the company disclosed to the Cape Times that the initiative was unveiled earlier than planned as a direct response to Bishop Tutu's call.

Mobil has firmly committed itself to the corporate camp aggressively campaigning for change from within, as opposed to those who had opted to assume an increasingly lower profile prior to a fade-out.

Some 20 US firms left last year and the Washington Post reported earlier this week that another five are busy quitting.

US firms emphasizing their intention to stay to promote political and social change from within include Coca Cola, IBM, and General Motors.

Mobil Oil Southern Africa chairman, Mr Georges Racine, said the establishment of the foundation indicated the company intended to stay in South Africa despite disinvestment pressure from overseas.

Tension

The foundation had been established at a time when the lack of adequate education for black people had become a cause of tension and violence.

Mr Racine said: "We believe that there is only one way to answer the justifiable anger among blacks at the shortcomings in the education of their children — that is to improve teaching and

➡➡➡➡ To Page 17

BUSINESS BRIEF

Gold (close)	$333,50
Rand	$0,4640/50
FT index (close)	1425,90
BD 100	1258,80
Dow Jones	1766,40

Church considering call for action against Govt

Anglicans may back sanctions

(280) E 1087 4/9/80

CAPE TOWN — The Anglican church in Southern Africa may call for international sanctions against the Government.

This was said yesterday by the head of the church, officially called the Church of the Province, Archbishop Philip Russell.

The church has a membership of more than two million.

No final decision has been made but the church's division of justice and reconciliation is considering a resolution on sanctions passed last year by the South African Council of Churches (SACC)

Anglican church support for sanctions could have wide repercussions in its ranks, particularly if the controversial Bishop of Johannesburg, the Right Reverend Desmond Tutu, is elected Archbishop of Cape Town and head of the church later this month

Bishop Tutu earlier this week again urged the imposition of international sanctions against South Africa

Archbishop Russell, who is retiring later this year, said yesterday the SACC resolution would be discussed in November by a standing committee which makes recommendations to the Provincial Synod

The synod is the highest policy-making body within the church

Commenting on the implications for the church of Bishop Tutu's call on the international community for immediate sanctions, the Archbishop said it was nothing new that some people in the church disagreed with "pronouncements the church makes on certain social issues'

He said. "But this is not limited to this country It happens throughout the world and surfaces wherever faith is a vehicle of concern and compassion

"And it will continue. It makes little difference if the head of the church is the most liberal or the most conservative

"We will continue to wrestle with the problem of the church and the world in which it exists."

The Dean of Cape Town, the Right Rev Edward King, said Bishop Tutu's sanctions call would have some implications for the election

"It will make people more clear on what his views are, although his views are old news In the church there will be some that support him and others who are critical."

He did not think the call would worsen any conflict in the church and said he hadn't noticed many people leaving the church

"The church is aware of its need to be heard and to be involved in what most people call politics. It isn't going to back out of this" — Sapa



Twin lambs born at the Port Elizabeth Show last night were an instant attraction with the crowds. Six-year-old GRETCHEN MINNE, of Port Elizabeth, was only too happy to make friends. The lambs were born to a ewe belonging to Mr Henning Voster, of Middelburg, Cape Picture by Mike Holmes

Car wash ended in flaming and expensive catastrophe

RICHMOND, California — It was Mrs Lily Fowler's first accident in 60 years of driving — but it was a big one.

Mrs Fowler, 80, hit the accelerator instead of the brake yesterday as she drove up to the car wash at a petrol station

Her car shot into the street, struck a passing car, smashed through a wooden fence and mowed down a petrol pump

Before the situation was brought under control, four cars, including Mrs Fowler's 1980 Ford Thunderbird, were engulfed in flames

Mrs Fowler's son, Fire Department Captain Robert Fowler, helped put out the blaze.

No one was seriously injured and damage was estimated at $300 000

INSIDE: Weather 2; It's All Happening 7; Finance 9; Fun Page 14; TV/Show 12, 13; Women's World 15; Classified 16-19; Racin

4/4/86 Business Day

Chief wants apartheid crushed

Barclays blasts disinvestment



ANN PALMER

BARCLAYS NATIONAL BANK in the UK has come out strongly against disinvestment in South Africa.

It also unequivocally condemns apartheid and calls for the system to be crushed.

Chairman Sir Timothy Bevan's stand was described as positive by deputy MD Barry Swart.

He added that Bevan's remarks in an advertisement in London's *Financial Times* this week should be regarded in a positive light and as a sign of continued commitment to SA.

"It is the same message which has been put across at our annual general meetings over a number of years."

The advertisment quoted extracts from Bevan's address in the "Report and Accounts".

Bevan said Barclays' reduction in shareholding to 40,4% in the SA bank's operation had come about because it did not follow a "rights issue made by Barclays National".

"We did not follow our rights for two reasons — firstly because we are conscious of the prudent need not to have too many eggs in one basket, particularly as we and many others deplore the slow movement of the South African government in dismantling institutionalised racial discrimination.

"Secondly, it has long been our policy to reduce our shareholding in major retail investments aboard," he said.

Bevan said much of the progess that had been made towards abolishing apartheid amid further liberalisation could be attributed to pressure from the business community within SA and Barclays National was in the forefront of the pressure group.

"However, we remain a large shareholder and are continuing to use our position to support Barclays National's liberalising influence.

"It seems to me that the statement 'we want to crush apartheid itself, not the victims of it', has it about right."

He pointed out that to those who would take their accounts away from the bank on ideological grounds, he would pose this question: "Do you want us to stand back and wash our hands of apartheid or do you want us to continue to strengthen the tide of change?"

"Apartheid is unjust and immoral and so rightly condemned. Equally it seems to be unjust to condemn us as supporters of the system when in fact Barclays National is among the leaders in South Africa in opposition to it."



Bishop Desmond Tutu calls for punitive sanctions against South Africa this week

Enter the era of the 'Tutu Rand'

By LOUISE LATEGAN

THE financial markets emerged from the balmy long Easter weekend to confront a number of interesting developments. Not only had oil prices dropped dramatically on the international markets, but the local foreign exchange market had fashioned a new guru for itself.

Now, market operators — dealers, traders and even the more humble econometricians — are notoriously sexist, with delinquent and alcoholic tendencies, not to mention an inclination towards exceedingly right-wing views. But one charge they previously escaped was succumbing to astrological predictions. Yet coursing through the market this week was the forecast by a young, blonde, female astrologer that the rand will be much weaker in April and end the month close to last year's record lows.

Initial nervousness at the opening snowballed after the bullion price took a tumble in the wake of disinflationary predictions unleashed by the lower oil prices, and was further entrenched by Nobel Peace Prize laureate Bishop Desmond Tutu's call for immediate punitive sanctions against South Africa. Analysts confided that talk of a "Tutu rand" had already begun.

The beleaguered rand drifted down below the 47 US cent level, and new forecasts of 43 cents within the next few weeks emerged from the markets.

Aiding the bearish sentiment was the impending outflow of about $430-million on April 15 as partial repayment of South Africa's external debt.

But dealers stressed that the rand's prospects remained determined by local supply and demand conditions and the activity of the Central Bank in the market. Importer demand for dollars to cover their positions was the technical reason why the rand continued to soften in the absence of an inflow of dollars from repatriated export proceeds. The nation's foreign exchange reserves, which are already at uncomfortably low levels, will be the deciding factor in the local market in months to come, currency analysts stressed.

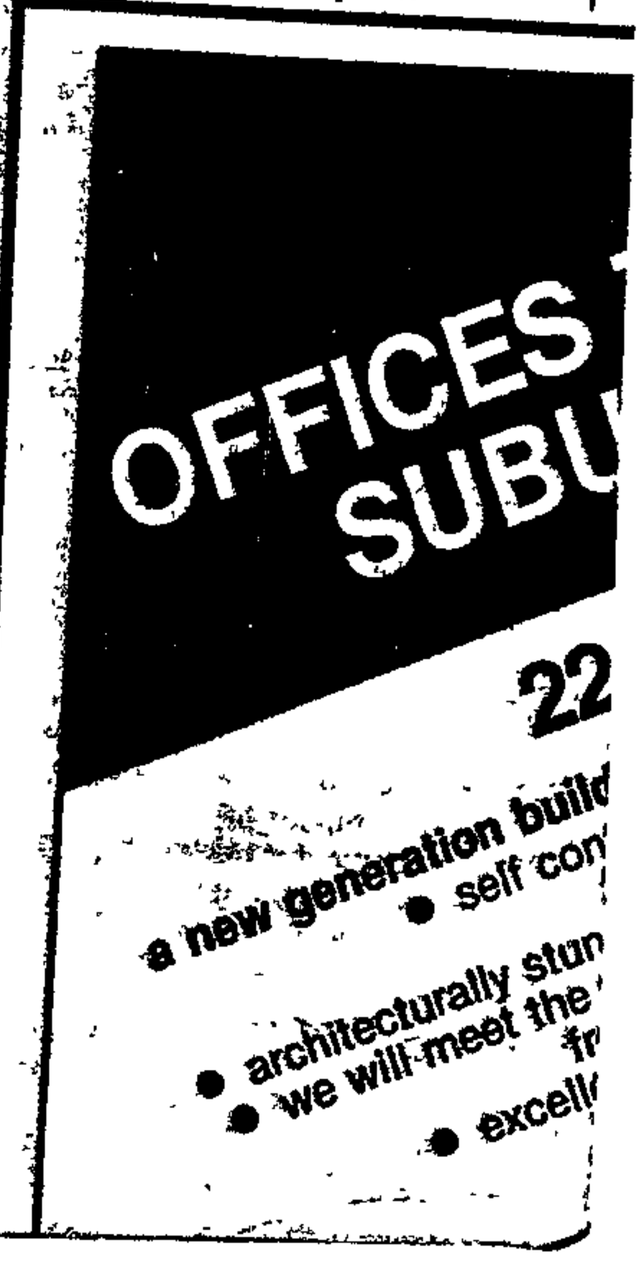
The big news on the money market was the dramatic drop in the central bank's direct accommodation to the discount houses and the banks to below R1-billion from record levels last week above R3-billion.

After tight liquidity conditions threatened to push rates up, despite special pact aid from the Reserve Bank totaling R920-million, a flood of government spending heralded the start of the new fiscal year and the beginning of a traditionally liquid month.

A reduction in the banks' cash reserve requirements held against short term assets to five percent from eight percent released an additional R181-million into the system. Market dealers reported a resurgence of talk that the Reserve Bank could cut its base rediscount rates later this month in line with economic policy designed to stimulate economic growth.

A further reduction in the base rates would open the way for the banks to lower their prime overdraft rates below the current 16,50 percent.

The capital market continued to exhibit little more than dull lethargy, with most operators working half-days. Rates on the long end of the market were moved for the most part of the week by the jobbers who punt their own books in accordance with movements in the main economic indicators such as the inflation rate, the rand and the gold price.



SANCTIONS: BLACKS BACK TUTU

4/9/86 280 SOWETAN

White politicians say no to call

BLACK political organisations have given strong support to Bishop Desmond Tutu's call for punitive sanctions against South Africa.

However, the whole spectrum of white political organisations, from the Progressive Federal Party to the Herstigte Nationale Party, as well as commerce and industry, have rejected Bishop Tutu's stand.

The Bishop of Johannesburg on Wednesday carried out his long-standing threat, calling on the international community to apply punitive sanctions to help bring about change in South Africa.

One of the important questions relating to the issue of sanctions is how they would affect blacks. Notably, it was most of the white organisations that used this argument as a basis for rejecting Bishop Tutu's call, saying sanctions would be detrimental to the black people.

Black political organisations, the United Democratic Front and the Azanian People's Organisation, however,



BISHOP TUTU

welcomed Bishop Tutu's stand as the last remaining non-violent way to achieve change in South Africa.

A UDF spokesman, Mr Murphy Morobe, said it was not surprising that a call for punitive sanctions should come from a person such as Bishop Desmond Tutu.

"Given the way the State has behaved towards its own citizens over the past 18 months, calling for punitive sanctions has become one of the last options open to people committed to peaceful change," Mr Morobe said.

Desperate

"We hope that Bishop Tutu's call and that of the National Education Crisis Committee conference in Durban will be seen by the international community as a desperate call from the oppressed section of the South African society to exert more decisive pressure on this racist Government."

An Azapo spokesman said the call for economic sanctions was long overdue.

"The continued maintenance and support of this unrepresentative minority regime has left us with the conclusion that the so-called Western democracies have been silent about the iniquities of this Government simply because it is white," the spokesman said.

CAPE TIMES 4/4/86

A

From page 1

280

Mobil

the quality of education in one system."

A press conference to spell out details is to be called shortly.

Mobil sources say the company is the biggest American investor in South Africa, but no figures are given. It is also probably the oldest, with links going back to the late 1890s when the then Vacuum Oil Company (which eventually became Mobil) opened an office in Cape Town.

The company has played a major role in self-help and education programmes including TOPS (teacher opportunity programmes) — a coalition of the Urban Foundation, the private sector and black teacher bodies.

It offers an in-service training programme to improve teacher qualifications and competence in the classroom. Mobil was one of the first of 186 signatories to the Sullivan Code governing the conduct of US firms in South Africa

CM+ Tim 4/4/86 280

Anglicans to take stand on sanctions

Staff Reporter

THE Anglican Church's Justice and Reconciliation division will study a resolution calling for international sanctions against South Africa and will make its recommendations in November.

The retiring Archbishop of Cape Town, the Most Rev Philip Russell, said yesterday that a resolution on sanctions passed last year by the South African Council of Churches was being examined by the committee which would make recommendations to the Provincial Synod — the Anglican Church's highest policy-making body.

Archbishop Russell said "the Justice and Reconciliation division may report in favour of sanctions, it may not. The Provincial Synod will then have three options — to support or reject the decision, or to say the matter is too technical and needs to be studied further".

The Anglican Church has more than two million members in South Africa, and support for sanctions could split the church's members — especially if Bishop Desmond Tutu, who called for sanctions on Wednesday, is elected the new head of the church towards the end of this month.

Bishop Tutu's call for punitive economic sanctions against South Africa yesterday drew mixed reaction from business and community organizations.

Mr J R Wilson, president of the South African Federated Chamber of Industries (FCI), said that while Bishop Tutu had doubtlessly expressed the frustrations of many blacks in making the call, the FCI could not support "a unilateral telescoping of the timetable for change to which the bishop himself had been committed".

He said: "Constraint and responsibility are needed by all legitimate leaders within South Africa if serious conflict and human tragedy is to be minimized."

'Regret'

Mr Raymond Parsons, chief executive of Assocom (the Association of Chambers of Commerce), said organized commerce regretted the call.

"Like Bishop Tutu, business has been involved in the process of change for many decades and believes that a growing economy remains an essential condition for evolutionary reform in South Africa," he said.

The Chamber of Moslem Meat Traders (Commtra) yesterday supported the call.

Council looks out for SA links

EDINBURGH — The Edinburgh District Council is tightening up its system of examining contracts by requiring all tendering companies to state if they have links with South Africa.

This follows a report that one of the council's biggest contractors, Sologlas CDW Limited, is a subsidiary of a South African company, Plate Glass and Shatterprufe Industries.

A spokesman for Solaglas said his company had given the council its full details and did not trade with or pay dividends to their South African parent. — The Star's Foreign News Service.

Tutu's plea may spur Congress to new sanctions calls


TUTU

WASHINGTON — The plea for anti-SA punitive sanctions by Bishop of Johannesburg Desmond Tutu could touch off new US congressional pressure for a tougher line against SA.

"Many in Congress view Bishop Tutu as a credible leader and will therefore see his calling for more punitive sanctions as very important," said an aide of the House sub-committee on Africa.

"I think that helps the case (for tougher US sanctions) in Congress very much," she added.

The Reagan administration has rejected Bishop Tutu's plea for additional Western sanctions.

President Ronald Reagan, under heavy congressional pressure, changed tack last year and in a September 9 executive order imposed limited punitive measures which barred bank loans to Pretoria and prohibited the export of nuclear and computer equipment to government agencies.

History could repeat itself this year if sufficient pressure could be generated, congressional aides said.

Congress, with its attention focused on Reagan's aid request for Nicaraguan rebels and budgetary issues, has appeared willing in recent months to give Reagan's SA package some time to work.

But House and Senate aides said Bishop Tutu's plea would help revive congressional concern and prompt new efforts to pass tough anti-apartheid legislation.

Any bill would have to be signed by Reagan. If he vetoed it, a two-thirds vote in both the House of Representatives and Senate would be needed to pass it into law.

Rejecting new sanctions on Wednesday, the State Department repeated a long-standing US argument that such measures "would hurt SA's economy, which is central to the region's stability and a major force for change domestically".

Several bills are pending in Congress, including legislation for a trade embargo and withdrawal of all US investments from SA. The House has scheduled two hearings this month to review the SA situation.

"There will be an assessment at the end of the hearings and a decision made on whether they want to push the disinvestment Bill or decide to come up with something else," the House aide said. — Sapa-Reuter.

Sanctions call meets widespread opposition

The Star Bureau

LONDON — Britain, the United States and white opposition in South Africa have rejected Bishop Desmond Tutu's call for immediate economic sanctions.

The call for sanctions to end apartheid is however in line with the position held by major emergent union groupings in South Africa.

As recently as last December, the Congress of South African Trade Unions made it clear it supported the threat of disinvestment "as an essential and effective form of pressure on the South African regime".

The British Government believes dialogue is more important.

DILEMMA

The Foreign Office says the Bishop has failed to show "international financial and trade boycotts would help to promote peaceful change".

The Reagan Administration has adopted a similar stance.

A Foreign Office spokesman said: "We continue to believe that such boycotts would only make matters worse.

"The important thing is to make every effort to get both sides in South Africa into dialogue as soon as possible in order to bring about fundamental change".

In Johannesburg, Sapa reports, Mr Harry Schwarz, MP for Yeoville and PFP spokesman on Finance, yesterday said his party was opposed to disinvestment in South Africa and said opponents of apartheid "should encourage job creation investment in our country."



Mr Harry Schwarz . . . encourage job creation.

"The nature of the society after apartheid is as important as the abolition of apartheid Those who are committed to peaceful change and want the post-apartheid society to have free-world values should encourage job creation investment in our country and not disinvestment."

● The *Financial Times* in London says Bishop Tutu has posed a dilemma for the opponents of apartheid outside South Africa.

If they ignored him they ran the risk of letting President Botha and his men jump to the conclusion that the outside world was not serious in its opposition to apartheid.

"If they take him literally, they may stir up an already unstable situation in South Africa without furthering their cause. They would also be unlikely to get together concerted and effective action."

Radical sanctions would remove all hope of economic progress in South Africa "which has provided the base upon which the blacks have been able to increase their role in society, however slowly."

Punitive sanctions would also drive many whites into the laager mentality. "The beleaguered do not usually act reasonably."

The Guardian today urged Pretoria to heed men such as Bishop Tutu "before people of a different stamp altogether elbow him out of the way".

Whether the walls would come tumbling down after his call for sanctions was open to doubt, it says. There had been a lull in the international campaign for sanctions after its limited successes of last year

IGNORED

The newspaper says: "One of the most tragic elements in the South African crisis is that the diminishing asset of the restraining influence exercised by people like Bishop Tutu has always been ignored by the authorities, when they have not positively undermined it by repressive action.

"Now such voices have to shout louder and louder to make themselves heard among those calling more stridently than ever for revolution or bloodshed for its own sake

"Even as we watch him running harder and harder to stay in the same place, we know the Bishop will never be a revolutionary."

Many more could die — bishop

The Star Bureau

LONDON — Bishop Desmond Tutu has told Britons that he is not trying to bait the South African Government with his call for all-out sanctions.

"I'm only trying to say that our situation is desperately serious, that we are dealing with matters of life and death," he said in a BBC radio interview yesterday

"More than 1 200 people have died and many more are likely to die unless something very urgent is done quickly."

He said he could not rule out the possibility that the authorities would now take some action against him on a practical level

"But I'm not looking over my shoulder to discover whether I've got approbation or not. I am taking action after reflection and prayer which I hope will help save our country from utter destruction."

Asked what he expected the authorities to do now, he said: "There are several possibilities.

"They could ensure that they remove the troops from the townships — they have not done so really. They could release political prisoners and detainees and allow exiles to come home. And they could begin seriously discussing a new constitution."

The questioner "On the other hand, they could simply detain you?"

Bishop Tutu: "Of course. That is not inconceivable But that will not make the problem disappear If they get rid of me, so what?"

But the authorities would have to take world reaction into account and might see that it was a bad mistake in terms of what might happen in South Africa

Tutu off to see 'our friends' on sanctions

By ANTON HARBER

BISHOP Desmond Tutu will soon be going overseas to talk to "our friends" about his call for punitive sanctions against South Africa.

Speaking after his press conference this week, Tutu said the effect of his call for sanctions would depend on what was done in response by overseas anti-apartheid and church groups. He would be meeting them soon.

Within hours of his press conference, both the United States and British governments rejected his plea.

But Tutu has a large and influential audience in London and Washington and it is widely expected that his call could bring renewed pressure — particularly in the US — for a tougher line on South Africa.

He said his hope lay with the American people, rather than the Reagan Administration. He expressed less optimism about pressure being exerted by the British people on their government.

One of the most striking factors in Tutu's announcement was his hope that sanctions may still be averted.

He said such moves could be avoided if the government acted swiftly to dismantle apartheid. "I would hope that we don't have to implement them. I would hope that we can get down to the business of changing our country."

He was quick to add that he was not "playing games. Our children are dying. How can we stop this?" he said.

Tutu told a packed press conference that he was calling for punitive sanctions because "I have no real hope from this government unless they are forced.

"We face a catastrophe in this land and only the action of the international community by applying pressure can save us.

"Our children are dying. Our land is burning and bleeding and so I call the international community to apply punitive sanctions against this government to help us establish a new South Africa (that is) non-racial, democratic, participatory and just."

Tutu also strongly rejected the argument that sanctions were wrong because they would hurt blacks.

"It is amazing how everybody has become so solicitous for blacks and become such wonderful altruists.

"It is remarkable that in South Africa the most vehement in their concern for blacks have been whites. Very few blacks have repudiated me for my stance.

"They are not stupid. They know if they were going to suffer and they would reject out of hand one who wanted to bring that suffering on them. And yet in the black community my standing is very high," he said.

In a six-page statement, Tutu outlined the attempts he had made to bring change in the last 10 years and what effects this would have.

"For the past 10 years I have attempted to alert the authorities in this land to the dangers to which their misguided and iniquitous policies were exposing our beloved land," he said.

'The people' have the right to hear Mandela speak

STAR

280 7/4/85

Mrs Nomzamo Winnie Mandela can be quoted, legal advisers of *The Star* pointed out at the weekend after studying very thoroughly the exact wording of her "banning" order which appears to be causing confusion about her standing in terms of the Internal Security Act. Staff Reporter JON QWELANE spoke to Mrs Mandela in a lengthy interview.

Q: What are Mandela's views on sanctions against South Africa?

A: Let him come out and tell the people of South Africa what his views are on sanctions. They mandated him to lead them, they have a right to hear him; they have a right to hear his direction, they chose him and other leaders to lead them, (the people) have a right to get that direction from him and not from other people speaking on his behalf.

Q: What are your own views regarding sanctions against South Africa?

A: My own views have always been well known. I have always been quoted as one of those who are calling for sanctions against this country. I have called for total sanctions, mandatory sanctions.

We are asking the international community to assist us in saving the lives Ian Smith could have saved if he had listened during the (HMS) *Tiger* talks

We believe sanctions are the only other open road for us, the only measure that is peaceful. Anyone who says anything to the contrary is a benefactor of apartheid.

One can understand why, those whose pockets are filled with gold from Pretoria's coffers, obviously oppose sanctions and hypocritically pretend sanctions will hurt blacks.

We bury people every day, we see blood flowing around us. With all that is happening, with 100 percent unemployment, with us living in ghettos and owning 13 percent of our land, we are still supposed to suffer when sanctions are applied to



Mrs Winnie Mandela ... we have learnt to abhor the word 'reform' as much as 'apartheid'.

aspect of our lives — we, in the majority.

The whites invaded our country in 1652 and colonised us, they now turn around and say: "If you take over, guarantee the protection of minorities." The insanity of the white man.

What they say about reform, speaking that kind of language, is absolute rubbish which is no longer the language on our lips.

We have knocked on closed doors generation after generation, and now have never been party to that power they are talking about sharing.

We are talking about our power, the people's power.

Q: As you have been seeing Mandela often, what is his vision of a future South Africa?

A: His vision of a future South Africa is the same as it has always been. It is the same as it was on June 12 1964 when he and his colleagues were sentenced to life imprisonment. His colleagues' vision is the same

ate; prisoners cannot negotiate.

Mandela (and his fellow prisoners) cannot be expected to give direction from behind bars; the Government is free to release him in order to hear his views, and he has gone out of his way to invite the State to come and discuss with him behind bars, instead of quoting him and speculating what his views are supposed to be, and sending all kinds of demagogues to see him and then analysing what he has had to say.

But the Government never had any intention to release Mandela. At any rate, they (the prisoners) are not in the least interested about what Botha is doing and saying concerning their release, about the deals linking them with Sakharov and Du Toit.

But anybody who thinks our leaders will be released from jail by the Government is misguided. They will be fetched from Pollsmoor by the people of this country themselves

Q: Have you been involved, as was reported on at least one occasion, by the authorities or someone else like Chief Kaizer Matanzima of Transkei, to assist in efforts to secure Mandela's release or even persuade him to accept the Government's offers?

A: What disproves such reports lies in the treatment that Pretoria has meted out to me. Only in South Africa can a person be prosecuted for coming to their home, as I have been.

It should be obvious then that they could never approach me to send me to my husband with their deals on his re

calling for sanctions against this country. I have called for total sanctions, mandatory sanctions.

We are asking the international community to assist us in saving the lives Ian Smith could have saved if he had listened during the (HMS) *Tiger* talks.

We believe sanctions are the only other open road for us, the only measure that is peaceful. Anyone who says anything to the contrary is a benefactor of apartheid.

One can understand why, those whose pockets are filled with gold from Pretoria's coffers, obviously oppose sanctions and hypocritically pretend sanctions will hurt blacks.

We bury people every day, we see blood flowing around us. With all that is happening, with 100 percent unemployment, with us living in ghettos and owning 13 percent of our land, we are still supposed to suffer when sanctions are applied to this land, when we have suffered so much.

Those whose pockets get fatter and fatter, who get their reward from Pretoria, will talk that kind of language.

Q: What do you think of the Government's proposed "reforms" like the scrapping of the dompas, citizenship for blacks, freehold rights and open CBDs?

A: What Pretoria says is of no relevance whatsoever. Once you mention the word (reform) which we have learnt to abhor as much as apartheid ... we do not speak that language of "reform".

Our leaders went to prison in the first place for speaking reform. They wanted a transitional sharing of power. That alone was some kind of reform in the sense that they were prepared to sit at a round-table conference and understand the white man's obsession, the white man's fear of being swamped by the black tide.

They were prepared to accommodate those fears, they were prepared to accommodate the obsessions (about) the protection of minorities.

The temerity of the white man. He ill-treats the majority, does what he pleases with the majority, prescribes for us our education, living conditions, each and every



Mrs Winnie Mandela ... we have learnt to abhor the word 'reform' as much as 'apartheid'.

aspect of our lives — we, in the majority.

The whites invaded our country in 1652 and colonised us, they now turn around and say: "If you take over, guarantee the protection of minorities." The insanity of the white man.

What they say about reform, speaking that kind of language, is absolute rubbish which is no longer the language on our lips.

We have knocked on closed doors generation after generation, and now Ronald Reagan talks about constructive engagement. The one thing Mandela said to me when he was in hospital (late 1985) was: "Reagan is talking of constructive engagement when we have been constructively engaged for 74 years in the ANC. The man is that much out of step, he is that outdated."

We cannot speak the language of dismantling apatheid step by step. The blacks are going to dismantle apartheid totally, in its totality, in its entirety.

Q: Would that be an all-or-nothing option?

A: Who are they to prescribe the quantity of power we, the majority of this land, want? Who are these white minority settlers, who are they to talk about the quantity of power?

Power belongs to the people, the country belongs to the natives of this land. Those with black skin, black hands — they will determine how that power is shared, and not the other way round.

Q: But will Mr Botha's "reforms" and proposed "power-sharing" lower the level of conflict inside the country?

A: The language of reform is spoken by (Mr) Botha and his clique; it is they who are bothered. We are not interested, we are not party to that. We have never been party to that power they are talking about sharing.

We are talking about our power, the people's power.

Q: As you have been seeing Mandela often, what is his vision of a future South Africa?

A: His vision of a future South Africa is the same as it has always been. It is the same as it was on June 12 1964 when he and his colleagues were sentenced to life imprisonment. His colleagues' vision is the same.

They believe in a democratic South Africa in which the wealth of the country will be shared equally by its people; they believe in the same freedoms for all the people of the country, and they believe in a total democracy free of racism and oppression.

Q: How has the series of bannings — adding to more than a quarter-century of restrictions — affected you and your family?

A: I have not been affected in any way by the restrictions because suffering at the hands of the Nationalist Government is part and parcel of the struggle of my people.

Q: But are you bitter that your life has been restricted for so long?

A: I have often been asked that question, and I never really answer it because it is obvious that (generally) a black person is bitter because we have no other choice, we have been forced to hate.

Q: There have been several moves concerning the release of your husband from prison. Could you go on record about the behind-the-scenes wheeling and dealing regarding the release of Mandela and his colleagues?

A: As he himself stated in February of last year, only free men can negotiate. I am not free, I am not party to what Botha is doing and saying concerning their release, about the deals linking them with Sakharov and Du Toit.

But anybody who thinks our leaders will be released from jail by the Government is misguided. They will be fetched from Pollsmoor by the people of this country themselves.

Q: Have you been involved, as was reported on at least one occasion, by the authorities or someone else like Chief Kaizer Matanzima of Transkei, to assist in efforts to secure Mandela's release or even persuade him to accept the Government's offers?

A: What disproves such reports lies in the treatment that Pretoria has meted out to me. Only in South Africa can a person be prosecuted for coming to their home, as I have been.

It should be obvious then that they could never approach me to send me to my husband with their deals on his release.

My alleged mediation was utter fabrication. Nothing could be further from the truth.

What happened was that Matanzima approached me, and I stated that openly. Matanzima is Mandela's nephew, and throughout the years of their political disagreement they have never lost their blood relationship, they have close family ties.

When Matanzima approached me in Brandfort and asked to see his uncle, I simply conveyed the message that said wasn't it about time he considered coming out to the Transkei as he (Matanzima) was about to retire.

(Matanzima said) one of the last things he wished, was to see to it that his uncle joined him in retirement, and that he had actually gone out of his way to prepare accommodation for him. It was open, and I had nothing to do with Botha or any other official.

Matanzima approached me as he had always done about family matters and by that I am not saying he was not manoeuvred by Pretoria. Because it is quite obvious he never meant what he said then and he had not approached his uncle as his uncle, but as Pretoria's messenger.

Cosatu backs Tutu

By MONO BADELA

THE 500 000-strong Congress of SA Trade Unions has came out in support of Nobel prizewinner and Anglican Bishop of Johannesburg Desmond Tutu's call for the imposition of immediate punitive sanctions against South Africa.

Tutu's call for sanctions follows a warning issued at the Wits education conference three months ago that he was giving the Government until March 31 to dismantle apartheid.

Tutu said at a Press conference in Johannesburg that President PW Botha has not said anything which has made him believe that his Government intends dismantling apartheid.

"I have no hope of real change from this Government unless they are forced to do so. We face a catastrophe in this country and only the pressure of the international community can save us," he said.

Reacting to Tutu's call, Cosatu assistant general secretary Sydney Mafumadi said they supported "all forms of pressures against this racist minority regime".

He said Cosatu believed sanctions were the only weapon which could bring about real change in South Africa.

Mafumadi accused people who said that economic sanctions would lead to greater unemployment of only being interested in maximising their profits.

"They are trying to make a moral issue out of a political one," he said.

● The Reagan Administration rejected Tutu's call for sanctions and said it would not promote change in South Africa.

"It would only escalate the level of violence and polarisation in the country," State Department spokesman Bernard Kalb said.

● The Federated Chamber of Industries said it doesn't support Tutu's call.

"Although he has no doubt expressed the frustration of many black people, the chamber cannot support a unilateral telescoping of the timetable for change asked for by Tutu," chamber president John Wison said.

UDF says: Tutu made right move

By KHULU SIBIYA

THE United Democratic Front – which has more than 600 affiliates – yesterday said it wholly supports Bishop Desmond Tutu's call for punitive sanctions against the Government.

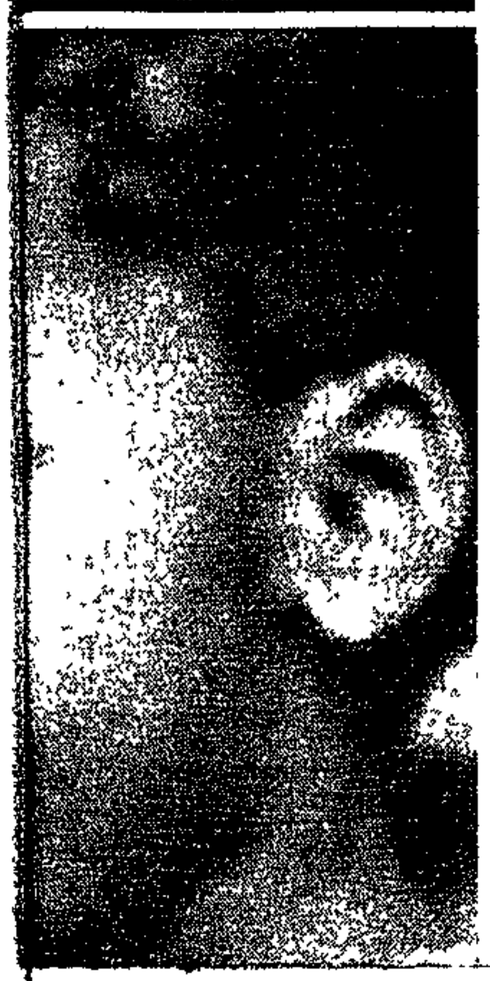
Publicity secretary Murphy Morobe said Tutu's call was not unexpected – "because any reasonable person with vested interest in the status quo, could not have arrived at a different conclusion".

"Having to live from one bloodbath after another is enough to convince anyone of the appropriateness of the call.



TUTU

"The message from Tutu is that we can no longer be appeased by piecemeal solutions to the problems of our country," Morobe said.



● National African Federated Chamber of Commerce PRO Gabriel Mokgopo said Tutu's statement "cannot be dismissed as if it were made by an irresponsible man".

"He must have a strong case and reasons for it."

He said Nafcoc believes investment should consciously, progressively and visibly be channelled into community projects which need development.

Nafcoc's management committee meets on April 21 – and the issue of disinvestment will feature prominently, he said.

★ Page 2 – Cosatu backs the blacks

APRIL ISSUE NOW ON SALE

JULUKA'S SIPHO Fi...
PEACE AT LAST

● MAHOBE'S T...
BOYS TO THE...

● MICHAEL JA...
RICH AND SO...

● IF KELLY C...
IT, IT CAN'T...

Invalid ban permitted Mandela interview

Mrs Winnie Mandela confirmed at the weekend she has been actively campaigning for total economic sanctions against South Africa.

The Star's legal representative explained why the newspaper had decided to go ahead yesterday and publish the Mandela interview.

According to the legal representative the decision was based on an argument that the order restricting Mrs Mandela's movements was invalid, that the ban on quoting her was linked to this order and so was also invalid.

Mrs Mandela, wife of the jailed African National Congress leader, Mr Nelson Mandela, has been restricted for the past 11 years.

On the basis of a recent Appelate Division decision, followed by an Eastern Cape Supreme Court decision setting aside the banning order of community leader Mkuzile Jack, *The Sunday Star's* legal representatives decided the restrictions placed on Mrs Mandela were also invalid, lawyer Mr Peter Reynolds said.

Someone who, like Mrs Mandela, started off as a person restricted under Section 19 of the Internal Security Act, was automatically placed on the "consolidated list" and may not be quoted.

If Mrs Mandela's banning order was invalid, then putting her name on the consolidated list was invalid and therefore she could be quoted, Mr Reynolds said.

● See Page 6.

CAPE Times 9/4/86 280

More demos at US campuses

Own Correspondent

WASHINGTON. — Renewed clashes between anti-apartheid demonstrators and police are brewing at the University of California's Berkeley campus as more than 1 000 demonstrators yesterday blockaded administration buildings to protest against the university's $2,4 billion (R4,9 billion) investment in firms with South African ties

Five students were arrested while defending a symbolic shantytown at the University of North Carolina, and in Madison, Wisconsin, there were scuffles between protesters and police trying to demolish shacks.

At Purdue University, where 22 students were arrested at the weekend, officials rejected demands that they disinvest

Tension was also mounting at the University of Michigan where anti-disinvestment groups poured petrol on protest shanties and set them alight.

The most violent clashes thus far have been at Berkeley where 155 demonstrators were arrested last week in mêlées that left 22 police and 11 students injured as authorities tried to remove shanties they said were a fire hazard.

A spokesman said there would be more arrests unless demonstrators lifted their blockade of the university's main office block.

Tutu comes under fire

EBRAHIM MOOSA

MANY Anglicans "dissociated" themselves from the call of the Bishop of Johannesburg, the Rt Rev Desmond Tutu, for punitive sanctions against SA, Ralph Hardingham (NRP, Mooi River) said in the House of Assembly yesterday.

Speaking during the Second Reading Budget debate, Hardingham said there were "many Anglicans who felt left out by the statements of the bishop who had tended to alienate the parishioners of his church".

Earlier, Kleppies Heyns (NP, Vasco) also criticised Tutu for his call for sanctions.

Tutu spent much of his formative years in Western capitalist democracies and had been disillusioned by them and therefore declared himself a socialist, he said.

He said: "The measures would be unreasonable and ineffective".

Dr Crocker was joined in his opposition to the move by senior Treasury and Department of Commerce officials.

The seven-part sanctions Bill has been introduced in the House of Representatives by Democratic Congressman Ron Dellums of California, who told the hearing that Bishop Desmond Tutu had risked charges of treason in calling for economic sanctions.

He asked how Congress could fail to respond to such a call.

But Republican Congressman Robert Dornan, a fellow Californian, warned that too much pressure from the US could precipitate the bloodbath that the Democrats feared in South Africa. He said Americans had to walk a tightrope over the issue.

Landing rights

Among the provisions in the Bill are a total ban on any US investment in South Africa; compulsory disinvestment within 180 days; a ban on the import and exports of goods and information between the countries; prohibition of landing rights in the US for South African aircraft; and a ban on US tax credits for Americans paying taxes in South Africa.

The provisions are so wide that even staunch critics of South Africa doubt that the Bill will go beyond the committee stage. But some of its measures could be attached to milder Bills later this session.

Dr Crocker said of the Bill: "The only real victim of such measures would be ourselves, our exporters and our workers.

"The ban would unnecessarily preclude access to South African minerals and resources, some of which are significant to our national security and not readily available from other sources. That would serve no national purpose."

Investment 'cut by R2,6-bn'

WASHINGTON — United States companies have cut in half their investments in South Africa since 1981, pulling out about R2,6 billion because they have weighed the increasing risks facing them, officials of President Ronald Reagan's administration told Congress yesterday.

Dr Chester Crocker, Assistant Secretary of State for African Affairs, told members of the House Foreign Affairs Committee that further US sanctions against South Africa were not needed and could be harmful.

"The marketplace itself is exercising a variety of pressures, pressures based on the marketplace's own judgment of risks and of the future," said Dr Crocker. — Sapa-Asociated Press.

sanctions call

Reagan's men oppose new

Crocker warns against ugniening screws

By Neil Lurssen, The Star Bureau

Washington

President Ronald Reagan's Government yesterday firmly opposed a move in Congress for tough new sanctions which would virtually isolate South Africa from the American economy.

United States Assistant Secretary of State for Africa Dr Chester Crocker told a joint committee hearing that the plan would pose serious and dangerous risks for South Africa; would not lead to reform; and would mean substantial economic losses for US firms.

Cape Times 10/4/86

RAU AACSA members 'anti-SA'

JOHANNESBURG. — Members of the American Advisory Committee on South Africa (AACSA) have been criticized by the Institute of American Studies at Rand Afrikaans University (RAU) as being active in anti-South Africa programmes in the United States.

A memorandum from the institute said committee member Mr Owen Bieber, president of the International Union of United Auto Workers, was involved in the boycott of Shell products because of the company's involvement in South Africa.

The institute said Mr Bieber had taken part in demonstrations outside the South African Embassy in Washington.

It also noted that a member of the Bureau for Public Diplomacy, a group also mandated to investigate changes in South Africa's internal policy, Mr Douglas Holladay, has said the bureau must find new ways to engage US energies in the struggle for change in South Africa. He has asked for a diplomatic posting to South Africa.

The 12-member committee was appointed in September by the US Secretary of State, Mr George Shultz. — Sapa

Suzman calls on govt to 'get up off its butt'

PROGRESSIVE Federal Party MP for Houghton Helen Suzman said yesterday she would not go on fighting against disinvestment and sanctions unless government took positive steps to dismantle apartheid.



● SUZMAN

Speaking in the Budget debate, she said she had not changed her attitudes about sanctions and disinvestment but that "I will not go on fighting for a lost cause unless the government gets up off its butt and does away with apartheid.

"I can tell Honourable Members it is a totally lost cause these days to campaign overseas against sanctions and disinvestment."

Suzman said it was becoming clearer as the parliamentary session proceeded that National Party MPs "live in their own dream world, insulated against the pressures mounting up from inside the Republic and also from outside SA.

"Government members are apparently blissfully unaware that if the present trend continues, South Africa will end up internally in a situation approximating that of Northern Ireland and, externally, effectively isolated from the entire Western world."

Another delusion which apparently lulled government into a sense of false security was their conviction that the world was not really serious in its threat to impose sanctions.

NP members were still relying on their long-held belief that the country's importance to the Western world — as a bastion against communist imperialism, and its vital sea route — would protect it against punitive action.

They were ignoring the fact that the European Community delegation last year called for stronger measures against SA, that US congressmen who had paid a similar visit recently were determined to tighten restrictions, and that the report of the Commonwealth Eminent Persons' Group was likely to be unfavourable, she added.

"I would also lay odds that US President Ronald Reagan's advisory committee will not find much to gladden their hearts during their stay here," she said.

Government should also not lapse into a stupor of false security because the US State Department and the British government had rejected the Rt Rev Desmond Tutu's recent call for disinvestment and economic sanctions.

Pass arrests

Suzman said she had been warning government for seven years that SA would be engulfed by a tidal wave of punitive measures unless it, at least, desisted from outrageous and provocative actions and started to dismantle apartheid.

"For the last time I make that appeal again," she said, and called for, among other things, a halt to pass-law arrests; a moratorium on influx-control, which government has said would be abolished in July; the release of political detainees; and the abandoning of consolidation proposals, which belonged to the "discarded Verwoerdian nightmare".

She said although Parliament was already into the second half of this year's session, the only positive action government had taken so far was opening central business districts in some cities.

"... We are involved in a low-key civil war, with young blacks convinced that victory is around the corner if only they can keep up the pressure." — Sapa.

BP chairman calls for more investment in SA

By AUDREY D'ANGELO

ECONOMIC factors are hampering progress in SA and help is needed from the outside world to meet the high cost of reform, the chairman of British Petroleum SA, I J Sims, said last night.

Sims, a New Zealander who has been in this country for 10 years, pleaded for more overseas investment in SA rather than less.

"Given the world's help, SA in the year 2 000 could provide a model of first and third world partnership," he said.

"This country needs to provide jobs, education and housing for all its people

"I can see SA evolving a political system suited to its circumstances, balancing the needs of its developing third world citizens with those of its first world creators.

"I can foresee the growth in numbers of black professional managers and entrepreneurs who will increasingly join the ranks of their white compatriots in lifestyle and aspirations."

Sims was speaking to an international audience at the Nederburg wine auction dinner.

Turmoil

He said the move towards change was not a new phenomenon and the current turmoil was caused by hope, not despair.

But "to succeed, the reform process here needs more investment, not less More freedom of trade and association, not sanctions. Not disinvestment and definitely not isolation.

"The truth is that economic factors are at present hampering progress Reform needs a healthy economy if violence and ultimately revolution or tough oppression are to be avoided.

"Unemployment is a major cause of black unrest. It also provides fertile soil for demagogues of the left and right who, if they succeed in engineering change of their design, will not provide a freer SA but a less free society."

Sims said that "once the legislated racial discrimination that still exists is done away with, the tremendous human potential that still exists in SA can be unleashed to create jobs

"For this to succeed, we need international support and a healthy economy.

"Massive sums of money are needed to equalize education, to provide training, to create employment opportunities and housing."

Sims said it was South Africans themselves who had brought apartheid to the world's attention over the years.

"SA's own traditions of a free press and an independent judiciary have prevented the country from becoming a closed society."

The process of change had been "gathering momentum for 10 years at least

Aspirations

"With it also has come a rising tide of black aspirations, hopes and passions which understandably from time to time boil over.

"Indeed, this is an inevitable part of the process of change.

"Also inevitable is that the pace of change will be too slow for some and too fast for others."

The ferment of debate in SA was the result of changes taking place "and the expectation of more to come — and come it will.

"Yet, ironically, this process is now being hampered by economic factors not entirely of SA's own making

"South Africans need help to speed up change.

"Indeed, the concern of the world is helpful if it is positive and helps move aside the roadblocks thrown up by those at the left and the right, whose objectives do not coincide with the peaceful goals of power-sharing and equality."



Bishop's view on sanctions 'strange'

It was strange that Bishop Tutu regarded economic sanctions against South Africa as justifiable but referred to moves to divest from his own church as economic sabotage, the Deputy Minister of Information, Mr Louis Nel, said yesterday.

Addressing a meeting of the Furniture Traders' Association in Johannesburg, he said Bishop Tutu would have to explain to those who would be affected by economic sanctions what it would be like to be unemployed.

The Government believed that peaceful negotiation formed a key element in the future of the country because it would bring about reform which in turn would bring about hope, Mr Nel said. — Sapa.

MOTOR AUCTIONS

Anti-SA bills rejected by 2 US states

SIMON BARBER

WASHINGTON — State-level disinvestment proposals suffered setbacks in Florida and Connecticut this week as legislators rejected bills that would have required the sale of all portfolio stock in firms that do business with SA.

The Retirement Committee of the Florida House of Representatives gutted legislation that would have forced the state's pension fund to sell more than R4bn worth of stocks in 141 SA-related companies, 13 of which have not signed the Sullivan fair employment code.

In a 10-1 vote, the panel opted instead to urge all the companies to abide by the code. Shares in those still refusing after two years might be sold if it could be done without financial loss to the state.

The Connecticut Assembly's finance committee voted 20-14 against a total disinvestment plan that would have required the sale of about R900m of stock.

State treasurer Joan Kemler told the committee a move to total disinvestment would cost at least R83m in losses and transaction fees, and would severely limit investment options.

'These are SA's most exploited workers ...'

ZB MOLEFE

THE plight of South Africa's farm and domestic workers has been highlighted by the International Union of Food and Allied Workers' Association

The executive committee of the association, which has 214 trade unions affiliated to it and more than 2.2-million members worldwide, recently expressed concern about the workers after a meeting in Geneva, Switzerland

"Farm workers and domestic workers are still unrecognised as workers in terms of South African labour legislation," said the IUF. It demanded that these workers be protected by South African labour legislation

The IUF welcomed the creation of the Congress of South African Trade Unions, which it said "has brought into being the most representative national labour organisation in the history of South Africa".

The organisation slammed attempts to "combat the growth of representative, democratic and nonracial trade unions by organisations such as the Inkatha movement".

The IUF accused Inkatha president and KwaZulu Chief Minister Gatsha Buthelezi of "seeking to substitute loyalty to tribal politics and to his personal leadership for the loyalty each worker owes to his class and to the labour movement as a whole".

The recent violence against trade unionists also came under fire from the IUF: "We also note with anger and horror the reports of assassinations, torture and imprisonment of unionists and democratic activists in the so-called 'homelands' of Transkei, Ciskei and most recently Bophuthatswana," it said

'Step up the pressure against SA'

A TRADE union organisation with more than two-million members worldwide has called for an end to foreign investment in South Africa.

The International Union of Food and Allied Workers' Union, which met in Geneva recently, accused governments which were encouraging investment in SA of "complicity in the crisis facing South Africa".

The IUF also condemned the "uneven response" from some South African trade unions to calls for international action against apartheid.

"There are no more than a handful of governments and trade union organisations that have acted against SA on their proclaimed principles," said the IUF.

Victim of sanctions



Pauline Mbatha . . . "Now my children have become a burden to me"

Sunday Times Reporter

A YOUNG black mum has felt the bite of sanctions — and now she's walking the streets looking for a job because of an international company's decision to quit South Africa as a political protest.

Last year, mother-of-two Mrs Pauline Mbatha, 34, was enjoying her second year as a clerk for the Scandinavian airline, SAS.

Then came the crunch — the company decided to heed sanction calls and leave South Africa.

Cried

A distraught Mrs Mbatha, the only black employee among those axed, was told she would lose her job at the end of September.

When she asked her employers to allow her to work until the end of the year on a temporary basis, they agreed.

"I enjoyed my job so much that I had not even considered looking for other work before then," said Mrs Mbatha last week.

Protest pullout means debt and destitution for jobless black mum and her children

"When I was told that the company was closing down and I was one of the people facing retrenchment, I just couldn't stop crying.

"I begged my employers to keep me on a temporary basis until the end of December — and then tried hard to save.

"I kept praying that January wouldn't come, or that the decision would be reversed.

"New Year's Eve was not a happy event. I kept thinking of the year ahead. And for the first time in my life, my children became a burden to me."

Now life is a continual struggle for the attractive Pimville woman, who is a single mother of two girls, aged 11 and 13.

All she wants is a job so that she can afford to pay the bond on her house and feed her family.

"I just do not know what to do right now," she said.

"I do not need sympathy. All I need is a job so I can care for my children."

"I am in deep debt. The monthly commitment on my house is R64, excluding electricity and water. And I do not want to lose it."

Confused

She also has to worry about paying a R150 grocery bill every month.

Mrs Mbatha said life had been comfortable during the 30 months she worked for the Scandinavian airline in Johannesburg.

"I was looking forward to the future, when my bond would be paid off."

She said the retrenchment had affected six people. When she had lost her job, her employers had promised they would help her to find another.

"But I have tried every company, and nothing has come of it.

"I just hope that the Lord will smile on me. And that this whole political problem facing the country will come to an end so that we can live a good life."

Pauline said she did not understand what sanctions were about.

It made no sense to her, she said, that international companies were being urged by black leaders like Bishop Desmond Tutu to pull out of the country as part of orchestrated pressure to bring about political change.

"I do not understand politics. I just want a job. What matters to me is the future of my children and keeping our home."

Mr V Bakken, general manager (Southern Africa) of SAS said the Scandinavian airline had stopped its operations in South Africa in September last year.

"We are now left with small sales and service offices manned by three whites and a black man.

"It is basically for people interested in visiting the Scandinavian countries.

Bitter

"Mrs Mbatha was supposed to have stopped working for us at the end of September, but she pleaded with me to keep her until the end of the year. I agreed because I felt sympathetic towards her when she told me her financial problems.

"I did not have any use for her really, but I kept paying her a full salary.

"I made it clear to her that the measures we had taken to retrench workers were a result of changes in our company and there was nothing we could do," he said.

Meanwhile, Mrs Mbatha — still uncertain about the ins and outs of sanctions — has learnt from bitter experience what the consequences can be

Inkatha a target — Buthelezi

Own Correspondent

DURBAN. — Chief Mangosuthu Buthelezi has warned of plans to stage violent confrontations in KwaZulu/Natal before June 16, with Inkatha as the main target for enemies of negotiated peace for South Africa

He called on all who rejected disinvestment — and the starvation and increased unemployment it would bring — to turn out at Durban's King's Park Stadium on May 1 for the launching of the United Workers' Union of South Africa (Uwusa).

Blamed

In his presidential address to Inkatha's central committee on Saturday, Chief Buthelezi blamed President Botha's intransigence and inability to face real reform for the emergence of the pro-disinvestment Congress of South African Trade Unions (Cosatu), which Uwusa will oppose

However, he strongly criticized 'fashionable white super-liberals' and those white-owned newspapers who castigated Inkatha for defending itself against attacks instigated by anti-democratic forces and who helped create a climate of "ANC euphoria".

They were behaving like mobs which egged people on to commit suicide by jumping off tall buildings

Chief Buthelezi said there was no outcry when the UDF and Azapo killed each other and when the ANC Mission-in-Exile ordered blacks to kill fellow blacks.

Expectations

However, whenever ordinary black people resisted the politics of violence and intimidation, Inkatha was blamed bitterly.

"We are expected to behave so that we do not contradict white liberal traditions, whereas those same white liberal traditions lead to our castigation by some of the clergy, the Black Sash, Nusas, the SACC, Diakonia, university groups and the like," he said

If white society did not do something about the government, and if white liberal opinion tried to use Inkatha as a smokescreen for its failure, they should not expect Inkatha to bear the brunt of their failures, he said.

Certain white-owned newspapers expected Inkatha to bear the brunt of attacks against democracy without retaliating.

When supporters of the UDF killed those of Azapo, and vice versa, it was reported as a political fact.

When Inkatha defended itself against Azapo and the UDF, however, it was accused of committing hideous crimes against humanity and the forces of democracy. This state of affairs could no longer be tolerated, said Chief Buthelezi.

He recalled having told the KwaZulu Legislative Assembly last week that he was sceptical about whether whites had learnt anything This was because they were doing nothing to halt the State President's blundering into a political abyss and were allowing Mr Botha to drag South Africa down by his refusal to address fundamental issues.

"We will perish if we sit and wait for the State President to make meaningful moves which will defuse the violence in South Africa ... I do not exercise my leadership with the prime objective of perpetrating it (to) perish in the pursuit of futility," said Chief Buthelezi.

Gets rough

"I lead to win. When the going gets rough, I will get rougher. When courses of action, which are imperative for survival, have to be adopted, they must be adopted, even at great risk."

Chief Buthelezi called on the Inkatha Central Committee to "exceed all the bounds of duty to the movement" by ensuring that people were at the launching of Uwusa at King's Park on May 1 in their tens of thousands.

The mass meeting had to be such a resounding rejection of disinvestment and the destruction of the economy that its message would reverberate around the world.

Changes needed to keep US firms in SA

15/4/86 STAR

By Richard Walker

DETROIT — American corporations should stay in South Africa to press for an end to apartheid, but they feel they could eventually be forced out unless Pretoria makes major changes, according to a leader of a group of major company executives.

Mr W Michael Blumenthal, chairman of Burroughs Corporation, said in an interview that US firms have had a positive impact in lobbying the South African Government to move away from white supremacy and racial separation.

Mr Blumenthal, former Treasury Secretary under President Carter, was co-founder last year of the US Corporate Council on South Africa, which has enlisted more than 100 chief executives of major firms to press for expanding the political and economic rights of black South Africans.

"The influence we have is more than miniscule. I don't think the South African authorities or economy would like to see us pull out," he said

However, Mr Blumenthal said US companies could not wait indefinitely for Pretoria to eliminate the major elements of apartheid because the conflict between the Government and the black majority would worsen without such changes.

'Ripple effect'

"Sooner or later, forces will be unleashed, whether we like it or not, that will make it inevitable that people will have to leave if something hasn't changed significantly."

State President Botha appeared to offer new hope in the past few months, he said, but it was up to Pretoria to back up its statements with action.

Mr Blumenthal said declarations against apartheid by his corporate group — which includes chief executives of industrial giants like General Motors, IBM Corporation and Dow Chemical — had caused a "ripple effect" on firms in Europe and Australia that influenced their stance on South Africa.

The group's actions had also had a "significant psychological impact" in supporting business leaders in South Africa who were pressing their Government for sweeping changes, he said.

Asked under what conditions he might change his view, the Burroughs chairman said it would be a "telling sign" if Mr Botha's Government slowed or stopped a trend towards "total elimination of the critical elements of apartheid".

Burroughs last year revealed it had drawn up contingency plans for withdrawing from South Africa if the conflict over apartheid worsened.

However, he said he would "strongly resist" setting a deadline for pulling out of the country. — Reuter.

"THE VITAL VIEWPOINT"

AT&T to sever SA links

SIMON BARBER

WASHINGTON — American Telephone & Telegraph, one of America's biggest corporations, will today announce a private boycott of SA.

The ominous move by a major multinational organisation covers communications, computers and minerals.

The private embargo is being brought about by only five employees who had intended introducing a shun-SA proposal at today's annual meeting in San Francisco.

AT&T PRO Edward Brock said last night: "We're not trying to look sanctimonious. This isn't a cheap publicity stunt."

At the meeting the company will announce a boycott on all dealings with SA. This includes contracts with Impala Platinum, worth $5,5m last year, for platinum and palladium, which will not be renewed at the end of next year.

Only the handling of international telephone calls is exempt from AT&T's imminent boycott ruling.

Physicist Barbara Wilson, one of the five employees who threatened to propose similar sanctions at the annual meeting, said last night she was amazed at the multinational corporation's decision.

AT&T is also believed to have been under pressure from the Communications Workers of America. The labour union represents many of AT&T employees and has come out in support of a total embargo against SA.

Block said all sales to and purchases from SA would cease and a contract with Olivetti, allowing the Italian company to distribute AT&T computers in SA, would also be terminated.

An Olivetti Africa spokesman said yesterday his company was not aware of AT&T's impending decision and could not comment until he had been fully briefed by head office in Italy.

AT&T holds a 25% share in Olivetti.

The US company has no plant, sales office or employees in SA and, said Brock, computer sales through Olivetti were negligible.

An Impala spokesman said last night that AT&T's decision was "disappointing but not really significant," ALAN RUDDOCK reports.

AT&T's volume requirements were low so it would not be too difficult for it to source its supply elsewhere — probably from the Soviet Union, he added.

He said that the basic telephone service between the US and SA would not be affected but special services, including data transmission and tele-conferencing, would be dropped.

The Department of Posts and Telecommunications could not be reached for comment yesterday.

AT&T has decided not to divest its in-house pension fund of stocks in SA-related firms but will set up a new SA-free fund for employees who want it.

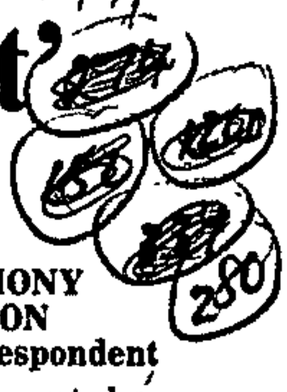
Anti-apartheid activists hailed the move as a watershed.

Tim Smith, head of the Interfaith Centre on Corporate Responsibility in New York, called the move "terribly important ... it's going to put pressure on a lot of other companies".

Until now the only major US firm to take such a step was Phibro-Salomon which announced last year it would refuse to handle SA minerals or underwrite loans to SA.

Storm over 'rent' bill

Cape Times 11/4/86



By ANTHONY JOHNSON
Political Correspondent

THE government has run into a storm of protest over a controversial new bill aimed at breaking rent boycotts in black communities by forcing employers to deduct money from workers' wages to pay local authorities.

The Black Local Authorities Amendment Bill, tabled in Parliament yesterday, was condemned by the Progressive Federal Party as a "highly dangerous" measure that that was likely to spark industrial strife and increase unrest.

The leader of the Labour Party, the Rev Allan Hendrickse, has slammed parts of the bill as "discriminatory" and "totally unacceptable".

'Vow'

Opposition parties have vowed to fight the proposed legislation — the brainchild of Mr Chris Heunis — "tooth and nail" once it reached the Standing Committee on Constitutional Development.

Clause 13 of the proposed law empowers black local authorities to force employers to pay outstanding rent and service charge payments owed by their employees "out of any salary or wages".

This applies both to employees of major firms as well as domestic workers.

Should employers fail to pay, "a warrant of execution against the movable property of an employer for the recovery of any amount which he fails to collect . . . may be issued by a magistrate".

Failing this, a debtor is liable to lose both movable or immovable property.

Another section of the bill that has provoked fierce opposition is Clause 11, which allows any person appointed by a local authority to be "deemed to be a police officer or police official".

Mrs Helen Suzman said Clause 11 was "very dangerous" in that it gave wide powers to "untrained and undisciplined" persons to exercise the duties of a

ing an international campaign to block the pay- ciated Press

Irish ban on SA fruit 'unworkable'

DUBLIN — The Irish Government's plan to ban the import of South African fruit and vegetables next year was unworkable, the head of Ireland's largest fruit importing firm said here yesterday.

Mr Neil McCann said that for the ban to be effective it would also have to be imposed by Britain and the European Economic Community.

But, he said, there was not the remotest possibility of the British Government taking such action

Mr McCann said the proposed ban, however well intentioned, posed serious problems for the trade and the consumer as South African produce would still find its way to Ireland

The likely outcome was a shortage of certain fruit and higher prices in the shops — The Star's Foreign News Service

Yale suspends, then arrests anti-apartheid students

NEW HAVEN (Connecticut) — Yale University placed dozens of students protesting against apartheid on interim suspension yesterday, then arrested them and several supporters for blocking the entrances to a school building.

It was the third day that students, faculty members and labour leaders have been charged in non-violent demonstrations over the university's financial holdings in companies that do business in South Africa.

Since Monday, city and Yale police have arrested more than 100 people, most charged with disorderly conduct or criminal trespassing Students estimated the number suspended at 60, and the number arrested at 65. Yale and New Haven police said they did not immediately know how many arrests were made

A student, Mr Matthew Countryman, said the students were demanding an emergency meeting of the school's governing board, the Yale Corporation, to consider divestment. Yale's president, Mr Bartlett Giamatti, said an emergency meeting was unlikely.

The school holds up to R800 million in stocks in companies that do business in South Africa, but Yale says it holds stocks only in companies that abide by the Sullivan Principles. — Sapa-Associated Press.

US no to Nicaraguan rebels

WASHINGTON — President Ronald Reagan's Republican supporters have voted with opposition Democrats not to resume United

US banks issue apartheid warning

The Star Bureau

WASHINGTON — American bankers favouring business ties with South Africa yesterday issued a blunt warning to the Government — get rid of apartheid, or no more money.

The bankers said Pretoria had to make visible changes and implement power sharing before new financing would be made available. But the banks did not specify how this had to be done.

Said the vice chairman of Morgan Guaranty Trust Company of New York, Mr Rodney wagner: "We would like to see significant changes. We find it difficult to define exactly what these changes should be.

"And we find our leverage is perhaps stronger by not defining it, by saying to the South African Government: 'We will wait and see what you do and then make judgments on what you produce. But as of this point, there is no contemplation of any money'," he said.

Mr Wagner and two other bankers — Mr Gordon Phelps, senior vice-president of Citibank, and senior vice-president of Manufacturers Hanover Trust Company Mr John Zutter — were giving evidence at a Congressional hearing.

Said Mr Phelps: "We feel there must be an absolute end to apartheid.

"There must be a process that will allow all citizens of that country to have an equal voting opportunity. And there must be minority rights protection also."

Answering questions on South Africa's debt moratorium and partial re-scheduling of debt, the three bankers said they had stopped loans to the SA Government long before President Ronald Reagan forbade them last September.

"Nobody is making loans to South Africa right now. With the moratorium in place and with the negotiations we've had (with Pretoria), it is at an absolute dead standstill," said Mr Wagner.

South Africa still owes American banks about $3,3 billion (R6,6 billion) and has total external debt of $22,5 billion (about R45 billion).

17/4/86 BUSDAY

New tactic in divestment campaign

New York state plans fresh anti-SA moves

SIMON BARBER

WASHINGTON — New York state is using its voting rights as a $28bn investor to push for divestment from South Africa at annual stockholder meeetings, the state's chief financial officer Edward Regan announced yesterday.

He said he would vote in favour of resolutions calling for companies, including IBM, Citicorp, Burroughs and Mobil, to withdraw from SA. "Private enterprise and the racist practice of apartheid cannot coexist," he added.

The state's pension fund has $8bn invested in firms which do business with SA, $1,5bn of it in firms at whose meetings Regan intends to use his proxy.

The move represents a new tactic in the state-level divestment debate, but does not seem intended to achieve its stated goal.

Regan, a Republican up for reelection this year, helped block legislation earlier in the year which would have stripped the pension fund of investments in SA-related firms.

He argued that such divestment would cost the fund between $465m and $840m, and would be a breach of trust with its 770 000 present and future beneficiaries.

Meanwhile, in Wisconsin, four Republican candidates for governor have agreed, at a public forum, on their opposition to divestment, and criticised the incumbent, Democrat Anthony Earl, for refusing to remove protesters from the steps of the state legislature more promptly last week.

Madison, the state capital, has been the scene of anti-apartheid demonstrations and arrests in recent weeks, but each of the candidates appeared unmoved.

One of them, Tommy Thompson, the State Assembly's top Republican, spoke for the group when he said: "Let's help the poor, let's help the blacks, but let's not divest. That's not the answer."



Harry Belafonte, left, and Dali, son of ANC leader Mr Oliver Tambo, together at the launch in London this week of Artists Against Apartheid.

280 Cape Times 17/4/86

Artists Against Apartheid movement formed in UK

From
MARGARET SMITH

LONDON. — A group, Artists Against Apartheid (UK) was formed here recently with formidable backing from local musicians.

Their chief aim is to ban musicians and groups from appearing in South Africa — or in states such as Bophuthatswana — and also to prevent their records from being released in South Africa.

Well known US human rights activist and former singer, Harry Belafonte gave the opening address in which he appealed passionately for support to isolate South Africa culturally.

In his speech he made clear his stand and that of the artists supporting the new movement when he said: "Until South Africa has one man, one vote, our work in the international community will never stop."

The political orientation of Artists Against Apartheid was quite clear from the emphasis of the speeches and some of the people who attended the launch.

Chief organizer was Dali Tambo, young son of Mr Oliver Tambo, president of the African National Congress (ANC).

On the platform was a representative of Amandla, the cultural wing of the ANC and among the guests was Mr Solly Smith, London representative of the ANC.

In fact, in his opening address, Mr Belafonte went so far as to claim that "the ANC is the legitimate voice of the people of South Africa".

He spoke of the difficulties which faced his anti-apartheid organization in America, Athletes and Artists Against Apartheid.

But once it took off it has gathered momentum at "a tremendous rate," drawing some of the very top Americans in their fields into active support.

He pledged their help to the new UK organization.

Very soon, he predicted, no artists would be willing to appear in South Africa or in Sun City, no matter what the financial inducement.

"Today we have gained more momentum than we ever dreamt of and we are part of a world alliance."

Earlier, in opening the meeting, Dali Tambo spelt out the organizations aims. He said these were:

- To promote the use of culture in the campaign to isolate South Africa.
- To spread the boycott not only to musicians and groups but to their recordings as well.
- To increase anti-South African publicity through music, concerts and recordings.
- To give what aid they could to South African artists.

Among those who have pledged support to Artists Against Apartheid are Simon le Bon, Sir Richard Attenborough, Bob Geldof, Elvis Costello, Madness, Hugh Masekela, Dizzy Heights, Dire Straits and UB40.

Plans for a benefit record and concerts were also announced.

Spotlight on multinationals

STAR 18/4/86 18/4/86: STAR

By Gary van Staden, Political Reporter

All aspects of international corporate involvement in South Africa will come under the spotlight today at a conference in Johannesburg.

The conference will be addressed by the South African Ambassador to Britain, Dr Denis Worrall, the United States Ambassador here, Mr Herman Nickel, Dr Nthato Motlana of the Soweto Civil Association and Mr Allan Nelson, a leading disinvestment lobbyist in the US.

The conference will be chaired by Mr Christopher Tugendhat, chairman of the Royal Institute of International Affairs.

The conference will also involve two panel discussions on socio-political and economic issues.

The conference's major themes include:

- South African Government reform initiatives — do they meet corporate requirements?
- Political and public concern overseas.
- Constraints placed on international corporations.
- The importance of and effectiveness of corporate policies and their employment practices.
- Corporate responsibility versus bottom line economics.

SA cleric fasts to end investment by varsity

The Star Bureau

WASHINGTON — A Cape Town priest, Father Basil van Rensburg, who is on a year's sabbatical at the University of Notre Dame, Indiana, has entered the ninth day of a fast to pressure the university to disinvest from South Africa.

Father van Rensburg intends to keep up his water-only fast for three more weeks — until the university's board of trustees discusses sanctions on May 9 and 10.

He said: "Until the university disinvests, it has chosen to identify with the white establishment, its corporate institutions and State agencies." The agencies, Mr Van Rensburg added, included the police and military.

LONG DEBATE

His fast has drawn attention and publicity on campus and in the nearby town of South Bend. Notre Dame has been debating the question of disinvestment for several years.

A past campus referendum showed that 70 percent of faculty members and 48 percent of students favoured disinvestment.

Thirty-three percent of the students voted for the status quo — retaining holdings in US companies doing business with South Africa in terms of the Sullivan principles of equal and fair labour practices for all races.

Notre Dame is believed to have such ties with about 30 corporations.

Catholic Church may back disinvestment campaign

Blessing for boycott?

19/4/86 STAR 280

By Winnie Graham

The Roman Catholic Church of South Africa is on the verge of backing the disinvestment and sanctions campaign.

The Catholic Bishops Conference has instructed its administrative board to make arrangements for an extraordinary plenary session in May when the matter will be discussed and a decision taken.

The church has indicated it will formulate its policy at the special plenary session. Catholics have been invited to make their views known to the conference.

In an explanatory paper to members of the church, the general secretary of the Catholic Bishops Conference says that while the matter was still open to dialogue "we see no choice but to envisage forms of non-violent action such as passive resistance, boycott and economic pressure to move our country away from its present state of racial conflict and set it firmly on the road to justice and full participation for its inhabitants in the structure of government".

"We came to a firm conclusion that violence is becoming so characteristic of our country that unless an alternative way of bringing about change is found, the country will be devoured by violence.

"We admit, of course, that non-violent measures cannot be pursued without suffering — the suffering of increased unemployment and economic distress or the suffering from forceful State reaction. Suffering can hardly be avoided. We dread what this may mean for many people," the paper reads.

"We beg people to consider this may be the only alternative to uncontrolled violence."

● The Vatican has sent a message of solidarity with the Roman Catholic Church in Southern Africa in its struggle against apartheid.

● The Catholic Archbishop of Durban, the Most Rev Denis Hurley who led a Catholic Church deputation in talks this week with the African National Congress in Lusaka, said yesterday he accepted the ANC was not communist, but at the same time recognised the dangers of it working with communism.



Catholics to back Sanctions?

W/C ARGUS 19/4/86

280

tions ?

Hurley : 'Rapport with ANC'

Weekend Argus Correspondent

JOHANNESBURG. — The Roman Catholic Church is on the verge of throwing its full weight behind the disinvestment and sanctions campaign against South Africa.

The Catholic Bishops' Conference has instructed its administrative board to make arrangements for an extraordinary plenary session in May when the matter is to be discussed and a decision taken.

The Church, hesistant till now to make a stand, has indicated that it cannot postpone a decision much longer and will formulate its policy at the special plenary session. Catholics have been invited to make their views known.

If the CBC calls for sanctions the Catholic Church will become the first church in South Africa to give its support to the campaign.

Bishop Desmond Tutu earlier this month appealed to the international community to apply punitive sanctions. However, Bishop Tutu was speaking for himself and not for the Anglican Church.

Passive resistance

An explanatory paper to members of the church stated: "We see no choice but to envisage forms of non-violent action such as passive resistance, boycott and economic pressure to move our country away from its present state of racial conflict and set it firmly on the road to justice and full participation for its inhabitants in the structure of government."

The paper pointed out that at the bishops' recent plenary session the conference passed a resolution emphasising that it was deeply conscious of its responsiblities, as leaders of the church, to give moral guidance and to play its part in ending the rapidly escalating violence in South Africa.

Weekend Argus Correspondent

DURBAN. — The Roman Catholic Archbishop of Durban, the Most Rev Denis Hurley, who led a church deputation in talks this week with the African National Congress in Lusaka, said from Johannesburg today he accepted that the organisation was not communist but at the same time recognised the dangers of the organisation working with communism.

The archbishop said: "I appreciate the danger of any organisation which works closely with communism because of the communist practice of working harder than other groups, taking over and imposing its own dictatorships."

Archbishop Hurley headed a four-man delegation of the Southern African Catholic Bishops' Conference which had talks with the president of the banned ANC, Mr Oliver Tambo, and six other ANC members.

He described the talks as "very fruitful". He said no further meeting was planned, "but we will keep in touch".

"The meeting certainly gave us as a delegation an acquaintance with the leadership of the ANC and established quite a rapport, I think. I was impressed by Mr Oliver Tambo and all the members of the delegation I spoke to."

Asked whether negotiations could work between the South African Government and the ANC he said: "At present I don't think so. The ANC's stand on one-person, one-vote seems to be absolute.

"They would come to the negotiating table saying 'we want a state in which the principle of one-person, one-vote is recognised and we are prepared to negotiate how we take over and establish that'."



Mr Willy Brandt

End apartheid now — Brandt

CAPE TIMES 19/4/86

280

GABORONE. — The former West German Chancellor, Mr Willy Brandt, yesterday urged the South African Government to abolish apartheid and to set out on the path of creating a democratic South Africa "where people of every colour can live together in peace".

In an uncompromising speech at the "Socialist International" conference in Gaborone, Mr Brandt said there would be no room for dialogue in South Africa until the system of racial segregation was scrapped.

The former chancellor, who held a series of meetings with trade unionists, civil rights and church leaders in South Africa this week, said: "Only with violence can a system like apartheid be maintained — the system is aggressive by its very nature."

'Symbol of resistance'

He said Socialist International viewed the African National Congress as the "most-important liberation movement representing all of South Africa", and Nelson Mandela as the "symbol of resistance".

He called on the South African Government to release the black nationalist leader and unban political organizations.

He urged Britain, the United States and West Germany to impose economic sanctions against South Africa.

"Many expect pressure (sanctions) from abroad and they are willing to pay the temporary price," he told more than 200 delegates.

Mr Brandt said past decisions to impose economic sanctions against Pretoria had failed because its principal backers — Britain, the United States and West Germany — refused to take action.

'Drunk with power'

Mr Brandt also criticized Pretoria for destabilising black-ruled neighbours.

Zambian President Kenneth Kaunda, chairman of the "frontline" states, said Pretoria was "virtually drunk with its military and economic power" and chose "when and where to strike" against its neighbours.

The people of South Africa must agree to give each other a fair hearing, said Botswana President Dr Quett Masire.

"Until this happens we shall continue to witness escalating conflict and suffering in that country." — Sapa-Reuter

Apartheid must go, says Brandt

GABORONE — Former West German chancellor Willy Brandt will tell President P W Botha, when they meet today, that there "can be no compromise with apartheid".



● BRANDT

Brandt was addressing the Press at the weekend after the two-day conference of Socialist International (SI). He said the conference had agreed on four minimum conditions which it believed could bring about a peaceful transition to majority rule in SA.

These were that apartheid should be abolished, that the State of Emergency should not be replaced by "other Draconian laws", that bans on political groups and trade unions be lifted and that all political prisoners be released unconditionally.

Brandt, SI president, said the organisation recognised the African National Congress as the "most important liberation movement representing all of SA".

He said SI called for the immediate

● To Page 2

Package of sanctions against SA

● From Page 1

liberation of Namibia according to UN Resolution 435 and an end to US support for Unita.

He accused SA of trying to be "master of the region" by weakening and bleeding neighbouring countries through military and economic attacks.

SI called on all countries not to cooperate with the apartheid regime and said that sanctions were needed to change the SA political situation.

Brandt proposed a wide-ranging package of sanctions, including the reduction of air and shipping links, the banning of the importation of SA agricultural products and a prohibition of export of high-technology goods to SA.

As the SI is a voluntary grouping of political parties, the proposed sanctions are not binding. A handful of member parties are in power in their countries, so the proposed moves are unlikely to lead immediately to an increase in international pressure on SA.

● See Page 7

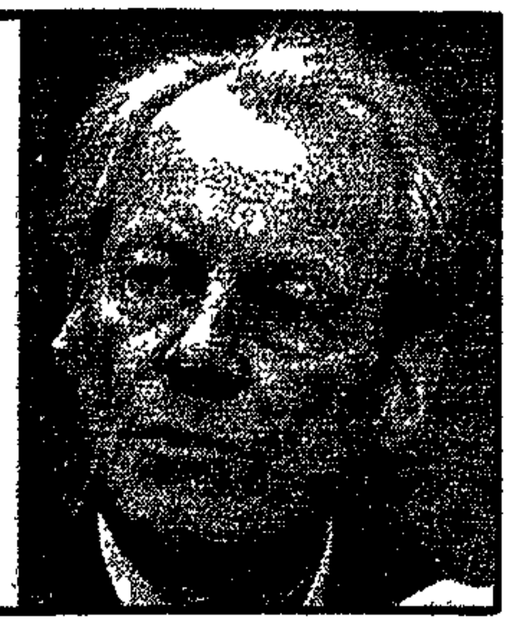
2/4/86.

BUS DAY

280

Brandt's moral dilemma: sanctions or no sanctions?

Former West German chancellor Willy Brandt meets State President P W Botha and, perhaps, Nelson Mandela, in Cape Town today. Business Day *managing editor NEIL JACOBSOHN spoke to Brandt in Gaborone, Botswana, where Brandt was chairing a two-day conference of the Socialist International (SI).*



DR BRANDT, the moral issues at a conference like this are clear — apartheid is unacceptable and repugnant and must go. But what can an organisation like SI achieve from a practical viewpoint?

It is not a conference of governments. But we all have to deal with public opinion in our countries and have to inform ourselves.

On the other hand, it is not like a small United Nations, where only speeches are made. We try to co-ordinate our perception of problems, sometimes even our policy.

But for me it would not have been nearly as useful had I not first been to SA, where I met many people, many blacks, as well as business leaders.

How did you find the mood among business leaders particularly?

What surprised me, talking to both the heads of major companies and representatives of German firms, was the positive attitude towards the trade unions. They told me that strong and responsible trade unions were in their interests.

On economic sanctions they were, of course, more sceptical. But I found some who said that economic measures against SA might make life easier if this would convince those in power to speed up reform.

That is my approach. I am not eager to recommend economic sanctions.

I noticed in your address this weekend that you stopped short of calling for full economic sanctions?

Yes. On the other hand almost every person to whom I spoke in SA said they thought economic measures might bring about a quicker solution. I also have to take into account that in Europe we have a growing number of especially young people who influence public opinion and they also argue that this is a means to bring real change ... I mean really crossing the Rubicon earlier than might otherwise happen.

Is your own attitude hardening in favour of sanctions?

Sanctions are not something with which I am in love. One knows how difficult it is to build economic links and how troublesome to re-establish broken ties. But both in the EEC and within larger frameworks, additional measures to end apartheid will obviously be discussed and decided upon.

When you see President Botha, do you have a special message?

No. The president invited me and it would be impolite if I turned up with a special message. In a case like this, one has to listen first.

But then, I would be not only ready but happy if I could get across some of my worries and those of people in my country and in Europe. I would also like to make clear that people like me are not trying to put oil on the fire or behave like school teachers.

But since this has become so much of an international human rights matter, one feels entitled to express these worries and also one's longer-term interests. Some of us are thinking about future links with SA if and when the political set-up may have changed.

Talking about the future, one accepts that the system of apartheid is violent. At the same time the liberation movements you deal with have also taken violent stands. Can you support landmines and bombs in shopping centres which kill civilians?

No. But when I spoke to some of the liberation people abroad — and of course you know this argument — they said it took quite some time before they turned to violence ... I am just giving their argument.

I am not someone who could encourage others to engage in violent action, but it is not me who is involved. I have to take for granted there is violence and counter-violence with the great danger this will move into a vicious circle.

Accepting it is a matter of time before apartheid does collapse, what system do you see as an alternative afterwards?

That would be a bit arrogant if I gave the impression that I had the answer.

But if SA is not to move right into an explosion, a major confrontation (and I do not underestimate the existing military potential on one side and the number of people on the other), then the alternative would obviously have to be agreement on elements of a transitional arrangement until one finds a possible reconciliation between majority rule and the legitimate rights of parties.

There was talk about strengthening contact with the various bodies of opposition in SA. How will you do that?

For my own party, we will go on using existing links. Contact between our unions and growing unions in SA will play a major role. Some of them have been invited to next month's congress of the West German Trade Union Council.

As far as SI is concerned, it will be a task for the consultative group established in 1984 in Tanzania with the Frontline states, under the chairmanship of the former Dutch prime minister Joop den Uyl.

Will that include material aid or simply advice and an exchange of ideas?

That is to be decided by individual parties. My own party will provide some help to refugees in Zimbabwe, and educational work — humanitarian activities.

What about direct aid to the ANC and Swapo?

We will not engage ourselves in military operations.

Turning to the issue of development aid, the call was made here this weekend by (Zambian President) Dr Kenneth Kaunda that what was needed was not soft loans, but outright grants. What is your stand on this?

I am not sure that the formula developed by Dr Kaunda covers the whole range of problems. There obviously is a need to cancel a good deal — if not the totality — of loans to the poorest countries. This has already been done to a certain degree.

Mainly because they will never be repaid?

Yes. But we need to combine this with agreements on how to proceed into the future.

IMF plan?

IMF is not quite good enough. We need to move in the direction of more acceptable terms for repayment and for cutting down interest rates. A main element in any rescheduling may also be to make the miminimum living standards of a people one of the indicators of how to develop financial aid.

But, of course, the international financial institutions, when they cancel loans, have an interest in what must be done next. This is not interference, but to build up the necessary confidence for the long term.

Overseas investors continue to dump golds and mining financials

By Sven Lünsche

The steady decline of gold and mining financial shares gathered momentum over the last two months as overseas investors continued to reduce their substantial share holdings, estimated to be around 35 percent.

This trend, which started in May 1985, has so far resulted in net sales of about R1 billion. No figures are as yet available for March, but analysts expect the monthly rate of just below R 100 million to have continued.

Stockbrokers have cited various reasons for this disinvestment, but disagreed on the importance of political motivations as a determinant for the recent wave of sales.

The weakening price of gold appears to be one major factor behind the sales of shares, as it has plunged quite substantially to average levels of about $330 with no major improvements in sight.

According to one broker there is only a marginal truth in the rumour that the current sales of gold mining shares is part and parcel of the broader economic disinvestment in South Africa. "These shares simply have no attraction at the moment"

He also believes that the money is staying in the country after the deals have been completed, as the financial rand acts as a break to heavy selling.

"Non-residents acquire financial rands for the sale of shares which they reinvest in local gilts, as they presently yield higher returns than gold shares. Only if the sale of gold shares is accompanied by a decline in the value of the financial rand, as in 1977, can we talk of definite disinvestment," he added.

POLITICAL FACTOR

Other sources, however, believe that the present political climate is a definite factor in the present wave of share sales, which began just after the internal unrest hightened, following the Uitenhague shootings.

The 14 months period prior to these incidents was characterised by increased non-resident purchases in local gold shares, as perceptions about South Africa's political image were fairly positive

Mike Brown, a stockbroker with Davis, Borkum Hare, feels that the current low gold price is not the only deterrent, as gold shares are booming on the stock exchanges in Canada and Australia.

"South African shares are under a bit of clout, especially in the US, where more and more companies have been pressured into selling their shares," he said.

The low interest rates at overseas stock exchanges, especially Wall Street, have started a new wave of purchases of shares, including some overseas companies who are reinvesting their South African stock into these markets.

This follows the dismal performance of South Africa's major gold mining houses over the last year, which has drawn loud criticism from overseas shareholders, and which some stockbrokers say has been one of the major reason for disinvestment.

Concerning the future of non-resident purchases of gold mining shares, a stockbroker said this would happen only if the political situation improved.

"If there are no drastic political changes in this country, only a sharp rise in the gold price to about $400 can bring investors back to the JSE," he said.

Denmark may stop all trade with SA

BUSDAY 280 21/4/86

GABORONE — Denmark may soon become the first Western country to end all trade with South Africa.

And other Nordic countries are also to increase economic pressure on SA soon.

This has emerged from the meeting of Socialist International (SI), a world-wide alliance of social democratic political parties.

Anker Jorgensen, chairman of the Danish Social Democratic Party (SDP), official Danish opposition, told *Business Day* in Gaborone that the Danish parliament had reviewed its policy towards SA. The SDP had proposed an end to all imports from and exports to SA.

"Since the oppositon commands a majority in foreign policy matters of this nature, I am confident that Denmark will soon be the first Western country to end all trade with SA," he said.

Jorgensen is among delegates from 13 countries attending the conference under the chairmanship of SI president and former West German chancellor Willy Brandt.

NEIL JACOBSOHN
Managing Editor

Delegates from other Nordic countries also indicated their intention to toughen sanctions against SA.

Sweden's Minister for the Environment and Energy, Birgitta Dahl, reaffirmed Sweden's rejection of apartheid and said countries around the world should ready themselves to escalate sanctions against SA.

Gro Harlem Brundtland, leader of the Norwegian Labour Party, said the Norwegian parliament was now considering increased sanctions and stepped-up aid to Southern African liberation movements.

In particular, Norway was considering an outright ban on the transport of oil by Norwegian ships.

23/4/86.
BUS DAY.

Big jump in radio hostility

THE onslaught on SA by foreign radio stations had increased by about 50% since 1984, according to a White Paper on defence tabled in Parliament.

Countries including the USSR, Ethiopia and East Germany had continuously broadcast propaganda to SA, while a "higher degreee of hostility" had been noticed from Western transmitters.

The SA Defence Force had been one of the main targets and broadcasts had focused on accusations of "so-called aggression against neighbouring states, destabilisation and support of resistance movements."

Certain local and overseas media were "consciously or subconsciously, involved in the unrest situation".

Some media in particular were used to "promote the revolutionary onslaught, discredit SA and develop the perception that government has lost control of the internal situation". — Sapa.


● SUZMAN

Lebowa 'not SA terrain'

BUS DAY 23/4/86

LAW and Order Minister Louis le Grange said yesterday it was not his responsibility to interfere in the running of Lebowa's police department.

He was replying in the House of Assembly to questions by Helen Suzman (PFP Houghton) on the detention of four people in Lebowa and the death of one detainee.

Le Grange said Lebowa was a self-governing state and he could not supply the information.

Suzman asked whether Le Grange had contacted the Lebowa authorities to try to prevent further deaths in detention.

He said it was not his responsibility to interfere in the activities of other states.

He said Lebowa was not his "terrain". — Sapa.

Disinvestment slammed

BUS DAY 23/4/86

IT was totally wrong that most blacks supported disinvestment, Minister of the Budget in the House of Delegates J N Reddy said yesterday.

He said during the Administration and Economic Advisory Services vote that ways should be found to counter disinvestment propaganda.

Mohan Bandulalla (Sol Havenside) called for the upgrading of salaries of state-employed labourers. He said some earned R142 a month.

□ Ministers' Council chairman Amichand Raj-

ATION FOR
I TRANSFER
the Diplomatic Corps have
suited for families wanting
house hunting. Each suite
drooms, is fully equipped,
reception — TV and free

Move on SA opposed

RICHARD WALKER

NEW YORK — Switzerland, Britain and the US yesterday voted against a move by the Commission on Transnational Corporations to increase pressure on international business in SA.

The commission, a UN body, voted by 32 to three, with six abstentions, to prepare more detailed information on companies operating in SA and SWA/Namibia. It urged implementation of a package of proposals, including corporate defiance of government security regulations and a halt to all new investment by the end of the year.

Optimism on SA peace moves

Cape Times 23/4/86

Own Correspondent

LONDON. — Hopes for a dialogue between the South African Government and the African National Congress received a boost here yesterday.

The Commonwealth is eagerly awaiting President P W Botha's response to a peace package drawn up by its special mission on South Africa.

Optimism that Pretoria's response could be positive enough to keep the peace initiative alive — and avert tougher economic sanctions — came from three key figures yesterday ahead of a meeting of the so-called Eminent Persons Group (EPG) in London next week.

Breaking a studied silence by Commonwealth heads of government on the EPG, Australian Prime Minister Mr Bob Hawke, on a visit to London, said he expected a positive response from Pretoria.

Commonwealth secretary-general Sir Sonny Ramphal confirmed in an interview yesterday that the group had met ANC leader Mr Nelson Mandela in prison last month.

'Important step'

"This was a very important, a unique, step and one that immeasurably strengthens the case for going forward towards negotiation on the basis of Mandela's release," he said.

"The man in prison is the man who can save South Africa."

But he said he had not yet had as strong a signal as he would have liked from Pretoria on the EPG initiative.

Without a positive response "there is not much more the Commonwealth can do", he said.

Sir Sonny played down the reported comments of Mrs Winnie Mandela urging blacks to seek liberation "with our boxes of matches and our necklaces".

"I believe Mrs Mandela was selectively quoted," he said.

The Commonwealth's specific proposals, drawn up by the EPG after a two-week visit to South Africa last month, are believed to include the release of Mr Mandela and the lifting of the 26-year ban on the ANC prior to dialogue with Pretoria.

Thatcher 'hopeful'

The British Prime Minister, Mrs Margaret Thatcher, said yesterday after a meeting with Mr Hawke on Monday night that she was "hopeful" that the EPG would successfully fulfil its mandate.

But Mrs Thatcher's comments stopped short of Mr Hawke's expectations expressed at a press conference following his meeting with Mrs Thatcher on Monday night.

Mr Hawke said he expected that the South African Government would give a favourable response to the EPG proposals aimed at initiating a dialogue between black and white leaders and the suspension of violence on both sides.

He added, however, that the precise nature of Pretoria's response would be the acid test of whether the Commonwealth should proceed with its peace initiative or press for further economic sanctions against Pretoria

Diplomatic sources said yesterday that the EPG initiative was receiving active encouragement and support from the Reagan administration.

UK yet to enforce K-rand ban

STAR 24/4/86

280

The Star Bureau

LONDON — Britain has still to implement the ban on importing Krugerrands agreed at last year's Commonwealth summit in the Bahamas.

But the Department of Trade and Industry is considering ways to do so, and a decision may be made within a month.

Department officials say the difficulty consisted in finding a way of banning the importation of the gold coins which would be consistent with Britain's obligations under the General Agreement on Tariffs and Trade (GATT).

Officials also acknowledge, though, that the wording of the clause on Krugerrand imports in the Commonwealth declaration of measures against apartheid is open to interpretation and does not amount to an agreement to an outright ban.

The clause reads: "We agree upon ... a readiness to take unilaterally what action may be possible to preclude the import of Krugerrands."

An official said: "The matter is very much under consideration, but it's difficult to put a time limit on when a decision will be forthcoming.

"We are having to be consistent with our obligations to our partners in the Commonwealth agreement and our obligations under GATT."

Blacks determined to hold on to their jobs — Wits report

BMW SA's MD Walter Hasselkus has castigated government for the depressed state of business confidence in this country.

At the SA launch of two new BMW models in the 3 Series range, Hasselkus warned government the tolerance shown to date by the West German government was wearing thin.

Although the car market in SA dropped 25% in the first three months of 1986, BMW's sales were

IF BLACKS fully supported disinvestment, and were prepared to starve to get the change they believed that would bring about, they could give up their jobs and "take care of it themselves".

That view, stated by an American senator, is supported by J B Bloom in his report on Black SA and the Disinvestment Issue completed as part of an MBA at the Wits Business School.

For the study he interviewed 17 black leaders selected in consultation with black affairs specialists.

He said the reality was that the overwhelming majority of blacks "stream obediently every day to their workplaces and back, as opposed to the odd short-term stayaway" when a sustained general strike would make foreign pressure "pale by comparison".

Bloom says this behaviour was in contrast to the militancy of black leadership.

He suggests that leaders, generally, are more attuned to "the dramatic, to the indications of movement, and to mobilisatory possibilities" of the herd "when the time is ripe".

But for the moment the masses seemed determined to hold on to their jobs.

"If blacks were as ready to sacrifice as certain leaders claim they are, we would see this reflected, for instance, in a rock-solid and sustained general strike that would make foreign pressures pale by comparison.

He suggests that disinvestment could thus be looked on by certain leadership as likely to achieve what they cannot, that is to force workers on to the streets, angry and desperate and in a mood to take on government whatever the consequences.

DIANNA GAMES

A black who was interviewed argued that the black middle class would welcome disinvestment, saying if it was successful, it would be a way of promoting them.

"Is there perhaps a hint that an ambitious, frustrated middle class was opportunistically fostering a political strategy for change which would not meet with the approval of the working class," Bloom says.

Polls on black attitudes to disinvestment provide much evidence that most blacks are not in favour of wholesale disinvestment, especially if it is to lead to an "extended sacrifice in living standards", he says.

Gathering support is the conditional investment/selective disinvestment middle option.

But, Bloom says, in contrast to the firm pro-disinvestment stance of the African National Congress and Pan-Africanist Congress, the voices of black leadership inside SA have been undecided and unequivocal.

And Professor Karl Magyar of the University of Durban-Westville sees the scenario of successful sanctions as one where blacks would inherit a destroyed economy, rampant poverty, lack of a trained labour force, capital flight and a total avoidance by external investors.

Bloom says the key moral principle in considering disinvestment should be that the risk of extra suffering is taken on voluntarily by some mechanism of informed consent rather than "foisted on an unwilling populace by 'know best' leaders and hysterical overseas campaigners".

BUD DAY 25/4/77

Sanctions probe call

AN HISTORICAL analysis of disinvestment in SA and its neighbouring states should be launched to find ways of relieving its effects, Godfrey Leeuw (LP Southern Free State) said yesterday.

280

Speaking during the Administration and Economic Advisory Budget Vote, he said disinvestment would cause a greater recession in SA, resulting in widespread poverty and hunger and, eventually, bloodshed.

Leeuw said dishonest church leaders who got involved in politics were "disgusting". He called on

What about the South Africans who 'disinvest'?

Why is it that when an American company stops producing in South Africa it's called disinvestment, but when a local company spends R800-million in South African money on buying property in Britain it's called diversification? MARTIN NICOL comments

EARLIER this year, Raymond Ackerman got thrown out of Australia. His ejection, as an apartheid-tainted South African businessman, raises the spectre of an additional focus for the international disinvestment campaign — sending South African overseas investment back to South Africa to create jobs and build the economy

Ackerman was all set to introduce Australian housewives to the joys of "hypermarkets", the mega-supermarkets pioneered by his Pick 'n Pay company in South Africa, when a concerted anti-apartheid effort by construction trade unions forced his withdrawal.

The export of South African capital and expertise overseas is not entirely new. Some mining houses, for example, have extensive overseas interests. But recently the scarcity of profitable and secure investment opportunities in South Africa have forced other enterprises to look abroad for expansion. In this context, Ackerman's expulsion represents a new and intriguing threat to South African capitalism.

It is most ironic that Raymond Ackerman should be stigmatised as an arm of apartheid investment overseas He is probably the most outspoken business critic of the South African government and of apartheid He has called for the release of political detainees, an end to the Pass Laws, the Group Areas Act and detention without trial He has come perilously close to demanding that the ANC be unbanned. At the end of 1985 he was the organiser of a controversial petition to the State President signed by 91 leading businessmen The petition demanded an end to the State of Emergency, an end to apartheid and for the government to negotiate with "acknowledged black leaders"

If Ackerman can be labelled an agent of racial capitalism overseas, what defences can possibly be used by the main beneficiaries and perpetrators of apartheid exploitation who are engaged in overseas operations? Anglo American — the largest foreign investor in the USA in 1984 — and Rembrandt, the controller of world tobacco markets through Philip Morris, are merely the biggest.

The answer is quite simple These businesses have been international operators for decades They are skilled at hiding direct South African links and take over existing foreign businesses rather than, like Pick 'n Pay, exporting a boldly packaged, identifiably South African product.

In the last two years, two other South African firms, Barlow Rand and Liberty Life, have each embarked on a major international diversification effort in Britain R550-million bought for Barlows the animal feed and industrial group J Bibby & Sons R800-million was involved in the deal that acquired the property development firm Capital & Counties for Liberty Life.

What is interesting about these investments is their size and their directness We are seeing here not mere diversification, but the formation of an alternative profit base. In other words, it's a bolt hole if the reform of apartheid doesn't proceed as desired. A bolt hole for people who have every reason to doubt the successful transformation of the apartheid economy because they are keeping back, overseas, assets that would assist such a transformation

Why is it that when Ford stops making cars in South Africa, the talk is of disinvestment, but when Liberty Life invests R800-million in buying the seventh biggest property development firm in Britain, it's called diversification?

Liberty Life is very serious about its international activities In January 1985 it bought J M Middlemass, a senior partner in the London-based accounting firm Touche-Ross & Co, to assist Donald Gordon, the innovative leader and founder of Liberty Life, in international operations. The purchase of Capital and Counties was described as "a major step forward in the development of Liberty Life's international strategies that should be of considerable long-term benefit to the Group"

Middlemass has expressed the belief that "the City of London will be very pleased to support the Liberty Life Group further and enthusiastically help it build a larger presence in London and other areas of the world where its expertise, capital and reputation would be welcome"

Liberty Life has trampled on South Africa as a runway and is now set to soar above and away

Similarly, Barlow Rand says its purchase of Bibby will "provide Barlows with a springboard for significant international operations". Barlows has interests in mining in South Africa, but its main assets are in the manufacturing sector According to the Financial Mail, it became the first major South African industrial group to acquire control of a large listed overseas group Bibby was bought as a base for long-term international expansion by Barlows Bas Kardol, a "most highly regarded" executive director of Barlows, has been sent to England to manage it. His job is "to re-evaluate Bibby and then to assess the best directions for its future growth". This growth, too, is to be overseas, not in South Africa

Barlows and Liberty Life have good-sounding reasons for going international — if you are a shareholder. But are they being patriotic? What about the millions of unemployed in South Africa who don't have jobs, we are told, because there is not enough foreign investment? Why should foreigners risk their money here while South African businesses are investing large sums abroad?

We might expect an urgent international move from company directors who, like Professor van Zyl Slabbert, had lost faith in the government But Liberty Life and Barlows have faith in the government. Such faith that their chief executives, Donny Gordon and Mike Rosholt, refused to sign Raymond Ackerman's businessmen's petition to the State President last year

Let's not call them supporters of apartheid, however Both are right behind the State President's initiatives.

Bibby and CapCo, as established British companies, are not as immediately vulnerable to anti-apartheid sanctions overseas as was Pick 'n Pay in Australia. Few ordinary people know of their South African ownership and they are involved in activities that are not as open to popular boycott as Raymond Ackerman's supermarkets.

Pick 'n Pay's enlightened attitudes and actions are certainly determined by the nature of its business White supermarkets have become a prime target of consumer boycotts. Anti-apartheid is a necessary business policy. This is not sufficiently the case for Liberty Life or Barlows, but carefully targeted pressure in Britain could well force a change in attitude and actions on the part of these two groups Both could do a lot more to speed the demise of apartheid — even if they don't also reinvest their foreign assets at home.

Overseas is where Liberty Life is most sensitive to pressure The acquisition of CapCo is the main reason for the staggering 58 percent increase in total assets reflected in the latest accounts of Liberty Life It is now relying on its British stake to help "validate" its "ongoing strategy of a balanced partnership between shareholders and policyholders".

Some overseas critics of apartheid have reservations about the campaign for disinvestment. They would endorse Donald Gordon's own view that "Disinvestment and politically inspired boycotts are adding greatly to the discomfiture of the people whom they are intended to benefit. Each action of disinvestment from South Africa creates further black unemployment."

Critics of disinvestment surely have a clear duty to campaign now to send South African overseas investment back to South Africa. This would give real bite to the policy of "constructive engagement".

Apartheid is dead. It no longer provides Liberty Life and Barlow Rand with as good a return on capital as it used to The companies show the extent of their commitment to a post-apartheid economic system in South Africa by making vast investments abroad

At the same time they are among the strongest critics of disinvestment.

There is a contradiction, but no mystery. They want to have their cake overseas and eat someone else's here in South Africa.

Barclays now known as the 'anti-apartheid bank of SA'

STAR 24/4/86

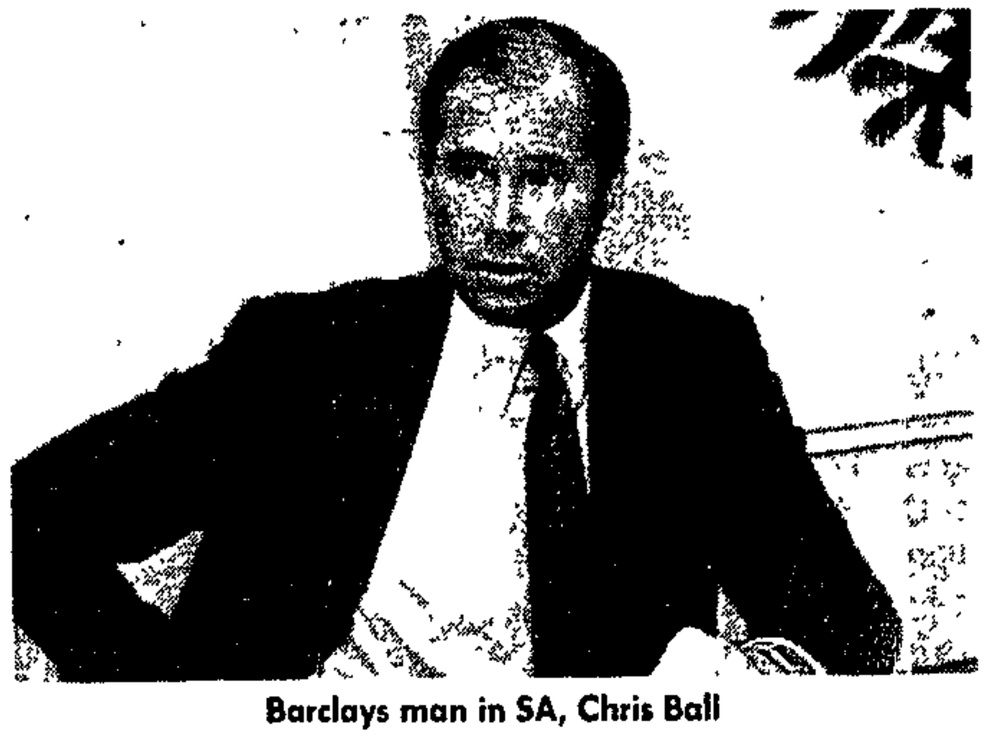
280

The Star Bureau

LONDON — Barclays chairman Sir Timothy Bevan has repeated his pledge not to commit new money to South Africa — but the possibility of Commonwealth-backed loans to help the black South African community was raised by him at the bank's annual meeting on Tuesday

Sir Timothy also said Barclays would not be a party to any formal debt rescheduling "until the regime there gains international credibility".

As members of the End Loans to Southern Africa campaign demonstrated outside, Sir Timothy said it was possible that Barclays might consider fresh lending "should it be in respect of a social project regarded nationally and internationally, possibly on a Commonwealth basis, as directly benefiting the black community".



Barclays man in SA, Chris Ball

The Barclays chairman was pressed on the bank's South African policy by ELTSA's Rev David Haslam, who also managed to question the chairmen of Lloyds and Midlands as well

All three banks held their annual meetings this week within a short walk of each other in the City.

Sir Timothy said "I am convinced, and so is this board, that Barclays National (of South Africa) is a force for good,. In South Africa we are known as the anti-apartheid bank "

Lloyds chairman, Sir Jeremy Morse, told Mr Haslam that he could not expand on Lloyds's bid for Standard Chartered because of takeover rules

But he reiterated that, if successful, Lloyds would continue Standard's policy of reducing its stake in its South African subsidiary.

Standard has already cut its holding from majority control down to 39 percent by not taking up shares in a recent rights issue

FIN MAIL 25/4/86

DISINVESTMENT CONFERENCE

Negotiate now

The dismantling of apartheid is no longer an item for negotiation. What *is* up for negotiation is the shape and content of a post-apartheid order that respects the rights and dignity of everyone, regardless of race.

That was the blunt message delivered by US Ambassador Herman Nickel to last week's high-powered conference on disinvestment organised by the American Chamber of Commerce in SA, and the SA Institute of International Affairs.

Few in the audience, which included many top businessmen, disagreed. It was, therefore, not surprising that little time was spent on the efficacy of disinvestment as such — an issue which has been interminably debated elsewhere.

The dominant feeling was that there is no time for half-hearted responses to the disinvestment threat and, indeed, to political instability generally. Rather, the conference highlighted the view that the process of negotiation must be set in motion soon, and that the African National Congress (ANC) would be a vital component of it. This alone, evidently, would stem the disinvestment tide.

Among the speakers at the conference were SA's Ambassador to the UK, Denis Worrall; American investment consultant on "social and ethical issues" Allan Nelson; and *Sowetan* political correspondent Sam Mabe. In addition, there were two panel discussions led by various prominent personalities.

Mabe presented the case for total disinvestment. He challenged the "blacks will suffer most" argument. Describing it as arrogant and patronising, he said the calls for disinvestment are the product of desperation. Blacks, he said, "are now looking at the product and are no longer interested in the price. To them, the collapse of the economy will lead to the ... eventual collapse of the National Party (NP) government."

Premier's Tony Bloom noted the "discomfort" with which delegates responded to Mabe's speech. This revealed, he said, how out of touch the business community is with the mood in black communities. The view that it was necessary to destroy in order to rebuild may be illogical. But it should be recognised for what it is — a cry of rage, Bloom explained.

Gencor Mining's manpower director, Naas Steenkamp, took the point further. The pro-disinvestment lobby in SA represents a sizeable constituency and no deal could succeed without it. Conversely, he said, that constituency could make any deal work merely by supporting it.

Nelson highlighted the growth of the disinvestment movement in the US. He warned it was no longer the preserve of fringe groups but was the concern of mainstream America. South Africans, he said, may question the rationale of the campaign, and whether its proponents are aware of its negative consequences. But, ultimately, such questions will do nothing to stem the tide in the US. Echoing Nickel's view, he said only "a demonstrable and sincere effort by government to end apartheid" would do so.

Making the case for continued foreign investment, Worrall argued that significant progress had been made in SA, given that what is being talked about is the "transformation of a society." This he contrasted with the mere "cultural adjustments" made by the US in its attempts to solve its racial problem. He said that the private sector has been a positive agent for reform, citing the work of the Urban Foundation and the Small Business Development Corporation; the codes of employment practice; and the development of industrial relations negotiating skills.

The only major issues still to be resolved in SA, said Worrall, were housing, public education and the franchise. And he cited three developments which could help resolve them: the State President's National Statutory Council (some ask why this body cannot be called a national convention, he said cryptically), the KwaNatal talks and, significantly, the Commonwealth Eminent Persons' Group (EPG).

Worrall's glowing references to the EPG's efforts may well represent a diplomatic hint that the group is about to play a vital role in bringing SA's warring parties together. This view was reinforced by his answer to a question after his talk. He was asked how the deadlock between government and the ANC could be broken while both continue to set seemingly impossible preconditions Worrall's veiled reply was that the stalemate could be broken with help from groups like the churches and business (also interesting, given official condemnation of visits to the ANC in Lusaka) and the EPG.

The National Party's Chris Rencken, MP, gave another apparent hint that government is serious about negotiations. He invited the ANC to lay down arms and to come to the negotiating table — and if it subsequently felt that the talks had failed "they can return to violence."

Of course, not all members of government have been taking such a conciliatory approach. The previous night on *Network*, Deputy Information Minister Louis Nel took a hard line in a discussion with, among others, the vice-chairman of the Urban Councils Association of SA (Ucasa) Tom Boya.

Boya was also a panelist at the conference and he repeated his strongly held views that the ANC is a vital element in any political settlement. Ucasa is probably the most conservative national black political organisation, and the only one to have indicated its willingness to negotiate under the present circumstances. The fact that such a wide gulf remains between it and at least a wide section of the NP is a warning about the difficulties which remain.

Overall, the conference reflected a strange combination of pessimism at the slow progress towards a political solution for SA, and optimism at the broad agreement among businessmen as to the path that inevitably will have to be followed. ■

FM MAIL 25/4/86

AT & T

A warning shot

The South African pullout by US telecommunication and computer giant AT & T is something like a fairground lion — all noise but no teeth.

The company, under pressure from a small group of employees, announced last week it was cutting business ties with SA and would end computer sales, phase out its purchase of minerals and would not provide special long-distance and data transmission services.

Says Sapo deputy postmaster general Jimmy Taylor: "As far as we can establish, it has no bearing on us. AT & T provides our long-distance telephonic link to the US but this service is not affected. We have never used its special services and it is not an international data and telex carrier.

"Since the deregulation of the US telecommunications industry in 1984 we have a number of alternatives open to us. If the worst comes to the worst, we can always reroute calls through other US companies or other countries."

The pullout did come as a surprise to Olivetti SA, which handles the local distribution of the company's computers. But MD Virgilio Zaina says he has yet to receive offical confirmation that AT & T will stop supplying computers destined for SA to Olivetti Italy.

The only AT & T product available in SA is the 32-bit 3B range introduced about 18 months ago.

The only local company hit substantially is Rustenburg Platinum which sells AT & T platinum and palladium worth some R12m a year for its telephone equipment. The supply contract will not be renewed at the end of next year.

A spokesman for Rusplats tells the *FM* the decision is disappointing, but it won't hurt.

An AT & T spokesman admitted last week: "This was no heroic act in economic terms" since AT & T had no direct investments in SA. But, he insisted, "it is a serious commitment to our employees."

The company has resisted pressure to shed its pension fund's $30-billion worth of stock in firms doing business in SA. Instead, workers are being given the option to invest their savings in a portfolio of firms with no South African links.

But, however slight the effect of this move, observers point out that it is still part of a gradual process. While SA has yet to be materially hit by high-tech disinvestment, there could well be greater pain to come. ■

STAR 26/01/86

US varsity town bars police from anti-apartheid protests

Swipe at apartheid

280

The Star's Foreign Service

WASHINGTON — An American city has taken a swipe at South Africa by stopping police aiding campus police action against students involved in anti-apartheid protests.

Berkeley police were called in by University of California police about two weeks ago during an anti-apartheid protest which turned violent, leaving 150 arrested and 30 people, including 18 policemen, injured.

Berkeley Vice-Mayor Ms Veronika Fukson said the city council's resolution was designed to pressure the university to divest its assets in South Africa.

"If the university would divest from South Africa, then there would be no demonstrations, no violence and no need to call on the Berkeley police. We don't want to appear to be lending support to the University of California's position against divestment," she said.

In another university protest incident, 25 students were arrested at another University of California campus this week after they occupied an administration building. Injuries to the policemen who hauled them out included a broken nose, a sprained back and a sprained foot.

The incident was far less violent, however, than the clashes at Berkeley recently. Three anti-apartheid activists from Berkeley are also causing an upset by trying to be elected to a powerful panel of a top United States university to end its R832 million investments in companies doing business in South Africa.

The activists charge that their efforts to become members of Harvard University's board of overseers, a policy-making body, are being met by unfair campaign tactics from those not wanting them there.

The board election is on May 30.

Zulu King attacks Cosatu calls for sanctions

By Sheryl Raine

King Goodwill Zwelithnni, King of the Zulus, yesterday accused the Congress of SA Trade Unions of advocating suffering for black people by echoing the calls for sanctions against South Africa which were being made by organisations outside the country.

In a rare incursion into politics, the King called on all who opposed disinvestment to gather at Durban's Kings Park Stadium on May 1 for the inauguration of Uwusa — the United Workers' Union of SA.

Uwusa, which has the backing of Inkatha, is pro-capitalist and anti-disinvestment

In a statement at the opening of a community centre named after him at Bhekuzulu Township, near Vryheid, Natal, the King said it was imperative for people who disagreed with the "wild suggestions that are being made to destroy the economy" to be at Kings Park and to make their voices heard beyond the borders of South Africa

Already there were not enough jobs for black school-leavers It would be suicidal to create an atmosphere in which there would be even fewer jobs

Nearly a million citizens of Botswana, Lesotho, Swaziland, Malawi and Mozambique were in South Africa, not because they were impressed with apartheid, but because their countries could not create jobs for them This applied also to the so-called independent TBCV states.

King Goodwill said the president of Inkatha, Chief Mangosuthu Buthelezi, had fought for years to persuade the South African Government to allow his people to take part in the trade union movement and this had finally materialised.

He regretted that, instead of being the expected unifying factor, trade unionism was being used by some trade unionists and organisers to create chasms between people.

"Our land was taken away from us after our conquest," he said "And the land we now occupy is not enough to support us. This has made job creation a priority.

"And yet we now have organisations such as the Congress of SA Trade Unions which have declared themselves against multinational corporations continuing to operate here and who have stated that they want no further investment in South Africa."

DANES GET TOUGH

Denmark has stepped up action against trade with SA, with two new bills due before parliament shortly.

The first, bandied around since last year (*Business* December 13), proposes a ban on imports of South African coal, which last year amounted to about 5 Mt. The second, which duplicates the first to some extent, proposes a total ban on imports from and exports to SA, says a government spokesman.

According to Department of Customs and Excise figures, mineral products — particularly coal — make up the bulk of SA's exports to Denmark. In the first nine months of last year minerals earned R126m in foreign exchange. Total export earnings in the period were R131m, a full R30m increase on 1984 figures.

SA's imports from Denmark amounted to some R84m in the first nine months of 1985, with machinery and equipment accounting for R29m, prepared foodstuffs R14m and chemicals R13m.

"We cannot dismiss such action against us just because Denmark is not among our top ten trading partners," says Safto GM Anne Moore. "Any spread of trade sanctions is bad for SA." Obviously, she adds, if the bills go through, the coal industry will be worst hit initially. "On the supply side, it is amazing how products for which there is a market get through," Moore comments.

A Danish government official tells the *FM* he does not believe the bills will have much opposition in parliament.

"We have all been expecting such action for some time and are prepared for it to go through quickly," he says.

'Bank broke law'

JOHN BATTERSBY

LONDON — Barclays Bank has produced a video in which it boasts Barclays National had been breaking SA laws.

A Barclays (UK) spokesman said yesterday the video was intended for showing to staff at more than 2 000 outlets in Britain.

He added it was in line with Barclays' campaign to project Barclays National as the anti-apartheid bank in SA.

The video was shown last week at Barclays' general meeting at which chairman Sir Timothy Bevan announced that Barclays was prepared to reconsider its tough no-new-loans stand if funds would directly benefit blacks.

Star of the video was Barclays National (SA) chief executive Chris Ball.

It showed how Barclays pioneered a succession of measures aimed at breaking down racial barriers — from employing the first black cashier to recognising a black trade union which — it claimed, were against the law at the time.

Ball claimed some credit for the meeting in September between SA businessmen and leaders of the African National Congress.

"I think we have come to terms with people who are genuine South Africans . . . and I think there is a great deal of scope for conciliation," Ball said.

US exports to SA take a big drop

CHERILYN IRETON

THE 26% tumble in imports from the US during the first quarter was largely the result of cancelled maize shipments.

Figures released by Customs and Excise show that imports from most world zones to SA improved in rand terms during the period.

The US was an exception, with imports falling from R1,045bn during the first quarter of 1985 to R766m in 1986.

SA Foreign Trade Organisation consultant Anne Moore pinpointed 50% of the problem as the fall-off in maize imports from the US.

Drought in 1984, and the shortage of yellow maize, resulted in the Maize Board importing 410 000 tons from the US. This pushed up the vallue of US shipments by at least R124m during that period.

There have been no maize imports from the US this year, according to Maize Board GM Hennie Nel.

US commerce officials are not sure where the other fall occurred because figures supplied by Customs and Excise do not separate categories of imported US goods.

US commerce officials said fear of US trade sanctions and boycotts were encouraging local companies to look for other sources of supply.

They added that, although the rand/dollar rate was comparable with what it was a year ago, many companies were still unwilling to buy capital goods from the US.

SA minister urges support for African liberation

The Star Bureau

WASHINGTON — A South African priest on his 20th day of a fast for disinvestment at a United States university has urged the South African priesthood to openly support African liberation.

Father Basil van Rensburg, of the Holy Cross Catholic Church in District Six, Cape Town, called on them to "make more noise now and support the African liberation movement." He asked them also to support boycotts, civil disobedience, and passive resistance.

"This is the moment of truth for all South Africans," he said in an interview last week.

Mr van Rensburg's fast, allowing water only, is aimed at turning a vote of Notre Dame University's Board of Trustees on May 9 and 10 against links with companies doing business with South Africa.

He is trying also to influence Southern African bishops when they meet at a special conference this week to decide on the issue of disinvestment. The meeting will be chaired by Archbishop Denis Hurley, of Durban.

"My prayer is that they decide on disinvestment," Mr van Rensburg said.

'TALKS WITH REAL LEADERS IMPORTANT'

He knows his campaign could be viewed as an act of treason. "It does concern me, but the conviction of my crusade is to bring people more quickly to the negotiating table for talks with the real leaders.

"We must stand up now and be prepared to go to prison," he said, appealing to the priesthood to make itself heard.

Mr van Rensburg's fast, which started on April 9, has attracted attention and media coverage at Indiana's university town of South Bend where he is on a year's sabbatical at Notre Dame.

His campaign has also drawn student and faculty support.

The clergyman has lost about 12 kg, and is starting to feel weak. But he said he was able to attend all his classes, and was generally in excellent health.

It is understood Mr van Rensburg has been nominated at the university for a senior fellow award. This is taken as a mark of his standing on campus where his activities have stirred great student concern.

General Electric pulls out

By Industry Reporter

GENERAL ELECTRIC (GE) of the US has agreed to a management buy-out of its South African operation for an undisclosed sum.

A weekend statement said local management concluded an agreement with GE to purchase all the shares in the SA company.

With immediate effect, SA General Electric (SAGE) has changed its name to Genwest Industries (Genwest).

The medical and plastics businesses have been sold to their respective managers and the locomotive business has been transferred to the Dorbyl Group. The remaining activities previously undertaken in the SAGE wing will fall under Genwest.

Rationalisation of GE's interests has taken place against a background of other pullouts by American corporations.

GE's abdication makes it the third by a US company in recent weeks — Mariott Corporation and AT & T have already indicated they will withdraw from SA.

"GE has made it clear that it wishes to continue to make its products available to South Africa," said Ron Hoffman, who will head Genwest.

Eglin talks to ex-PM Fabius

By David Braun,
Political Correspondent

CAPE TOWN — The Progressive Federal Party told former French Prime Minister Mr Laurent Fabius yesterday that external pressures which damaged the South African economy were unlikely to be helpful in resolving the country's problems.

PFP leader Mr Colin Eglin and colleague Mrs Helen Suzman had talks with Mr Fabius and the former French Minister of Culture, Mr Jack Lang yesterday afternoon.

The French politicians are on a brief visit to South Africa as the guests of Johannesburg Anglican Bishop Desmond Tutu.

Mr Eglin said Mr Fabius had made no comments about the South African situation during their interview. He had asked a lot of questions on the prospects of change and the realities of the situation.

"We expressed our view of the seriousness of the situation and the need for constitutional reconstruction.

"We said the abolition of the pass laws was going to be helpful in creating a better climate, but that so far the gap between rising black expectations and the rate of change of the Government in the constitutional field was still dangerously wide

"Our view is that South Africa is going to change from inside and that external pressures which damage the economy are unlikely to be helpful," Mr Eglin said.

Bishop hits at 'boycott-breaking' stores

LONDON — The Bishop of Sheffield, the Rt Rev David Lunn, has accused four stores in his city of being the "worst offenders" against the anti-apartheid trade boycott of South Africa.

He has written to the stores, all branches of national food chains, in his capacity as president of the Sheffield Anti-Apartheid Movement asking them to withdraw South African goods from their shelves.

The stores have referred his letter to their head offices. However, the chains are unlikely to comply. All four say they are sticking to their policy of stocking goods from all countries, marking them with their country of origin, and leaving customers to decide whether to buy. — The Star Bureau.

Black leaders back sanctions call: Tutu

By KAREN STANDER
Religion Reporter

BISHOP Desmond Tutu says almost every credible organisation and black leader supports his call for sanctions.

He makes the claim in a video-recorded interview made by Anglican church worker Mr Mike Thornton.

Mr Thornton, a fund-raiser for church development in Cape Town and co-ordinator of the provincial stewardship committee, made the video at his own expense before Bishop Tutu's election as Archbishop of Cape Town.

He said he made the video to counter the image of Bishop Tutu projected in some media and to introduce people to "the real man, a warm and deeply religious person".

Mandate

Questioned in the interview about his call for sanctions and doubts voiced by his critics whether he had a mandate from the black community, Bishop Tutu said he had never claimed to speak for anyone.

"I say the things I say because of who I am. My ultimate mandate is from Jesus Christ."

Almost every credible organisation and leaders representing blacks "except the predictable ones" had supported his call.

He said: "Show me one (who has not) and I will sit up and take notice, but don't give me stooges."

Ill-served

Bishop Tutu said that by and large the South African media had served whites ill by helping them hold on to certain views and not helping them accept the inevitable.

"There is no way a small group of whites are going to rule the roost forever. Even some of the best English newspapers have helped to depict me as an ogre, one who most white people love to hate.

"The black community is quite determined, especially the young, that they are going to be free. That goal is going to be attained. We would much rather do it with the whites."

● Copies of the hour-long video are on sale to congregations or individuals at R56,40.

NATIONAL/INTERNATIONAL

BUS DAY 28/4/86 280

US policy on SA is being hijacked

SIMON BARBER in Washington

POOR Standard Oil. It innocently buys a chain of Gulf petrol stations in the south-eastern US and suddenly finds its station owners being picketed, boycotted, bomb-threatened and, in at least one case, physically attacked by the yahoos of the radioactive right.

Why? because, as we all know, Gulf (or Chevron as it now is) pumps oil in Angola and fills the coffers of communism.

Standard has nothing to do with Angola, but it hasn't had time to change the signs at its newly-acquired stations, or even to decide what to change them to.

For a while, it did the gentlemanly thing and silently endured, not wanting to point any fingers at its fellow corporation. Lately, however, it has taken to placing ads in local papers saying, in effect: "Look guys, we understand your feelings, but we're clean." Not that it has done much good. As far as the kooks are concerned, if you've got a Gulf (or Chevron) sign outside your garage, you're an enemy of the Free World.

The Conservative Caucus, one of the louder and more influential of the Neanderthal lobbies, has been distributing "literature" that includes a wanted poster for Chevron chairman George Keller. He is guilty, says the poster, of "supplying $2b plus of aid and comfort annually to America's Soviet enemy".

This document, or one like it, recently caught the attention of a group of thrill-seeking Kentucky teenagers who answered the call by placing a bomb in a vending machine at a Gulf/Standard station in Louisville.

Bombs, even small ones, do not combine happily with gasoline. Fortunately, the vending machine absorbed most of the blast and no-one was hurt.

The founder of the Rambo (restore a more benevolent order) coalition, Dr David W Balsiger, says he does not condone this kind of thing. The "major street actions" he is arranging outside 500 Gulf and Chevron stations on May 3, will be much more polite, he insists.

Nevertheless, his message has bandoleroed pectorals. "We're playing the game to win. We're playing hardball. This time, we're not kidding around." (Last time, he returned his Gulf credit card and refused to pay his bill).

Flag-draped summons to duty from Balsiger, Conservative Caucus' Howard Phillips et al, inflame not just the bored and pimply youth of Louisville who wish to play A-team.

A Washington-based Chevron official I know has had to have his home telephone number changed and taken out of the directory in order to snatch a decent night's rest from a group of conservative students who took to calling him with obscene suggestions in the wee hours. His office has as much security as the SA Embassy.

Earlier this year, the same group of students forced Gray and Company, a prestigious Washington PR firm, to drop its account with the Angolan government. They had this habit of intruding into the premises, in the evident hope of spurring a call to the police and some well-publicised arrests.

"In the end," says Frank Manciewicz, the former head of National Public Radio who was in charge of the Angolan account, "we were having to spend more time devising strategies to keep these people out than we were on anything else."



□ CROCKER

They may be slightly more brutish, but these people are really no different than the students at the University of California in Los Angeles who last week demonstrated their feelings about apartheid and divestment by hurling dustbins, picnic tables and bricks at campus police.

And if Standard Oil thinks it's getting a rough deal, what about Shell US, the latest target of the Free SA movement? Like Standard, Shell US is being victimised even though it has nothing to do with the country whose population it is supposed to be helping oppress.

The remarkable thing is that such opposite ends of the political spectrum should have both hit upon somewhere as peripheral as southern Africa to vent their respective luddisms. Even more remarkable is the impact that those luddisms have had on US policy towards the region.

Howie Phillips and co-religionists on one hand, and the Free SA echelons on the other are contriving to trash whatever chance the US has of contributing to a humane and rational future for SA and its neighbours.

The power of narrowmindedness in combination with encyclopaedic ignorance is immense at the best of times. When even the wisest and best versed have no satisfactory answers, it is well-nigh invincible. That is what is happening now.

Pushed by the likes of Phillips and their fellow knownothings inside the Administration and on Capitol Hill, the American government is wading into a pointless conflict in Angola very simply because the people who know and care about the area, Dr Chester Crocker among them, can come up with no neat, crystalline alternative that a child can understand.

The painstaking diplomatic slog of building trust among the various parties and piecing together agreements over months or years, if necessary, does not lend itself to slogans and cannot be explained, much less made to sound sexy, in 30 seconds of television time.

To capture the American political imagination, as President Reagan demonstrated with his Libya raid, you have to have heroes, villains, and dramatic denouements.

Dr Crocker can offer none of these things because, in his area, they do not exist. The world he deals with is not a cartoon. He is therefore at the complete mercy of those, like Phillips and, alas, even Reagan himself, who think it is.

It is the same with the divesters and the sanctioneers. No-one with any claim to knowledge or understanding of the place has the faintest idea of how to deal with SA.

You can put together eminent persons and committees of prominent citizens and think tanks all you want, but none is going to offer a satisfactory answer. So, once again, the people with the simple, mindless, manichean solutions win.

Recently, Phillips and Congressman Ron Dellums sat together before the House Africa sub-committee to give their views on Dellums Total Sanctions Bill.

Phillips blasted the State Department for "pressuring the SA government to join in a Lusaka Accord which yielded crucial terrain to Cuban and Soviet military control and an Nkomati Accord which required the betrayal of an indigenous anti-communist freedom movement."

Dellums spoke fervently in favour of banning, among other things, arms sales to and Krugerrand exports from SA. A somewhat redundant position.

These are the sort of intellects that are hijacking US policy towards southern Africa.

East India Club on Wednesday was a RU know that they were going.

Keep off Stancha, AAM tells Lloyds

BUS DAY 280

28/4/86

JOHN BATTERSBY

LONDON — Lloyds Bank is coming under intensified pressure to drop its £1,2bn offer for Standard Chartered Bank (Stancha).

The London-based Anti-Apartheid Movement, which led the successful campaign to force Barclays to reduce its SA interests, has warned that it will take similar action against Lloyds if the take-over of Stancha goes ahead.

A letter to Lloyds chairman Sir Jeremy Morse — signed by AAM chairman and Labour MP Bob Hughes and End Loans to SA campaign chairman the Rev David Haslam — warned that Lloyds would become one of main "collaborators with apartheid" if the deal went ahead.

The Lloyds offer is being contested by Standard Bank.

A Lloyds spokesman emphasised yesterday that it did not welcome the prospect of taking over Stancha's SA interests but would have to accept it as part of the overall deal.

"We will continue and accelerate the process of divesting ourselves of Standard's SA interests," he said.

Earlier Lloyds' deputy chairman Sir Lindsay Alexander told AAM president Archbishop Trevor Huddleston in a letter that the bank opposed apartheid.

In last week's letter to Lloyds' Morse the AAM expressed its "grave concern" at the take-over plans.

"Should your take-over bid be successful and unless Standard's SA and Namibian interests were immediately disposed of, then Lloyds will become one of the main collaborators with the apartheid system.

"In such circumstances we would have no alternative but to advocate to our members and supporters similar action to that being taken against Barclays, namely a boycott of Lloyds Bank."

The AAM said a takeover of Stancha would mean that Lloyds would be in ownership of "a company which is playing a key role in sustaining the system of apartheid and SA's illegal occupation of Namibia.

"We understand that Standard's SA exposure is currently in the order of £1bn," the AAM said.

SA320	1735	1915	SA417
SA352	2330	0110	SA495
SA324	Port Elizabeth to Johannesburg		

Argus 28/4/86

Angry Catholics walk out of Mass over sanctions

280

The Argus Correspondent

JOHANNESBURG. — Irate parishioners staged a walkout at a Catholic Mass in Victory Park here when the congregation was invited to indicate its feelings on the church supporting increased pressure, including economic sanctions against the Government to help speed change.

As the priest at the 8am Mass yesterday started explaining the reasons for the South African Catholic Bishops' Conference (which meets in Durban this week to decide the issue) considering increased pressure, members of the congregation showed signs of irritation.

First singly, then in twos and threes, congregants walked out.

As the priest finished his explanation of the bishops' rationale for considering increased pressure, a man leaving the church with his family turned back to shout at the priest.

The man said he considered it "disgusting" that these matters were being discussed at a church service. "Keep politics out of the church," he shouted.

Many in the almost all-white congregation applauded him.

An overwhelming vote against the use of increased pressure was cast at the tables where signatures were invited. In at least one case, not a single vote in favour of disinvestment and economic pressure was recorded.

At the 9.30am Mass there was again a partial walk-out when the subject was raised by the priest.

at Kuils River

across the Kuils River from Van Riebeeck Road was damaged by floods last year and it was being rebuilt.

Motorists are encouraged to use bypasses to Stellenbosch, the Strand and Somerset West.

Irish railway blast

BELFAST. — A bomb derailed a freight train near the border between the Irish Republic and Northern Ireland today, but no one was injured. — Sapa-AP.

Anti-apartheid moves may affect BMW

Politics threaten more motor firms

By Jeremy Sinek

South Africa's embattled car makers could increasingly face direct political threats to their survival.

Until now it has mainly been United States companies — notably General Motors — which have had to stave off disinvestment pressures back home.

But a clear warning has been sounded that German firms like BMW, Mercedes-Benz and Volkswagen could also become involved in political action against apartheid.

The danger was highlighted last week by Dr Walter Hasselkus, managing director of BMW South Africa.

Speaking at a model launch in Natal, he appealed to the Government not to waver from its chosen course of reform, but to speed it up significantly.

"So far South Africa has been a non-issue in Germany. But unless the situation in South Africa improves, and unless tensions are drastically reduced, South Africa *will* become an issue in Germany.

"And once that happens, one would have to be very naive to believe that either the federal government or any major faction would be in a position to defend South Africa.

"Let us create a political climate in South Africa that takes the heat and the pressure off foreign companies that have investments here," he said.

Dr Hasselkus also blamed political issues for the financial plight of the motor industry.

Referring to all the positive economic indicators — an enormous current account surplus, record exports, a stimulatory budget, rescheduling of the foreign debt, reduced petrol prices and lower interest rates — he said: "When all these things happen, and still that very sensitive economic barometer, the car market, does not improve, then you have to conclude that the general level of business confidence in South Africa is at a dangerously low level.

"One cannot help but conclude that the political climate is responsible for this amazing lack of business confidence."

'Mercedes to stay'

On a more positive note, Dr Hasselkus said he believed, on the strength of "very good and very promising" economic fundamentals, there will be improvements in both business confidence and the political outlook.

"In spite of its poor start in the first quarter, we see the car market picking up well, especially in the second half of the year, and we may even end up with a market of about 200 000 this year."

But at a Mercedes launch two weeks ago, Dr Hasselkus's opposite number at Mercedes-Benz, Mr Jurgen Schrempp, said: "The introduction of this model comes as visible proof of the Daimler-Benz decision to stay in the South African market.

"Towards the end of last year, Daimler-Benz substantially increased its investment in South Africa. The decision is significant at a moment when there is talk of some more manufacturers pulling out of South Africa."

SA can expect 30 n AIDS cases this yea

Medical Reporter

At least 30 new cases of AIDS ca expected in South Africa this year, Professor Jack Metz, chairman o Advisory Group on AIDS.

In a statement issued at the w end, Professor Metz said although one new case of AIDS has been re ed this year, there was no reaso complacency.

Since 1982, 20 people have died c a total of 27 cases of AIDS se South Africa

Only one case here has been thi blood transfusion. More can be ex ed in patients who received tra sions untill all donor blood was te

NATIONAL/INTERNATIONAL

ARGUS 29/4/86

Catholics reject 'pressure'

286

Staff Reporter

CATHOLIC bishops were unlikely to take a stand on a sensitive political issue if their congregations opposed it, the Vicar General of Cape Town, Father Reginald Cawcutt, said today.

But the church was not a democracy and no opinions had been canvassed on whether the Catholic Church should support the calls for increased pressure, including economic sanctions, on the South African Government, he said.

The plenary session of the South African Catholic Bishops' Conference begins in Durban today and among the issues to be discussed are disinvestment and the Catholic Church's response to the Kairos document, the controversial statement by theologians last year on the political crisis in South Africa.

Father Cawcutt was responding to the weekend walkout from Mass by a Johannesburg congregation when the priest began explaining why the bishops' conference felt it necessary to discuss disinvestment.

Father Cawcutt said it was "virtually impossible to consult every Catholic on disinvestment.

"The bishops are leaders of the Catholic church and they do not necessarily have to ask where the congregation wishes to be led."

● An overwhelming majority of Catholic priests of the Durban Archdiocese who attended a special meeting yesterday voted against the Church taking a stand in support of calls for increased economic pressure against South Africa.

According to an informed source, 35 priests voted against the disinvestment and sanctions call while four voted for and two abstained. The feelings expressed were "fairly strong," The Daily News was told.

One source said: "The priests have to help the many people who are already out of work and hungry and many feel very strongly about any move which will worsen the situation."



● TUTU

Tutu claims support for sanctions

ARCHBISHOP-ELECT Desmond Tutu says almost every credible organisation and black leader supports his call for sanctions.

He makes the claim in a video interview intended to improve his public image.

Anglican Church worker Mike Thornton, a fund-raiser for church development in Cape Town, made the video at his own expense before Tutu's election as Archbishop of Cape Town.

He said its release was embargoed to avoid an impression of pre-election lobbying.

Thornton said he made the video to counteract the image of Tutu projected in some media.

Tutu, asked in the interview about his call for sanctions and questions by his critics whether he had a mandate from blacks, said he had never claimed to speak for anyone. — Sapa.

White Catholic groups oppose disinvestment

29/4/86

STAR

280

White Catholic groups have expressed unanimous disapproval of disinvestment as a solution to South Africa's problems and have called for increased investment.

This follows the walkout by Catholic parishioners from a Victory Park church on Sunday while they were being given the reasons why the South African Catholic Bishops' Conference (SACBC) was considering calling for increased economic pressure on South Africa.

The SACBC is to meet in Durban this week to decide the issue. Earlier this month, the SACBC sent papers on sanctions and disinvestment to parishes across the country, asking Catholics to express their feelings on the matter.

In a survey by *The Star* yesterday, many parish spokesmen said there had been such a delay in the papers reaching them that they had not had time to formulate adequate replies.

But the general feeling was that the country's problems would not be solved by disinvestment Comment could not be obtained from parishes in Soweto

More than 5 000 people of the Yeoville Catholic community recently signed a petition protesting against the imposition of economic measures against South Africa.

Papers submitted to the Catholic church in La Rochelle were received too late for a general meeting to be held Although individuals had commented, it was not possible to ascertain the general viewpoint.

In Rosebank, Catholics had responded by condemning apartheid without reservation. The issue prompted a constructive discussion of a solution for the country's problems, it was reported.

According to a spokesman for the Alexandra Catholic community, many members were in favour of economic sanctions being imposed. But, because a vast number of people were uneducated, there had been "no comment forthcoming from that sector although there was no negative response to the imposition of economic measures. But there was no joyful response either".

In the southern suburbs, some parish members had expressed the view that increased investment, as opposed to disinvestment, would lessen violence in the country by creating more jobs.

In Mayfair, members of the Catholic community responded by voting in favour of investment and against disinvestment. In the Riverlea community, the majority — but "not a big majority" — were against disinvestment.

The Maryvale community urged the SACBC not to support the imposition of any economic measures against apartheid but to continue its efforts to bring about an end to violence and the removal of apartheid and its injustices — possibly by influencing the Government to accelerate the process of change.

The community also stated that the "pain, suffering and increased violence arising out of imposed economic measures far outweigh the benefits.

During the Victory Park mass on Sunday, members of the congregation showed signs of irritation. First singly, then in twos and threes, congregants got up and walked out. Then an enraged member of the congregation tried to shout the priest down.

Mass UK lobby on SA sanctions

By The Star Bureau

LONDON — A mass lobby for sanctions against apartheid is to be held at the Houses of Parliament on June 17.

The lobby — involving MPs, trade unionists, churchmen and private individuals — comes more than 25 years after South Africa's first Nobel Peace Prize winner Chief Albert Luthuli pleaded for international sanctions against South Africa, and a matter of weeks after Bishop Desmond Tutu endorsed the call.

Big UK union votes to ban handling of all SA goods

Own Correspondent

LONDON — The major union representing British shopworkers has voted overwhelmingly to boycott SA goods.

Garfield Davies, general secretary of the Union of Shop, Distributive and Allied Workers' (Usdaw) told the annual conference at Eastbourne on Sunday: "Act now to make the boycott bite."

He pledged that the union would give full support to any members who suffered or lost their jobs for refusing to handle SA goods.

In response to criticism that the Trades Union Congress was not acting firmly on SA, Davies pledged that if they had not mounted a boycott campaign by the time of its annual conference (in October) he would submit a resolution demanding action.

Speaker after speaker told the conference that the time had come to make talk of sanctions against SA a reality.

The meeting was told that the boycott of SA goods would follow the example of workers at the Dunnes supermarket chain in Dublin.

The year-long picket by Dunnes workers, after being sacked for refusing to handle SA goods, led to the Irish government's decision this year to ban imports of fruit and vegetables from SA.

Usdaw is the second major British union to to call on its members to refuse to handle SA goods.

Earlier this year the National Union of Public Employees (Nupe), representing many hospital, civil service, municipal and education workers, became the first.

ARGUS 30/4/81 (28)

780

RC priests against economic pressure

The Argus Correspondent

DURBAN. — Disinvestment would prepare a climate for revolution — this was one of the assertions made at a meeting of Roman Catholic priests of the Durban archdiocese which discussed the issue of economic pressures against South Africa.

Other strong comments against disinvestment are contained in a report of the meeting yesterday which has been conveyed to Archbishop Denis Hurley, president of the Southern African Catholic Bishops' Conference (SACBC) which is meeting at Mariannhill.

The priests were asked whether they were in favour of disinvestment. A total of 35 "no" votes were cast (including absentee votes) six were in favour and four abstained.

The report of the meeting lists "cogent points" made during discussion on the question of "the conference's attitude to the persistent calls for economic pressure against South Africa."

VIOLENCE

The points included

● How could priests preach on disinvestment or read a prescribed pastoral letter on the subject indicating it was a Christian solution when they were convinced it would lead to more unemployment, hardship and violence?

● If bishops supported disinvestment, to be logical they must divest themselves of whatever investments they might have in this unjust society such as savings, bonds, shares and property. They must also discontinue appeals overseas for financial support.

It was claimed that the impression given was that they were prejudiced in favour of radical groups and were dismissing as irrelevant middle-of-the-roaders as "stooges and sell-outs."



Former French Prime Minister, Mr Laurent Fabius, visited the Regina Mundi Church in Soweto to lay a wreath there.

French sanctions to stay - Fabius

STAR 30/4/86. 280

By Gary van Staden,
Political Reporter

The economic measures imposed against South Africa by the socialist Government in France would survive the new conservative regime, the former French Prime Minister, Mr Laurent Fabius, said yesterday.

Speaking at a press conference at Jan Smuts Airport shortly before his departure from South Africa, Mr Fabius said: "Among the measures we imposed were steps to prevent any new investment in South Africa and we undertook not to renew old contracts".

According to Mr Fabius the new conservative regime of Mr Jacques Chirac could do little to alter the punitive measures introduced by his government as the President of France, Mr Francois Mitterrand, was still in power and remained in charge of foreign policy.

Mr Fabius said he was not interested in speaking to the South African Government as it would serve no useful purpose. He said: "We keep asking when Nelson Mandela is to be released and they keep saying 'No', so I don't see any point in talking to them."

During his short tour of South Africa, the former French premier held discussions with Dr Allan Boesak, Mrs Albertina Sisulu, Bishop Desmond Tutu and Dr Beyers Naude, and had planned to meet Mrs Winnie Mandela.

The latter arrangement fell through when Mrs Mandela had to leave Soweto on short notice following the injury of her son-in-law in an accident.

Mr Fabius also paid short visits to Crossroads in Cape Town, where his vehicle was attacked by local youths, and Soweto.

MAJOR IMPRESSIONS

In Soweto he placed a wreath in the Regina Mundi church and visited the home of Mrs Mandela, where he left a written message for her.

Mr Fabius said his major impressions of South Africa were of the stark contrasts between white and black South Africa and of ever-increasing tension.

He said: "I was struck by the visual impression of middle-class homes on the edge of Soweto and the contrast provided by the stark hostels inside Soweto where people from the homelands are forced to live. The people who live there have no comforts and are treated like animals.

"I was struck by the remarks of a man I spoke to, who said if the pass laws had been repealed 10 years ago that would have been hailed as significant by the black people of South Africa. But now, they have no significance and bring no joy.

"Even if the repeal of the laws is significant, and I am not saying it isn't, it is no longer the point. What the people want now is political freedom.".

Mr Fabius expressed the opinion that, while his party was no longer in control of the French Parliament, the President was still a socialist and the President was responsible for foreign policy.

He said: "We will still have an influence on policy toward South Africa. In any case, the Socialist Party is the largest in France and remember too, in democratic countries governments do not stay in power for 40 years".

Catholic priests vote against disinvestment

Own Correspondent

MOST Catholic priests in Durban do not support disinvestment.

They also question the reasoning and motives behind the Church's support for increased economic pressure against SA and dialogue with the banned African National Congress, as well as its apparent snubbing of KwaZulu Chief Minister Mangosuthu Buthelezi.

These findings came to light during a special meeting of 49 priests in Durban this week.

A secret ballot was held at the meeting to measure support for disinvestment. Thirty-five voted against and six for. Four abstained and two papers were spoilt.

IBM votes to stay in SA

394486 BUSDAY 280

MICROSOFT, a major US computer software supplier, will halt direct sales to SA, says international director Bob O'Rear. The company operates in SA through a distributor. No sales figures were given.

HOUSTON — International Business Machines stockholders defeated a proposal calling for IBM to halt operations in SA if apartheid was not abolished, according to results announced after Monday's AGM.

About 6,9% of stockholders — casting ballots — voted for the proposal, IBM officials said.

Chairman John Opel, who will retire on June 1, said IBM was discouraged about apartheid but would remain "as long as we can maintain an economically sound business and feel there is a chance we can contribute to change".

IBM president and CE John Akers told the AGM the company and computer industry had not "put the problems of 1985 behind us".

He said: "The US economy continues to show only moderate growth. We have yet to emerge from the long year-and-a-half of disappointing corporate profits and capital investment, now compounded by uncertainty over tax reform legislation."

But Akers cited several encouraging economic signs in 1986, including lower interest rates, the dollar's lower level and the avoidance of "protectionist legislation".

Akers added that IBM planned to reduce hiring this year.

When asked about the possibility of a stock split, Akers said the directors would consider it "as the opportunity presents itself more aggressively for our business to improve". — AP-DJ.

SA must show commitment to change soon, or ...

Wise men expected to propose sanctions



The Star Bureau

LONDON — The Commonwealth Eminent Persons' Group (EPG) is almost certain to place the initiative for establishing dialogue between races back with South Africa itself when it meets here today.

It is expected to tell Pretoria that it could be forced to recommend punitive sanctions to the seven-nation Commonwealth committee within a matter of months if evidence of a commitment to real change is not forthcoming soon.

So far news that the pass laws are to be abandoned has received a cautious welcome, but this is unlikely to be considered enough of a gesture, either by the EPG or by the African National Congress, the other crucial character in the cast.

The ANC has so far declined to comment on the pass law development until other aspects — including the issue of "orderly urbanisation" — are resolved.

Similarly, President Botha's repeated call for "non-Communist" members of the ANC to return to South Africa to negotiate, is not expected to cut much ice.

NOT INTERESTED

The EPG, like the ANC, is not much interested in incremental change and has already stipulated in detail the minimum changes it believes are necessary for its mission to succeed.

Australian Prime Minister Mr Bob Hawke has hinted that there is some room for compromise, but the lifting of the state of emergency is the only major concession to these demands so far.

The ANC has dismissed the Botha overture out of hand.

The Commonwealth group continues to play its cards close to its chest, but some sources believe today's meeting is crucial. The members are to assess progress so far and to decide on their next important step.

Some, like Mr Bob Hawke, believe that sanctions can be avoided. But they are anxious that Pretoria understand the series of proposals put forward by the EPG are recognised as "the necessary framework" for a process of peaceful dialogue.

STAR 30/4/86

SA priest fasts for disinvestment

The Star Bureau

WASHINGTON — A South African priest entered his fourth week of a "Fast for Disinvestment" at a leading American university today.

Father Basil van Rensburg of Holy Cross Catholic Church in District Six, Cape Town, said he had so far lost about 14 kg in his efforts to influence Notre Dame University's board of trustees when it meets next week to reassess its investments in South Africa.

He is also trying to encourage the Southern African Catholic Bishops' Conference meeting this week at Marianhill Monastery in Natal to vote the same way.

Notre Dame's board meets on May 9—10, and Father van Rensburg has asked its chairman to be allowed to meet the trustees to urge them to cut investment ties with South Africa.

The university has refused to disclose how much of its investments are so linked to that country.

SANCTIONS — 1986

1st — 31st May —

1st — 30th June

Catholics split on sanctions

THE Catholic Church is racked by internal divisions as its bishops meet in Durban this week to formulate a position on disinvestment.

Already strong opposition to disinvestment has emerged from priests and parishioners.

At an extraordinary meeting in Durban on Monday, priests in Archbishop Denis Hurley's diocese gathered to voice their opposition to sanctions.

They issued a statement questioning the motives for the church's support for increased economic pressure against SA and dialogue with the ANC as well as its apparent snubbing of moderates.

On Sunday, in Victory Park, Johannesburg, white parishioners staged a walkout while being given reasons why the SA Catholic Bishops Conference (SACBC) was considering a call for increased economic pressure on SA.

Despite the strong opposition, it appears likely that the Catholic bishops of SA are likely to issue a statement supporting disinvestment, but hedged with many qualifications, at the end of their current three-day special session to discuss the issue.

Statement delayed

Their statement was to have been issued today, but has been delayed because the bishops feared an announcement by them, either opposing or supporting disinvestment, could spark trouble in the heated May Day atmosphere in Durban where two major trade union groupings are holding rallies.

However, their statement, when issued, may also contain a disguised ultimatum to government to hasten change.

At the start of their special three-day session at Mariannhill monastery, the Catholic bishops were addressed by a number of



Roman Catholic priests in Archbishop Denis Hurley's diocese have voiced their opposition to disinvestment and questioned the Church's motives for economic pressure against SA.

Own Correspondents

experts who were for and against disinvestment.

Among them was Durban lawyer Noel Pistorius, secretary-general of the SA Council of Churches Beyers Naudé, an official of the Congress of SA Trade Unions (Cosatu) and an economist from the University of the Witwatersrand.

A priest participating in the SACBC session said he felt the bishops were unlikely either to accept or reject disinvestment.

"The body of bishops are unlikely to rush into sanctions because of the hunger they already see around them," he said.

"However, they are aware of the dramatic suffering in SA through poverty and violence."

In a statement on the "rebel" meeting, the chairman, Father F A Mackinnon, said the meeting had offered priests the opportunity to discuss, debate and comment on the conference's attitude.

A secret ballot was held at the meeting to establish the true measure of support on the disinvestment issue — 35 priests voted against disinvestment and six for. There were four abstentions and two spoilt papers.

It was decided that Monsignor P Nadal convey the results of the voting to SACBC president Hurley.

During discussion, several priests said they had not been properly consulted on the issue by the Church and pointed out that they were closer to the people than the bishops who make the decisions.

"Why are the bishops inviting selected union organisers to the plenary session and not opening their views to the PFP, Inkatha and other middle-of-the-road groups?" asked the statement.

"The impression the SACBC gives is that they are prejudiced in favour of radical groups exclusively, and are dismissing middle-of-the-roaders whom they label as 'stooges and sell-outs,' ".

Condemned

They also condemned the Church's apparent eagerness to publicly criticise violence attributed to the police and army while seldom condemning the "cruel, uncontrolled" violence and intimidation of radical elements

On the subject of disinvestment, the priests maintained that those bishops who support it should be made to dispose of "whatever investments" they may have in an unjust society, like savings and bonds.

Disinvestment leads to a climate of revolution, and as a result priests cannot preach such a doctrine as a Christian solution while knowing it will lead to more unemployment, hardship and further violence, they said.

However, a priest who attended the meeting said that of the more than 100 priests in the diocese, only about 20 had attended and of those none was black. The other priests who had voted had sent in postal ballots.

He said the meeting had been a disappointment as it was not representative of the views of many of the priests.

Court orders Equity to lift SA ban

IAN HOBBS

LONDON — Equity, the British actor's union, was yesterday ordered to immediately lift its ban on members performing in South Africa.

A temporary injunction against the ban was granted in the High Court in London as hundreds of famous actors also announced that they would defy the union regardless.

The injunction, seeking a ruling that the Equity ban on its entire membership of 32 000 was unlawful, was brought by the distinguished veteran actor Marius Goring, a former vice-president of the union.



● GORING

There will now be a full hearing in the High Court on May 28 at which the jubilant Goring will seek to have the ban declared "unlawful and void" and quashed — unless Equity concedes defeat in the meantime.

The injunction was welcomed by Derek Bond, who resigned as Equity president in protest at the ban.

A who's who of stars supporting the defiance includes Peter "Lawrence of Arabia" O'Toole, SA-born award-winning actress Janet Suzman, Dinah Sheridan and Barbara Murray.

The actors, who strongly backed Goring's legal fight, warned Equity: "The union isn't our master."

US sanctions against SA take the back seat . . .

SIMON BARBER in Washington

WILL THERE be more US sanctions against SA this year? Those who are paid to worry about such things — among them SA's extensive lobbying team and the State Department's SA Working Group — think the answer is yes.

This is not surprising: they owe their livelihoods to there being an active SA-bashing campaign on Capitol Hill and elsewhere A more disinterested assessment suggests we are in a period of hiatus

This, of course, is as the Reagan administration intended when it announced its own limited sanctions last September and formed its low-profile committee of wise persons to think things over at a deliberate but leisurely pace with recommendations due by this year's end

The one piece of legislation currently in the hopper is Congressman Ron Dellums' blockbuster attempt to end all US economic ties with SA

The professional worriers point out it received 100 votes last year. But the votes were largely-symbolic, and the only reason it was permitted to come to the House floor in the first place was to make Congressman William Gray's Bill, which was overwhelmingly adopted, look mild by comparison.

There seems little reason to panic this time around The House Africa and international trade subcommittees have held hearings on the Dellums Bill, but they have been curiously desultory affairs

The rhetoric has been there, but the energy and sense of purpose, so evident last year, have not. Chairman Howard Wolpe could not even bring himself to say whether his panel would actually get round to a preliminary vote.

Dellums, a black Democrat from California, is not taken very seriously as a legislator, and the real Congressional powerhouses on SA — men such as Gray and Congressman Steve Solarz — are being little more than polite.

Solarz has taken time out from his far more topical efforts to restore President Marcos' plundered millions to their rightful owners to attend a couple of the hearings, but his main contribution has been to ask Dellums and his supporters whether they might be prepared to live with something less draconian that what they are proposing

Solarz is a virtuoso in the art of the possible. He has also staked an unimpeachable position as one of his party's chief foreign policy strategists He seems to be positioning himself to take charge, either in person or as a Gray eminence, of a new and passable SA bill should the demand arise

Like almost everyone else, he knows the Dellums Bill is little more than a divertimento between acts

On the Senate side, the silence is deafening Foreign relations committee chairman Richard Lugar shows absolutely no sign of reviving the legislation the President preempted last September with his Executive Order Not that anyone is asking him to

Ted Kennedy and his allies make the noises expected of them from time to time, but by no stretch of the imagination can they be described as champing for action.

There has been some staff-level talk among the Republicans of reviving Senator William Roth's proposal to end SA's US aircraft landing rights. This would be a good year to try, if only because the treaty comes up for renewal several months from now But at this stage it is only talk.

No one can agree on how to phrase the putative ban. The preference is to make it conditional on Pretoria's behaviour, with the US administration having to certify improvement and both Houses of Congress having to agree to the certicification — but this is a recipe for deadlock. As one Senate aide put it. "The White House will certify anything, the Congress will certify nothing."

Besides, the airline ban is part of Dellums' Bill, and the last thing the Senate leadership wants is to wake that sleeping dog by suggesting a willingness to consider some of its provisions

Why has Capitol Hill gone so quiet on the issue? You would think that, in an election year — with the control of the Senate very much up for grabs — the Democrats would be pulling out all the stops.

Part of the explanation has to be that other business has supervened. What with the US budget deficit, Nicaragua, the Philippines, Libya — even Angola — the early months of 1986 have been extremely busy

Furthermore, thanks in some measure to Pretoria's own decision to restrict Press access under the late state of emergency, SA has not been on America's television screens generating daily outrage.

The impact of the pass law suspension has yet to be seen. The sanctions lobby would obviously like to portray it as little more than another modernisation of apartheid, and will do so given the slightest opportunity

Until the smoke clears, however, P W Botha's announcement has given even his most devoted critics pause.

So, as suggested earlier, have the President's own sanctions and the Secretary of State's special advisory committee. The White House correctly realised that, while a lot of Congressman were willing to bash SA under any circumstances, a larger number privately were looking for an excuse to drop what had become an unpleasant and ultimately hopeless subject.

The unprecedented attention that was paid SA in 1985 had an ironic effect: it forced legislators to pay unwonted attention to an area on which they were anything but expert.

The more they learnt, the weaker grew their convictions about what should be done and the more apparent it became that the policy was being forged not from clear-sighted analysis but from the fear of being called racist.

Knowledge is the sanctioneers most dangerous enemy, which is why the sanctions campaign is raging most fiercely where there is least of it. On campuses and in local governments.

. . . but the drain continues

THE exodus of US businesses from SA has been growing reports SIMON BARBER, but most of the leavers had less than 100 local employees, and all but a handful of the larger concerns sold out to SA interests, possibly at windfall prices

Very few were rated good corporate citizens under the Sullivan Code. Most, in fact, were not even signatories.

The latest available figures show a dramatic decline in direct US investment in SA — from $2,3bn to $1,8bn over the course of 1984 — but these stark, out-of-date statistics do not tell the whole story.

Since the start of 1985, some 46 US firms with 7 815 local employees have ceased operations in SA or sold their equity in SA subsidiaries, according to a survey prepared by the Washington-based Investor Responsibility Research Centre Some 32 had not signed the Sullivan code.

The firms range in size from Carnation Co, which employed 1 043 until its formal withdrawal last September, to A H Robins, a pharmaceuticals company, which had a one-man office

Carnation sold its 100%-owned Durban operation to Food and Nutritional Products, Ltd. Since 1982 it had received consistently low marks from the Rev Leon Sullivan. Only last year did it graduate from "did not pass basic requirements" to "making progress".

Sales offices

Although some of the companies have declined to furnish relevant information, only 11 — with a total of 97 local employees — are known to have shut down their operations in SA completely. Of those, most were primarily sales offices for companies such as Philbro-Salomon, American Express, Boeing and Trans World Airlines.

At least 22 companies sold out to their local management or other firms, all but three of which were South African.

Martin Marietta handed over its construction business to Sandoz, Ltd, of Switzerland. Oak Industries's subsidiary, a manufacturer of electrical components, was bought by Britain's Cathamly, Ltd. Another British company bought Manpower Inc's SA pen and pencil business.

While a few companies have severed virtually all links with SA — ATT and Apple Computer, for example — many, such as General Foods, Engelhard Corp and Navistar (formerly International Harvester) Corp — have kept licensing or distribution agreements with SA concerns.

Pepsico has retained its Pizza Hut franchises. Amex still sells travellers' cheques through Nedbank

The net impression is not one of a stampede for the the doors. There are still another 320 or so US firms to go.

Perhaps the most depressing aspect is that, with the exception of one decidedly low-profile mining company, no new US businesses are moving in.

BUS DAY 7/6/86.

NEWS FOCUS

Survey predicts slow SA decay with sanctions

THELMA TUCH

THE effective application of economic sanctions against SA would create a destructive vicious cycle — a slowdown of economic growth leading to increased unemployment and inevitably, worsening social problems in the country.

So says the French-Speaking Catholic Community (FSCC) which has compiled a five-page document intended to show the ravages and destruction caused by sanctions.

The document was presented at last week's Southern African Catholic Bishops' Conference (SACBC). The conference was concluded with the release of a controversial statement supporting continued economic pressure, but only to be applied so as not to destroy the country's economic infrastructure or increase unemployment.

However, the FSCC maintains that the financial and social costs of sanctions are heavy and their effectiveness doubtful.

The document focuses on the economic implications of sanctions in three areas — restrictions on foreign investment in SA (disinvestment, banning of new investment), boycotts of SA exports (coal, Krugerrands, fruit and vegetables) and overseas refusal to supply SA with certain products (petrol, arms, computers).

It states that, according to a recent Anglo-American study, the growth rate necessary to stabilise the present unemployment in SA is 3,5%, a rate which could only be reached with the contribution of foreign capital.

A decrease in foreign investment in SA would slow down the growth rate, lessen competition in the economy and result in increased unemployment, which would affect blacks first.

"A 20% reduction in foreign investment would result in 40 000 more unemployed — of which 60% would be blacks — a drop of half a point in the growth rate and a drop in disposable revenue of R250m"

With regard to boycotts of SA exports, the document says that a 20% boycott of SA sales to foreign countries would lead to a growth in unemployment from 400 000 to 500 000 people, and a drop in disposable revenue of R2,6bn.

Last year SA exports represented 34,7% of the gross domestic product and supported 2,5-million people.

Finally, the curtailment of imports from SA's five main suppliers (Germany, US, Japan, Britain and France) would be difficult to implement as this would jeopardise hundreds of thousands of jobs.

Last year more than R12,9bn worth of goods were sold to SA, representing between 300 000 and 350 000 jobs in the five countries.

Although a boycott of sales to SA would hasten development of substitute industries, this could be slow and costly and the local market largely does not justify a national industry, the document says.

Further, the development of substitute industries, in most cases, would depend on overseas technology and capital as well as qualified immigrant manpower.

"Economic sanctions are hazardous and largely irreversible. It would be illusory to believe that they need only be applied for a certain length of time, to be followed later by a return to normal."

The FSCC to a statement in the Explanatary Paper of the SACBC which concedes that the church could not foresee how economic pressure would function and, whether it would be effective, as "unpardonable frivolity."

The FSCC suggests that the church should follow a middle course between the status quo and revolution, by supporting the final elimination of all remaining statutory constraints on the black population, and the development of an equal education system

Then the initiation of a real negotiation process with the legitimisation of black political activity should be set in motion, and development programmes launched.

If their suggestions were implemented then the Church, it says, should invite fellow Catholics in the West to fund more specific projects in the fields of education, training, health services and employment opportunities.

BUSDAY · 19/5/86

Friedman on SA

RICHARD WALKER

NOBEL prize-winning economist Milton Friedman has slammed the SA disinvestment campaign as self-righteous hypocrisy.

He suggested in an article, analysing the disinvestment drive, that if student protesters really believed in their cause "let them disinvest personally" by refusing to purchase any item from any company doing business in SA.

"This would be far more effective in punishing companies doing business in SA — though to my mind no more justified — than the disinvestment protesters demanded." But it would be true idealism, as they would also bear the cost.

Friedman, the guru of monetarism, argued that "few temptations are so irresistible as doing good at someone else's expense".

SA 'causes its disinvestment'



● LOMBARD

BEULAH BROWN

DISINVESTMENT in SA is caused by the country's own private institutions investing domestic savings in foreign assets and not by foreign disinvestment, as is increasingly reported.

That was the view expressed by Professor Jan Lombard, vice-president of the SA Reserve Bank, at the 42nd congress of the Afrikaanse Handelsinstituut (AHI) held in Johannesburg yesterday.

"The stagnation in the industrial sector is totally of our own making. This gives the impression that our country's people are dismantling the SA economy on their own accord," Lombard said.

Lombard said the reason for this was that hardly any entrepreneurs or big financial institutions were willing to look more than six months ahead, causing the lack of private domestic investment.

"The truth about the SA economy is that its growth lies increasingly in the opportunities that create the potential and needs of its domestic masses.

"The question lies in what role the free market system will play in the transformation of the mass Third World potential and needs facing SA to create real growth in income, employment, consumption and the forming of capital," he said.

"We need a socio-economic development strategy that will include the rising Third World of SA."

Lombard emphasised that the problem in the economy was not of a cyclic nature, but the lack of basic growth potential.

"Therefore, the solution does not lie in stimulating short-term cyclic revival, but in long-term investment.

"For four respective years, there has been a decrease in real gross domestic investment."

Employment, normally growing at 3% a year was stagnant, with the economic growth rate for the period only 1,3%.

He said the only sector showing growth had been the mining sector, but that it should be borne in mind that SA's future lay in the industrial sector, in which fixed investment dropped by a shocking 57,5% since 1980.

"In fact, the gross fixed investment in this sector for 1985 was lower than the total cost of depreciation. Furthermore, fixed assets showed an employment rate of only 84,2%."

"If we develop a socio-economic strategy which will include the Third World masses, it would be easier for the central bank to maintain stability in the money and currency market," Lombard said.

He added that, in a vastly growing economy, tax rates would be much lower for the same amount of government spending and there would not be price inflation.

"The scenario I am describing is not out of our reach."

FM MAIL 30/5/86.

US-SA DISINVESTMENT

Blue chip blues

At the current pace of withdrawal, by 1995 every US company doing business in SA will have packed up and left.

In the past 16 months, 12% of the 311 American companies doing business on South African soil pulled out. Most cited economic reasons — a sluggish South African economy and concerns about continued unrest — but the heated disinvestment campaign in the US prompted many managing directors to hasten their exit.

According to a report by the Washington-based Investor Responsibility Research Centre, 48 US companies have sold or made plans to sell their South African operations since January 1985. The list has started to include a number of blue chip heavyweights: General Electric, Bell and Howell, Carnation, and Pepsi. That compares with just seven firms that left in 1984.

While many companies were hesitant to cite political pressure back home as the primary reason for the sudden exit, a very organised and increasingly powerful disinvestment movement has proved a thorn in the side of many US firms. Rarely does a shareholder meeting pass these days where an anti-apartheid amendment is not introduced by some shareholder faction. The biggest threat comes from activist pension funds, such as New York's City's $2 billion portfolio, which has exerted considerable pressure on companies whose South African operations violate their standards.

Even mighty General Motors (GM) cannot escape the disinvestment flames. In an effort to head off a showdown at its annual shareholder meeting this Tuesday, GM announced last week that it will no longer sell vehicles to the South African government.

Although GM's government sales (2 000 vehicles last year) were a tiny portion of its annual 35 000 sales in SA, its government dealings had become a target of US disinvestment forces, including New York City pension fund, which holds $35 million of GM stock.

Last week two US firms, chemical and plastics manufacturer Rohm and Haas, and software maker Microsoft Corp, joined the wave. Rohm and Haas, citing economic losses at its South African unit, which has 100 employees, said it would sell the subsidiary to a group of unit managers. Rohm and Haas will take a loss on the sale of the unit, which manufactures industrial and crop protection chemicals and acrylic emulsions.

Microsoft, America's second largest software manufacturer and a major supplier of IBM compatible software, said it had stopped shipping products to SA in protest against apartheid. ■

Disinvestment factors, pressures examined

DD 30/5/86 280

Business Editor

EAST LONDON — The decisiveness of political reform, pressures abroad and the continued profitability of South African subsidiaries of multinational companies were factors influencing the continued presence of overseas investors, a conference on disinvestment was told last night.

The conference, organised by the Border branch of the Institute of Marketing Management, was addressed by senior officials of three large overseas companies, which have subsidiaries in East London They emphasised their companies' desire to stay in South Africa.

A South African point of view was provided by the chairman of Shelford Pineries, Collondale Cannery and Berkshire, Mr Corder Tilney, who said that, while the disinvestment campaign held obvious disadvantages, there could be "life after disinvestment" in that South Africans were being presented with opportunities to buy out overseas companies at bargain prices.

Mr Trevor Copley, chairman of the International Region of Rowntree Mackintosh and chairman of Wilson Rowntree, said a UK company invested in South Africa was subjected to moral, political and financial pressures.

The new Wilson Rowntree factory extensions, in East London, which are to be opened today were an example of the group's confidence in the future, although it expected a "bumpy ride" in the next five years.

"Our position is that our South African investment is expected to continue to observe the EEC Code of Conduct and to earn a rate of return commensurate with the risk and to be self-financing," he said.

"We expect to stay here so long as Wilson Rowntree is allowed to run its business according to its own high ethical standards and the South African Government does its bit to continue along the course which it has announced of creating a fairer and more democratic society," Mr Copley said.

The managing director of the East London subsidiary of the US-based Johnson and Johnson, Mr Carl Spalding, said that "if statutory apartheid is still with us in 12 to 18 months, major companies could likely pull out".

Last year about 40 US states and 30 major cities considered disinvestment legislation or some other form of pressure on South Africa and 13 states enacted some type of law, mostly disinvestment and procurement bans

"The list will grow," Mr Spalding said.

He said incidents like the recent SADF raid into neighbouring states added to the pressures on American business.

US companies were caught in the middle between US pressures and South African politics — a significant number of blacks were calling for disinvestment — and a government attitude of "don't interfere in South African politics".

Measures restricting investments by US companies would hurt rather than help blacks by depriving them of both job opportunities and improved education

Johnson and Johnson's decision to stay in South Africa was based on a belief that it should be part of the solution in South Africa and should "face the evil rather than withdrawing from it", Mr Spalding said.

He said a two-fold strategy was needed to change the disinvestment climate — aggressive lobbying for fundamental change leading to a non-racial society, negotiated power sharing with true black leaders and, at the same time, aggressive lobbying against disinvestment.

The chief executive of Mercedes Benz in East London, Mr Gunter Kamuf, said pressures for German companies to disinvest had become stronger in recent months. His company had a commitment to its supplier partners and dealers in South Africa and had taken a firm decision to stay

"We want to stay We have spent a lot of money in East London. We love the city and the people, but we need action from the government to be able to survive," Mr Kamuf said

Piecemeal political reform was no longer enough and there could be no half-measures in the total dismantling of apartheid.

"We have stated on numerous occasions that boycotts and disinvestments do not help anybody," he said.

Mr Corder Tilney, who was involved in the South African take-over of the East London hosiery manufacturer, Berkshire, from its US parent, said that many disinvestment moves were based on South Africa's economic situation.

Disinvestment took money out of South Africa, but a discouragement was the fact that funds had to be taken out via the weak financial rand. Interest rates in South Africa were far better than overseas and interest could be taken out via the commercial rand.

One of the strongest tools black people had in bringing about change was the union movement and disinvestment would in the long term weaken union bargaining power.

South Africans had the opportunity to make favourable investments in overseas companies wishing to sell off their interests, provided this was done in the right way and licencee agreements were concluded to counter possible loss of expertise

Mr Tilney said an added advantage in these take-overs was greater stability for employees who were no longer subjected to the threat of disinvestment and loss of jobs.

'Only fundamental change can curb mounting disinvestment'

By KIN BENTLEY

DISINVESTMENT, which is already occuring in South Africa, will only be halted when the Government brings about "fundamental political change".

This is the view of the holder of the Volkswagen Chair in Industrial Relations at the University of Port Elizabeth, Professor Roux van der Merwe.

Weekend Post asked him to comment this week on the one hand on increased pressures for sanctions and disinvestment which occurred following last week's SA Defence Force raids on ANC targets in neighbouring countries.

And, on the other hand, he was asked to comment on an argument which is gaining increasing support among concerned white South Africans — that economic pressure is an ineffective and costly way of pressurising the Government into changing.

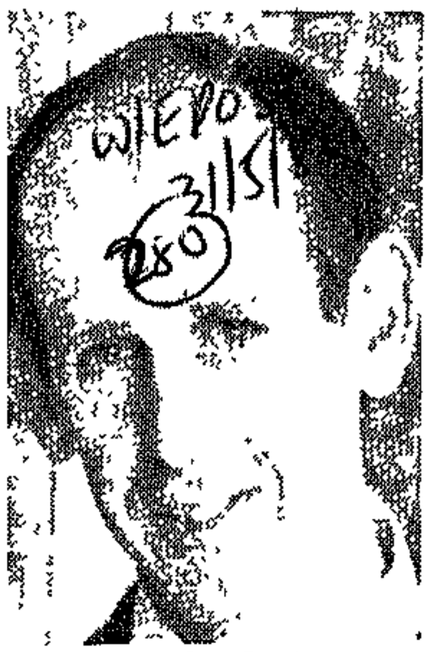
At a meeting of Catholics in PE last week, virtually every white in the audience who spoke on a SA Catholic Bishops pro-economic pressure statement felt that, despite its crippling effect on the country's economy, disinvestment had failed to induce the Government to scrap basic apartheid.

Said Professor Van der Merwe: "I can understand why blacks see it as an option.

"They are desperate and see it as a means of bringing pressure to bear on a Government that doesn't appear to be moving sufficiently."

He said blacks saw that the Government had been "moved" by overseas pressure, and might be moved further by disinvestment.

Although they were aware it might cause further harm to the economy, blacks argued they were already suffering and saw that, through disinvestment, pressure on whites to change would increase.



Prof ROUX VAN DER MERWE

Professor Van der Merwe said when Bishop Tutu called for disinvestment, he was speaking to a political establishment, just as Pik Botha and Andries Treurnicht did.

He "wouldn't get steamed up" about what Bishop Tutu said, just as he wouldn't get steamed up over what Pik Botha said.

Bishop Tutu admitted he was not an economist, but he sought "a humane economic system that provides welfare benefits to all".

This was many people's idea of socialism and was "economically naive".

Similarly, when black trade unions called for disinvestment and wanted companies to leave their assets behind "for the workers to run", they showed a lack of economic understanding, because "the workers won't run it, not at this stage, anyway".

Prof Van de Merwe sounded a serious warning that "once disinvestment takes place, it will take a long time for re-investment to manifest itself again".

Even if a black Government took over, investment would take a long time to return — "if it comes back at all".

Therein lay the long-term danger of disinvestment for the South African economy, he said.

In the US, particularly, "the disinvestment lobby is a politician's dream".

They could make high moral statements, which, in terms of their own constituencies, cost them nothing.

Disinvestment had become a "very popular" method for US politicians to "occupy the high moral ground".

Asked if he thought Bishop Tutu should not instead lobby for increased investment and for aid to be channelled, if need be, through "progressive organisations", he said this was already happening, to an extent.

Big US companies were helping townships meet some of the demands not being met by the State.

For political reasons, he did not think it would be possible for Bishop Tutu to call even for this form of selective investment.

He said "fundamental political change" had to come about "before law and order collapses completely".

He said most blacks accepted they would need whites to run the country.

What concerned him was why the Government was taking so long to unban the ANC and release Nelson Mandela, as a prelude to negotiations.

"It is painting itself further and further into a corner."

are yesterday to attend an economic summit in Burundi.

US business drain increases

28/5/86.

NEW YORK — The retreat of US business from South Africa is developing into a "pretty dramatic ... sharply accelerated trend", says analyst Alison Cooper, responsible for the latest study of the situation.

Cooper prepared a study for the Washington-based Investor Responsibility Research Centre that listed 48 US companies as having pulled out of SA since the beginning of last year. The study listed seven companies as leaving in 1984.

RICHARD WALKER

Firms were "very reluctant to say it is political pressure and I think it's true that if a company is doing well, political pressure doesn't have much impact," Cooper commented.

The study also found that a quarter of the top 100 American banks now made it a policy not to make loans of any kind to SA.

At the start of last year, only three banks had any sort of formal restriction on SA loans.

grammes affected," he said. — Sapa-AP

nds need



Grim death warning on disinvestment

DD 31/5/86
280

Dispatch Reporter

EAST LONDON — As many as 400 000 children's lives could be lost should the disinvestment drive against South Africa succeed, the regional director of Operation Hunger here, Mrs Roselle Frasca, said yesterday.

In a press statement on disinvestment, Mrs Frasca said that while Operation Hunger supported the urgency for the abolition of apartheid and its structures, it had to be stressed that the country would face an even bleaker hunger scenario if there was disinvestment.

"Thousands of children will die from starvation due to thousands being unemployed," she said.

Operation Hunger was at present feeding almost one million people on a daily basis throughout the country, she said, and as the recession showed no signs of abating their commitment to alleviate hunger deepened.

As many as 120 000 jobs would be lost if the Unites States pulled out of South Africa, according to a national assessment by Operation Hunger of what the country would face should disinvestment become a reality.

The assessment proved that of these, 100 000 were black workers with nine dependants, while 20 000 were white with four dependants

She said that at present black workers were categorised as migrant workers from the rural areas

"Operation Hunger would like to dispel any misconceptions that may be understood abroad that blacks can become subsistence farmers

"This understanding is totally unfounded as approximately eight per cent of the black rural population have enough land to utilize for subsistence farming"

The death rate of black children under the age of five was 50 000 a year in South Africa, Mrs Frasca said.

It was estimated that if disinvestment was implemented as a means to an end, the death rate would double.

"Therefore, by the very nature of our work, Operation Hunger cannot condone the human misery and ongoing suffering that is inevitable should foreign investors leave.

"With regard to this we would like to suggest that an unbiased opinion poll be taken in Southern Africa without fear of retribution in order to establish whether there is agreement or disagreement with foreign disinvestment."

Mrs Frasca added that two large opinion polls conducted by the New York Times and CBS in the Unites States during the latter part of 1985 had indicated increasing support for US disinvestment.

"An opinion poll to establish what US citizens believe will become of the black majority in Southern Africa, after disinvestment, would be enlightening," she said.



MRS FRASCA

WEEKLY MAIL

285 280

Bishops to decide on sanctions

2/5/86

WEEKLY MAIL REPORTER

THE Southern African Catholic Bishops' Conference is expected to state its position on the issue of sanctions at the end of its plenary session today.

The bishops have been meeting this week in a three-day special session devoted to the issue. A number of pressures, including a recent visit by a delegation of bishops to the ANC in Lusaka, have led the SACBC — which has so far avoided taking a stand on disinvestment — to consider defining its position on the issue.

This decision has proved to be divisive within the church, with white members in some parishes staging walkouts during church services to indicate their disapproval of the SACBC becoming involved in the debate.

At the first day's talks on Tuesday — the only part of the session open to the public — discussion dealt as much with the kind of economic system which will be implemented in a future South African society as with sanctions.

One observer said he felt the bishops would not issue a direct call for sanctions, "because of the hunger they already see around them.

"However, they also see dramatic suffering both through poverty and through violence, and they feel they have to make a contribution towards ending both."

Others predicted a qualified support for disinvestment tied to a call for the government to quicken its timetable for significant change.

Argus 2/5/86 (2) 280

Bishops support economic clamp

The Argus Correspondent

DURBAN. — Southern Africa's Roman Catholic bishops spoke out today in support of continued economic pressure to end apartheid — and they said pressure should be intensified if hopes of fundamental change were slim.

But they also said: "We need to point out that, in our view, such intensified pressure can only be justified if applied in such a way as not to destroy the country's economic infrastructure and to reduce as far as possible any additional suffering to the oppressed through job loss."

In a widely-awaited statement after a three-day closed session at Mariannhill near Durban, the Catholic Bishops' Conference made no specific reference to the burning issue of disinvestment, which has caused a growing rift in the ranks of the Catholic laity and priests.

Disinvestment has been largely condemned by Catholic groups and this week priests in the Durban archdiocese voted 35-6 against it.

The bishops acknowledged that Catholics were not obliged to agree with their stand but said it did give a lead which must be taken seriously.

The bishops, in their six-page statement, said: "It seems that the most effective of non-violent forms of pressure left is economic pressure."

A conference source said the bishops felt they could not give specific advice on how exactly pressures could or should be applied. They are to set up an advisory commission.

"Agonised"

The source said the feasibility, effectiveness and consequences of each method varied. Only people with the necessary expertise could judge.

He said the bishops had taken a decision of conscience over which they had agonised.

The bishops said. "We realise that our stand represents a point of view that not all Catholics will agree with. But while we acknowledge that in such matters our decisions of conscience about how to pressurise the Government to change do not oblige all Catholics to agree with us, they do give a lead that must be taken seriously for, what we have done, we have not done lightly."

They were aware that certain developments were imminent, such as the initiative of the Commonwealth Eminent Persons' Group and the Federal Congress of the National Party.

"These may demand a reassessment of the issue."



● BUTHELEZI

70 000 in demo against sanctions

Own Correspondent

A CROWD of nearly 70 000 demonstrated opposition to disinvestment and sanctions at a rally at King's Park, Durban, yesterday launching the United Workers' Union of SA (Uwusa)

The new trade union is linked to KwaZulu Chief Minister Mangosuthu Buthelezi's Inkatha movement

The crowd roared "no" when asked by Inkatha president Buthelezi: "Is it your wish that disinvestment and sanctions should now be imposed on SA?"

There was another roar of disapproval when Buthelezi asked: "Shall I tell them that you are now ready to suffer even more deprivation than you are suffering already, if these are worsened by any imposition of disinvestment and sanctions?".

When this section of Buthelezi's speech was interpreted into Zulu, interpreter Zakhele Khumalo asked those opposed to sanctions to stand. All stood up.

Buthelezi said he was certain that, if disinvestment and sanctions could result in the downfall of the present government, blacks would support their imposition. He said judging from what happened in Rhodesia under Ian Smith, sanctions would not topple the present "oppressive regime".

Buthelezi said friends of the Congress of South African Trade Unions (Cosatu) had tagged Uwusa as a "capitalist union".

This was "balderdash" and he had said many times that the free enterprise capitalist system, as it operated in SA, had thrived on the exploitation of black labour.

Buthelezi said that, unless blacks were given entry into the free enterprise system, it could have no future in a liberated SA.

New York's anti-SA stand challenged

By Alan Dunn,
The Star Bureau

WASHINGTON — New York city has clashed with the Reagan administration over a city by-law which excludes South African-linked companies from bidding for local contracts.

New York Mayor Ed Koch has called on President Reagan to end the dispute, offering to pay in the difference if the city awards a more costly contract to a firm unrelated to South Africa.

Disagreement emerged when the United States Department of Transport told Mr Koch tenders for federally-funded road projects could not exclude contractors with South African ties, as demanded in the city's anti-apartheid law.

A Transport Department spokesman said federal contracts were not to have restrictions imposed by local jurisdictions that would in any way limit the bidding process.

"This is not a question of support or non-support of apartheid. This is a legal issue in which we cannot allow geographic or residency requirements or any other related requirements to be imposed on contracts that are let locally for federal contract dollars."

But Mr Koch, a vehement opponent of apartheid, has indicated he will take the matter to court if it is not settled.

The New York by-law rules that companies seeking to do business with the city must state that they do not do business directly with agencies in South Africa that enforce apartheid, or supply the city with goods originating from South Africa.

New York's transport contracts this year are worth R18-million.

SACBC: No call for sanctions

CAH Tests 3/5/86 (28) 28

Own Correspondent

DURBAN. — The Southern African Catholic Bishops Conference (SACBC) has stopped short of calling for disinvestment and full economic sanctions against South Africa, but said that if the government did not soon announce basic changes, economic pressure should continue and possibly be intensified.

In a careful statement after a three-day closed session at Marianhill near Durban, the SACBC said that only people with the necessary expertise could decide on the feasibility, effectiveness and consequences of various methods of economic pressure.

Suffering

The bishops said that if basic changes were announced, particularly in the light of the Commonwealth Eminent Persons Group's work and the coming National Party Federal Congress, economic pressure could be reduced or at least maintained at its present level until the genuineness of such changes was clear.

"We need to point out that intensified pressure can only be justified if applied in such a way as not to destroy the country's economy and to reduce as far as possible any additional suffering to the oppressed through job loss," they said.

"... we also recognize that the most important factor in deciding how much suffering should be allowed to flow from economic pressure is the opinion of the oppressed of our land," the bishops said. "It is imperative therefore that their views be as fully canvassed as possible."

They said their views on economic pressure were not binding but provided a lead.

● Many priests in the Archdiocese of Durban were not going to have the views of a pastoral letter of the SACBC on increased economic pressure against the government "imposed" on them, a senior Catholic clergyman, Father F A Mackinnon, said yesterday.

Seriousness

Fr Mackinnon was chairman of a group of priests which voted against disinvestment earlier in the week.

The president of the National Council of Catholic Laity, Mr Noel Pistorius, said that, while he welcomed the fact that the bishops had not advocated outright sanctions, the seriousness of the factors on which the statement had been based could not be over-emphasized. He was concerned that the effects of economic pressures on the government might be over-estimated and that the impact on the critical unemployment situation might be under-estimated.

Mr J Manzi, a director of Young South Africans for a Christian Civilization — Tradition, Family and Property, said the bishops had not taken enough notice of the overwhelming opposition to sanctions around the country.

US getting tough on anti-SA cities

RICHARD WALKER

NEW YORK — Government funds are being denied to US municipalities which discriminate against contractors for doing business with SA.

Disclosing this, New York mayor Ed Koch said he would comply with a US Department of Transportation ruling while awaiting the outcome of a personal appeal to President Ronald Reagan to reverse the new policy.

If the president stands firm, city authorities plan to fight the issue in court.

New York is among the first cities to take SA disinvestment a stage further by loading its contract-bidding regulations against companies which do business with Pretoria.

Firms bidding for municipal contracts must confirm they have no business links with any SA government agency which has a role in enforcing apartheid.

Investment ultimatum for SA

The Star Bureau

WASHINGTON — An American university has decided to divest itself of R25-million in shares in companies doing business in South Africa if apartheid is not dismantled by January.

Duke University's board of trustees decided that disinvestment would start on January 1 and be completed in 13 months if the South African Government did not move sufficiently on apartheid.

The trustees reportedly took the view that university actions should be based on the conduct of the South African Government and not the behaviour of the corporations themselves.

Duke's decision at the weekend in Durham, North Carolina, follows divestment last year of about R72-million in shares and bank deposits in companies not aligned to a code of equal and fair employment practices on a nonracial basis.

Another major university, Notre Dame, is to decide on its holdings in South African-linked companies next weekend. It is estimated to have shares in about 30 such corporations.

American universities and colleges have so far divested holdings worth about R1-billion since 1976, according to estimates. Many more are reviewing their policies as protests on campuses, described as the most intense since the Vietnam War protests, continue.

CAPE TIMES 6/5/86 (280) Parliament

Pik Botha: New sanctions push

By ORMANDE POLLOK
Political Staff

HOUSE OF ASSEMBLY. — Bishop Desmond Tutu had virtually wiped out all the good done in America by Chief Mangosuthu Buthelezi in opposing disinvestment and sanctions, Mr Pik Botha, Minister of Foreign Affairs, said here yesterday.

Replying to debate on his department's budget vote, Mr Botha said there were fresh signs in America, Europe and elsewhere of new pressures building up for stronger sanctions-action against South Africa.

Mr Botha also revealed the government was investigating Mozambican charges that an "individual in Johannesburg" was connected with a recent car bomb blast in Maputo.

He denied the government had any links with the rebel Renamo organization as this would be against the Nkomati Accord — which the government believed was of prime importance to South Africa.

Responding to PFP leader Mr Colin Eglin, Mr Botha said he could not say if the government would go ahead with implementing Resolution 435 in connection with SWA/Namibian independence on August 1, because he did not know if Angola would agree to Cuban troop withdrawal.

He revealed that the stumbling block in the way of a settlement was Luanda's timetable for a withdrawal. It had already agreed to a withdrawal in principle.

There were signs however that the Angolan Government was angry about American plans to give Unita military aid and the atmosphere for negotiations was "not good, to put it mildly".

Support

"But there is more support in Africa for a Cuban withdrawal than is generally thought."

Mr Botha made it clear that irrespective of the link between implementing Resolution 435 and a Cuban withdrawal, South Africa was opposed to any foreign troops in its region.

Earlier he said that for many years Western countries, while opposing apartheid, had helped to avert sanctions. But this had changed.

"Our enemies have succeeded in conducting the international campaign against us in such a way that the West is now carrying out Moscow's policy."

Replying to calls during the debate for more money to put South Africa's case abroad, he said even if the funds were available there were elements involved which were difficult to combat.

Certain media were working against South Afria as a matter of policy and went out of their way to run down changes and reform in South Africa.

'Oxen'

Bishop Tutu had wiped out virtually all the good done in America by Chief Buthelezi.

However, South Africa had to continue its reform policy, regardless of outside opinions.

Things were changing and people had to realize "we no longer plough with oxen".

The enemies of the country did not want power sharing but power seizure and he believed it was time for all communities to unite so that fear could be replaced by trust.

Until violence stopped negotiations could not get started, he said.

IRON STEEL LIFTS

5. Leave Fund		
Coverage	:	--
Worker Contribution	:	--
Employer Contribution	:	--
Annual leave covered	:	-- days
6. Sick Fund		
Coverage	:	
Worker Contribution	:	
Employer Contribu		
Annual payment fo		
Annual payment fo		
Qualifying period		
Waiting period		
Percentage of wag		
Maternity days pe		

6/5/86 · STAR.

Hurley explains SACBC stand on sanctions

280

Giving qualified support to economic pressures was an attempt to reconcile the effect of such actions on political change with the chance that they might increase unemployment and violence, Archbishop Denis Hurley said yesterday

He was speaking on the contentious resolution — that it was justified to apply economic pressures to end apartheid — taken by the Southern African Catholic Bishops' Conference (SACBC) in Durban last week

The "qualifier" of its support came in a resolution to set up a commission to monitor and advise on the effects of any economic action — disinvestment, divestment, boycotts and sanctions — on conditions in South Africa

Archbishop Hurley said "The conference supported economic pressure, but the application of that support will be monitored by the commission to be established before the end of the month

"It was extremely difficult to arrive at a conclusion — it would take Solomon to judge between supporting all-out sanctions or the effect such actions would have"

The SACBC said that as the feasibility, effectiveness and consequences of different forms of economic pressures varied, only people with the necessary expertise could judge which of them were justified

Economic pressures should continue and, if necessary, be intensified if the Commonwealth Eminent Persons Group and the the National Party's federal conference showed little hope of bringing fundamental change

However, such pressures would only be justified if they did not destroy the country's economy

The SACBC also urged that the people be canvassed to see how much suffering should be allowed to flow from economic pressures

Insurance costs are expected to soar

By Frank Jeans

With insurance companies under tremendous pressure to restore underwriting profitability in the wake of heavy claims in fire and storm damage, short-term insurance costs for many companies are expected to soar.

The insurance broking indus-

THE WORLD'S NO 1
VEHICLE MANUFACTURER
McCANN-ERICKSON 800988



Home thoughts on SA from abroad

J E SPENCE

Excerpted from an article in the current issue of *Reality*

THE Republic's fortunes have changed dramatically since the heady days of the Nkomati Accord signed just two years ago. Then there were widespread expectations at home and in Western capitals that internal reform was well under way, that the security agreements with Mozambique and Swaziland were a major setback for the ANC and a prelude to a constructive regional role for Pretoria.

Government — it was claimed — had bought time to put its domestic house in order, free of ANC attempts to mobilise black hostility via the techniques of "armed propaganda". Externally, the neutralisation of Mozambique as an ANC sanctuary and the prospect of similar agreements with other regional states appeared to vindicate the doctrine of "constructive engagement": the Reagan administration had, after all, encouraged the peace process with Mozambique and promoted the Lusaka agreement on the future of Namibia.

Snubbed

Regional peace, and Western support and approval for SA's initiatives, would give P W Botha prestige abroad and flexibility at home — both essential for the success of reform. Yet by September 1984 — a bare six months after Nkomati — this happy vision of the future had begun to disintegrate: the tricameral constitution, by its deliberate snubbing of black political aspirations, paradoxically raised expectations of change which, coupled with the impact of economic recession, provoked a fierce resistance which continues unabated.

But what has really made an impact on the domestic political scene has been the "private sanctions" undertaken by foreign businessmen and bankers during the last six months. These decisions are in part based on hard-headed commercial calculation, the product of growing doubt about SA's credibility as a debtor nation and a secure base for future investment.

They are also influenced by the "hassle" factor: the unwillingness of companies — especially in the US — to commit time and energy to fending off pressures from a host of anti-SA lobbies whose saliency is a strikingly new feature of American politics.

Born out of resentment at Reaganite indifference to the claims of the poor and the deprived at home and abroad, these groups have devised new strategies to embarrass companies with interests in SA and have succeeded in persuading many city and state governments to divest their shares.

Their leaders are acute critics of "constructive engagement" and recent events in SA have confirmed their analysis of the doctrine's failure. They have not only won the intellectual argument, they have also — to a degree — won the political one as well, insofar as Reagan has been compelled, against his own political instincts, to accept a Congressional package on sanctions.

The significant influence on Thatcher's government has been external: last year's Commonwealth Conference in Bermuda was dominated by the SA issue; "eminent persons" were appointed to visit SA and timetables were set for indications of positive reform.

Not an epoch-making response, I agree, but evidence at least that the great majority of Commonwealth leaders will not allow Thatcher (or her successor) to get off so lightly next time — especially if, as most competent observers expect, the current crisis in SA persists.

Restraints

Thus, on the external front, SA can hope for little relief. Ad hoc measures (for example, the proposed modification of influx control and its corollary of forced removals, freehold property rights, common citizenship, etc.) which two years ago might have been welcomed unreservedly by Western leaders lose their impact and credibility in the absence of a major declaration of intent promising radical, structural change and the political incorporation of the black majority.

Nor will keeping SA off the world's television screens through restraints on media reporting help government very much; the fact that these had to be imposed was taken as a tacit admission that the state of emergency had failed in its primary objective to restore order swiftly in the townships.

The image of a state in turmoil persists — a constant reminder to Western governments that sooner or later the SA issue will have to be faced squarely and decisions taken to limit the damage to electoral and economic interests alike.

In this context the West as a whole — like President Botha at home — appears to lack a sense of direction and purpose. The traditional policy of "wait and see," "give reform a chance" is in ruins. There has also been a significant change in the attitudes of businessmen and bankers at home and abroad.

Meaningless

When conditions were stable (for example, in the 1965-74 period) there was a happy coincidence of interest between Western politicans and businessmen in the West on the utility of economic growth as the ultimate solvent of apartheid. Businessmen no longer share that blithe sense of confidence in SA's prospects and this weakens the case of politicans like Dr David Owen, the leader of the Social Democratic Party, who do not want the SA economy brought to its knees, and who would welcome an increase in resources to the private sector in the hope that this would contribute to the building of a social infrastructure (black housing, employment, social services, etc) without which any reform of influx control, for example, is meaningless.

The irony is that bankers and investors now press for major political reform as the price of a restoration of confidence: fair enough, but at the same time an indictment of the thesis, so assiduously defended in the past, that economic development alone would produce meaningful political change.

Clearly, growth, like patriotism, is not enough and men, political animals, are at last recognised as having the primary responsibility for political change, rather than the impersonal forces of the market place.

A considered, carefully planned, response by the West to the SA crisis is inhibited not simply because of the irrelevance of the conventional wisdom, but also because the one remaining option — full-scale sanctions — seems to many Western conservatives uncertain and unpredictable in its consequences. Some observers have interpreted the measures that have so far been imposed as a firm political signal to Pretoria that worse might follow if the pace of reform does not accelerate.

This I believe to be an optimistic reading of Western motives, the Scandinavian countries apart, the US, Britain and its EEC partners had to be pushed and shoved into taking these steps. In Britain, they constituted a rearguard action against domestic and Commonwealth pressures, and there will be considerable resistance to the adoption of comprehensive, mandatory sanctions involving a trade and investment embargo.

Nonetheless, even the most hostile opponent of sanctions has had to admit that some external pressures — falling short of a total embargo — have produced positive results. Prominent SA businessmen would not have made the journey to Lusaka to talk to Oliver Tambo without the dramatic fall in the value of the rand induced by the "private sanctions" of their counterparts abroad.

There is evidence, too, that the business community has also been influential in persuading government to ease restrictions in areas like influx control and black trade union activity. Whether their advice will, however, be heeded on major structural reform is debatable, but the fact that their voices have been raised in recent months on this issue suggests that external pressure has been influential.

Similarly, the supporters of sanctions can claim some success in compelling the SA government to modify apartheid in certain spheres: the sports boycott has led to a varying degree of integration, notably in soccer and athletics, but nothing like enough to win readmission to international competition.

Destruction

The promise to soften the harsh impact of influx control, and the forced removals of "black" illegals to the homelands, is the consequence of years of adverse publicity in the world's media to the attempted destruction of communities such as Crossroads in the Western Cape.

President Botha has admitted this publicly and equally — as Merle Lipton has convincingly demonstrated in her new book "Capitalism and Apartheid" — external pressure via the international trade union movement has contributed to the growth of black unions in SA.

But we should not assume that the reaction of the target state will always be positive: the arms embargo led to the growth of a massive indigenous arms industry, while impatience with the outside world's tendency to "move the goal posts" as a response to SA's efforts in the sporting field has led to the "buying" of rebel tours.

Western polices on the regional front have not been productive. Chester Crocker's failure to secure a Namibian settlement confirms the general Western perception that no progress can be expected while domestic unrest continues and government comes under increasing attack from Right-wing Afrikanerdom.

There may be good strategic reasons for withdrawing to the Limpopo; there may, indeed, be a case for allowing Namibia to come under Swapo rule on the assumption that Pretoria could still exercise a dominant influence on the new state's affairs — but these incentives to decolonise are heavily outweighed by the domestic constraint to appear tough on regional issues.

Credibility

Thus Western criticism of attacks on ANC sanctuaries in the neighbouring states makes little impact given government's commitment to destroy the movement's capability and undercut its standing as a liberation movement in the eyes of the black majority.

But viewed from abroad there can be no doubting the ANC's credibility as a major actor in the SA drama. Government's attempt to portray it as a mindless terrorist organisation bent on taking innocent lives has made little impact on influential "publics" in the West, who have been impressed by Tambo's exposition of his case.

In this context, SA is losing the propaganda battle with its hated rival, and Tambo's so-called "change" in strategy is regarded by sympathisers abroad — despite SA claims to the contrary — as one of degree rather than kind: hitting "hard" economic targets remains the priority, but more will be hit in the process, more civilians caught in the crossfire.

The picture is a bleak one: neither side in the struggle can impose its will on the other. But like previous confrontations (in 1960 and 1976, for example) external pressure will not wither away and "creeping sanctions," however reluctantly and haphazardly imposed, may well be the consequence of continued SA obduracy

□ *J E Spence is Professor of English at the University of Leicester, England. He was born and brought up in SA.*

8/5B6. BUD DAY. (28) (8)

Is this the way for SA to check the crooks?



☐ MARGO . . . wants Act cleaned up

BARRY SERGEANT

Second of two articles on the need for a code of investor protection in SA

IN BRITAIN, renowned company law expert Professor Jim Gower has produced two reports on investor protection. As a major international financial centre, London faces all the financial regulation issues of concern in SA. And, in addition, faces the emergence of a new species as yet unknown in SA — the financial services conglomerates.

As in the US, these firms combine lending, underwriting, broking, fund management, advice and research functions. The nub of investor protection here, essentially, is the need to regulate such conglomerates to avoid the debilitating exercise of conflicts of interest. And, of course, to provide the investor with an entity that has passed some sort of objective (official) test — before it opens its doors.

It is difficult to say what kind of a test should be devised in SA, but the need for it is widespread. As voiced by many of SA's dispassionate voices, we have much ground to make up before a code of investor protection can be introduced — in whatever form.

The Consumer Council describes relevant law as "hopelessly inadequate in protecting consumers" when companies go bust. Moreover, the law allows "unscrupulous businessmen to exploit loopholes".

The main culprit is the Companies Act, which is peppered with many outworn concepts, unworkable provisions, ineffective penal sanctions and outdated principles. When a sham *is* uncovered the situation is aggravated by an understaffed Attorney-General's office. Many cases are simply not followed up.

The problem is being *discussed* at the highest levels. The Standing Advisory Committee on Company Law (SAC) — whose chairman is Mr Justice Cecil Margo — wants the Companies Act cleaned up. It also wants a Takeover Panel on the JSE — mainly so that investors will have a greater modicum of protection. And the JSE now has a full-time executive official — Tony Norton — to preside over its affairs.

A central belief of the SAC is that the Companies Act gives too many advantages to company directors — without effective proportionate responsibilities. It wants to solve this by transferring a concept applied in the recently-enacted Close Corporations Act (fathered, midwifed and delivered by the SAC) to company law.

Dubbed "decriminalisation," it is to the effect that directors should be held *personally* liable for a company's debts in certain circumstances. This conflicts with the most basic advantage of corporate identity — limited liability — which restricts the claims of creditors to the extent of its net assets.

Gower's suggestion — in a more sophisticated environment — is that it be an offence to carry on an "investment business" without authorisation. This will be granted if the business complies adequately with certain requirements: disclosure, protection of clients' assets, suitability of investment recommendations, and so on.

If it is true to say that Gower's approach to regulating everything from the humblest coin dealer to the most complex species in financial markets and services — the conglomerate — is the best, then it can be cloned by SA.

By the same token, if SA had a policy of investor protection adapted from Gower's findings, many of the recent big (and bizzare) frauds may have been avoided.

Again, the distinction between investors and fools is vital. It is partially recognised in the legal precept *caveat emptor*: "buyer beware".

The doctrine is used to disqualify the basis of a claim by a man who has entered a deal in what are patently ill-advised circumstances. Here the Kubus Kwekery caper serves well as an example. Investors stumped up fortunes to buy kits to make milk cultures, they had been offered a guaranteed price for their output, their aspirations were embellished by the statement that the culture would be used by the parent company to make high-priced cosmetics.

The subsequent enquiry into Kubus Kwekery found that the milk culture had "no commercial value". Moreover, it appeared that the product was "valueless," "incompatible scientifically" and possessed "absolutely no economic value".

The point is that Kubus raised more than R6m. The subsequent fracas exposed the company and its product as a sham. Investors who parted with their cash could have made only cursory enquiries concerning the company and its products and promises to save themselves from loss.

Prevention is always better than cure. Application of Gower's concept of an "investment business" may have ended Kubus before it started. In particular, the authorisation requirements of "protection of clients' assets" and "suitability of investment recommendations" would immediately have caught the authorities' eyes.

But many situations are far more complex. A main company board director nominated to serve on a group subsidiary board may have a conflict of interests. He may, for example, become involved in insider trading of the subsidiaries' shares — based on knowledge acquired on the main company board.

Or the director may consent to the signing of a contract not undertaken at arm's length if, for example, it unduly benefits his position on the main board. He may also, for example, perpetrate a fraud and just simply take the subsidiary's money and run.

Many have done just that. Assuming that "decriminalisation" is the best avenue open, its application is restricted to companies and CC's. SA has 170 000 registered private and public companies and it would be difficult for the authorities to keep pace with the affairs of them all.

If the authorities *can* keep track, the businessman can nevertheless resort to another form of business vehicle — and again take the money and run. Other choices include the partnership/joint venture and sole proprietorship. In these cases the businessman's liability is extended to the total of the businesses *plus* his own personal assets. If he is quick he can still take the money and run.

There is one other business vehicle which caused the SAC to issue a statement to the effect that it affords the businessman yet greater protection and exposure to less liability than even the company. This is the *inter vivos* trust, an ancient creature of Roman-Dutch law which is now being used in a world of computers, conglomerates and instant international communications.

Perhaps the answer is Gower's idea of an "investment business" which — provided it complies with prescribed parameters — goes ahead and does business. Gower's mooted solution to the practicalities of administration is to vest a Cabinet minister with the initial powers of authorisation.

This is then delegated to practitioner-based bodies, such as (in the UK) the Securities and Investment Board (covering the regulation of securities and investments) and a Marketing of Investments Board (covering the marketing of investments, such as life insurance and unit trusts).

The boards would operate through a number of self-regulatory organisations recognised by them. Investor protection would thus take place both by means of government control and self-regulatory organisations. This fits more squarely into the current S. model than the US's draconian statutory-toothed Securities Exchange Commission.

On this basis, in theory at least, the primary vehicle used to conduct business would be irrelevant. It could be anything from a public company to an *inter vivos* trust.

Investor protection would hinge on whether or not a business had been approved as an "investment business". Some problems appear to arise over exactly what constitutes an investment business. Clearly, all recently publicised money scandals in SA have involved what are patently "investment businesses":

- ☐ National Acceptances (banking-type operation, with interests in leasing, property, banker's acceptances);
- ☐ SA Gold Coin Exchange (primarily a dealer in proof and ordinary Krugerrands);
- ☐ Egoli Mine (allegations of insider trading in its shares; documents forwarded by the JSE to the Registrar of Companies);
- ☐ John Woods and Jonathan Doyle; Kubus Kwekery; Gert Rademeyer (discussed yesterday); and
- ☐ The Magnum Group of Companies (lending-type operation).

It could conceivably be prescribed that all businesses existing or still to be formed — which know or suspect that they may be "investment businesses" — submit the nature of their business to the authorities.

Just as there will always be thieves, so there will always be fraud. But the development of SA's financial markets and services is being hampered by a dissolute bureaucracy that has lost sight of what investor protection is really all about. With ample precedent in relevant foreign jurisdictions, this should not be so.

US colleges warned on sanctions

SIMON BARBER

WASHINGTON — American colleges run the risk of losing their corporate backing if they heed student demands to sell their stock in firms that do business with SA, according to a study by the Investor Responsibility Research Centre (IRRC) in Washington.

The colleges benefited from $14,3m in private sector donations in the 1983/84 academic year.

By March 1 this year, 100 schools had announced disinvestment policies, affecting $410m worth of investments, IRRC found.

The study, based on a detailed survey of 175 institutions of higher learning, warned: "Corporate backlash against divestment by colleges and universities could increase as some of the larger corporate donors begin to be targets of divestment actions."

General Motors (GM) spokesman George Shreck said this week: "We would be justified in taking a very careful look at whether we were supporting institutions which were detrimental to the best interests of GM."

GM spends about $30m a year on higher education grants.

Top 7 don't want SA sanctions

280

STAR 9/5/86

By Neil Lurssen,
The Star Bureau

WASHINGTON — The leaders of the world's top seven democracies believe economic sanctions will not solve South Africa's problems, a senior White house official said today.

Mr Ed Djerejian, White House spokesman on foreign policy issues, attended the Tokyo economic summit where the South African situation was discussed by the leaders of the United States, Britain, France, West Germany, Italy, Canada and Japan.

In response to a question, Mr Djerejian said he was not at liberty to go into the details of the discussions about South Africa but the leaders had considered it an important issue.

"There was basic agreement I think in terms of the approach (to) solving South Africa's problems," he said.

"I don't think that sanctions is looked upon as the effective approach that will bring any positive (result) — but beyond that I don't want to go."

After the summit, official communiques and comments by some of the seven leaders referred to the South African discussions in general terms — such as the need to find a peaceful solution to the country's race problems.

Mr Djerejian's brief remark is the first substantive comment to flow from the summit on the issue of economic pressure on South Africa by the Western democracies.

This issue is coming to a head as South Africa's economic problems show no sign of easing and with the possibility that the Commonwealth Eminent Persons group could press for sanctions in the absence of reconciliation between the races.

South Africa was discussed at least twice in Tokyo — at a working session of the seven's foreign ministers and again when the foreign ministers joined their leaders at dinner — and diplomats here are assessing the views expressed there as well as South Africa's latest initiatives.

The thrust of those initiatives is seen as an attempt to satisfy the EPG while keeping tight control of reform.

● The Commonwealth Eminent Persons Group seeking to persuade South Africa to dismantle apartheid has had an encouraging response and will return next week, the Commonwealth Secretariat said yesterday.

"The committee is due in Johannesburg on Tuesday, but the members are not talking about their plans," a secretariat spokesman said in London.

AREA C Municipal Areas: Bethal, Dundee, Empangeni, Eshowe, Graaf-Reinet, King William's Town, Lichtenburg, Louis Trichardt, Parys, Phalaborwa, Port Shepstone, Queenstown, Standerton, Tzaneeen, Upington, Vredendal, Vryheid, and Zeerust;

Footnotes

1. Sunday Work - Shift workers rate for Sunday work is 1.33

Banker quizzed on loans to SA

The Star Bureau

LONDON — Lord Barber, chairman of Standard Chartered Bank, has said in London that the only way to bring peace to South Africa is through the complete dismantling of apartheid.

But how this was to be achieved was another question, he said at the bank's annual meeting yesterday.

Lord Barber, who is a member of the Commonwealth's Eminent Persons Group, also said that his bank's loans to South Africa were not a moral issue but a matter of judgment.

He was answering questions from members of the End Loans to South Africa pressure group who were concerned about the bank's continued "large exposure" in South Africa.

Standard Chartered, has a 39 percent holding in Standard Bank SA, which is South Africa's second largest bank.

The Rev David Haslam, of ELSA, had asked Lord Barber whether the bank should not follow the example of Barclays and refuse to raise new funds for the South African Government.

9/5/86 BUS DAY (10) 280

Boycott SA, bishops urge Britons

JOHN BATTERSBY

LONDON — A report published by the Bishops' International Commission for Justice and Peace has advised Roman Catholics in Britain not to invest in South Africa and to boycott SA goods.

The report, endorsed by the Bishops of England and Wales, asks: "In this time of crisis in Southern Africa, what can foreign governments, business, public opinion, churches and other institutions do to contribute to a path of change in SA involving the least possible violence?

"The answer given by black South Africans is: Stop supporting apartheid."

□ SA's head of the Roman Catholic Bishops' Conference, Archbishop Dennis Hurley, said last night that no recommendations had been made to Britain and any decision to take action would have been made by the British bishops.

FIN MAIL 9/5/86

280

CATHOLIC CHURCH

Economic ethics

Southern Africa's Catholic bishops have come out in support of continued economic pressure to end apartheid. They say this pressure should be intensified if developments show little hope of fundamental political change.

Reflecting developments in the Anglican church under its outspoken Archbishop-elect, Desmond Tutu, the Catholic bishops concluded that the most effective non-violent form of pressure left for political change is economic.

The decision was announced at the end of a closed three-day meeting of the Southern African Catholic Bishops' Conference (SACBC) at Mariannhill, near Durban, last week. It had been specifically called to consider whether or not the church should support increased economic pressure against SA in order to speed up reform.

The bishops evidently found themselves in something of a dilemma. As one statement notes: "We need to point out that, in our view, such intensified pressure can only be justified if applied in such a way as not to destroy the country's economic infrastructure and to reduce as far as possible any additional suffering to the oppressed through job loss." To many, this is an obvious contradiction. Black organisations in favour of sanctions as a pressure tool have said, more realistically, they do not mind making the sacrifices an economic squeeze would entail.

Apparently in response to the tension in white church circles created by their debate, the bishops explained that Catholics were not obliged to agree with their stand — but it was a lead which must be taken seriously

The Catholic bishops' decision has caused intense friction in predominantly white church circles — similar to that in the Anglican church after Tutu's elevation in its hierarchy. On the eve of the meeting, Catholic priests from the Durban Archdiocese voted, at a special meeting, by 35 to four (with two abstentions), *against* the church supporting calls for increased economic pressure, sanctions and disinvestment.

In Johannesburg, a number of angry churchgoers walked out of two services at Victory Park when the congregations were invited to indicate whether they supported the move. Petitions against the move were circulated in the Transvaal and elsewhere.

A Durban parish council voted unanimously against the call, but at the same time suggested some "positive" measures for the bishops to take at this time of crisis. A number of other Durban parishes and priests were reported to have conveyed their views to the Mariannhill meeting.

Although members of the Catholic laity had been invited to write to the conference to express their views, it appears the church overlooked their feelings, particularly those of whites, when making its decision. ■

F'N MAIL 9/5/86

UWUSA

Now, to organise

With the razzmatazz of its launching rally now over, the Inkatha-backed United Workers' Union of SA (Uwusa) faces its real challenge: the nitty-gritty task of organising workers.

About 75 000 people jammed Durban's King's Park Stadium on May Day to hear KwaZulu Chief Mangosuthu Buthelezi deliver the keynote address and underline Uwusa's anti-disinvestment stance. It was a day of high spirits.

Fortunately, fears that violent clashes would erupt between supporters of Uwusa and its major rival, the Congress of South African Trade Unions (Cosatu), were not realised. The only incident that marred the day was the fatal shooting of a young black man at Durban's Berea Station. A Cosatu spokesman claims the shooting occurred when a group of workers, who had attended a Cosatu rally at Curries Fountain, tried to board a train packed with Inkatha supporters.

Much of Buthelezi's speech was devoted to attacking Cosatu's support for disinvestment, but he also took pains to distance Inkatha from Uwusa. Declaring that he has no intention of interfering in Uwusa's affairs, Buthelezi said this would be assured as all Inkatha office-bearers involved in the union have resigned their posts in the organisation.

Office-bearers

KwaZulu elder statesman Simon Conco (59) is Uwusa's first general secretary. Formerly Inkatha's chief whip and a member of its central committee, Conco is also understood to have extensive business interests. Petros Ndlovu, a personnel officer employed by Tongaat-Hulett's milling division, is the union's president. Vice-president is "Pepsi" Msomi, a township superintendent on the East Rand, and Natal businessman Peter Davidson is treasurer.

Messages of support were delivered by representatives of the small National Union of Brick and Allied Workers, a union whose reputation is sullied by the fact that it was started by a Corobrik personnel officer, and the SA Transport Services Black Staff Association.

According to Conco, fledgling Uwusa has made exceptional progress. Claiming that 29 000 people had signed up to become union members before May 1, he says numbers swelled to 85 000 in the two days following the rally. Even that figure is low, he says, as some returns have not been received and he confidently predicts that it will rise to a staggering 100 000 by the end of this week. It has not yet been revealed which factories and plants are involved.

If Conco's claims are accurate — and there will be many sceptics — Uwusa's problems could just be starting. Many unionists have discovered that signing up members is the easy part of trade unionism. The hard part comes when members' needs have to be serviced. Conco says Uwusa has established offices in Durban, Empangeni, Germiston, Ladysmith and Maritzburg, with another to be set up soon on the West Rand. Uwusa has employed about 20 organisers. Some have union experience, but most are greenhorns.

Says Conco: "We were not given much time. There were political considerations and



Uwusa's launch ... thousands rejecting disinvestment

we had to go ahead with the rally on May 1. Certainly, I am bit overwhelmed but I think we will cope."

Organisers need to be trained and at present Uwusa's resources in this area are limited. Once source is the Inkatha Institute, which has engaged the part-time services of a consultant — Perfect Malimela of Industrial Relations Consulting Services — to advise employer and employee organisations, and the KwaZulu government, on labour issues.

Help is also been sought from abroad. Conco recently met officials of the American Federation of Labour-Congress of Industrial Organisations (AFL-CIO). The AFL-CIO's response to requests for help with training, says Conco, was that it would be happy to aid individual unions — but not a union federation. It seems, however, that once Uwusa organises its members into industrial unions — an integral part of its programme — the AFL-CIO will pitch in. Conco says organisers will also be sent to Europe. Invitations for unionists to be trained in Israel have been received. Announcements on these — and other pressing issues — are expected this week. ■

Canners wary of boycotts

BUSDAY 9/5/86

CHRIS CAIRNCROSS

LANGEBERG CO-OPERATIVE, largest fruit and vegetable canners in the country, hopes to match last year's R300m turnover, says general manager Carel Stassen.

The reason revenue no-growth is expected is because the co-op, like other exporters, is facing boycott pressure overseas.

This has meant a low-key marketing approach, says Stassen, with an impact on volume sales.

Langeberg has not benefited, like most other exporters, from the low value of the rand.

This is mainly due to competition from other countries in foreign markets.

The revenue standstill means the net earnings of Langeberg's 700-member farmers — mostly in the Western Cape — have come under pressure, Stassen adds.

Their financial state has been exacerbated by, among other things, inflation and sharply-rising costs of farming inputs.

Changing circumstances forced the Cape-based co-op to review its operations. This lead to a rationalisation programme completed in February.

Restructuring has split the organisation into three operating divisions comprising six business units.

Stassen adds the change in emphasis is a switch from being a processing/production co-op to a more market-oriented organisation.

Banker quizzed on loans to SA

The Star Bureau

LONDON — Lord Barber, chairman of Standard Chartered Bank, has said in London that the only way to bring peace to South Africa is through the complete dismantling of apartheid.

But how this was to be achieved was another question, he said at the bank's annual meeting yesterday.

Lord Barber, who is a member of the Commonwealth's Eminent Persons Group, also said that his bank's loans to South Africa were not a moral issue but a matter of judgment.

He was answering questions from members of the End Loans to South Africa pressure group who were concerned about the bank's continued "large exposure" in South Africa.

Standard Chartered has a 39 percent holding in Standard Bank SA, which is South Africa's second largest bank.

The Rev David Haslam, of ELSA, had asked Lord Barber whether the bank should not follow the example of Barclays and refuse to raise new funds for the South African Government.

SACBC explains 'pressure'

Own Correspondent

JOHANNESBURG. — The SA Catholic Bishops Conference yesterday said it was pure speculation that it had given "the first qualified support to disinvestment and sanctions".

The Cape Times reported said yesterday that Roman Catholic bishops in Britain had decided to boycott South African goods, and that the decision came "after a controversial decision by the SA Catholic Bishops Conference last week giving the first qualified support to disinvestment and sanctions".

Mr Noel Bruyns, SACBC information and press officer, said South African bishops did not call specifically for disinvestment or sanctions, but in their statement spoke only of economic pressures.

"They specified it was beyond their competence to decide on specifics of economic pressure . . ."

A commission would be appointed soon to advise on various aspects of economic pressure.

Joy till they're caught

THE police are provoked, callers said yesterday.

Mr W Mercer, Wynberg: "Looking at the expressions on the faces of the youths playing 'bait-a-cop', featured in the Cape Times on Thursday, I noticed no fear, but joy and excitement at the chase. Yet, when they are caught, they complain about the penalty. Play the game and accept the consequences, or play at something less dangerous."

Mr S J van Vuuren, Gardens: "I'm amazed at the tendency of the Cape Times to give a lot of publicity to complaints against the police, and play down the police response. There are faults on both sides, but it seems that whatever the children do is OK, but the police action is always wrong."

Mr R Fisher, Claremont: "Mrs Barratt (Thursday's Teleletters) wonders what the reaction would have been if police had acted against pupils at SACS or Westerford. These pupils probably hate apartheid just as much as those at the Bonteheuwel school, but they devote their energies to their lessons



and leave politics to the adults."

Mr E Meneses, Devils Peak: "Cape Times reporting needs to be taken with a pinch of salt. The students antagonise and provoke the police into attacks, and deserve what they get. Thank goodness we can refer to the evening paper for a balanced view."

Mr Pemba Mashwanyela, Worcester: "Mrs Helen Suzman will always be remembered for her bravery and her willingness to talk to people. May God give her strength until all the people of this land are free."

Mr A van Niekerk, Hanover Park: "After reading several of Mr R Fisher's comments, I can only tell him he is lucky he was born white, and has not had to suffer under the laws of this land. I'd like to invite him to spend a weekend with my family and see what life is like for us."

Mr L P Smith, Muizenberg: "In the wake of the Russian nuclear disaster, one wonders what would happen to Koeberg in the event of a severe earth tremor."

Mr J O'Brien, Sea Point: "Certain organizations regard the opening of trade areas as 'suspect', according to Wednesday's Cape Times. First, the removal of that 'cornerstone of apartheid', the Immorality Act was 'purely cosmetic'. Then the 'most hated aspect of apartheid' — the influx control laws — went; 'encouraging, but crumbs', this was called. Now open CBDs are 'suspect'! Such intransigent posturing makes these organizations superfluous to the business of building a great multiracial South Africa."

Mr C Cronjé, Bellville: "Remembering the days when Ikey/Matie rugby clashes were not to be missed, one can only express disgust at the refusal of the UCT students to allow their field to be used by the Springboks for practice."

● If you would like to comment on these or any other issues, contact Teleletters ☎ 24 2233 between 9am and noon on Tuesday.

'Sanctions against SA could see brutal reaction'

French Minister urges caution

By James Tomlins,
The Star's Foreign News Service

PARIS — A French Cabinet Minister, Mr Claude Malhuret, has said here that South Africa's problem is a need for a transitional period to democracy.

"One must be cautious about a programme of sanctions which could result in violent and brutal reactions," he added.

Mr Malhuret, Secretary of State for the Rights of Man, a new Ministry formed by Prime Minister Jacques Chirac, said this in an interview with the Sunday newspaper, *Journal du Dimanche*.

It was the first public statement on South Africa by a Minister since the new French Government took power on March 16.

Mr Malhuret also said Paris was studying the question of the withdrawal of the French Ambassador to South Africa, and it was possible he might be sent back shortly.

Mr Malhuret, one of the founders of the international medical aid movement, Medicines Sans Frontières (Medicine Without Frontiers), was asked how he planned to defend the rights of man in South Africa.

He said: "The Socialist Government's recall for consultation of our Ambassador in Pretoria, Pierre Boyer, is all very well but the day has to come when he must go back.

"The question of sanctions is very complex. One has to know where to stop. The boycott of the 1980 Olympics in Moscow after the invasion of Afghanistan resulted in confusion in Western countries," he said.

"It is all very well to vote sanctions against South Africa but let us not forget that in 1985 the Ethiopian Government massacred 300 000 people by massive deportations.

"The French Socialist Government did not urge sanctions nor did it even recall its ambassador. Most European countries continue to send to Addis Ababa the means of carrying out these deportations."

He continued: "South African's problem is the country's need for a transitional period to democracy. One must be cautious about a programme of sanctions which could result in violent and brutal reactions."

He disclosed that France was in the process of defining its position on South Africa and it would be announced at a United Nations conference on June 16.

Mr Malhuret attacked the visit to South Africa by former French Prime Minister Laurent Fabius and former Cultural Affairs Minister Jack Lang.

He expressed the view that the Socialist Government was in the forefront of anti-apartheid campaigns but rarely protested against genocide in Kampuchea or Soviet intervention in Afghanistan.

Film made of Soviet Jews wanting to leave

CAPE TOWN — A Canadian film producer who has lived in Israel for the last 10 years and who is currently in South Africa has made a film recording the plight of Soviet Jews who want to emigrate to Israel.

The film, "Gates Of Brass", produced by Jay and Meridel Rawlings, presents exclusive interviews with Soviet Jews refused permission to emigrate to Israel.

Mr Rawlings, who is in this country for the South African premiere of the film, said the interviews had been secretly filmed in Moscow, Leningrad and Kiev and provided insight and understanding into the continual struggles of the "Refuseniks."

The film was confiscated by the KGB who had interrogated and threatened the Rawlings's with imprisonment. However a copy of the film was left in the Soviet Union and later smuggled out to the West.

KGB WARNING

At the time a KGB officer allegedly told Mr Rawlings that he should not forget that the Soviet Union was at war ideologically with the West.

Mr Rawlings said the film included dramatic recreations of scenes of oppression and anti-Semitic attacks on "Refuseniks" and their families. Scenes that could not be shot in the Soviet Union were staged in Israel.

The Soviet leader, Mr Mikhail Gorbachev, was trying to give the impression that he was a moderate leader but it was important to remember that when he released one man from prison he put another in his place, said Mr Rawlings.

Mr Rawlings had visited the Soviet Union three times and had made the film after asking the Soviet Jews what he could do to highlight their plight.

The film crew had taken secret camera equipment and high-speed film into the Soviet Union and had conducted their interviews mainly at night. Although they were not harassed by the KGB, one man, Mr Roald Zelichenok, was jailed for three years on charges that he was a Hebrew teacher and that he had agreed to be interviewed by the film crew. — Sapa.

Architects' degrees not recognised

Own Correspondent

DURBAN — The Royal Institute of British Architects has withdrawn its recognition of the Architecture degrees of three South African universities — because insufficient progress has been made in the admission of black students.

The RIBA has severed its educational links with the Universities of Natal, Cape Town and the Witwatersrand.

The decision was taken at a meeting of the RIBA council in January.

In a letter to the Vice-Chancellor and Principal of the University of Natal, Professor P de V Booysen, the institute's secretary said RIBA would, however, maintain links and its council would "be ready to receive applications for re-recognition when substantial improvements can be demonstrated."

The council also refused an appeal by the University of the Orange Free State against an earlier de-recognition of its Architecture degree.

SUNDAY
13/5/82.
280

Local US office warns of sanctions-call build-up

ALAN RUDDOCK

US FOREIGN Commercial Service (FCS) senior attaché Ben Brown says pressure for punitive action against SA is increasing in his country and he believes more punitive legislation against SA is likely before the year end.

"This is an election year and the politicians will outdo one another in their calls for pressure. It will definitely hot up and the calls for divestment/disinvestment have already been replaced by calls for sanctions."

As pressure mounts in the US, the FCS office in Johannesburg continues with its duties — promoting and protecting US trade and investment in SA.

Brown says there is no danger of the local office closing, the reasons being that the FCS has an important trade administration role to play in SA, it has embarked on a programme designed to involve the black entrepreneur in the business world mainstream, and SA is an important industrialised market for US companies.

"The process of change that is now under way has progressed further by the actions of the business community than by any other force in society. As a corollary, the economic strength and wealth of SA must be preserved. In this process of change no-one knows what the end product will be, but we would not like to see post-reform SA standing on a heap of rubble.

"SA is one of the relatively few industrialised countries in the world and we have an important role to play in preserving the economy — and the market — for US industry," he says.

The FCS office in Johannesburg operates under what he terms a "philosophical contradiction".

Because of the limited sanctions imposed last year by the Reagan administration against SA, the commercial office has the job of controlling the supply of certain goods to certain organisations.

"The SAP and the SADF have recognised the prohibitions and make no attempt to circumvent them and the private sector is well aware of them and seems disposed to comply.

"We have a sincere desire to see to it that the requiremnets of the executive order are met, but we have an equally sincere desire not to stand in the way of legitimate business."

Encouraging US companies to invest in SA is not easy. He says companies that have not traded with SA before are very cautious about entering the market here, while those already active are for the most part trying to maintain a profitable business in difficult circumstances.

He estimates 10% of the 300 US companies active in SA have withdrawn from the market "but a careful analysis of their reasons for leaving would point towards economic rather than political pressures."

Companies most vulnerable to disinvestment pressure are large corporations being threatened by the public or stockholders, or companies heavily dependent on state or municipal departments.

The "hassle" factor plays an important part. "There is an example of an American company that withdrew from SA recently largely because the chief executive in the US was assaulted on a university campus because of his company's involvement with SA. He thought 'is it really worth it?' and decided it wasn't."

"There is a degree of sadness in the withdrawal of US companies. If they sell their interests to local investors, their goods and services remain available to the public, but the new management is no longer a signatory to the Sullivan Code."

The FCS does not participate in local trade fairs or bring US government-organised trade missions to SA, but it has embarked on a 'black outreach' programme, designed to assist the small businessman in the black community to market his wares successfully to the large industrial sector.

Jakarta goes sour on visit by sugar experts

Own Correspondent

DURBAN — South African sugar technologists have been barred from the three-yearly congress of the International Society of Sugar Cane Technologists (ISSCT) because of apartheid and the political situation in the country.

The barring by the Indonesian Government is the first in the ISSCT's history. In the past South Africa has hosted even the Cubans, who hosted the 1983 congress which about 60 South Africans attended.

The Indonesians have also arbitrarily barred Israel from the congress in Jakarta in August.

The decision on South Africa was made final last week despite urgent representations by Britain, Australia, Brazil and West Germany.

The International Sugar Journal has written a hard-hitting editorial about the hypocrisy of the move, considering that other nations which have a far worse human rights record than South Africa are to attend.

Bishops deny giving support to sanctions

Business Day Reporter

THE Catholic Bishops Conference has dismissed as pure speculation a report that it had given qualified support to disinvestment and sanctions.

Friday's *Business Day* reported that Catholic bishops in Britain had decided to boycott SA goods and that the decision had come "after a controversial decision by the SA Catholic Bishops Conference last week giving the first qualified support to disinvestment and sanctions".

Spokesman Noel Bruyns said SA bishops had not called specifically for disinvestment or sanctions. In their statement last week, they spoke only of economic pressure, he said.

"They specified it was beyond their competence to decide on the specifics of economic pressure, which may include divestment, disinvestment, boycotts and trade sanctions."

UK 'encouraged' by EPG's visit to SA

LONDON. — The British Government has been encouraged by the Commonwealth Eminent Persons Group's statement that its talks with the South African Government and other people in the country have been "useful and constructive".

The British Foreign Office Minister, Mrs Lynda Chalker, gave her government's view of the group's mission so far in a written parliamentary reply.

The Commonwealth group is to make a second visit to South Africa this week.

Mrs Chalker said the outlawed African National Congress was clearly a most important focus of black opinion in South Africa.

She said that contacts between Foreign Office officials and the ANC were continuing

"The central purpose of such contact is to bring home to the ANC the importance of a suspension of violence on all sides in South Africa," she said.

Mrs Chalker was asked to state her government's policy towards South Africa in the light of Bishop Desmond Tutu's recent call on the international community to impose punitive sanctions against South Africa.

"We are opposed to further indiscriminate economic and trade sanctions against South Africa," she replied.

"We believe that rather than helping to bring about the peaceful change which we all want to see, such sanctions could make matters worse, increasing unemployment and stiffening resistance to change within South Africa." — Sapa

Star
May 13 1986 15

British architects disappoint varsities

By Susan Fleming

The recent decision by the Royal Institute of British Architects (RIBA) not to recognise the architecture degrees of three South African universities was a great disappointment, an executive member of the Institute of South African Architects said last night.

Mr Herbert Prins, a lecturer in the architecture department at the University of the Witwatersrand, attended RIBA's London meeting in February, when the decision to withdraw recognition was taken.

"We put our case forward but we were unsuccessful," Mr Prins told *The Star*.

The de-recognition will affect first-year students starting architecture in January 1987.

RIBA withdrew recognition because insufficient progress had been made in the admission of black students. The universities affected are the Witwatersrand, Cape Town and the Witwatersrand.

The decision was "purely political", Mr Prins said. It had nothing to do with the educational quality of the degrees we are offering.

"In fact, in 1983 an inspector from RIBA had reported very favourably about the quality of the degrees."

About 18 months ago, RIBA withdrew recognition of the University of the Orange Free State's architecture degree. An appeal by the UOFS against the de-recognition was refused.

OPPOSED APARTHEID

The three South African English universities which had been denied recognition their opposition to apartheid and had consistently shown their opposition to apartheid and had fought against separate universities.

"This was well known to the institute, but they believed that to show support at this time would be to bolster the apartheid system," he said.

RIBA had a beneficial effect on the South African architecture students and Mr Prins said he now feared South African architecture students would be suffer internationally.

"We will no longer be able to compare ourselves to other architecture schools around the world," he said.

Mr Prins added that the decision by RIBA would not affect the quality of architecture degrees from the three universities.

US pressure on Shell

WASHINGTON — Anti-apartheid activists plan more demonstrations in seven American cities to press Royal Dutch Shell to sever ties with South Africa.

Today activists plan to meet former American presidential candidate, the Rev Jesse Jackson, and trade union officials.

Four prominent anti-apathead figures, including US Congressman Mr Walter Fauntroy, were arrested on Monday for unlawfully entering the Shell building. They were released on their own recognisances until their next court appearance on June 3.

Shell said a boycott against the company in the United States was misguided because it had no investments in South Africa nor did it operate there.

The boycott was particularly unfair to the independent business people who ran about 11 500 fuel service stations, it added. — The Star Bureau

US Democrats trying to tighten squeeze on SA

By Neil Lurssen,
The Star Bureau

WASHINGTON — Liberal Democrats in the US Congress, concerned by an apparent collapse of the anti—apartheid sanctions effort this year, have prepared new plans to tighten the international economic squeeze on South Africa.

Sources say they will unveil their plans about the middle of next week when a new sanctions Bill will be introduced in the Democrat controlled House of Representatives.

The legislation is expected to be resisted in the Republicancontrolled Senate and fiercely opposed by the Reagan Administration — especially now that delicate talks are taking place between the SA Government and the Commonwealth Eminent Persons Group.

American supporters of the EPG initiative say anti-SA sanctions would be wrong at a time when the Government is being urged to take potentially risky steps such as unbanning the African National Congress and releasing Nelson Mandela.

Support is more appropriate than pressure, they insist.

Prime sponsor of the new Bill is Congressman Howard Wolpe.

The Bill is said to be more moderate that the recent Dellums Bill that attempted to totally isolate South Africa.

The Wolpe Bill appears to be an attempt to force through sanctions that will toughen the existing presidential sanctions but not be so extreme as to be rejected by moderates.

Sources believe it may try to resurrect a proposed ban on US landing rights for SA aircraft and stop the flow of energy materials between the countries.

The Wolpe Bill may also be a ploy by Democrats to embarrass the Reagan Administration.

N/M 14/5/86

Senior jobs wait for black miners

MANY black gold miners would be promoted to senior positions at Harmony gold mine once the government dropped job reservation.

The mine general manager, Mr Karl Eick, speaking to visiting British journalists, said white mineworkers had missed the possibility of a wage rise in return for negotiating an end to job reservation with the mines.

'Now they have missed the boat,' he said.

He said white miners had totally rejected the opening of skilled jobs to all races and there was a possibility of a strike if the legislation was abolished.

But he said the media had exaggerated the power of the white Mineworkers' Union.

Training manager Mike Bond said there was a shortage of skilled workers and 60 black miners at Harmony could be ready to take the blasting certificate within a year of job reservation being dropped.

Harmony has given the black National Union of Mineworkers (NUM) permission to organise but management will not recognise the union until more than 50 percent of workers have joined.

An NUM shop steward, Philemon Kose, said union officials were not allowed to hold meetings to recruit workers and were not allowed to canvas in workers' hostels.

After recruiting at Harmony for a year, the NUM had signed up about 8 000 of the mine's 30 000-strong black work-force

Kose said he was sure the union would reach the 50 percent mark, but he did not know when.

Harmony could close down if total economic sanctions were imposed on South Africa Mr Eick said.

He believed South Africa would find a way around international economic sanctions.

'We'll keep the country going There's no doubt about it,' he told the visitors to the mine, which produces about 27 000 kgs of gold a year and employs some 32 000 people

Low

But Eick said the mine was heavily dependent on imports of capital equipment and would be hit hard by sanctions.'This mine could well close if sanctions were applied. We are a marginal mine.'

The reef mined by Harmony, part of Rand Mines, has a fairly low gold content, averaging less than four grams per ton of ore mined.

Profit margins are already tight and the mine would no longer be viable if gold fell below $290 an ounce, Eick said.

If foreign supplies were cut off, it would be possible to make vital equipment locally, although it would probably cost more and be of poorer quality, Eick said.

'I don't think the government could subsidize us to keep this mine going if sanctions were applied,' Eick said

Sanctions could throw more than 30 000 people out of work, the vast majority of them migrant black workers from Mozambique, Malawi and Lesotho and the tribal homelands, he said.—(Reuter)

Talks on yen

TOKYO—Prime Minister Yasuhiro Nakasone will soon call a meeting of the cabinet council for economic measures to discuss emergency steps to combat the effects of the rising yen on Japan's economy, Government officials said. —(Reuter)

Forex move delayed

JOHANNESBURG—South African Reserve Bank Governor Dr Gerhard de Kock said the bank may have to extend its target for withdrawing from the forward currency market.

At present, the Reserve Bank alone provides forward cover to commercial banks. But the bank has made large losses on its foreign exchange dealings and in 1983 said it aimed to phase out its role in the forward exchange market by August 1986.

Dr De Kock told Reuters the bank had taken no firm decision yet on whether to extend the target, but added: 'at the moment it certainly looks as though we may have to extend the phasing out period to avoid disruption (to the market).'

It remains our longer-term objective, but we do have to

End apartheid or face sanctions warns Gandhi

HARARE — The Indian Prime Minister, Mr Rajiv Gandhi, has warned South Africa to expect international economic sanctions unless the Government quickly moves to end apartheid.

Mr Gandhi's comments, at a dinner in his honour given by Zimbabwean Prime Minister Mr Robert Mugabe last night, were a clear reference to a peace initiative by a Commonwealth group holding talks with South African leaders.

The group was formed by the 49-nation Commonwealth last year after Britain rejected sanctions at a Commonwealth leaders' conference. Its mandate is to try bring together the South African Government and its black opponents and the team will report back to the Commonwealth in July.

Mr Gandhi, visiting Africa for the first time since he became Prime Minister in 1984, said at the banquet:

"No form of apartheid is acceptable to us. Institutionalised racism must be abolished — it must be abolished now (or) there is no alternative to comprehensive mandatory sanctions under the United Nations Charter."

He urged South Africa to follow the example of Zimbabwe, which gained independence from Britain in 1980 after a seven-year guerilla war between African nationalists and the white rulers of the then Rhodesia.

"Zimbabwe is showing the road to building a multiracial society. South Africa, too, will tread that road, but only after institutionalised racist discrimination is dismantled and majority rule established," Mr Gandhi said.

He was among Commonwealth leaders who wanted tougher measures against South Africa, but settled for the appointment of the peace mission.

The group of "Eminent Persons," as the team is officially known, is believed to be pressing for the release of Nelson Mandela, jailed leader of the African National Congress (ANC) and the lifting of a ban on the organisation.

In return the ANC would observe a ceasefire, political sources say.

In talks yesterday between Mr Gandhi and Mr Mugabe, officials said the two leaders held out little hope for peaceful change in South Africa and believed Pretoria was merely buying time with cosmetic changes to apartheid.

Mr Gandhi, who ends his 26-hour visit to Zimbabwe today, also outlined contentious issues which Mr Mugabe is likely to face when he takes over leadership of the Non-Aligned Movement from him at a meeting in Harare from August to September.

The Indian leader, who has already visited Zambia, leaves today for Angola and will end his tour in Tanzania. — Sapa.

SARK
May 16 1986 3

Churches sell off shares in Shell

The Star Bureau

LONDON — Millions of rands in share investments have been withdrawn from Shell Oil by churches and other institutions to protest at the company's stake in South Africa.

The Methodist Church has sold its stake of 220 000 shares worth about R4,8 million, the United Reform Church has withdrawn about R1,8 million and the British Council of Churches an undisclosed sum.

London's Lambeth Borough Council and the University of Wales have also withdrawn their investments, the value of which is not known.

WARNING

Activists campaigning to persuade Shell to pull out of South Africa warned shareholders at the annual general meeting in London yesterday that other investors would begin withdrawing more money soon.

Shell's chairman Mr P F Holmes said he recognised the "prime reason" for violence in the country was the "total absence of meaningful political rights".

He agreed pressure should be exerted on the Government but described demands for Shell's disinvestment as "ill-conceived".

He said rightwing Afrikaners "would be pleased to see Shell go".

Shell comes under pressure for SA ties

JOHN BATTERSBY

LONDON — Demonstrators forced the suspension of yesterday's Royal Dutch-Shell (RD) shareholders' meeting in The Hague and leading British churches said they would sell their shares in Shell Transport and Trading as the campaign against Shell's involvement with SA gathered momentum.

About 100 anti-apartheid activists in The Hague persisted with questions about Shell SA and refused to allow the RD annual meeting to proceed to other business. RD chairman Gerrit Wagner ordered a temporary suspension of the meeting and it only resumed when the activists left.

The RD group said profits were down 34% in the first quarter of 1986 and that net income for the first quarter was £718m, down from £1,084m in the first quarter of 1985.

In London, Shell International chairman Peter Holmes told the annual shareholders' meeting the prime reason for violence in South Africa was the frustration felt by blacks at the "total absence of meaningful political rights".

Holmes also faced hostile questioning from about 20 anti-apartheid campaigners who demanded that Shell withdraw from South Africa.

Shell has been singled out as a target for a major boycott campaign by international anti-apartheid movements because of its South African involvement.

Barlan Tel 51-2016

'Xerox not leaving SA'

RANK Xerox is not pulling out of South Africa, says SA managing director David English.

Commenting on a statement by US Xerox Corporation chairman David Kearns this week that Xerox might pull out "if there isn't any progress down there", English said there was definitely no timetable for Xerox to leave the country. – Sapa.

Buthelezi plea to church women on disinvestment

Mercury Correspondent

MAHLABATHINI—Chief Mangosuthu Buthelezi has appealed to black Christian women to challenge what certain of their churches are doing to 'increase starvation and malnutrition' by advocating disinvestment and sanctions

At a time of joblessness and retrenchments, the South African Council of Churches, to which most churches were affiliated, the Southern African Catholic Bishops' Conference and the ANC mission in exile were in the forefront of such campaigns, he said here at the weekend.

'Even the few cents you have had from your own pay or from your breadwinners' remittances are going to be reduced when foreign companies decide to disinvest,' he told the inaugural meeting of the Buthelezi area's Inkatha Women's Brigade.

'I want to appeal to you, as women who belong to these churches, to do something about what our churches are doing in wanting even more of our children to die from diseases of malnutrition and from starvation.

'Church leaders are our spiritual leaders, but that does not mean that you cannot challenge them. I appeal to you to discuss this crisis situation in which we now find ourselves.'

CNE Times
20/5/86
280

British Govt 'might consider sanctions'

From IAN HOBBS

LONDON. — Mrs Lynda Chalker, the British Foreign Office Minister responsible for Africa, indicated last night that the British Government might have to consider sanctions against South Africa after yesterday's cross-border raids.

Appearing on BBC Television, Mrs Chalker condemned the raids as "madness, unprovoked and an appalling threat to the Commonwealth peace initiative".

Asked whether the government now had no option but to apply sanctions, she said they would be reluctant because communication and contact was necessary to secure an end to apartheid.

The deputy Minister of Information, Mr Louis Nel, appeared in the same programme and likened the raids to the American attack on Lybia which was supported by Britain.

Mrs Chalker dismissed his argument with total contempt and undisguised anger. She said the Lybyan raid happened on evidence of state-directed terrorism.

She said South Africa had attacked three independent Commonwealth countries which were not involved in terrorism without provocation.

Botswana, she said, was even having talks with South Africa on border security and Zimbabwe may have been about to enter similar talks.

Disinvestment pressure on 'friends' bound to increase

By Frank Jeans

The three-pronged strike at the ANC has scuttled any hopes South Africa's friends in the international business community might have of keeping out of disinvestment moves.

This is the view of Mr Peter Sorour, Director General of the SA Foundation.



Peter Sorour

Speaking at a lunch of the South African-German Chamber of Commerce and Industry, he said that while one must concede that the raids were the result of the "authorities having more information about ANC activities than the rest of us" they probably, nevertheless, mean that there will be no way, in the foreseeable future, of a negotiated peaceful solution to southern Africa's problems.

Pointing out that the disinvestment campaign, was now better organised and building up in tempo, he said it was not wise to underestimate the power of the business community More than 40 American companies had already withdrawn from this country. "Some have pulled out for economic reasons and others on political grounds," he said

"There are companies who have not been making the sort of profits from their operations they hoped for, so this gives them the lever to get out and have no further political hassles in their business with South Africa."

Stringently applied Sullivan Code principles, too were costing these companies millions.

Emphasising that isolation means no growth, Mr Sorour said politics was a short-term game that rarely went beyond the next election. "Unless we change attitudes and provide jobs as well as aid and trade with our neighbours, about 100 million people will have no hope for the future."

South Africa, he believes, has two options now — contain the situation by military strength or employ a strategy to encourage international help.

"The latter, however, requires direct communication, something which the Government is lacking.

"Unless we have a clear direction as to where we are going, there will be no lessening of the sanctions pressure," he said.

Referring to the world outcry over the raids, Mr Sorour said that to compare them with the American strike at Libya was pointless when it is remembered that the world in generalsees the Libyans as terrorists and the ANC as freedom fighters.

Anti-SA measures taken to Congress

SIMON BARBER

WASHINGTON — After a six-month lull, the congressional sanctions campaign began in earnest again yesterday.

A bipartisan group led by Senator Edward Kennedy and Congressman William Gray formally introduced measures to overrule US President Ronald Reagan's September 9 executive order.

Though the proposals have been under consideration for some weeks, Monday's raids were cited by Kennedy as "exhibit A in the case" for the new moves.

The Bill calls for the following measures, to take effect immediately upon passage:

☐ An embargo on SA steel, coal and uranium, US imports of which earned SA an estimated $336m in 1985;

☐ An end to SA landing rights in the US;

☐ A total ban on US new investment in and bank loans to SA, including the purchase of shares in SA companies on US exchanges;

☐ Closure of all SA bank offices in the US — Nedbank's operations in New York, for example.

The sanctions will be waived when Nelson Mandela and other political prisoners are freed and "good faith negotiations for a new system" have begun.

And, if this condition is not met within a year, all US computer firms will be required to leave SA and cease sales to SA customers, private or governmental.

An amount of $25m is provided for "community development programmes selected in consultation with truly representative leaders of South Africans disadvantaged by apartheid" and to be apportioned under "strict, politically relevant guidelines".

Gray — chairman of the House Budget Committee which introduced last year's Bill, much of which was incorporated in Reagan's executive order — said: "The legislation is necessary because despite SA's claims of reform, there has been no meaningful reform. An average of 70 blacks were killed every month in 1985, and so far in 1986, the number has doubled to 130 a month."

EL feelings mixed on bishops' views

Dispatch Reporter

EAST LONDON — Local Catholics have mixed feelings about he Catholic Bishops Conference of South Africa's recent decision to use economic pressure as a means of ending apartheid, a debate held at the Cambridge Catholic Centre last night showed

Some people expressed fear that the pressures would "murder" the country's economic stituation, while others felt a need for a positive stand to be taken in a quest for change.

The debate was held under the auspices of the Catholic Order of the Knights of Da Gama.

A Catholic theologian from Pretoria, Professor Brian Gaybba, put forward the reasons why the bishops had reached the decision that economic pressure applied to the country would benefit in breaking down apartheid which was an "intrinsically evil" system.

They decided that economic pressure was a tool for fighting injustice provided it did not destroy the economy and unemployment was kept to a minimum, he said

"The bishops decided that if the government proves intransigent and there is no real hope for imminent change, then economic pressures should be imposed on our country

"If the system still does not change, the pressures should continue, and if there is no hope for meaningful change at all, the increase of these pressures is justified.

"They feel that economic pressures are morally justified and therefore it is within their competence to make such stands"

Prof Gaybba said that the bishops had consulted economists about how economic pressures could be applied with minimal suffering to innocent people.



PROF GAYBBA.

"According to the economists this can be done and in a survey carried out it was found that black people were prepared to put up with the disadvantages of economic pressures if this would lead to the breakdown of apartheid"

He said that the bishops felt that this was the only non-violent way to turn the government in the direction of postive change.

A commission has been set up by the bishops to explain the different types of economic pressures that can be imposed.

Prof Gaybba said that the bishops shied away from the words "sanctions" and "disinvestment" which they felt would be detrimental to the people of South Africa.

"There are other ways of applying the pressures and ways which should work to the benefit of the country," he said.

Professor Gaybba stressed that the decision taken by the bishops was not official Catholic policy and members of the religion had a right to exercise their own discretion.

PE Catholics say 'No' to pressure as tool for change

EVE POST 23/5/86

280

By KIN BENTLEY

WIDESPREAD opposition to a statement issued recently by South African Catholic bishops supporting the use of economic pressure against the country emerged among white Catholics at a meeting of about 200 people in Port Elizabeth last night.

During an hour of questions and discussions, consumer boycotts and sanctions were slated because of the unemployment they caused and because it was felt they had little success in persuading the Government to bring about fundamental change.

However, the sole African to speak from the floor was less critical. He said: "If the Government chooses to have the economy come down through economic pressure, so be it. But change must come."

He said while the violence in the townships today was something new, blacks had for a long time experienced "forms of violence which we've always kept quiet about".

At the two-hour meeting at the Mater Dei Catholic Church in Newton Park, Professor Brian Gaybba, a leading Catholic theologian from Unisa, said the bishops had come to their decision in favour of economic pressure being brought to bear on South Africa to end apartheid, after three days of soul-searching and prayer.

However, he said, unlike opposition to apartheid which was official church policy, not all Catholics were bound to support what was in effect a decision of conscience which the bishops, as spiritual leaders of the Church, were competent and had a duty to take.

International condemnation of South African raids on ANC targets

360 362 12 11A 254 STAR 20/5/86

World shouts its rage

The wrath of the outside world has broken over the head of South Africa after its strikes against ANC targets in Frontline states.

Sanctions moves are mounting, the raids are sure to come before the United Nations Security Council, Western envoys may again be recalled and ANC acts of revenge are expected

A fiery debate is looming in The Assembly today, with Opposition leader Mr Colin Eglin launching an attack on the Government President P W Botha is expected to enter the debate

Conservative Party, New Republic Party and Herstigte Nasionale Party members are likely to support the Government's action

Pressure for economic sanctions against South Africa is intensifying as the raids continue to draw widespread international outrage

Leaders of Zimbabwe, Zambia and Botswana are expected to call for an urgent meeting of the Security Council to press for punitive economic measures against Pretoria

The United States has indicated that its Ambassador, Mr Herman Nickel, could be recalled once again Other Western countries could threaten similar action, and take a harder line against South Africa at the UN

Suspects arrested

The raids have also wrecked the Eminent Persons Group's attempt to mediate between the South African Government and the ANC

The seven-member group split up in order for its members to return home shortly after holding talks with senior Cabinet members this morning. It is understood the raids presented an insurmountable obstacle to further talks

In other developments, Zimbabwe Prime Minister Mr Robert Mugabe has announced that four suspects have been arrested in connection with the attack on the ANC office in Harare He gave no details

In Botswana, government sources have speculated that several people might have been abducted from the scene of the raid at the Mogaditsane settlement

Zambian President Kenneth Kaunda has called for an emergency summit of the six Frontline states

He has also said that Zambia is reconsidering its membership of the Commonwealth

In London, the Foreign Office has summoned the charge d'affaires at the South African Embassy, Mr [illegible]



A shaft of light cuts through the gloom and dust in one of the hostel-type rooms in Mogaditsane, Gaborone, after yesterday's raid by helicopter-borne SADF troops. It was one of the few rooms in the complex which appeared to be occupied at the time of the raid

● Picture by Etienne Rothbart.

Doubt cast on SA raiders' information

By Gary van Staden,
The Star's Africa News Service

GABORONE — South African information that Mogaditsane settlement complex was an African National Congress transit camp may have been wrong, Botswana's President, Mr Quett Masire, said yesterday

President Masire said this was indicated by the fact that the only four known casualties were Botswana residents.

He described the South African Defence Force attack on the settlement, about 7 km from Gaborone's city centre, as "horrible"

At least one person is known to have died in the attack and three were injured. All, according to hospital sources were male.

one CID official said.

Unconfirmed reports here said the SADF had first "secured" a nearby Botswana Defence Force barracks shortly before the raid

Soldiers reported SADF helicopters had landed at the barracks and a loudhailer had been used to warn them not to interfere.

One soldier was wounded in a short exchange of fire, according to the reports.

Government sources were also speculating that several people may have been abducted from the scene of the raid, though neither the Botswana police nor Defence Force officials were able to confirm the speculation

The SADF attack took place at about 6 30 am yesterday according to Mogaditsane residents

"Most of the [illegible]

"many" helicopters land and heard firing, shouting and then a series of explosions.

Most of the small hostel-style one-roomed houses which bore the brunt of the SADF attack were pockmarked with bullet holes and at at least three had been hit by rockets or grenades

Many of the rooms appeared to have been unoccupied, containing no furniture or personal belongings.

At the Gaborone Princess Marina hospital, Mr Gololame Makoba, who received a bullet wound in the raid, said from his hospital bed that he had not seen anything.

Trying to hide his face from photographers and speaking through an interpreter, Mr Makoba — a Botswana citizen — said that he had [illegible]

280

Sanctions raise fears for SA's nuclear safety



FORMER SA ambassador to the US Donald Sole looks at the implications of the shutdown of nuclear co-operation between SA and the West, stressing President Ronald Reagan's Executive Order on Relations with SA. HAMISH McINDOE reports . . .

INITIAL Soviet silence over its stricken Chernobyl nuclear reactor caused a storm of protest in the West. The disaster underlined the need for the highest safety standards in the nuclear power industry — everywhere.

But nuclear sanctions by Western powers against SA have raised fears that difficulties might be encountered in securing export licences and technology transfers for vital safety equipment.

SA's eclipsing nuclear relations with the West is coursed by former SA ambassador to the US, Donald Sole, in the latest bulletin of the Rand Afrikaans University's Institute for American Studies.

The shutdown of nuclear co-operation with the US, Britain and West Germany is virtually complete after about 30 years of "enthusiastic collaboration".

While the freeze towards SA began in the 1970s, recent US legislation has virtually terminated co-operation in this field.

Last October, President Ronald Reagan's Executive Order on Relations with SA (EORSA) banned US goods and technology exports used in the nuclear field.

Access to International Atomic Energy Agency (IAEA) safeguards to reduce nuclear proliferation risks and preserve safety standards are still assured, the EORSA stressed.

But Sole believes that in the current political climate "problems may even be expected" in securing US export licences for such equipment.

Four months before the EORSA, the UN General Assembly urged members to adopt a range of sanctions against SA, including the "prohibition of all new contracts in the nuclear field".

SA's nuclear rapport with Britain, West Germany and France is now virtually non-existent.

In 1965 the US supplied SA with its first research reactor — Safari 1 — using 90% enriched fuel (also supplied from the US).

Sole regards the EORSA as the end of a long period of co-operation.

The co-operation began in wartime London when a British cabinet member asked Jan Smuts to investigate reported deposits of radioactive minerals in Southern Africa as the US was developing the atom bomb.

Confirmation of the area's uranium potential led to the conclusion, from 1950 onwards, of successive contracts between SA and the US.

SA was one of only seven Western countries invited to participate in the initial discussions of President Dwight Eisenhower's Atoms for Peace Programme, which led to the founding of the IAEA in Vienna.

The bottom line of SA's nuclear isolation is near-total dependence on the country's "native genius" of which, Sole argues, there is no shortage. And there is no lack of raw materials.

The question mark is finance.

GM sales to security forces in the balance

By Alan Dunn,
The Star Bureau

WASHINGTON — General Motors shareholders will today hear the corporation's chairman announce whether vehicle sales to the South African Police and military will continue.

The car giant's chief executive, Mr Roger Smith, will be responding at an annual general meeting in Detroit to persistent efforts by anti-apartheid activists to halt these sales.

One report indicated Mr Smith would announce a halt of sales to the security forces. A GM official would not, however, confirm or deny this.

The Board of Trustees of the New York City Employees' Retirement System, which owns about $22 million of shares, has given notice of a resolution at today's meeting to stop the sales.

GM and other American corporations operating in South Africa have been negotiating with Pretoria to change the terms of bids for Government business which, at present, disqualify a company from bidding if it wishes to exclude the security forces from that deal.

Mr Smith is expected to say how far these talks with the Government have progressed.

Last year, GM sold about $5 000 vehicles in South Africa. The Government bought about 2 000 vehicles, including 900 cars, vans and trucks for the security forces.

The New York pension fund has passed a law requiring it to divest itself of GM shares and could prevent the corporation bidding on city contracts if it continues sales to SA security forces.

However, GM spokesman Mr George Schreck stressed that the company did not intend withdrawing from South Africa. He described sales of vehicles to security forces as a "non-issue":

"You might as well say food and clothing shouldn't be sold because they to are needed by the police and military," he said.

GM has said repeatedly its presence in South Africa was a good one for change. "We believe our presence has been a constructive one for ending apartheid in line with the Government's stated objectives," Mr Schreck said.

Mr Smith might today repeat the GM view that vehicles bought by police and military forces have no special capabilities when they leave the factory.

280 FIN MAIL 23/5/86

NON-ALIGNED MOVEMENT

Rajiv warns on SA

India's Premier Rajiv Gandhi's four-nation African swing through Angola, Zambia, Zimbabwe and Tanzania last week, followed by the weekend strikes into Botswana, Zambia and Zimbabwe by the SADF, could develop into two major milestones along the road towards escalating conflict in the region. Gandhi, while being prepared to give the Commonwealth Eminent Persons Group (EPG) a chance to resolve the crisis through peaceful negotiation, warned in Harare that peace prospects were "not good."

Warning that SA was heading for a "major explosion," Gandhi said Pretoria could anticipate the imposition of comprehensive mandatory UN economic sanctions, unless apartheid was immediately abolished. His warning and the SADF's latest raids served as a foretaste of what might happen at the September meeting in Harare of more than 100 non-aligned nations.

While the Indian leader repeatedly described his brief tour as a "solidarity" visit, there is a clear link between it and the Harare summit As retiring chairman of the Non-aligned Movement, an important reason for Gandhi's visit was to discuss arrangements for the Harare summit at which he will be succeeded by Zimbabwean Prime Minister Robert Mugabe.

Although there has been no mention of concrete Indian assistance for the Frontline states (except for technical aid to Angola), Gandhi hinted that the non-aligned leaders might up the stakes in September and consider providing the means whereby Frontline countries could defend themselves

No sooner was the ink dry on this suggestion, than South African planes and commandoes struck at African National Congress offices near Lusaka and in Gaborone and Harare, underlining the need for the kind of military assistance and hardware that Gandhi appeared to have in mind. ■

Libya no justification for raid — US prof

Dispatch Reporter

EAST LONDON — South Africa's three cross border raids had thrown the spotlight on the country again, but it was absurd to compare them with the American incursion into Libya, a former US foreign policy adviser, Professor Bill Jackson, said here last night

"It is absurd because there is no civil war in the US and Libya does not harbour the leaders of that civil war," Prof Jackson told a meeting of the East London branch of the South African Institute of International Affairs

"That comparison will not compare abroad "

Prof Jackson was speaking on the role of Congress in foreign policy with particular reference to South Africa, Angola, Libya and Nicaragua

He said he had told students at the University of Cape Town a few weeks ago, where he is a visiting lecturer, that the South African issue had peaked in the US body politic and the Congress

"But I now have to modify those statements in the light of the raids. Even if Peru crossed three borders in one day it would make world headlines," he said and emphasised that he had thought Nicaragua and Libya were the flashpoints for US foreign policy.

Prof Jackson said Americans generally did not construe terrorism as an issue which they wanted their president to take on. Terrorism was viewed more as a crime and not as a major new issue

He said there was a type of reaction Americans had to raids such as their own into Libya, and South Africa's into the three neighbouring states

"If it is a one-off raid it seems to die down but if it becomes a pattern, then the reaction will be different.

"The South African raid was quick, short and surgical. Not many were killed and it was not prolonged even though State President Botha says it will be done again.



Professor Bill Jackson . . . terrorism viewed more as a crime in the US.

"Because of this, the furore might die down If he does it again, Congress will take the majority view on action and we will have to see whether President Reagan will veto it," he said

Dealing with disinvestment, Prof Jackson said there was an analogy that it was something like a nuclear war: nobody knew exactly what the consequences would be.

The campaign on the campuses had become more sophisticated and blanket sanctions were not on the cards.

"There is a move toward phased and selective disinvestment. College disinvestment seems to be used as a lever on the President. Students see disinvestment as a political issue on which they can take a stand," he said.

He said there was new life for sanctions following the raids but he did not know whether the new moves such as banning South African Airways would command a majority.

Focusing on President Reagan, Prof Jackson said the president was not very knowledgeable about all the areas of the world and it was said that he was not personally interested in South Africa.

The US was quite prepared to let the Eminent Persons Group deal with the problem.

"I don't think President Reagan will spend much political capital on South Africa. He has a way of putting distance between himself and other leaders when things get hot.

"We saw this with President Ferdinand Marcos where he kept his distance and did not lose too much political capital. Even Senator Ted Kennedy praised him for the change in the Philippines."

He did not think Congress would commit itself entirely to Dr Jonas Savimbi's Unita despite the $15 million package.

"This matter is going to come up again and I do not think Congress will commit itself to Unita because it is hard to see America's vital interest in Angola.

"It is easier to see such an interest in the proximity of Nicaragua," Prof Jackson said.

Britain bans SA coins

LONDON — Britain announced yesterday that it was banning the import of all South African gold coins from 1 am today South African time.

A written statement by Foreign Secretary Sir Geoffrey Howe to the House of Commons said: "Account has been taken that South Africa is now minting the new Protea coin."

The Protea coin is thought in Britain to be designed to circumvent a proposed ban on the Krugerrand. South Africa is not known to have minted the Protea, although its introduction was announced earlier this year.

In Washington private researchers said 48 US companies had already left or planned to leave South Africa this year.

The Minister of Finance, Mr Barend du Plessis, said last night that South Africa was feeling the pinch of the disinvestment campaign.

France's hand is still out to PW

STAR 24/3/86

The Star's Foreign News Service

PARIS — The new spirit of detente between Paris and Pretoria seems to have survived South Africa's cross-border raids on Harare, Lusaka and Gaborone, despite official condemnation by the French Foreign Ministry.

And Prime Minister Mr Jacques Chirac has indicated that President Botha would still be welcome to visit France.

Mr Chirac, speaking at a dinner given by French diplomatic correspondents, attacked sanctions as having "no other effect but to soothe the consciences of the well-off and privileged".

He criticised the "soft comfort" of those who called for sanctions to be strengthened, adding "Let us stop playing politics to please ourselves, and put our consciences at rest"

Mr Chirac said he supported the view of Ivory Coast President Felix Houphouet-Boigny that sanctions were aimed at appeasing Western opinion, but damaged the blacks

Asked about the possibility of a visit by President Botha, Mr Chirac said France "receives people who respect human rights no better, to say the least, and yet they have a triple red carpet rolled out".

'GIANT STEP NEEDED'

But Mr Chirac stopped short of indicating whether he would drop sanctions or stage an official reception for President Botha.

The Star Bureau in London reports that the Labour spokesman on African Affairs, Mr Donald Anderson, says that after the South African raids this week, the initiative for restoring the peace process must now lie with President Botha.

"If, against the odds, he is now prepared to take a giant step towards this, I most sincerely hope that there will be a positive response from the African National Congress."

Mr Anderson will be a member of a three-man Labour delegation which visits South Africa next month.

He said President Botha would have to indicate clearly, and soon, that he was in the business of coming to terms with his majority.

"He can write off the lunatic fringe of the Afrikaners. If he wants a place for the white community in the future South Africa, he will have to lead his own tribe and not make futile gestures to placate the extremists."

He added: "I would hope that if the State President were to do what I have outlined, the ANC would equally be prepared to take steps to meet him."



This is how Sarah Ferguson will look when she marries Prince Andrew on July 23, says American hairstylist John Isaacs, whose London salon, Michaeljohn, is responsible for Sarah's hair. Her mane of royally red hair will be tamed into a chignon under a family tiara, and she will wear an off-the-shoulder wedding gown, says Isaacs. The hairdresser will be acknowledged bridal expert, Denise McAdam, who created Princess Anne's wedding style.

be Ti
Weekend Edition

UK bans all SA gold coins

Ofic Times 24/5/86

From JOHN BATTERSBY

LONDON. — The British Government slapped a ban on the import of all gold coins from South Africa — including Kruger rands — which became effective at midnight last night.

The announcement follows unprecedented Commonwealth pressure on Britain to take a tougher stand against South Africa following Monday's SADF raids on three Commonwealth countries.

The ban will include the new Protea coin announced recently and covers tax havens like the fiscally independent Channel Islands, where a massive Kruger rand trade, not reflected in mainland figures, takes place.

Individuals who can prove that they bought coins before May 23 this year will be allowed to bring them into the country.

Until June 20 for traders

If a trader was already planning to import coins and was making arrangements, the application will be considered until June 20, the Department of Trade said yesterday.

The ban comes eight months after Mrs Margaret Thatcher pledged to the Commonwealth summit in the Bahamas to consider a ban on the import of Kruger rands.

Yesterday's announcement was accompanied by the release of a "notice to importers" by the Department of Trade and Industry closing possible loopholes in the law.

Last year Britain imported Kruger rands valued at some £813 000 (about R3-million).

In 1983 Britain imported £16,5-million (R50-million) worth of the coins

Opposing apartheid could cost New York $732,6-m

The Star Bureau

NEW YORK — The city has to choose between accepting federal aid for critical road repairs or city laws that oppose apartheid.

The laws, passed last year, could cost New York about $732,6 million over four years.

The anti-apartheid regulations force city contractors and suppliers to declare they do not do business with agencies that enforce apartheid or supply the city with goods from South Africa.

The Federal Government has threatened to withhold aid for road building unless the city complies with competitive bidding regulations.

New York city mayor Edward Koch said compliance with the anti-apartheid Bill could cost the city $732,6 million over the next four years.

Only objection

The Federal Department of Transportation is the only government agency to have objected to the city's anti-apartheid laws.

Mayor Koch, an outspoken apartheid critic, said the anti-apartheid law's strict application would "deprive this generation and future generations of New Yorkers of vitally needed repairs to our infrastructure."

Proponents of strict adherence to the city's anti-apartheid code say it is wrong for New York to say it supports human rights and then back down when they might lose money.

Mayor Koch said the issue was largely theoretical. None of the companies doing road construction work had any connection with South Africa



mine. ..

Tougher US sanctions bill aims to 'shock' SA leaders

The Star Bureau

WASHINGTON — Tougher US sanctions proposed against South Africa last week were calculated to worsen the credit squeeze by banks and hasten capital flight by businesses.

This was the thinking of those Congressional officers who designed bills introduced in the House and Senate in a bid to end apartheid.

Assessments of the various sanctions were contained in a document prepared by Congressional officials for congressmen sponsoring the legislation.

They said three steps of the proposed Anti-Apartheid Act of 1986 (prohibiting US bank loans to the private sector; forbidding all new US investment in SA, and no US help in energy development) were similar to a Bill last year which passed the House of Representatives overwhelmingly. They also built on the credit squeeze and capital flight "in shocking South African economic and political leadership".

The proposed ban on landing rights, it said, would end the present flights to and from New York five times a week It would also increase isolation of the SA government, and delay critical spare parts shipments from America.

The ban on imports of coal, uranium and steel struck at a "leading source" of foreign exchange for South Africa.

Coal imports, worth $27 million, had more than doubled since 1980. Steel imports from SA had increased from 11 000 t 411 000 tons from 1975 to 1985 and were now valued a $117 million

The advisory document evaluated those sanctions contingent on the release within a year of political prisoners and Pretoria entering "good faith" negotiations with "truly representative" black leaders.

On disinvestment from South Africa's computer industry and a ban on exports of computers, the document noted that the republic was dependent on the West in this area.

It noted also that it was impossible to prevent computers from being used in South Africa to buttress apartheid agencies

About 40 percent of the South African computer market was governmental, it said.

Sanctions: costly sacrifice for the Frontline states

The Frontline states would suffer enormous economic hardships in the event of sanctions against South Africa. Yet they have intensified calls for trade embargoes against this country following the raids into Botswana, Zimbabwe and Zambia. ZENAIDE VENDEIRO and KYM HAMILTON review the implications of sanctions on these Southern African states.

The head of the Frontline states, Zambian President Kenneth Kaunda, whose country was hard hit by sanctions against white-ruled Rhodesia, says Zambia is prepared to make a sacrifice again to end white rule in South Africa.

And sacrifices it will certainly have to make, as will the other countries in the region.

If full sanctions are imposed and South Africa wished to retaliate, it could repatriate thousands of foreign workers, cut off port facilities and its vital rail network, and restrict the supply of electricity, fuel, food, strategic minerals, credit facilities, as well as medical and development aid.

Many of these measures would also hurt the South African economy, but they are options open to the Government.

The economic interdependence includes the following areas:

● Foreign workers — there are about 350 000 legal foreign workers in South Africa, supporting an estimated 2 million dependants throughout the region. However, the number of illegal foreign workers is estimated at 1,2 million.

● Transport — more than 50 percent of all locomotives and rolling stock in Africa are operated by the South African Transport Services.

In addition, six of the 15 largest harbours serving the subcontinent are in South Africa.

As a result, 57 percent of Zaire's imports come through South Africa.

Zambia routes 70 percent of its imports and 40 percent of its exports through South Africa. A total of 60 percent of Malawi's imports and 50 percent of its exports move through South Africa as do 68 percent of Zimbabwe's imports and 65 percent of its exports.

● Electricity — South Africa generates 77 percent of the electricity needed in the subcontinent. It provides about 50 percent of Botswana's power needs, 100 percent for Lesotho, 60 percent for Mozambique and 79 percent for Swaziland. Only Zimbabwe would be more or less unaffected.

● Food — South Africa pro-

Kaunda threatens to quit Commonwealth

Zambia's President Kenneth Kaunda yesterday threatened to withdraw from the Commonwealth if Britain did not impose economic sanctions against South Africa.

The 49-nation Commonwealth, an association of Britain and its former colonies, agreed last autumn to limited economic sanctions but British Prime Minister Mrs Margaret Thatcher has repeatedly refused to impose tough sanctions to try to get South Africa to end apartheid.

Dr Kaunda said in a radio interview with the BBC from Lusaka that he could not remain in the Commonwealth "with a clear conscience" unless Britain agreed to sanctions

"We are all working hard to convince the British Prime Minister that we have to apply sanctions if we are to avert a catastrophe," he said.

His plea was echoed by visiting black Anglican Bishop Desmond Tutu who warned in an interview on TV-AM that "effective sanctions are our last chance to avoid Armageddon".

The Sunday Telegraph, a staunch supporter of Mrs Thatcher's Conservative Party, said in a front-page story that the Prime Minister was preparing to take further action on sanctions.

The paper said further measures by Britain would probably include an end to taxation agreements and a curb on British investments. — Sapa-Associated Press.

26/5/86.
FOLLOW DAY
280

BA to retain all of its SA flights





LINDA ENSOR

BRITISH AIRWAYS (BA) will not be cutting back on its SA operations or its staff, says manager Michael Hirst.

He says current problems facing BA on its transatlantic route — Americans are shying away from holidaying on what they perceive as the terrorism-stricken, radiation-polluted European continent — will have no affect locally.

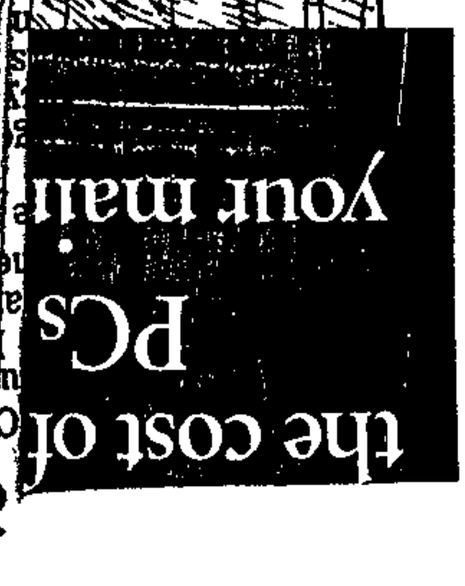
BA is estimated to be losing £600 000 daily on the transatlantic route — which contributes 25% of turnover and half the airline's profits — because of the American stayaway. A 40% reduction in US visitors to Europe (about 6-million people) has been estimated.

"The level of the rand is the most significant factor affecting travel from SA at the moment," says Hirst.

The number of passengers travelling on the airline declined by 10% last year. He expects this level to be maintained this year.

Because of the strong ethnic and trade ties between SA and Britain, BA intends taking greater advantage of the relative stability in business travel between by offering a cost-saving package.

The "On Business" deal will give businessmen reduced hotel rates of up to 50%, as well as discounts on car hire.



Anti-SA sanctions move vetoed

26/5/86 · 5000 · 280

The Star's Foreign News Service

NEW YORK — The United States and Britain have vetoed a United Nations Security Council resolution which would have imposed mandatory sanctions against South Africa for its three-pronged raid.

France abstained, the other 12 members of the council voted in favour at the end of a two-day debate called by Senegal on behalf of the African group.

The US delegate, Ambassador Patricia Byrne, said Washington would not agree to sanctions "and turn its back on the millions of blacks in South Africa and a growing number of whites there who look to the West to lead the South African Government out of its crude and inhuman political system into one where the voice of the majority participates directly in the formulation of national and international policy".

Earlier Britain, in a strong attack on South Africa, warned it could not continue to take its support for granted. Sir John Thomson, the British delegate, urged South Africa to co-operate with the Commonwealth Eminent Person's Group.

"I urge the South African Government to consider very seriously the consequences should they not now respond in a positive sense to the Commonwealth group.

"They should take nothing for granted, certainly not the support of my country."

Sir John also told the council that Britain abhorred apartheid and was willing to work towards its peaceful eradication.

"But," he cautioned, "there is a limit to this willingness if the South African Government will not co-operate."

Britain's position towards South Africa's action against neighbouring countries was well known

"Let South Africa understand that we have never countenanced and shall never countenance cross-border violations and South Africa's illegitimate use of force against her neighbours"

Tough UK line on SA if Labour wins


THATCHER

LONDON — As the calls for mandatory and comprehensive sanctions against SA become more vociferous, the one person who speaks out most strongly against them is British Prime Minister Margaret Thatcher.

She stressed her stand again last week — despite the repeated calls from Labour's Neil Kinnock in the House of Commons — for government to unbend on this issue.


KINNOCK

It is certain that for as long as she can possibly maintain this position, Thatcher will do so.

But how would the scenario change if Labour were to win the next election?

This question is not just a hypothetical exercise now, since the recent by-elections and local elections in which the Tories suffered disastrous setbacks, losing to Labour 700 municipal seats in 200 borough elections.

A Labour government's attitude to sanctions would differ greatly to that of the Tory government. In fact, Labour has made it quite clear that sanctions against SA would be a major plank in the Labour manifesto.

It is an issue shared by the extreme left of the party and the moderate right It is a uniting issue, and would be sought as avidly by the more moderate Kinnock as by any of the more radical of his lieutenants.

Labour has certain policy objectives regarding SA which, unless completely overtaken by extraordinary events, would be the guidelines within which they would operate

To gain insight into Labour's perspective on SA, I spoke to Donald

MARGARET SMITH

Anderson, MP, Labour's front-bench spokesman on foreign affairs.

What emerges is a possible Labour government that would go further than supporting sanctions and would, in fact, take a leading role in initiating the demand in both the Economic Community (EC) and at the United Nations.

What also emerged was the strength of Labour's commitment to aid, "both morally and practically", the so-called "liberation movements" of SA and Namibia.

Anderson said it would be impractical for Labour, however, to have a policy towards SA which was so rigid that it could not adapt to the actual circumstances they would face when they came to power.

"We over-use the phrase 'last chance' in respect of SA. But those who are in the middle of the current violent evolution still see hope, however slim, of arriving at a relatively peaceful democratic SA with minimum bloodshed."

He said many saw the SA response to the Eminent Persons Group as the last chance to avoid a tragedy for the whole country.

The longer key decisions were delayed, the more certain would be a future "which no sane person would welcome".

That meant that, as American Secretary of State George Shultz said last October, unless the SA government accommodated itself to its majority, there would inevitably be a violent outcome, Donald Anderson said.

"Without giant steps to that accommodation — which Labour believes must have as its initial step the release of Nelson Mandela and the unbanning of the African National Congress (ANC) — the worst scenario must surely result.

"This would also involve steps on the part of the ANC. It is in no-one's interests that the internationally mobile members of the business, industrial and commercial community in SA feel, because of lack of confidence in their future, that they must leave.

"There must be reassurances to ensure that the economy, under the eventual black majority, is able to harness the skills within the country," Anderson said."

"We are pledged to isolate SA internationally and promote effective action to hasten fundamental political change.

"We are pledged to give financial and material assistance to the ANC, the Pan-Africanist Congress (PAC) and Swapo."

Anderson said the Labour Party had a particularly warm relationship with the ANC, but this did not exclude the PAC, which was recognised by the Organisation of African Unity.

He said a Labour government would make the embargo on arms and military material complete, working to end economic and military collaboration between the two countries.

"We will support the enforcement of UN economic sanctions with the objective, at all times, being to bring effective pressure for change."

SA would not be able to rely on a British government to act as a brake on pressure within the EC and Commonwealth, as now.

By contrast, Kinnock's government would be in the vanguard of those in the EC and the Commonwealth working for effective measures against SA.

Of course, it must be borne in mind that the Labour Party's programme comes from a part which now is in opposition and does not have to implement its manifesto.

Intergold shrugs off UK ban on SA gold coins

LINDA ENSOR

THE British ban on the import of all gold coins from SA — which came into effect on midnight on Friday — was unlikely to have a great effect on trade between the two countries, a spokesman for International Gold Corporation said yesterday.

Intergold is the sole SA marketer of Krugerrands on the international market.

"Over the last few years, the import of Krugerrands into the UK has been low," the spokesman said.

The decision was not unexpected. It merely formalised the statement of intent made by the British government after the Commonwealth Conference in Nassau, Bahamas, last October.

In announcing the move, British Foreign Secretary Sir Geoffrey Howe told the House of Commons: "Following the commitment given by the Commonwealth heads of government in Nassau last October, we have been considering what action might be possible to preclude the import of Krugerrands ... Account has been taken of the fact that SA is now minting the new Protea coin."

The Intergold spokesman said it should be borne in mind that substantial existing stocks of Krugerrands within the UK could still be traded.

This meant the choice of the British investor remained unaffected, as he could still buy Krugerrands, the Maple Leaf coin and the new American and Australian coins due to come out later this year.

An informed source involved in international trade — who did not wish to be identified — denied the SA government had minted the Protea coin in order to circumvent the proposed ban, as has been suggested in Britain.

"The Protea was never intended to replace the Krugerrand. It was a legal tender commemorative coin minted in limited numbers by the SA government and sold at the fixed price of R9,50. The price of Krugerrands, which are sold at a small premium, fluctuates with the gold price," the source said.

The Protea was intended to commemorate the centenary of Johannesburg and of gold mining and was aimed at a small group of coin collectors.

Catholics 'divided on sanctions'

CAPE TOWN — The Catholic community is divided about economic sanctions and passions are running high, Professor Brian Gaybba of the University of South Africa, has told a meeting of Catholics in Cape Town.

At the meeting at St Francis Xavier Centre, in Crawford, Professor Gaybba and the RC Archbishop of Cape Town, the Most Rev Stephen Naidoo, explained how the bishops had decided economic pressure on South Africa was morally justifiable.

Professor Gaybba said the bishops had a duty to tell Catholics what the church believed was right.

"Apartheid and the Gospel are incompatible. You have to find a moral answer on how to fight apartheid because you may not use immoral means," said Professor Gaybba. — Sapa.

ARGUS 26/5/86 280

Pressure grows for Thatcher to push sanctions

The Argus Foreign Service

LONDON. — Pressure is mounting on Mrs Margaret Thatcher to abandon her opposition to economic sanctions and to get tough with South Africa.

President Kenneth Kaunda of Zambia and Bishop Desmond Tutu both appealed to her at the weekend to do so, saying that this was the only way to avoid "Armageddon" in South Africa.

President Kaunda said he would ask his country to leave the Commonwealth if sanctions were not imposed.

But Mrs Thatcher has shown little sign of retreating from her stand, although one newspaper reported at the weekend that she was "weakening".

It suggested that the British ban on Krugerrands and the new Protea coin, announced on Friday, was likely to be followed by other measures to end taxation agreements and probably curb British investment.

And it quoted a Buckingham Palace spokesman as saying "The Queen is watching the situation with great interest and concern."

WAITING TACTIC

Downing Street sources, however, indicate that Government tactics will be to wait for the report of the Commonwealth's Eminent Persons Group before taking any decision.

Meanwhile, South Africa is expected to reply this week to proposals submitted by the EPG "in a way that leaves the door open to further talks and reduces the pressure on Mrs Thatcher", says Nicholas Ashford, diplomatic correspondent of The Times.

He says the Commonwealth team is almost certain not to agree to another visit to South Africa after last week's raids into Botswana, Zimbabwe and Zambia.

He adds that a "cautiously positive response" this week from South Africa would relieve some of the pressure.

EPG expects conciliatory SA response

Cape Times 27/5/86

From JOHN BATTERSBY

LONDON. — The Commonwealth peace mission is expecting a conciliatory response from South Africa to reduce the impact on Britain of a triple challenge on economic sanctions.

It is understood that Pretoria's reply to the latest proposals of the Eminent Persons Group will be conveyed within the next few days.

But Commonwealth diplomatic sources here doubt that it will be sufficiently positive to get the British Prime Minister, Mrs Margaret Thatcher, off the sanctions hook.

Bishop Tutu

She is facing an unprecedented challenge from black South Africans, the frontline states and the Labour Party/Alliance opposition.

● At the weekend the Archbishop-elect of Cape Town, Bishop Desmond Tutu, made his strongest call yet for British sanctions and warned that "there could come a time when violence is the only option".

● An emotional President Kenneth Kaunda of Zambia warned in a BBC radio interview that he would pull Zambia out of the Commonwealth if Britain did not impose economic sanctions.

● Labour leader Mr Neil Kinnock received a welcome usually accorded only to heads of government when he arrived in India at the weekend on a mission to lobby Commonwealth pressure for sanctions with Indian Prime Minister Mr Rajiv Gandhi.

Mr Gandhi, a key member of the seven-nation Commonwealth committee, has also hinted that he is prepared to lead a third world exodus form the Commonwealth unless Britain falls in line.

● The second leg of the Labour offensive on sanctions will be undertaken by the shadow foreign secretary, Mr Dennis Healey, when he pays a six-day visit to South Africa on June 23.

Western Commonwealth nations — such as Canada and Australia — are trying to persuade Britain to fall in line with a "Western package" of selective sanctions to twist Pretoria's arm on accepting the peace package without undermining the economic base of reform or exacerbating black unemployment.

A Western sanctions initiative — limited to measures such as a ban on air links, symbolic imports, tax agreements and, possibly new investment — would also let the vulnerable frontline states off the retaliation hook by exempting them from applying the sanctions and jeopardising their fragile economies — already heavily reliant on South African infra-structure and trade.

Queen

Mrs Thatcher is known to be increasingly mindful of the unequivocal position of the Queen who, as head of the Commonwealth, is not prepared to countenance any suggestion of a rift in the Commonwealth.

Whitehall sources indicated yesterday that Mrs Thatcher would continue to speak out against sanctions until a mini-summit of seven Commonwealth leaders on August 2.

The EPG report and growing international pressure for economic sanctions will form the main input for the August 2 meeting at which Mrs Thatcher will either have to become part of a Commonwealth consensus of face a split in the 49-nation club of former British colonies

SADF raids 'to teach lesson'

Own Correspondent

LONDON. — The Times said yesterday that South Africa's raids into Zambia, Zimbabwe and Botswana were carried out without a thought for their consequence.

In an editorial the newspaper suggests that the raids had been planned some months ago by a South African Defence Force "anxious to teach the exiled ANC that its writ does not run unchallenged".

When plans were complete, the raids had gone ahead without a thought, or presumably a care, for their effect on the Commonwealth initiative, the tide of moral outrage or the diplomatic fall-out to follow.

"All of which should tell an uncomprehending world a little about the realities of political life in South Africa," The Times said.

The Guardian said that to claim sanctions do not work — as Mrs Thatcher does, is to ignore the effect of one American bank's decision to foreclose on its South African debtors last year.

This had led to a stampede and the halving of the value of the currency.

The newspaper adds: "It is still — just — open to London and Washington to come up with a short list of selective sanctions to be applied by the West alone."

They should be aimed at the white standard of living and focused on the Achilles heel of apartheid — gold.

28/5/86 BUSDAY

Move comes after US restrictions

'Irritant' for SA if Canada acts on steel imports

THE door to North American steel markets closed a little further yesterday with the news that Canada may add steel products to its import control list.

Canada's federal government has instructed the Canadian Import Tribunal to reach a decision on carbon steel products within two months and on speciality products within four months.

Trade Minister James Kelleher said the proposed measure would give the steel industry quick access to information needed to protect itself against dumping and subsidies.

The Canadian move follows a US decision to limit steel imports. SA was one of several countries to sign a voluntary trade agreement (VTA) early last year limiting the level of exports to the US.

Total SA steel exports to the US last year were estimated at about 580 000 tons, accounting for 0,42% of US steel consumption.

Industrial Staff

SA steel industry officials said yesterday they were unaware of any complaint by Canada of SA companies dumping steel on to the market.

Iscor, which accounts for about 75% of SA steel exports to Canada, described the potential new limitation as "an irritant rather than a catastrophe" for SA steel producers.

A spokesman declined to give figures for SA steel exports to Canada but described them as "relatively small". He added, however: "We would like to do business wherever we possibly can."

He added that Iscor steel sales — both export and local — were on target for the first nine months of the corporation's financial year.

Iscor was exporting to 80 countries, and exports were expected to be slightly ahead of the 1,93m-ton budget estimate. Current sales were down on the previous year, the spokesman said.

City dealers expect a deal between Anglo and Lonrho

28/5/82 280 270 STAR

The Star Bureau

LONDON — Speculation is rife that Mr Tiny Rowland's international trading group Lonrho is close to selling off part of its South African interests in a multi-million rand deal.

Dealers are convinced that Lonrho has been having secret talks with Mr Harry Oppenheimer's Anglo-American Corporation for some time, reports a City correspondent of *The Times*

However, Anglo refused to comment on the speculation, but sources close to the company said the story was nonsense.

"If completed the deal could be worth $400-million (R874-million) to Lonrho and would certainly please the City which has only just started to warm to Lonrho shares," the correspondent adds.

The renewed speculation Tuesday about Lonrho's intentions followed a visit by some of the Lonrho board to the offices of Chase Manhattan Securities, one of the bigger dealing houses to emerge from the recent spate of City mergers.

But Lonrho shares failed to reflect the underlying speculation, closing only 1p firmer at 254p. Only a few weeks ago the price had traded as high as 274p amid growing bid speculation.

Many fund managers believe that Lonrho shares may start to rise after the expiry of the May traded options Wednesday.

This will bring a sigh of relief to many jobbers who appear to have worked hard to keep the speculators under pressure. Dealers are already talking the Lonrho share price up to 300p in the weeks ahead.

28/5/86

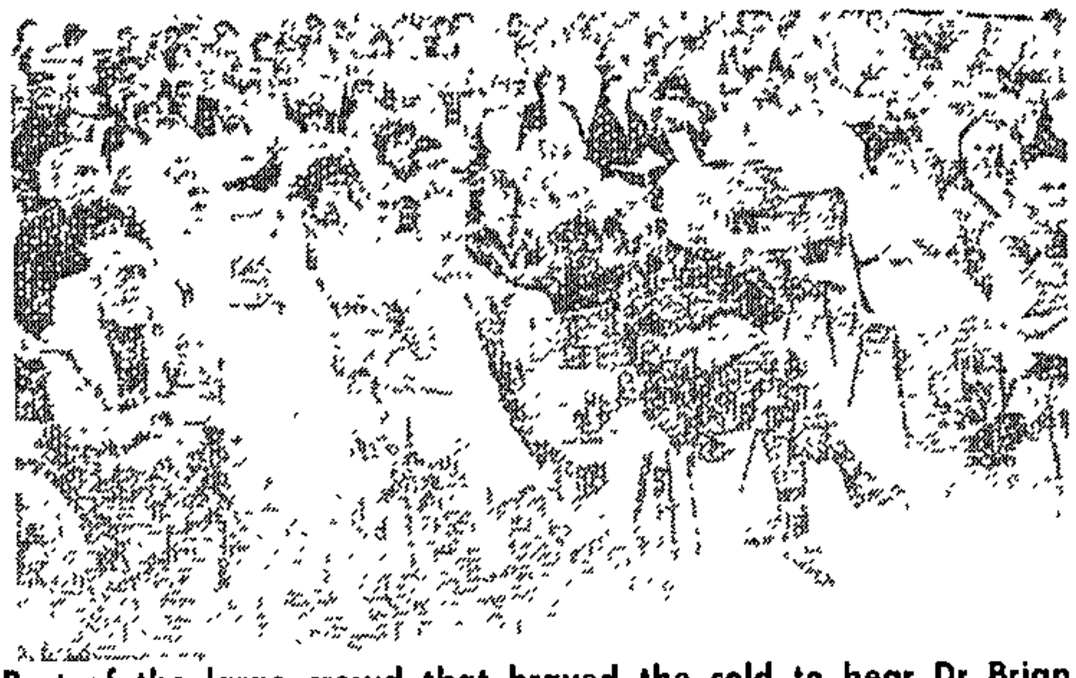
Catholic bishops stand by call for economic pressure on SA

STAR 260 265

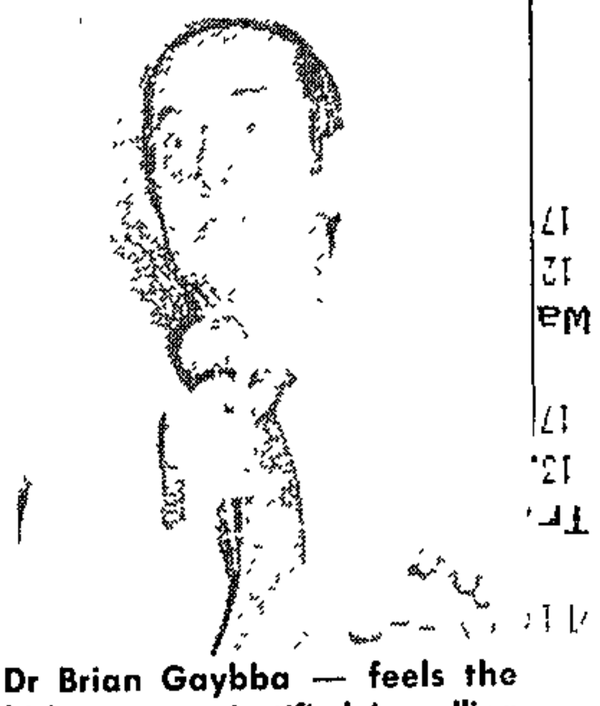
By Bart Marinovich

The Catholic Bishops would believe that the end justified the means if economic pressure brought an end to the "evil regime of apartheid", according to Dr Brian Gaybba, a member of the theological advisory team at the South African Bishops Conference

At a gathering at the Catholic cathedral in Berea last night, Dr Gaybba said the Catholic bishops were morally justified in calling for economic pressure against South Africa if it would bring about non-violent change.



Part of the large crowd that braved the cold to hear Dr Brian Gaybba address a gathering in Berea last night.



Dr Brian Gaybba — feels the bishops were justified in calling for economic pressure.

Pictures by Etienne Rothbart

CONFERENCE

During the annual conference at Marianhill from April 29 to May 1, the bishops released a document calling for economic pressure to continue in the hope that this would lead to the eventual dismantling of apartheid in South Africa.

"Apartheid can never be justified in any circumstances," Dr Gaybba said.

"It is an evil that has been directing the policy of an entire country for 30 years and something must be done to end it.

"The bishops realise that economic pressure will cause human suffering and that it will affect the very people they are trying to help. But if it is morally justifiable, then the end is worth it.

"Although the Catholic bishops of South Africa do not have the right to speak on an economic or political level, they are entitled to speak on contentious issues provided it has a moral dimension," said Dr Gaybba.

"The bishops fulfilled their pastoral responsibilities and acted within their God-given gift of discernment in calling for economic pressure to continue in South Africa on the grounds that it is morally justifiable

"Catholics have a moral question to ask themselves. They cannot be indifferent to the morality of politics in South Africa.

"South Africans are blinded by their own interests. They think of economic pressure as relating to themselves.

"Whites, in general, view apartheid differently to blacks. Whites equate apartheid with prosperity, while blacks only see suffering under the system.

"In an argument in favour of not calling for economic pressure, whites constantly refer to the fact that blacks would be the most likely to suffer under increased economic pressure. But a number of leading black leaders have said that they would not mind suffering as long as it brought about real change in South Africa.

Most blacks opposed to sanctions, says HSRC

STAR 28/5/86 280

Most blacks in the PWV area were opposed to economic sanctions against the country, the Human Sciences Research Council has found.

Those surveyed were equally divided over the consumer boycott issue, said the HSRC in Pretoria.

A random test by the council among 1 338 blacks in the PWV area showed about 48 percent supported consumer boycotts, while nearly the same percentage opposed them.

The HSRC survey showed, however, that 68 percent of blacks in the PWV area were opposed to economic sanctions against the country.

More than half of those questioned said blacks would suffer the most in the event of sanctions.

Negotiation

The survey also showed that about two-thirds of the blacks in the area believed more could be achieved through negotiation than violence.

Seventy-five percent believed that blacks had not benefited by the unrest in the country.

More than 75 percent were opposed to black officials, including policemen and community council members, being murdered, the survey found.

In a survey among 1 067 adult urban whites, the HSRC found that "more and more whites were willing to accept black representation in Parliament."

Nearly 50 percent of the respondents believed that peace in South Africa was possible only when blacks joined coloureds and Indians in taking part in the new constitutional dispensation.

Since March last year, the percentage of whites in favour of the abolition of the present system had risen from 26 to nearly 43 percent, according to the HSRC. — Sapa.

280

UN seminar on SA arms embargo

Own Correspondent

LONDON. — A United Nations-sponsored international seminar on the arms embargo against South Africa opens here today.

The findings of the seminar will be forwarded to a UN-sponsored conference on sanctions against South Africa to be held in Paris from June 16-20.

The London seminar has been convened jointly by the UN Special Committee Against Apartheid and the Oslo-based World Campaign Against Military and Nuclear Collaboration with South Africa.

It will focus on circumventions of the UN's mandatory arms embargo and attempt to close any loopholes in its implementation.

A UN spokesman said the three-day conference had been convened "to consider South Africa's military build-up, its aggression against independent African states and to discuss measures to broaden the scope of the arms embargo".

The seminar will also discuss issues such as:
- South Africa as a threat to world peace.
- South Africa's military capability.
- South African nuclear collaboration and its nuclear capability.

The conference will be chaired by General Joseph Garba, the Nigerian chairman of the UN special committee. It is being organized by the director of the World Campaign, Mr Abdul Minty.

Speakers will include representatives from governments, the liberation movements and anti-apartheid organizations.

Australia warns SA it will bring in sanctions if EPG mission fails

CANBERRA — Australia has warned South Africa that it will consider tough economic sanctions if the Commonwealth peace mission fails.

Prime Minister Bob Hawke said in a statement last night the government was awaiting an assessment from the Commonwealth Eminent Persons Group (EPG) which visited Pretoria this month.

Mr Hawke's warning came after a Cabinet meeting on recent South African raids against African National Congress (ANC) bases in Botswana, Zambia and Zimbabwe.

"The government condemns the South African actions in the strongest terms. It is impossible to justify such arrogant violation of the sovereignty and territorial integrity of South Africa's neighbouring states," Mr Hawke said.

The attacks had "severely bruised" the initiative taken through the EPG to facilitate dialogue between black and white South Africans.

Australia would hold the South African Government responsible if the EPG failed, Mr Hawke said, adding:

"In that event the Australian government will move quickly to accelerate its consideration of further possible economic measures against South Africa."

Officials said the measures would include denial of landing rights in Australia for South African Airways, a ban on Australian investment in South Africa, a ban on agricultural imports from South Africa and a ban on the promotion of tourism between the two countries.

Former Australian Prime Minister Mr Malcolm Fraser, a senior member of the Commonwealth team, said last week the EPG's mission probably was the last chance to stop even greater violence in South Africa.

The EPG is due to meet in London from June 3 to 6.

In London last night India's Prime Minister, Mr Rajiv Gandhi, said he believed the British Prime Minister, Mrs Margaret Thatcher, would agree to mandatory economic sanctions against South Africa if the Commonwealth decided to impose them.

If Britain went against a Commonwealth decision to impose sanctions, Mr Gandhi indicated, the onus would be on Britain to pull out of the organisation.

In an interview on Independent Television, Mr Gandhi said 44 Commonwealth members, including Britain, had approved a resolution at last October's Commonwealth summit in Nassau agreeing to mandatory sanctions if South Africa did not make progress towards ending apartheid. — Sapa-Reuter-Associated Press.

'Disinvest' Bill spurred on by raids

STAR 27/5/86

By Glenda Spiro

The recent attack on ANC targets by the South African Defence Force provided the "initial momentum" for the latest disinvestment Bill introduced in America last week, more than 100 businessmen were told last night.

They were being addressed on American disinvestment initiatives by a panel of three visiting members of the US Investor Responsibility Research Centre (IRRC).

Dr Michael Sinclair said the Bill called for a ban on coal, uranium and steel imports, a ban on SAA landing rights, no new investment in South Africa and that South African bank offices be closed in the United States, he said.

"Future raids or deterioration in internal situations will give the Bill more support."

Mr David Hauck, director of the South African Review Service said: "The number of disinvestment policies will jump sharply if the 1987 deadline — to abandon apartheid, release Nelson Mandela and all political prisoners and negotiate with representative black leaders — is not met."

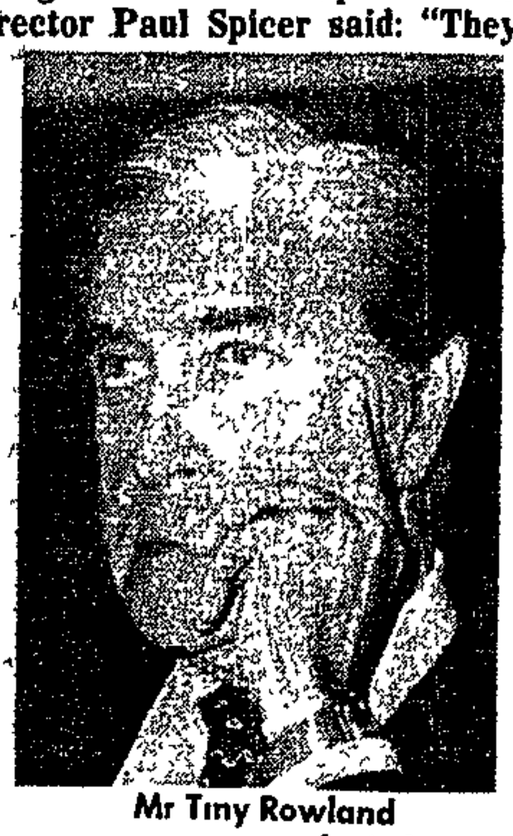
Lonrho again denies SA interests sell-out

STAR 29/5/86 STAR 280

By Neil Behrmann

LONDON — Lonrho Plc, the UK conglomerate strongly denies that it intends selling its South African interests.

Of reports in *The Times*, London, and *Evening Standard* that Lonrho was in discussions with Anglo American Corporation to sell its South African assets, director Paul Spicer said: "They are rumours on rumours. It was a rumour a year ago and once again we strongly deny the story."



Mr Tiny Rowland
. . . rumours denied

Lonrho is a London-based international trading group with 800 companies in over 80 countries. It has wide interests in mining, agriculture, industry, finance and general trading.

Most of Lonrho's mining and agricultural activities are in Southern Africa (South Africa, Zimbabwe, Swaziland, Malawi and Zambia). Southern Africa accounts for 8 percent of the company's £ 2,6 billion turnover and 17 percent of its £ 156,3 million pre-tax profits in the year ended September 1985.

Biggest southern Africa earner is Transvaal mine Western Platinum in which Lonrho has a 50,4 percent beneficial interest. It also has 66 percent in Duiker Exploration, a shareholder in Eastern Gold Holdings. Duiker has anthracite, coal and gold mines.

On the rumours Lonrho's shares rose 3 pence to 253 pence (1400 cents), against its peak of 273 pence. If the SA stakes are sold, Lonrho will lose heavily from the collapse in the financial rand (18p for R1, a discount of 37 percent to the commercial rand).

Mr Spicer said that a US fund, Mutual Share Corporation, had built up a 5,98 percent stake in the company. But he refused to confirm chief executive Tiny Rowland's remarks after the annual general meeting last month that several US parties had bought about 20 percent. Shareholders were left out in the cold because the statement of share ownership was not made at the meeting but at a separate media briefing.

BUSDAY 29/5/82. 350

Call to strengthen SA arms embargo

LONDON — The UN embargo on arms sales to South Africa should be strengthened and greater penalties imposed on violators, anti-apartheid activists yesterday told representatives from 32 nations reviewing the nine-year-old ban.

Delegates to the opening session of a three-day conference received reports alleging continued sales of military equipment to SA from major Western countries, including the United States, Britain and West Germany.

"It is evident the arms embargo has been dishonoured," the chairman of the UN Special Committee on Apartheid, Major-General Joseph Garba (Nigeria) said.

His committee and the World Campaign against Military and Nuclear Collaboration with SA are co-sponsoring the meeting to make recommendations to a larger international conference on SA sanctions in Paris next month.

"We have found that the penalties are very weak and not effective at all," World Campaign director Abdul Minty said.

He cited suspended sentences and fines of up to DM25 000 (R22 000) imposed on Tuesday by a West German court against arms industry executives involved in illegal arms shipments to SA via Paraguay.

Minty urged the UN to make a comprehensive review of national laws against arms sales to SA.

A report submitted by the American Friends Service Committee said the executive order — signed last September by President Reagan to further tighten these US exports — still allowed the sale of American technology with military uses.

The conference, which will hold most of its sessions behind closed doors, will examine current SA military capacity and needs before publishing a declaration tomorrow with proposals for strengthening implementation of the embargo. — Sapa-Reuter.

Yale sends fact-finding team

CYRUS Vance, ex-President Jimmy Carter's secretary of state, is again returning to South Africa.

Vance will lead a group of Yale trustees and students charged with advising the prestigious Ivy League university on divestment.

The team plans to visit US companies in which Yale owns stock and will hold talks with SA universities on black education projects.

Yale, which has $400m worth of investments in SA-related firms, has recently been the scene of unruly pro-divestment demonstrations.

The Vance teams plans to be in SA between June 23 and July 2.

SIMON BARBER

164.8

Survey: Blacks against sanctions

PRETORIA. — Most black people in the Pretoria-Witwatersrand-Vereeniging area were opposed to economic sanctions against the country, the Human Sciences Research Council has claimed.

Those surveyed were also equally divided over the consumer boycott issue, the HSRC report said.

The report said a random test by the council among 1 338 black people in the PWV area showed about 48 percent supported consumer boycotts, while nearly the same percentage opposed them.

The report said the HSRC survey showed, however, that most black people in the PWV area — nearly 68 percent — were opposed to economic sanctions against South Africa.

More than half of those questioned said black people would suffer the most in the event of sanctions.

The survey also showed that about two thirds of the black people in the PWV area believed that more could be achieved through negotiation than violence.

Seventy-five percent believed that black people had not benefited by the unrest in the country, the report said.

More than 75 percent were opposed to black officials, including policemen and community council members, being murdered, the report said. — Sapa

Business Day

C (45c + 5c tax) For other prices, see Back Page

Guy ter B Ellio

"T

29/5/86 BUS DAY 210 61 280

Lonrho denies rumours of R850m Anglo offer

JOHN BATTERSBY

LONDON — Lonrho, the international trading group, yesterday denied that it was considering an R850m (£250m) offer for its SA interests from the Anglo American Corporation.

Reacting to Press reports yesterday, Lonrho director Paul Spicer said:

"It's completely untrue. We deny the reports — there is not a shred of truth in them. There has been no offer."

He was reacting to reports that Lonrho was considering a £250m offer from Anglo which would have marked the biggest disinvestment by a foreign company in SA.

Charter Consolidated, Anglo American's operation in Britain, said the reports were "purely speculative".

"They are nothing more than rumours," a Charter spokesman said.

But the stock market was abuzz with speculation that a deal could still go ahead.

News of the alleged negotiations leaked out from a lunch which stockbrokers Simon and Coates are reported to have had with Lonrho directors Paul Spicer and Robin Whitten on Tuesday.

Spicer would not comment on whether the lunch took place.

Simon and Coates analyst Mike Smith was reported as saying:

"Lonrho told us they were looking at the offer, although they thought it was on the low side.

"But if they are prepared to consider it, it would indicate they are prepared to be sellers," he said.

"The deal would make sense for Anglo American because they are already based in SA," Smith said.

Another leading broker said:

"A deal would let Lonrho off the hook internationally.

"With particularly heavy involvement in the Southern African Frontline states, Lonrho's SA involvement is very embarrassing," he said.

"From Anglo's point of view it would also make sense.

"It would rationalise Anglo's mining interests in gold, platinum and coal and broaden its international penetration in the commodity markets," he said.

Atlas Copco won't quit

By Stan Kennedy

Atlas Copco president Mr Tom Wachtmeister has told the annual meeting in Stockholm that the group will stay in SA.

He said that workers of all categories had appealed to the group to stay, as they considered themselves as part of the international family.

"It is my firm belief that we are doing good in South Africa, not only for the 500 employees but also for their families and our clients," he said.

"Our policy of never leaving a market or abandoning customers and employees applies even in areas where the political climate is unstable."

'SA has 20 years before allies are forced to act'

The Star's Foreign News Service

LONDON — The South African Government may have only two years before its two most powerful foreign allies, Britain and the United States, give way to administrations unwilling even to give President P W Botha's reformist claims the benefit of the doubt.

This was the message given by Leicester University Professor of Politics Jack Spence to graduates of the University of Southern California at a seminar on South Africa held at Regent's College here last night.

But then, as now, external pressures may still not be as important to Pretoria as internal constraints, he said.

PRESSURE

Professor Spence's address, on trends and prospects in South Africa, investigated the nature of the new black opposition to the South African Government, Pretoria's reformist programme, and the effect of pressure from outside the Republic.

"My feeling is that President Botha hasn't helped his friends abroad," Professor Spence said. "This suggests to me that domestic constraints are greater than was previously thought.

"The Governments of President Reagan and Mrs Thatcher have placed great faith in internal reform, but are now finding themselves trapped between introducing some kind of sanctions, or just sitting back. "The middle ground they were occupying is shrinking fast."

INTRANSIGENCE

Professor Spence predicted that, in the face of South African intransigence, even Mrs Thatcher would be inexorably pushed towards more "creeping sanctions" with less symbolism than before, so as not to isolate herself from Europe and the Commonwealth.

One of his greatest single concerns, aside from internal developments, was about the Right, re-emergence of the Right, re-maimed President Botha's steadily dwindling options for discussions. "I feel very strongly that if the Government isn't careful, it will end up having nobody to negotiate with. That seems to me to be a very real danger."

30/5/86 BUSDAY 280

Rumours of Anglo offer to Lonrho persist

JOHN BATTERSBY

LONDON — Rumours of a R850m Anglo American offer for Lonrho's South African interests persisted on the market yesterday in spite of Lonrho denials.

Mike Smith, share analyst with London brokers Simon and Coates, yesterday stood by his story that two Lonrho directors had confirmed the Anglo offer at a lunch for brokers and fund managers on Tuesday.

But he added that the Lonrho directors had given the impression that they were not seriously interested in making a sale, but were prepared to use the talks to put a value on Lonrho's SA operations.

Smith said that Anglo's R850m offer was about R350m below a realistic market price — about R1,2bn.

Anglo's low-key response has confirmed market suspicions that it is trying to drive a hard bargain with Lonrho, playing on the conglomerate's political sensitivity about its substantial SA interests.

Clearly Anglo is in no hurry to strike a deal.

Smith's version of the discussion at lunch with Lonrho directors Paul Spicer and Robin Whitten was backed up by other participants who asked not to be named.

But Spicer yesterday vigorously denied reports that Lonrho was considering the offer:

"There is no deal. We do not intend to sell our SA interests. There is a rumour that has been circulating for some time. It is misleading and untrue."

Rumours of an Anglo offer for Lonrho's SA interests have been circulating in market circles for several weeks.

But it was not until reported discussions at Tuesday's Lonrho lunch were leaked to the Press that the rumours became public.

Lonrho's SA interests produced after-tax earnings of R130m last year.

A broker said yesterday that if an

Anglo-Lonrho deal was on the cards, it would take some time to unfold.

"Anglo is known for its stealth on the market and is not likely to show its hand at this stage," he said.

Brokers were speculating yesterday as to how Anglo would raise the money for a deal.

"If they pay from SA in rands, it is sure to put further pressure on the rand," one broker said.

Alternatively, Anglo could swop overseas assets or pay from external funds, the broker suggested.

DD 30/5/86

Tezapi: fund abuse alarms

UMTATA — Cases of embezzlement and misappropriation of Transkei state funds had assumed an alarming rate, the Deputy Minister of Finance, Mr David Tezapi, said in the National Assembly yesterday.

Delivering the Finance Department policy speech on behalf of the Minister of Finance, Mr Sydney Qaba, Mr Tezapi said that during the 1984/1985 financial year, misappropriation of about R119 000 was uncovered in two Transkei districts by Department of Finance accounts inspectors. Of this amount, about R86 000 was in respect of suspected misappropriation by a messenger of the court.

Mr Tezapi said it appeared there was some laxity on the part of checking officers in the execution of their duties.

The case had been handed over to the police for investigations.

"In the light of such cases, as well as those currently under investigation by the Department of the Auditor-General, my department is re-evaluating the capacity of the accounts inspectorate branch to cope with the demands imposed on it by prevalent irregularities in the various departments with a view to curbing these anomalies effectively," Mr Tezapi said.

Turning to state debt, Mr Tezapi said its increase was becoming a matter of concern, especially since development projects had made no significant contribution in the form of revenue in the short term

He said the disinvestment campaign against South Africa and the threatening political instability within her borders had an adverse effect on the entire economy of Southern Africa, resulting in the introduction of the "standstill" on foreign capital transactions which had since been extended to June 30, next year

Mr Tezapi told the House that the standstill arrangement should be viewed as a means of controlling the depletion of "our foreign reserves in the light of the international threats aimed at crippling our economy".

The sanctions card

The frontline states, confident that SA's recent raids into Botswana, Zambia and Zimbabwe are a reflection of growing despair and desperation, believe SA has lost an important propaganda battle in the continuing campaign against minority rule.

The frontliners can see no justification for the raids other than domestic policy imperatives, believing the P W Botha government moved — ineffectually — to reassure its extreme rightwing critics at home, rather than to secure any lasting strategic military advantage in the region. There are those who believe the raids were designed to deliberately undermine the Eminent Persons' mission but, from all accounts, it would seem that prospects for substantial progress from this quarter were not great anyway. .

The frontline leadership believes the Reagan administration has been embarassed by the raids (see *World*) and by Pretoria's efforts to draw a parallel with the US bombing of Libya in April.

At the same time, the Zimbabwe PM, Robert Mugabe, was quick to seize the opportunity to accuse SA of "State-sponsored terrorism" — also seeking to draw a parallel with Libya.

However the raids may have been presented in SA itself, it is clear they were a public relations catastrophe internationally. The frontline leadership, which had been increasingly pessimistic about the prospects of securing Western support for mandatory sanctions against Pretoria, now believes the pendulum has swung back, if not in favour of mandatory UN sanctions, certainly in the direction of stronger economic measures against SA by the major Western powers.

At this stage, this would seem to be the main plank in frontline strategy. The reality is that the frontline countries have little room for policy manoeuvre — their options are limited and their resources stretched — but the raids have thrust Pretoria onto the defensive and provided a heaven-sent opportunity to reopen the sanctions campaign with a vengeance.

Two other policy options are being canvassed in the frontline states. The first is the early establishment of an Organisation of African Unity (OAU) peacekeeping force designed to deter further South African cross-border raids OAU defence ministers are due to meet this week to discuss such a prospect — but the chances of success seem remote given the financial problems of most member states.

The second option is the apparent growing determination of the frontline states to seize the opportunity provided by the Harare non-aligned nation summit in September, which is due to be attended by more than 100 countries, to intensify the political and diplomatic onslaught against Pretoria, while at the same time possibly attracting material support — economic and possibly even military for the frontline countries.

It is acknowledged throughout the region — privately but not publicly — that the frontline states are in no condition to wage a lengthy sanctions war against SA. Over the next six months, there will be intensive diplomatic activity aimed at ensuring economic pressures against SA are intensified while seeking to ensure that, as sanctions are tightened, the Western and non-aligned countries will provide compensatory financial and economic assistance to the countries likely to suffer most: Zambia, Zimbabwe, Botswana and Mozambique.

Prospects for such assistance do not look good, but Pretoria's cross-border activity has obviously generated a degree of sympathy and support for the frontline countries that simply did not exist before, and the African countries are anxious to exploit this advantage to the full. ■

Added tax (VAT).

Investor wants is bullion, that is.

SA likely to lose out on farm exports to EEC countries

By Stan Kennedy

Long-term prospects for most of South Africa's farming products in EEC markets are expected to encounter serious restrictions in the light of the recent entry to the EEC of Greece, Spain and Portugal.

This is the view of Dr Carl Weiers, agricultural attache at the West German Embassy, Pretoria.

He told a meeting of parliamentarians representing agricultural study groups of the different political parties that the inhibiting factors were the high cost of production, the marketing structure and the unfavourable conditions for many farming products, such as wheat and beef.

However, there was a good chance for items with low production costs, such as wool, mohair, and high quality products such as wine and out-of-season fruit and vegetables.

"Long-term survival for most of South Africa's farming products will be dependent on increasing footholds in non-EEC markets through imaginative marketing programmes.

"The local canning industry, for example, lost nearly 40 percent of its exports to these markets because of increased subsidies to fruit growers and canners in southern Europe and continued US dominance of the international canned fruit market."

He said that exports, in general, offered no long-term solution for countries with high inflation rates. On the whole, the marketing of farming products world-wide was "in a mess", with over-supply and under-demand.

Currently, Europe is faced with a surplus of 700 000 tons of beef, 1,5 million tons of butter and more than a million tons of milk powder, he said.

"The demand for food by world markets is not increasing at the pace at which surpluses are accumulating.

"A major problem is the agricultural price support system, which encourages production well in excess of market demand.

"The lowering of guaranteed prices is indispensable as a means to remedy market imbalances and more rapid results can be achieved by production through quota systems," he said.

E T CONS	5000
ERGO	1520
ERGO CD	1550
E R P M	1500
EGOLI	290
FALCON	800
GROOTVL	1300
MARVALE	420
MODBEE	160
PRIM G M	900
RANDFNT	25600
RD LEASE	220
SIMMERS	490
SALLIES	480
STH RDPT	3258
STHRPT10%CPP	300
SPRIDAG	132
VILLAGE	150
VLAKS	400
WAVERLY	255
W R CONS	800
W NIGEL	180
AVERAGE	
MIN. - GOLD - EVA	
BRACKEN	495
KINROSS	3925A
LESLIE	450
WINKELS	5050
AVERAGE	
MIN. - GOLD - K	
AF LEASE	300
BUFFELS	7250
HARTIES	1260
SOVAAL	10000
STILFTN	2125
VAAL RFS	20700A
ZANDPAN	223
AVERAGE	
MIN. - GOLD - O.F.S.	
BEATRIX	725
FREGOLD	3200
HARMONY	3075
LORAINE	1170
OPSIL	7800
ST HELNA	4375A
UNISEL	2300
WELKOM	2025
AVERAGE	
MIN. - GOLD - WEST	
BLYVOOR	1800
DEELKRL	740
DOORNS	3025
DRIES	5300
ELANDS	1815

US 'is trying to railroad SA case'

By Neil Lurssen,
The Star Bureau

WASHINGTON — The South African Embassy in Washington has angrily accused United States Government officials of planning unfair treatment at important public hearings on SA to be held here next week.

Ambassador Mr Herbert Beukes is understood to have protested strongly.

His complaint is that the views of anti-SA Government activists are getting unfair prominence at what should be an impartial inquiry.

Next week's hearings are being held by the US Advisory Committee on SA — the so-called "wise men" appointed by presidential order to advise on U S policy toward South Africa.

The recommendations of the 12-member panel, some of whom visited South Africa earlier this year, are likely to have a significant effect on relations between the two countries.

SA officials charge that most of the 25 speakers due to give evidence are hostile to South Africa and allege there has been an attempt on the part of the committee staff to exclude South Africans entirely.

But the committee's executive director, Mr William Kontos, denied any attempt had been made to exclude South Africans.

Sources here say the SA embassy is also unhappy at what is seen as an attempt to railroad a new sanctions Bill through Congress.

The bill was introduced by Senator Edward Kennedy and Congressman Bill Gray last week. On Wednesday and Thursday next week, the measure is expected to be approved by two key House of Representatives committees — without even going through the usual public hearings.

"In their eagerness to get these sanctions passed, they are even willing to suspend the ordinary process of democracy in their own country," one SA official said.

sunrise world

Danes face loss of jobs after ban on SA trade

COPENHAGEN — The Danish Parliament yesterday approved an opposition motion to ban trade with South Africa in protest at its apartheid policies, making Denmark the first Western country to take this step.

"The bloody events over the past week in Southern Africa, where South Africa has attacked three neighbouring countries, show there is a need for the world to protest. We must accept that it can cost us something to carry out our principles," said an opposition Social Democrat spokesman.

Conservative Prime Minister Mr Poul Schlueter attacked "contempt" for world opinion shown by South Africa but said a trade ban by Denmark alone simply ensured a clear conscience and was not the way to abolish apartheid.

"It is not South Africa but Denmark which is being isolated by this proposal," he said.

The trade ban was approved by 76 votes to five with 63 abstentions. The opposition Socialist and small radical parties voted in favour while the four parties in the minority centre-right government abstained.

Danish imports from South Africa in 1985 were worth about R444,4 million but 80 percent were coal imports which Denmark banned earlier this month.

Exports last year, mainly farm machinery, chemicals and drugs, totalled R160 million. Medicine exports are exempted from the new trade ban.

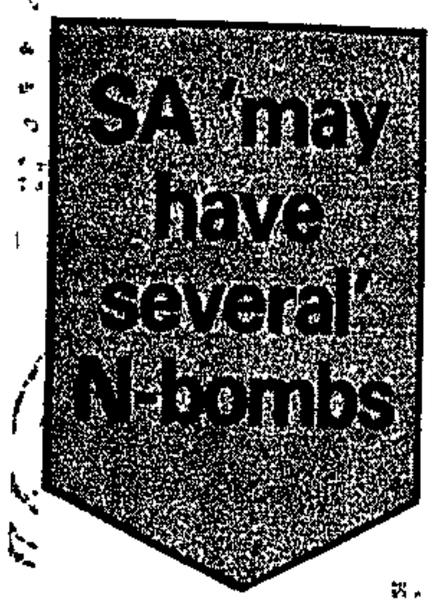
Danish shipowners warned that the new law — which takes effect on June 15 but allows a six-month wind-down period — could be "catastrophic" if ship charter contracts forbid all calls at South African ports.

A leading fertiliser firm has also raised the question of government compensation if it is forced to end contracts for South African phosphate imports. But under the Bill the Industry Minister may give companies two-year dispensations if he deems this appropriate.

Mr Schlueter warned that the trade ban could lead to job losses in Denmark "without having any damaging effect whatsoever in South Africa" and said joint action against apartheid by the five Nordic countries was preferable.

But opposition spokesmen said hundreds of thousands of lives were at stake in South Africa and there was no time to wait for international agreement on a trade ban. — Sapa-Reuter.

Stakes getting higher as SA beats arms bans



The Star Bureau

LONDON — South Africa has the capability to produce nuclear weapons and may have "several bombs in its cellar", according to a report released at a conference on the arms embargo

But, the report says, secrecy surrounding nuclear relations generally has kept the truth concealed.

Reopening the debate on blasts recorded in Southern Africa in 1979 and 1980 and purported to have been caused by nuclear explosions, Mr Abdul Minty, director of the World Campaign Against Military and Nuclear Collaboration with South Africa, says: "There is no longer any doubt about South Africa's nuclear weapon capability What is not known is the number of devices it has in stock and the precise nature of the weapons.

"Most of the aircraft in the South African Air Force can easily deliver nuclear weapons, and, in addition, it has both ground-to-ground and air-to-ground missiles. There have even been reports that it is working on the deployment of cruise missiles."

He says. "Although South Africa may by now have several bombs in its cellar, it is still highly dependent on external sources of know-how, plant, technology and finance in order to proceed with its ambitious nuclear plan."

At the same time the Anti-Apartheid Movement (AAM) told the conference three British companies were marketing South African-made military equipment in breach of Britain's pledge to uphold Commonwealth, UN and EEC bans on military co-operation with Pretoria.

The AAM says the latest edition of the authoritative Jane's Military Communications contains evidence of the "continuing collaboration" of British companies in the "South African military-industrial complex".

In all three cases the products are military communications equipment

An Armscor spokesman said: "We do not comment on the sales or purchases of military equipment"

By Michael Morris, The Star Bureau

LONDON — South Africa has weathered the arms embargo so far, but the stakes are getting higher, according to two reports presented in London to a world conference on the arms ban.

Charting events since the 1977 United Nations resolution declaring a mandatory arms ban, the reports say. "Pretoria has made progress in producing much of its own military equipment with help from outside, but large parts of its arsenal are obsolete or about to become so."

South Africa will "need even more massive and visible infusions of strategic technology from abroad" to maintain and enlarge its armed forces.

For this reason, one report suggests, the international arms embargo "is likely to face its severest test over the next few years".

This is one of a number of reports being considered by 150 delegates from more than 30 countries who have gathered in London for a three-day conference to find ways to make the embargo more effective.

Reports highlight South Africa's reliance on foreign arms and technology — and the frequent failure of the international community's efforts to stop equipment and know-how getting through

In the wake of South Africa's incursion into Angola last week — and the raids on Gaborone, Harare and Lusaka — UN agencies and others working for a tougher ban have expressed concern over America's supply of Stinger missiles to Dr Jonas Savimbi's Unita rebels

They say it will give South Africa access to vital and sophisticated missile technology, if not the missiles themselves.

The Stinger issue aside, the reports of the conference say, South Africa is "engaged in a massive concerted operation" through undercover Armscor agents and embassy staff abroad to buy arms on foreign markets

CIVILIAN TECHNOLOGY

In many cases, arms experts say, loopholes in the West's export legislation have made the arms agents' task that much easier.

Reports say that besides direct procurement of arms and military equipment, South Africa draws extensive military expertise from civilian-use technology

One report cites the CSIR's importation of two powerful computers, the Control Data Cyber 170/750 and an Amdahl 470/V7. The Cyber unit is capable of being used to break US secret codes, and for nuclear weapons-related research.

The US administration insists on assurances from South Africa that equipment of this kind is not used for military use, but, the report says, "such restrictions seem far from foolproof"

One report says the arms embargo against South Africa has been critically undermined by gaping loopholes in British and US export legislation.

"Ultimately", one report says, "the most critical ingredient of a successful embargo is the political will to make it effective".

South Africa probably has,in Britain and America, its best friends in the West. Both countries embraced the UN embargo in the late 1970s, but their legislation has left loopholes through which South Africa has drawn much of its military expertise

The report says "South Africa has an array of high-tech products at its disposal. This includes the so-called 'precursor technologies', such as fibre optics and laser technology manufactured by a West German subsidiary of the US ITT corporation

"Although this technology is being used in civilian telecommunications in South Africa, it is vital to a whole new generation of weapons systems"

Cape Times 31/3/86.

Danes approve ban on trade with SA

COPENHAGEN. — The Danish Parliament yesterday approved an opposition motion to ban trade with South Africa in protest at its apartheid race policies, making Denmark the first Western country to take this step.

"The bloody events over the past week in Southern Africa, where South Africa has attacked three neighbouring countries, show there is a need for the world to protest. We must accept that it can cost us something to carry out our principles," said an opposition Social Democrat spokesman.

Conservative Prime Minister Mr Poul Schlueter attacked "contempt" for world opinion shown by South Africa but said a trade ban by Denmark alone simply ensured a clear conscience and was not the way to abolish apartheid. Rather it would isolate Denmark, not South Africa.

The trade ban was approved by 76 votes to five with 63 abstentions. The opposition Socialist and small radical parties voted in favour while the four parties in the minority centre-right government abstained.

Danish imports from South Africa in 1985 were worth 1,7 billion crowns (about R444,4 million) but 80 percent were coal imports which parliament banned earlier this month.

Exports last year, mainly farm machinery, chemicals and drugs, totalled 613m crowns (R160m). Medicine exports are exempted from the new ban.

Danish shipowners warned that the new law, which takes effect on June 15 but allows a six-month wind-down period, could be "catastrophic" if ship charter contracts forbid all calls at South African ports.

A leading fertilizer firm has also raised the question of government compensation if it is forced to end contracts for South African phosphate imports. But under the bill companies may be given two-year dispensations if deemed appropriate.

Mr Schlueter warned that the trade ban could lead to job losses in Denmark "without having any damaging effect whatsoever in South Africa" and said joint action by the five Nordic countries was preferable.

But opposition spokesmen said thousands of South African lives were at stake and there was no time to wait for such agreement. — Sapa-Reuter.

CA/t Times
2/6/86 280

'EC has sanctions muscle'

THE HAGUE. — European countries have more chance than Commonwealth nations of persuading Britain to take a tougher line on South Africa, New Zealand Prime Minister, Mr David Lange, said at the weekend.

British Prime Minister Mrs Margaret Thatcher was more likely to listen to her European Community partners than to countries with "models of government substantially different from her own", he told a news conference here.

Mr Lange was speaking after meeting the Dutch Prime Minister, Mr Ruud Lubbers, on the latest stage of a West European tour.

Asked if the Commonwealth could split over sanctions against South Africa, he said: "I hope not, but all the history shows there is a difference of opinion and a conflict of interests.

"In the end, Britain says (to countries supporting sanctions), 'You are entitled to your view, but you do not have the interests in South Africa that we do'."

Mr Lange said "the concern of Europe over South Africa would I think be quite compelling". — Sapa-Reuter

Tough arms stand against SA

2/1/86
BUSDAY.
280

Own Correspondent

LONDON — The International Seminar on the UN Arms Embargo Against SA adopted a number of recommendations to strenthen the UN mandatory arms embargo on Friday.

These recommendations will be referred to the World Conference on Sanctions Against SA to be held in Paris next month.

The seminar, held in London, also recommended urgent and effective action to monitor and prevent contraventions of the embargo.

Among the recommendations adopted by the seminar were:

☐ All states should end all forms of military collaboration with SA, including the exchange of military attaches, the holding of joint exercises, the exchange of military intelligence as well as any military exchanges with SA;

☐ The voluntary embargo on the imports from SA of arms, ammunition of all types and vehicles must be made mandatory and be expanded to include related material including para-military equipment.

The seminar was organised by the UN Special Committee Against Apartheid in co-operation with the World Campaign Against Military and Nuclear Collaboration with SA, which is based in Oslo.

Secret UK plans to make provision for cut in SA air links

BRITAIN'S national airline, British Airways (BA), has drawn up secret contingency plans to fly to alternative destinations if the British Government gives in to pressure and cuts air links with South Africa.

Meanwhile, however, BA is mounting a strong campaign to resist the imposition of sanctions.

An airline spokesman said in London that strong appeals had been made to the government not to cut links with South Africa.

"We do not see the wisdom of commercial air routes being used to achieve short-

By EVELYN HOLTZHAUSEN and CAS St LEGER

term political ends," he said.

BA officials had pointed out that the airline had routes to countries all over the world, including communist states and others with a human-rights track record much worse than South Africa's.

"It seems, however, that the ferrying of passengers and tourism is seen by governments as a kind of 'trade' and an easy way to implement trade measures against South Africa," he said.

And yesterday BA chairman Lord King reportedly told the Prime Minister, Mrs Margaret Thatcher, directly that air cuts to South Africa would cost the cash-strapped company "tens of millions of pounds".

Discussions

Meanwhile, air transport experts were unwilling to speculate about alternative airports in the Southern African region which might be used by BA if it were barred from Jan Smuts.

BophuthaTswana's R25-million revamped airport at Mmabatho is ideally suited for modern wide-bodied airliners — but the independence of the homeland is not recognised by Britain, which eliminates it as an alternative.

Curiously, however, there was evidence that discussions had nevertheless been held with with BophuthaTswana's Minister of State Affairs, Mr Rowan Cronje, on the possibility of using Mmabatho.

BophuthaTswana's Director of Civil Aviation, Mr Anthony Vice, confirmed that inquiries had been received from both BA and the West German national airline, Lufthansa.

Negotiations were being handled by Mr Cronje — but he was "out of town".

Inadequate

Another alternative destination may be Harare in Zimbabwe. It has the longest runway in the world, but it cannot accommodate certain types of wide-bodied aircraft.

Gaborone in Botswana, Mbabane in Swaziland and Maseru in Lesotho all have new international airports, but service facilities and ground services are considered inadequate for heavy international traffic.

Of the three, Mbabane could be the best bet. It is willing to permit the use of international rather than local staff to maintain BA's stringent safety standards, and it is within relatively easy reach of Johannesburg for passengers travelling by air or coach.

'Most Danes back move against SA'

STEPHEN ROGERS

ALTHOUGH Denmark's governing coalition abstained when the Danish parliament voted last week to sever trade links with South Africa, the measure has "all round support across the political spectrum".

A Danish Foreign Ministry spokesman told *Business Day*: "The government's policy remains that the best way to bring about peaceful change in South Africa is for the United Nations Security Council to enforce economic sanctions."

The vote was carried by an overwhelming 76-5 with the four main government-coalition parties abstaining.

Apparently the governing coalition had intended to introduce anti-South African legislation, but on a persuasive rather than mandatory basis.

The spokesman said that as the UN was unlikely to adopt sanctions against the Republic, the Danish parliament had decided to declare a ban unilaterally in the hope that other countries would follow.

"Our objective is not to cause economic hardship but to send a political signal of the unacceptability of apartheid."

The South African government was not available for comment.

The legislation comes into effect on June 15, but Danish firms will have a six-month period to adjust. Firms affected by the ban can apply to the Danish department of trade and industry for exemption for up to a maximum of two years.

□ SA Department of Trade and Industry statistics show that in the 10 months from January to October last year, SA exported goods worth R166m to Denmark, compared with total exports of R29,7bn in that period. Imports from Denmark were R95m, against a total of R19bn.

GIC parent B Elliot may cash in on sale

BRIAN ZLOTNICK

FOR some time now Goldfields Industrial Corporation (GIC) has been the subject of take-over talk that its UK parent is to disinvest.

However, the sale by GIC of its loss-making tool and engineering division for R4m cash, may in fact signal that, if anything, parent B Elliott is set to hold on to its 62% stake and cream off sharply higher dividend receipts.

GIC now finds itself awash with surplus cash and its earnings a share materially boosted by the disposal.

Earnings in the 1986 financial year to March would have been 45c a share compared with the reported 4c if the transaction had been effective for the full year and the cash proceeds reinvested in the money market.

GIC will now concentrate on its core activity — steel processing — and financial director Andrew Crawley says that the group "has nothing left to sell".

He admits that some of the proceeds will be used to upgrade plant and that it is on the acquisition trail.

However, with earnings now set to bound ahead and the group flush with cash, dividends this year of a minimum of about 25c a share are probably on the cards.

The UK parent now may well be content with returns of that order, considering that its subsidiary's three-year dividend drought was only recently broken with the declaration of a 3c a share dividend for the 1986 year.

While the share has almost doubled from mid-April's 145c to yesterday's 260c — mostly on speculative (knowledgeable?) buying — at this price it could provide a high prospective dividend yield of about 9%.

EC set for bitter SA sanctions fight

BUSDAY. 280

JOHN BATTERSBY

THE HAGUE — The European summit which opens in The Hague today is set for a bitter wrangle over the imposition of economic sanctions against SA.

British Prime Minister Margaret Thatcher is facing her biggest leadership test since the Falklands War over the sanctions issue which has opened up serious rifts in the Commonwealth and the Tory party

Britain, which takes over the EC presidency in a week's time, is in favour of another bid to promote black/white dialogue in SA.

Thatcher has indicated she is in favour of sending Foreign Secretary Sir Geoffrey Howe on a peace mission to SA, but Howe appears to favour a troika of EC foreign ministers — similar to the one which visited SA last year.

Belgian Foreign Minister Leo Tindemans indicated yesterday he was prepared to serve on an EC troika but only after Howe had been on an exploratory mission.

The EC summit, which will be dominated by the sanctions issue, is expected to approve further economic measures in the face of mounting world pressure for the imposition of comprehensive mandatory sanctions.

A draft EC package includes a ban on new investment, a ban on the import of SA produce, a ban on bulk imports such as coal and uranium and the cutting of air links with SA.

But the leaders of the 12 members of the EC are already deeply divided on what measures would be "appropriate" in increasing pressure on Pretoria to negotiate with black leaders while limiting damage both to SA's economy and those of member states.

Fraser predicts 10-year conflict in S Africa

The Argus Foreign Service

LONDON. — The round-up of opponents to the Government in a clampdown in South Africa was further evidence that the Government had no wish to negotiate, said Mr Malcolm Fraser, joint leader of the Commonwealth Eminent Persons Group.

"They seem to have turned their face very much against the possibility of negotiation and to have made up their minds to tough it out or shoot it out," he added.

"Inevitably, blacks with their superior numbers, will win."

He predicted a 10-year bloodbath in South Africa if major Western nations did not change their policies and impose effective sanctions.

BACKTRACKING

He accused the South African government of being determined to cling to apartheid and of backtracking on agreements it made with the EPG during talks in South Africa.

Hours before the EPG's report is officially released, the former Australian Prime Minister urged major Western governments to give full backing to economic sanctions

"If there is no support of this kind we will get into a position very quickly, now that our report is published, in which black South African leaders will say: All right, this confirms our view that the government does not wish to negotiate and we are not getting the kind of support we need from major Western nations. The only way we can gain political rights is by shooting it out.'

"That will involve full guerilla warfare in which ... many millions of people will be killed over an eight or 10-year period. Inevitably the blacks would win. The warfare would strike fear into the hearts of every person in the country and dissipate the strength of what the South African Government thinks is a powerful army.

Asked whether it had been reasonable to expect the South African Government to agree to start negotiating without guarantees that violence would end, Mr Fraser said he thought it was a logical course.

PROVOCATION

"The essential part of the concept involved the release of political prisoners, getting the troops out of the townships. They are an immense provocation and we saw that with our own eyes.

"It involved the suspension of detention for long periods without trial and allowing for free political debate.

On the black side it also involved a suspension of violence and these things, we thought, would be announced together.

"If the black leadership, people like Nelson Mandela, Oliver Tambo and Buthelezi and others in the country were able to move about freely, they could say "Look, we are going to have negotiations. Let's calm it — let's stop this violence.'"

Mr Fraser said the government was asking people with no legal power, no economic rights and no constitutional protection to say that no matter what the government does, they would not lift a hand to protect themselves.

"We unanimously believed that to be a quite unreasonable proposition and indeed major business leaders we met in South Africa also believed that to be an unreasonable proposi-

EPG meets this week to decide on sancions

LONDON. — The Commonwealth Eminent Persons' Group meets on Wednesday to decide whether to continue negotiations with South Africa over a peaceful settlement, or to press for sancions.

Despite members' protestations that the mission is still alive and well, there is no doubt that South Africa's recent bombing raids on neighbouring Commonwealth states dealt it a stunning blow.

The EPG has received a "secret letter" from Pretoria attempting to head off sanctions.

According to the Observer newspaper yesterday, the letter is a "last-minute attempt" to influence the EPG.

VIOLENCE

It is reported to hint at the possibility of talks with the African National Congress, but insists the ANC must call an end to violence first.

The South African Department of Foreign Affairs today would not comment.

The letter apparently aims to get clarity on the guarantees the Government can expect if it unbans the AC; if violence breaks out afte is; and if order then has to maintained

The Observ quotes the High Commissi of one frontline state as say: "The letter makes the ques n of violence a central one.

MANELA

"It amounts saying 'Unless violence ce s, there can be no moveme We cannot release (ANC der) Nelson Mandela unless u guarantee a cessation of ence'."

The Observe ays "all the indications" are at the EPG will now press r sanctions, though Lord Barr, the British representative, l in all likelihood hold back

Such a move l effectively isolate Britain which remains resolute opposed to sanctions — and voke an irreparable split the Commonwealth.

Some membe led by India, appear on the ge of quitting the Commonwe if action is not taken soon. The Argus Foreign Service olitical Correspondent.

US SAYS NO TO SANCTIONS

Young blacks will be hurt - Ambassador

CANBERRA — The United States will not impose economic sanctions on South Africa, because they will hurt blacks, the US Ambassador to the United Nations, Mr Vernon Walters, said yesterday.

Sapa Reuter

Mr Walters told reporters on arrival for an official visit, sanctions would badly affect young black South Africans striving to gain technical knowhow from foreign companies.

"The logic behind it, is that the only place a young black South African can get the kind of technical training that will make him competitive in the freer South Africa of tomorrow is working for a foreign company," he said.

"If he doesn't, he'll go back to some form of manual labour and we don't think that's in the interest of the black community," he added.

Mr Walters, one of President Ronald Reagan's most senior diplomats, later told reporters the United States was totally opposed to any violent solution in South Africa.

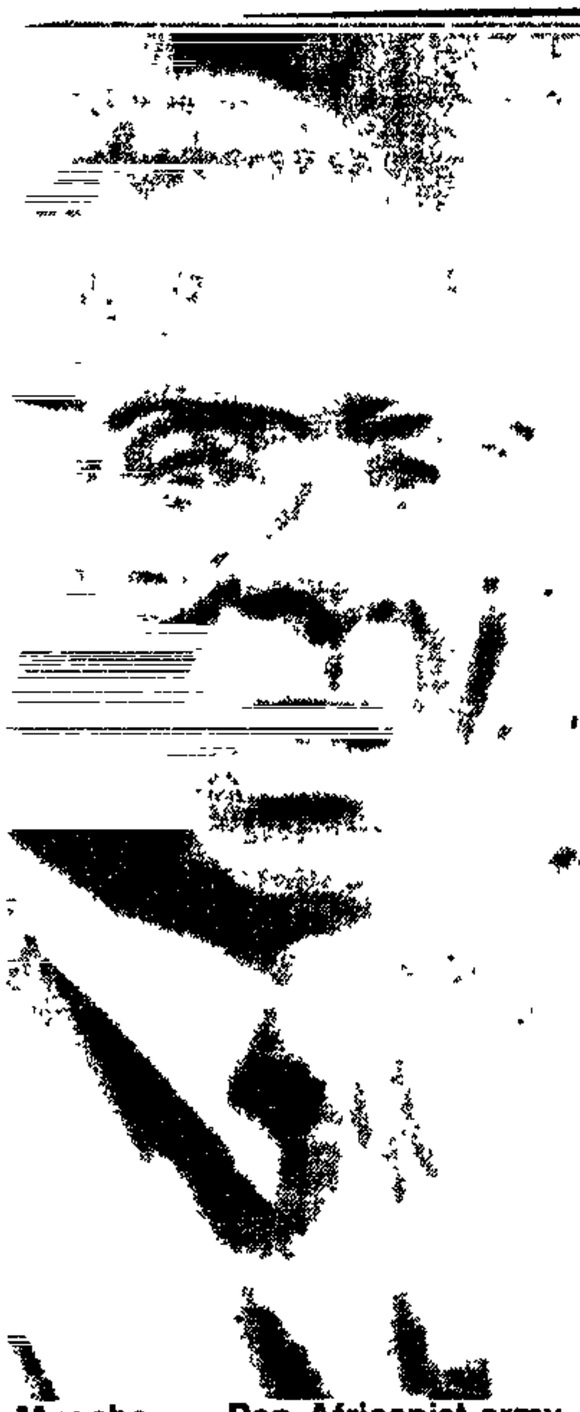
Force

He said the Zimbabwe prime minister, Mr Robert Mugabe, should think again about his proposal to form a Pan-African military force against South Africa.

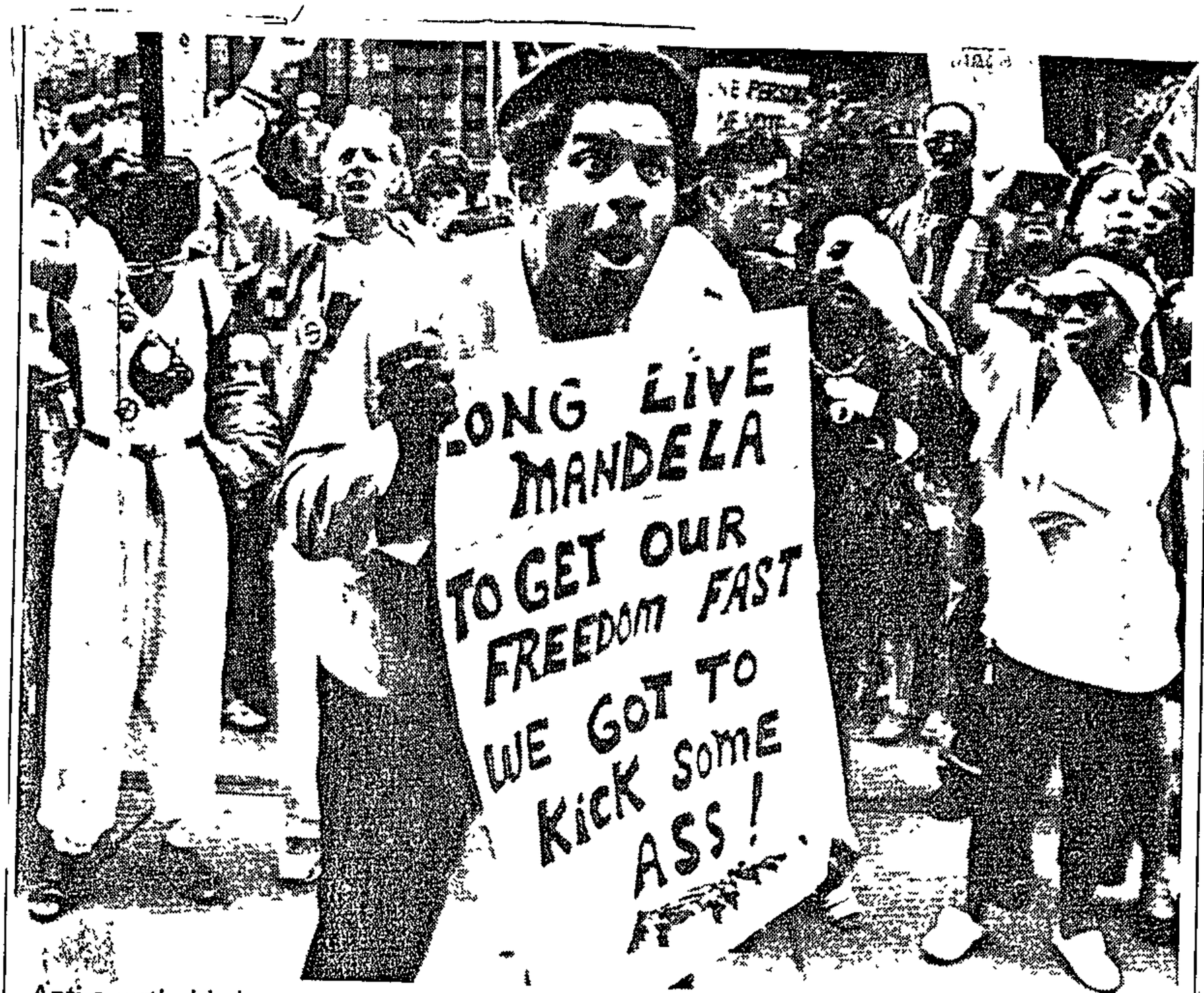
"I think Mugabe would be well advised if he did not attempt a military solution to this problem," Mr Walters said.

Mr Mugabe has said he plans to take his proposal to a meeting of the Organisation of African Unity (OAU) in Addis Ababa next month.

Mr Walters said the US had managed to force some change in South Africa's racial policies.



Mugabe . . . Pan-Africanist army.



Anti-apartheid demonstrators protest outside the South African Consulate in Toronto, Canada, on Saturday. The chanting demonstrators then proceeded to a rally addressed by Bishop Desmond Tutu.

CAPE TIMES 2/6/86

Tutu justifies use of force

TORONTO. — The Church would justify violence as a last resort to overthrow the South African Government, Bishop Desmond Tutu said at the weekend

The Anglican Church leader and Nobel peace prize winner told an anti-apartheid rally of about 10 000 people here that sanctions were the last chance to achieve freedom in South Africa with a minimum of violence.

If economic and diplomatic sanctions failed to persuade Pretoria to abandon apartheid, "the Church would have no alternative but to say it would be justifiable for Christians to use violence and force to overthrow an unjust regime", said Bishop Tutu, who wore an anti-apartheid T-shirt over his clerical collar.

The rally was part of a week-long festival to raise money to fight apartheid.

Before the rally, about 4 000 demonstrators marched to the South African consulate in Toronto and then to the legislature, where thousands more gathered to hear Bishop Tutu speak.

Canada's Minister of External Affairs, Mr Joe Clark, said at a dinner in Bishop Tutu's honour on Friday that Canada was prepared to break off diplomatic and economic ties with South Africa, "but we want to use that influence before we cut it off".

Last week, Canada withdrew its ambassador from South Africa because of Pretoria's raids on alleged guerilla bases in Botswana, Zambia and Zimbabwe. — Sapa-Reuter and UPI

'Most Danes back move against SA'

STEPHEN ROGERS

ALTHOUGH Denmark's governing coalition abstained when the Danish parliament voted last week to sever trade links with South Africa, the measure has "all round support across the political spectrum".

A Danish Foreign Ministry spokesman told *Business Day*: "The government's policy remains that the best way to bring about peaceful change in South Africa is for the United Nations Security Council to enforce economic sanctions."

The vote was carried by an overwhelming 76-5 with the four main government-coalition parties abstaining.

Apparently the governing coalition had intended to introduce anti-South African legislation, but on a persuasive rather than mandatory basis.

The spokesman said that as the UN was unlikely to adopt sanctions against the Republic, the Danish parliament had decided to declare a ban unilaterally in the hope that other countries would follow.

"Our objective is not to cause economic hardship but to send a political signal of the unacceptability of apartheid."

The South African government was not available for comment.

The legislation comes into effect on June 15, but Danish firms will have a six-month period to adjust. Firms affected by the ban can apply to the Danish department of trade and industry for exemption for up to a maximum of two years.

□ SA Department of Trade and Industry statistics show that in the 10 months from January to October last year, SA exported goods worth R166m to Denmark, compared with total exports of R29,7bn in that period. Imports from Denmark were R95m, against a total of R19bn.

Secret UK plans to make provision for cut in SA air links

By EVELYN HOLTZHAUSEN and CAS St LEGER

BRITAIN'S national airline, British Airways (BA), has drawn up secret contingency plans to fly to alternative destinations if the British Government gives in to pressure and cuts air links with South Africa.

Meanwhile, however, BA is mounting a strong campaign to resist the imposition of sanctions

An airline spokesman said in London that strong appeals had been made to the government not to cut links with South Africa.

"We do not see the wisdom of commercial air routes being used to achieve short-term political ends," he said.

BA officials had pointed out that the airline had routes to countries all over the world, including communist states and others with a human-rights track record much worse than South Africa's.

"It seems, however, that the ferrying of passengers and tourism is seen by governments as a kind of 'trade' and an easy way to implement trade measures against South Africa," he said.

And yesterday BA chairman Lord King reportedly told the Prime Minister, Mrs Margaret Thatcher, directly that air cuts to South Africa would cost the cash-strapped company "tens of millions of pounds".



Discussions

Meanwhile, air transport experts were unwilling to speculate about alternative airports in the Southern African region which might be used by BA if it were barred from Jan Smuts.

BophuthaTswana's R25-million revamped airport at Mmabatho is ideally suited for modern wide-bodied airliners — but the independence of the homeland is not recognised by Britain, which eliminates it as an alternative.

Curiously, however, there was evidence that discussions had nevertheless been held with with BophuthaTswana's Minister of State Affairs, Mr Rowan Cronje, on the possibility of using Mmabatho.

BophuthaTswana's Director of Civil Aviation, Mr Anthony Vice, confirmed that inquiries had been received from both BA and the West German national airline, Lufthansa.

Negotiations were being handled by Mr Cronje — but he was "out of town".

Inadequate

Another alternative destination may be Harare in Zimbabwe. It has the longest runway in the world, but it cannot accommodate certain types of wide-bodied aircraft.

Gaborone in Botswana, Mbabane in Swaziland and Maseru in Lesotho all have new international airports, but service facilities and ground services are considered inadequate for heavy international traffic.

Of the three, Mbabane could be the best bet. It is willing to permit the use of international rather than local staff to maintain BA's stringent safety standards, and it is within relatively easy reach of Johannesburg for passengers travelling by air or coach.

Secret letter 'fails to revive EPG mission'

From JOHN BATTERSBY

LONDON. — The South African Government's response to the latest Commonwealth peace proposals has failed to breath new life into the ailing dialogue initiative.

This was the consensus in informed political and diplomatic circles here yesterday after the receipt of a "secret letter" to the co-chairmen of the Eminent Persons Group (EPG).

The group meets in London tomorrow to consider the South African response in detail and to draft the report on its dialogue mission for publication at the end of the month.

The EPG proposals required Pretoria and the ANC to agree on a suspension of violence as long as talks lasted, the release of Mr Nelson Mandela and the conditional lifting of the ban on the ANC for the duration of talks.

Full renunciation of violence

Although the text of the letter is being kept a closely-guarded secret, the government appears to be insisting on a full renunciation of violence by the ANC and a Commonwealth or Western-backed guarantee that both external and domestic violence would cease before releasing Mr Mandela or withdrawing its troops and para-military forces from the townships.

The letter ends on the hopeful note that further discussions between the government and the EPG would be welcomed.

The publication yesterday of a government booklet — which concludes that the ANC did not meet Pretoria's conditions for negotiations and puts the onus on ANC members to sever their communist links — was taken as a further signal here that President P W Botha is not serious about talks with the ANC.

Another visit by EPG unlikely

While the EPG's peace-and-dialogue mission is not yet dead, it is considered increasingly unlikely here that the group will visit South Africa again before its mandate expires at the end of this month.

However, the co-chairmen of the group are known to be in favour of keeping the doors of negotiation open as long as possible.

The hardening of Commonwealth attitudes following the SADF raids two weeks ago appears to be gaining momentum and the focus during the next three months is likely to switch to Britain in an attempt to find consensus on tougher economic sanctions.

An EPG thumbs-down on dialogue would leave the Commonwealth little option but to press for a package of tougher sanctions drafted at the Bahamas summit last October.

Argus 3/6/86 280

Sanctions: 'US won't inflict random damage'

The Argus Foreign Service

WASHINGTON. — The US Secretary of State, Mr George Shultz, has warned South Africans that if they lost the confidence of foreign investors they would have tremendous difficulty winning it back again.

The US wanted an end to apartheid — but its aim was not to inflict random, indiscriminate damage on South Africa.

Mr Shultz called on all South Africans to rise to the moral challenge of peaceful change.

Addressing a conference of United States and South African church leaders, Mr Shultz said the Reagan administration had no intention of giving in to pressures for tougher economic sanctions and disinvestment.

● United States decision-makers are waiting to see how South African authorities handle the 10th anniversary of the outbreak of riots in Soweto before deciding on a new course of action.

This emerged yesterday at the first public hearings by a US Presidential advisory panel appointed to make recommendations to the Reagan administration.

Senator Nancy Kassebaum, chairman of the Senate foreign relations sub-committee on Africa, and Mr Justice Griffin Bell, former US Attorney-general and one of 12 on the panel, both said June 16 was being closely watched.

Meanwhile it was reported from London that the British Prime Minister, Mrs Margaret Thatcher, has warned President P W Botha that Britain cannot hold the line forever on economic sanctions against South Africa.

According to Geoffrey Smith in The Times "it cannot be in Britain's interest to jump into the last ditch with the South African Government if it shows no readiness to compromise".

It now looks more likely than ever that the Commonwealth Eminent Persons Group, which meets here tomorrow, will decide that no useful purpose would be served by trying to prolong dialogue with South Africa.

"In that case the EPG might call on member governments of the Commonwealth to take economic measures against South Africa . . . and I believe that the British member of the EPG, Lord Barber, would not stand out against such a recommendation."

...ions should be ...
...ays stronger action ...
...ance Act which excludes ...

1986

Bus Day 9/4/86. 220

'No sanctions' call by Eglin



● EGLIN

BRUSSELS — Economic sanctions against Pretoria could prove counter-productive and extend the life of apartheid, Progressive Federal Party leader Colin Eglin said yesteray.

Eglin, speaking in Brussels after talks with European liberal parties at the European Parliament, declined to detail specific measures the European Community (EC) should adopt, but urged measures that would strengthen centrist parties.

"I do not support those sanctions as a useful instrument for bringing about change within SA," he said.

Such measures could strengthen the position of hardliners and slow down the process of getting rid of apartheid, he argued. — Sapa-Reuter.

...C,

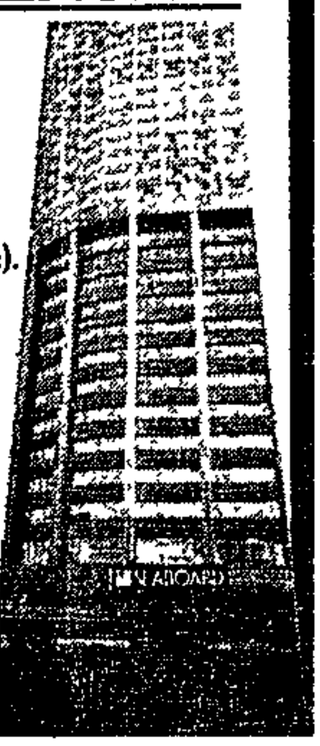
...6-2664
...Box 244
...el 2012

...NDELS 12456

OT NECESSARILY EXPENSIVE

- Large superbly appointed suites
- Central air conditioning
- Undercover parking • Rooftop pool
- Colour TV and 2nd channel video
- Room service until 2am
- Direct dial telephone
- R25 bed and breakfast per person (double rate). Other rates available
- Credit card deposits accepted by phone
- Business accounts available on application
- Corporate rates by arrangement

RESERVATIONS
Tel. (031) 373601/372601. Telex 628178
(Or ask for our colour brochure)



Seaboard
EXECUTIVE APARTMENTS

Sun DAY 4/6/86 280

NEWS FOCUS

Divestment threat looms larger

US divestment action could jump sharply in mid-1987 should the Rev Leon Sullivan carry out his threat and withdraw support from the Sullivan principles if all apartheid legislation has not been repealed by then.

This would force more than 60 universities and colleges, which have excluded Sullivan principle signatories from divestment action, totally to divest, particularly if Sullivan calls for a complete US corporate withdrawal from SA.

This was said by David Hauck, the director of the SA Review Service at the US-based Investor Responsibility Research Centre (IRRC) at a recent Institute of International Affairs seminar in Johannesburg.

Hauck and two IRRC colleagues — Cathy Bower and Michael Sinclair — were speaking on "Current American Initiatives on SA and the Outlook."

Bower said much of the lobbying in favour of disinvestment and divestment had come from the Free SA Movement (FSAM), an organisation formed in November 1984.

"I believe FSAM is still strong and will get behind initiatives at federal and local level and we will continue to see its influence," she said.

PETER WALLINGTON

Shareholder activity had increased in the form of shareholder resolutions that could be entered on company proxy statements.

In this way shareholders can ask companies to act in a variety of ways — to sign the Sullivan principles and improve conditions for black workers, among others.

Hauck discussed recent action taken by state and city authorities in the US, and examined how university administrations and boards of trustees had responded to student pressures.

He said that by March this year, 16 states, 59 cities and 10 counties had taken some type of action directed against US companies doing business in SA.

Hauck said there were three types of action. Firstly, local authorities could divest by compelling the total or partial sale of pension fund holdings in US banks or corporations, with the possible exception of Sullivan Code signatories.

Assessing the significance of this, Hauck said that public pension funds in the US owned about $500bn of company stocks in 1985. Of this, roughly $85bn was held by pension funds that had some SA-related investment restrictions. To comply with existing divestment legislation, public pension funds will sell some $5,5bn worth of stock over the next few years.

Secondly, local authorities had bank restriction policies, whereby legislation limited which banks or financial institutions a state or city could deposit funds in.

Thirdly, local authorities have altered contracting procedures so that suppliers of goods and services who do business in SA are handicapped or excluded altogether from seeking public contracts.

Turning to US colleges and universities, he said they had resisted divestment moves — which began in 1977 — and by 1984 only 56 had sold at least some of their holdings in SA-related companies.

"But since 1985 there has been a big jump in university divestment. During this period 76 sold at least some of their SA-related holdings, and of the 100 largest university endowment funds, 40 have at least partially divested."

In addition, $410m in stocks have been divested or are committed to being sold in the near future.

STAR

esday June 4 1986 15

UK envoy plays down sanctions in Harare

The Star Bureau

HARARE — Mandatory sanctions against South Africa would have to remain in force indefinitely because the Soviet Union would veto the lifting of them, visiting British Minister of State in the Foreign Office, Mrs Lynda Chalker, said in Harare yesterday.

Underlining Britain's opposition to sanctions, Mrs Chalker said: "I believe they would leave the Boers free to do what they wanted to the people of South Africa.

"After mandatory sanctions there is no further choice for Britain, Zimbabwe and other places to intervene with the current South African Government, to intercede or even to communicate with them."

Mrs Chalker said: "If the South African conduct is bad now, what would it be like if all the inhibitions and pressures that are currently on them and of which they are daily reminded are removed once sanctions are imposed?"

DEVASTATING

She added that the imposition of sanctions would have a devastating effect on Zimbabwe's economy.

The British Minister, in Zimbabwe on a four-day familiarisation visit, said that Britain had told President P W Botha that his raids on the Frontline States were indefensible.

The Speaker of the Zimbabwean Parliament, Mr Didymus Mutasa, said African States had been bitterly disappointed by the American raids on Tripoli and British support for the United States.

STATE TERRORISM

Mrs Chalker replied: "Colonel Gadaffi is involved in what is state terrorism organised on an indiscriminate scale against totally uninvolved and innocent people and it is going on all over the world.

"It is terrorism of a totally different and unique kind."

Mr Mutasa said that Zimbabwe was alarmed that, at the United Nations, Britain and the United States had vetoed a resolution demanding the imposition of selective mandatory sanctions against South Africa after the raids on Zimbabwe, Botswana and Zambia.

"What baffles us is that Botha commits, with impunity, the worst crimes against humanity and continues to be a friend and ally of the West," Mr Mutasa said.

UK envoy plays down sanctions in Harare

The Star Bureau

HARARE — Mandatory sanctions against South Africa would have to remain in force indefinitely because the Soviet Union would veto the lifting of them, visiting British Minister of State in the Foreign Office, Mrs Lynda Chalker, said in Harare yesterday.

Underlining Britain's opposition to sanctions, Mrs Chalker said: "I believe they would leave the Boers free to do what they wanted to the people of South Africa.

"After mandatory sanctions there is no further choice for Britain, Zimbabwe and other places to intervene with the current South African Government, to intercede or even to communicate with them."

Mrs Chalker said: "If the South African conduct is bad now, what would it be like if all the inhibitions and pressures that are currently on them and of which they are daily reminded are removed once sanctions are imposed?"

DEVASTATING

She added that the imposition of sanctions would have a devastating effect on Zimbabwe's economy.

The British Minister, in Zimbabwe on a four-day familiarisation visit, said that Britain had told President P W Botha that his raids on the Frontline States were indefensible.

The Speaker of the Zimbabwean Parliament, Mr Didymus Mutasa, said African States had been bitterly disappointed by the American raids on Tripoli and British support for the United States.

STATE TERRORISM

Mrs Chalker replied: "Colonel Gadaffi is involved in what is state terrorism organised on an indiscriminate scale against totally uninvolved and innocent people and it is going on all over the world.

"It is terrorism of a totally different and unique kind."

Mr Mutasa said that Zimbabwe was alarmed that, at the United Nations, Britain and the United States had vetoed a resolution demanding the imposition of selective mandatory sanctions against South Africa after the raids on Zimbabwe, Botswana and Zambia.

"What baffles us is that Botha commits, with impunity, the worst crimes against humanity and continues to be a friend and ally of the West," Mr Mutasa said.

Thatcher warning to Botha

Cape Times 4/6/86

From JOHN BATTERSBY

LONDON. — Mrs Margaret Thatcher has warned President P W Botha that Britain cannot resist economic sanctions against South Africa for ever.

This has emerged in leaked recent private correspondence between the two leaders.

Mrs Thatcher's Downing Street office yesterday confirmed the existence of the letters but refused to discuss their contents.

Senior Tories are privately critical of Mrs Thatcher's "go-it-alone" stance on South Africa and warn that it could become an electoral liability for the Conservative Party.

Fleet Street's political commentators are warning that Mrs Thatcher will have to weigh carefully Britain's trading interests with South Africa against the cohesion of the Commonwealth and its dealings with the rest of Africa.

Pressure

It has been known for some time that the two leaders have kept up a correspondence since their meeting at Chequers in June 1984.

It is understood that the correspondence from Mrs Thatcher's side runs to four letters of about five pages each.

The leaked "warning" from Mrs Thatcher comes as the Commonwealth's Eminent Persons Group (EPG) begins a three-day meeting in London to consider the future of its peace-and-dialogue mission.

Mrs Thatcher is likely to face unprecedented Commonwealth pressure to fall in line on further economic sanctions against South Africa unless Mr Botha takes a meaningful step towards opening a dialogue with the African National Congress before a mini-summit in August.

dela and a conditional lifting of the ban on the ANC in return for a suspension of violence by the ANC.

Mr Botha has responded to the EPG proposals, but his reply has been seen here as more negative than positive and unlikely to rescue the ailing mission.

"He lists a series of problems and then says he would like further discussions. It is the familiar Pretoria tactic of being negative without rejecting the proposals out of hand," one diplomatic source said.

The crunch for Mrs Thatcher will come at a seven-nation Commonwealth mini-summit on August 3.

It is reliably understood that the EPG is likely to express a cautious view on the need for further economic measures against South Africa. But it is likely specifically to avoid the word "sanctions" in deference to Mrs Thatcher and her nominee on the EPG, Lord Barber.

Sensitive

The question of recommending sanctions is particularly sensitive for Lord Barber. As chairman of Standard Chartered Bank, which has a major stake in Standard Bank (SA), Lord Barber has a vested interest in not undermining the South African economy.

But it is understood that he has been so deeply affected personally by the situation in South Africa — and particularly by Mr Mandela, whom he has described as "the real man of peace" — that he is prepared to countenance further economic pressure to promote the Commonwealth peace plan.

It is understood that Lord Barber has kept in close touch with Mrs Thatcher throughout the EPG initiative and has advised her to avoid committing herself too irrevocably against sanctions.

The British Foreign Office and Downing Street stressed yesterday that there had been no change in the British Government's opposition to economic sanctions against South Africa

The publication of a booklet by the SA Government ruling out talks with the ANC "at the moment" has dashed hopes of a last-minute breakthrough.

The EPG has hammered out the framework of a deal which would involve the release of Mr Nelson Man-

280

4/2/86 Business Day

Secret letters from Maggie warn PW about economic sanctions


THATCHER

LONDON — British Prime Minister Margaret Thatcher has warned President P W Botha that Britain cannot resist economic sanctions against SA indefinitely

This has emerged from leaked correspondence between the two.

Thatcher's Downing Street office yesterday confirmed the existence of the letters, but refused to discuss their contents.

"The correspondence is strictly private and confidential. I don't know how they came into the hands of the Press," a Downing Street spokesman said.

The British Foreign Office and Downing Street stressed yesterday there had been no change in the British government's opposition to economic sanctions against SA.

JOHN BATTERSBY

Senior Tories are privately critical of Thatcher's "go-it-alone" stance on SA, warning that it could become an electoral liability for the Conservative Party.

Fleet Street's political commentators are warning that Thatcher will have to carefully weigh Britain's trading interests with SA against the cohesion of the Commonwealth and its dealings with the rest of Africa.

It has been known for some time that the two leaders have kept up a correspondence since their meeting at Chequers in June 1984.

But the extent of the correspondence has not been disclosed before.

It is understood the correspondence from Thatcher's side runs to four letters

The leaked "warning" from Thatcher comes as the Commonwealth's Eminent Persons Group (EPG) begins a three-day meeting in London to consider the future of its peace-and-dialogue mission.

Thatcher is likely to face unprecedented Commonwealth pressure to fall in line on further economic sanctions against SA unless Botha takes a meaningful step towards opening a dialogue with the ANC before a mini-summit in August.

Political turmoil deters investors

Own Correspondent

LONDON — Whatever the magic of year-end figures from Anglo American, the three Rs — riots, rand weakness and recession — remain the biggest factors running against the group for the London investor. BUS. DAY 4/6/86

So says the respected Questor column in the *Daily Telegraph.*

The column said yesterday: "Financially, few can doubt Anglo's credentials. It has fingers in virtually every aspect of the SA economy from diamonds to gold, banking to motor vehicles. Geographically, its influence spreads from Argentina to Zimbabwe and a 35% profit leap in the 12 months to March 31 is nothing to be sneezed at.

"Atributable net profits for the year turn out at R813m, against R601m, and, on the equity-accounted basis, top the R1bn mark. The strength is well illustrated by the leap from R545m to R752m in net investment income, against a background of a difficult economy, and a rise from R319m to R446m in net trading income.

"When SA is not such a dirty word in investment circles, Anglo will be well worth putting on a shopping list."

Eglin condemns sanctions

BRUSSELS. — Certain economic sanctions against Pretoria could prove counter-productive and extend the life of apartheid, Progressive Federal Party leader Mr Colin Eglin said here yesterday.

Mr Eglin told reporters he was not in favour of measures that would slow down economic development and create unemployment.

"I do not support those sanctions as a useful instrument for bringing about change within South Africa," he said.

Such measures could strengthen the position of hardliners and "slow down the process of getting rid of apartheid", Mr Eglin added. He was speaking after talks with European Liberal parties at the European Parliament.

"Whatever it may appear from a distance, South Africa is not in a static situation," he said. "South Africa does not consist of two monolithic groups."

Mr Eglin called for negotiations over the dismantling of apartheid between the government and black leaders, but said he saw little chance of talks being able to take place before Mr Nelson Mandela was released. — Sapa-Reuter

CAPE Times 4/7/86 280

Sanctions imminent, says Botha

Own Correspondent

JOHANNESBURG. — The international community will implement more sanctions against South Africa — sanctions which will last for many years, the Foreign Minister, Mr Pik Botha, told a Nationalist Party meeting in Witbank last night.

"The sooner sanctions come, the better . . . we will show the world that we will not be made soft," Mr Botha said.

The Western world, he said, had decided that now was the time to punish South Africa.

"Either we are being punished for not having done before what we are doing now, or because our reform measures do not go far enough," he said.

Reform for the West meant the handing over of power to a majority based on one man one vote — a system which would be catastrophic, he said.

"If the South African Government agrees to international demands, the South African business community will be ruined," he said.

The overwhelming majority of people in South Africa did not want the government to capitulate to these demands, he said.

Burden of punitive measures

The majority — irrespective of colour — were motivated by a common loyalty and did not want the world to prescribe a constitutional order for South Africa, he said.

South Africa would have to pay a price and would have to carry the burden of punitive measures.

"Today we can look back at great achievements in industrial and technical fields, and we are far less vulnerable than we were 15 years ago."

In the next few weeks, he said, all South Africans would realize the importance of being united.

● Sapa-Reuter reports that the Mayor of Los Angeles, Mr Tom Bradley, yesterday signed into law a bill which denies certain city contracts to firms doing business with South Africa.

"No longer will we tolerate support of the immoral apartheid system of government in South Africa," said Mr Bradley.

This will affect contracts of less than $25 000 (about R62 000). Under the city charter, contracts worth more than $25 000 must go to the lowest bidder.

US Congress to consider new sanctions

HAMISH McINDOE

MAJOR new sanctions legislation against South Africa which has been presented to the United States Congress could severely harm bilateral trade, according to political observers.

If passed, the legislation could result in SA losing 0,5-million tons of 1986's 2,5-million ton steel exports, the cancellation of the Transvaal Coal Owners Association 1-million ton coal export contract worth R60m and SAA losing some R150m by being denied landing rights in the US.

Anti-apartheid groups plan to challenge President Reagan to adopt a tougher stance against SA.

Jointly sponsored by Democrat senator Edward Kennedy and congressman William Gray, the proposed Bill coul

- **Ban new US investm. .t in SA.**
- **Deny landing rights to SAA in the US.**
- **Stop US bank loans to the private sector.**
- **Close SA banks offices in the US; and**
- **Ban imports of SA steel, coal and uranium.**



● REAGAN



● KENNEDY

"These proposals are wide-ranging enough to spell the end of normal trade relations with the US," said director of Rand Afrikaans University's Institute for American Studies Carl Nöffke.

Latest US Commerce Department figures put the level of US investment in SA at $1,8bn.

An SAA spokesman said a landing-rights ban to the US would mean running a leg service to New York via London.

Call Tim K 5/6/86 (280)

Govt 'faces up to sanctions'

Own Correspondent

JOHANNESBURG. — The government has apparently accepted the inevitability of economic sanctions being imposed against SA, according to cabinet sources in Cape Town.

This means government is discounting the possibility that its latest responses to the Commonwealth Eminent Persons Group (EPG) have been well received — or that the EPG will accept an invitation to return to SA for further talks

Implicit in this acknowledgement is the timing of the release of the Bureau for Information pamphlet about the ANC, and confirmation from its Deputy Minister, Mr Louis Nel, that the government has no intention of entering into negotiations with the ANC leadership — a central element of the EPG package.

The EPG is now meeting in London to consider the results of its peace mission, and the conviction is growing in Cape Town's political circles that the EPG will come out of its three-day session deciding to abort its initiative.

And, flowing from this will be a recommendation to the Commonwealth to go ahead with the imposition of further economic sanctions against SA.

Safeguard

With major new sanctions legislation also being presented to the United States Congress, there seems to be little doubt government is now giving serious attention to deciding how best to handle an economy threatened with siege conditions

Its initial public stance on the sanctions threat came last night from the Department of Foreign Affairs, which stressed the government will retain its right to take any action it deems fit to safeguard its rights in terms of the General Agreement on Trade and Tariffs (GATT)

Responding to reports that Denmark's parliament has decided to impose sanctions against SA, a spokesman told political staff that the bill prohibiting trade with SA was passed by the Danish parliament without the support of the minority coalition in the Danish Government.

"The SA Government will exercise its rights to take any action to safeguard the country's rights in terms of GATT," he added

"Trade between SA and Denmark is small and its banning will have no impact on political processes within SA," the spokesman added.

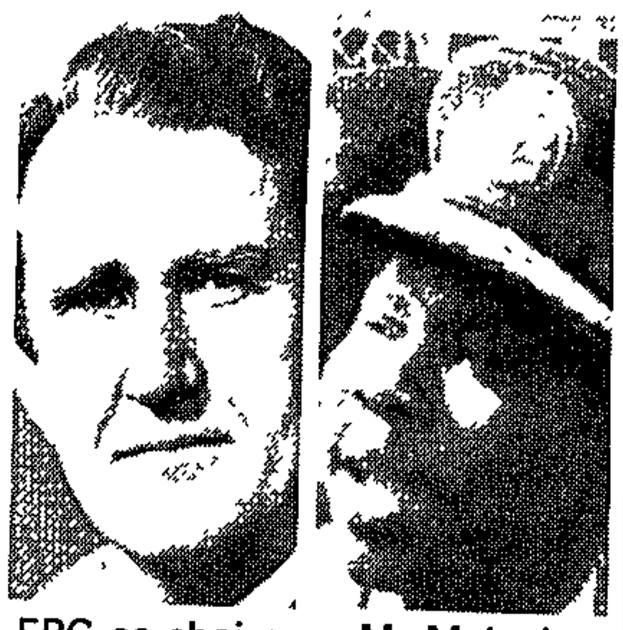
N/M 5/6/86 (280)

The road to sanctions

Little time to rescue the EPG's initiative



Britain's Mrs Margaret Thatcher ... a resister but likely to fall in line



EPG co-chairmen Mr Malcolm Fraser of Australia and Gen Olusegun Obasanjo of Nigeria

BRITAIN is coming under unprecedented pressure to fall in line with a Commonwealth consensus on tougher sanctions against South Africa if the peace-and-dialogue proposals of its Eminent Persons Group fail to coax Pretoria to the negotiating table with the African National Congress. Here London Bureau Chief John Battersby outlines the path that could lead to mandatory sanctions at the United Nations by the end of the year.

WHEN the Commonwealth accord was signed in Nassau last October it set in motion a process of promoting dialogue in conjunction with a package of mild economic sanctions, or signals.

These included:

- A ban on new government loans to the South African Government or its agencies;
- A ban on the import of Krugerrands;
- A ban on the government funding of and participation in exhibitions and trade fairs in South Africa;
- A ban on the sale and export of computer equipment with military or paramilitary applications;
- A ban on new contracts for the sale and export of nuclear goods and technology to South Africa;
- An embargo on all military co-operation with South Africa;
- Discouragement of all cultural and scientific events except where these contribute towards the ending of apartheid

Time limit

This package, which has now been implemented by all Commonwealth countries, went further than a Common Market package adopted in August last year and a United States package enacted by presidential decree in September last year

The Commonwealth agreed further that if the dialogue initiative failed in its objectives within six months 'some of us' — excluding Britain — would consider imposing the following sanctions:

- *A ban on air links with South Africa;*
- *A ban on new investment or reinvestment of profits earned in South Africa;*
- *The termination of double-taxation agreements with South Africa;*
- *A ban on the import of agricultural products;*
- *The termination of all government assistance to, investment in and trade with South Africa;*
- *A ban on all government procurement in South Africa;*
- *A ban on government contracts with majority-owned South African companies;*
- *A ban on the promotion of tourism to South Africa.*

The British Government dissented on the grounds that a prior commitment to consider tougher sanctions would be holding a gun to President Botha's head and pre-empting the dialogue initiative

Mrs Margaret Thatcher has consistently opposed trade sanctions and disinvestment as an effective means of accelerating the end of apartheid, arguing that they would be counter-productive

Sanctions, Mrs Thatcher argues, would hit the British economy, South African blacks and neighbouring states harder than whites, would weaken the hand of reformists and destroy the economic base essential for ongoing reform.

Nevertheless, Mrs Thatcher has given way 'teeny little bit by teeny little bit'

Given the position of the Queen who, as Head of the Commonwealth, could not countenance a British withdrawal from or even a split in the Commonwealth, it is more likely that Mrs Thatcher will give a little more rather than jeopardise the cohesion of the Commonwealth and risk damage to Britain's trading interets with Africa and the rest of the world.

Indications

There are indications that when these chips are down Britain would be prepared to fall in line with the rest of Europe and impose a visa regimen on S A passport-holders and terminate the double-taxation agreement which exempts British nationals from paying British tax when doing business in South Africa.

While the latter measure would amount to a form of indirect disinvestment it would inflict minimum damage on Britain.

But it would be regarded as far too little by the Commonwealth — let alone the non-aligned states and the United Nations.

Until the SADF raids into Zambia, Zimbabwe and Botswana three weeks ago hopes had been rising that the Eminent Persons Group, custodians of the Commonwealth dialogue plan, might achieve a breakthrough in the quest for a negotiated settlement with the ANC.

The momentum created by the EPG also played a major role in defusing the international clamour for sanctions — particularly the disinvestment campaign in the United States

But there has been an overwhelming surge of sanctions fever in the wake of the raids

(The European Economic Community under Britain's presidency is likely to take a wait-and-see attitude at a meeting of the 12 foreign ministers on July 7.)

A U N-sponsored seminar on the arms embargo last week and a Norwegian government-sponsored seminar on the oil boycott in Oslo this week are only curtain-raisers to a four-day Security Council-backed world conference on sanctions in Paris on June 16

The signal that the Commonwealth sends to this conference could be crucial in defusing the mounting international clamour for sanctions.

The Paris conference will also set the mood for the 100-nation non-aligned summit in Harare at the end of August.

(The Non-Aligned Movement embraces all the Commonwealth's African, Caribbean and Pacific states — excluding only Britain, Australia, Canada and New Zealand.)

The report of the EPG is expected to be released during the last few days of June — probably containing at least a coded signal in favour of tougher sanctions.

On August 3 the heads of government of the seven nations mandated to set up the EPG — Britain, Australia, Canada, the Bahamas, Zimbabwe, Zambia and India — will hold a three-day mini-summit in London to decide on a recommendation to the whole Commonwealth.

By mid-August the Commonwealth will be poised to send more than a coded signal to the non-aligned summit — which opens in Harare on August [illegible]

sanctions against South Africa.

The Western nations want limited and targeted sanctions that would send a signal to South Africa's whites without exacerbating black unemployment or destroying the economy But the Third World is demanding a mandatory trade embargo and comprehensive sanctions which, if effective, could further undermine the ailing South African economy and have disastrous long-term effects.

These conflicting demands are likely to be resolved, ultimately, at the U N Security Council through the veto of the five permanent members which include Britain and the United States.

June 30

The EPG has until June 30 to rescue its ailing dialogue initiative

The group has already drafted its report to a seven-nation Commonwealth committee which will meet in London on August 3 to decide on the future of the dialogue mission and whether to recommend tougher Commonwealth sanctions against South Africa.

The draft is being considered at a three-day meeting of the EPG in London this week.

Although there is disagreement over whether the EPG mandate extends to making recommendations for or against tougher sanctions it is considered likely that the EPG will reach unanimity on the need for further 'economic measures' to coax Pretoria to the negotiating table

But the main thrust of the EPG report — which is unlikely to be published before the expiry of its mandate on June 30 — will be to give an assessment of its efforts at promoting dialogue and the prospects for dialogue in the future.

This assessment will be crucial in determining the scale and nature of further sanctions.

An EPG report that effectively eliminated the prospect of future dialogue between Pretoria and the ANC would leave the seven-nation Commonwealth summit in August with little option but to opt for tougher sanctions

If, on the other hand, the EPG believes that the dialogue option should be given another chance before posed this is likely to exert a major influence on the August summit

The most likely scenario would appear to be a carefully worded combination of further targeted sanctions and leaving open of the dialogue door.

The August mini-summit will adopt a position on sanctions that will have to be put to the 49 heads of government before a definitive Commonwealth position can be arrived at — probably early in September.

Whatever further measures the Commonwealth recommends could form the basis of a mandatory resolution at the September/October session of the U N Security Council.

If Britain compromises further to become part of the Commonwealth consensus it would have weakened its basis to veto similar measures contained in a Security Council resolution.

New sanctions initiatives within the United States Congress are likely to be closely co-ordinated with the Commonwealth manoeuvres and could be adopted again by presidential decree ahead of the Security Council session.

It is, therefore, possible that South Africa could be facing a mandatory package of targeted sanctions at the Security Council by the end of the year.

But even a limited Commonwealth package of tougher measures could have a disastrous impact on flagging investor confidence in the S A economy.

Either way a fully-fledged siege economy looks perilously close.

Calendar

The road to sanctions:

June 4-6: EPG meets in London to consider draft report.

June 4-6: Seminar on oil boycott in Oslo seeks tougher action against Norwegian-registered tankers delivering oil to South Africa and closing of loopholes.

June 16-20: U N Security Council-sponsored world conference on sanctions.

June 30: EPG expected to complete its report.

July 1 Britain assumes the presidency of the EEC.

July 7: EEC foreign ministers meet under Britain's presidency.

August 3-6: Commonwealth seven-nation mini-summit adopts a position on sanctions

August 12-13. NP Federal Congress

August 16: Special session of S A Parliament opens to push through reform legislation

August 28-September 2: Non-aligned summit in Harare expected to adopt position on sanctions.

September: Commonwealth finalises position on sanctions.

September/October: U N

THE ROAD TO SANCTIONS:

JUNE 4-6: EPG meets in London to consider draft report
JUNE 4-6: seminar on oil boycotts in Oslo seeks tougher action against Norwegian-registered tankers delivering oil to SA and closing of loopholes
JUNE 16-20: UN Security Council-sponsored world conference on sanctions
JUNE 30: EPG expected to complete its report
JULY 1: Britain assumes the presidency of the EEC
JULY 7: EEC foreign ministers meet under Britain's presidency
AUGUST 3-6: Commonwealth seven-nation mini-summit adopts a position on sanctions
AUGUST 12-13: NP Federal Congress
AUGUST 16: special session of SA Parliament opens to push through reform legislation
AUGUST 28-SEPTEMBER 2: Non-Aligned Summit in Harare expected to adopt position on sanctions
SEPTEMBER: Commonwealth finalises position
SEPTEMBER/OCTOBER: UN Security Council meets

BUD DAY.

280

6/6/86

Attitude hardened by letter

Jaws of sanctions vice beginning to close tighter

510 S.A.
515 S.A.
580 East
581 S.A.
605 Nati
611 Blac
616 S.A.
621 Tran
638 Plas
650 Cher
680 Deve
Empl
690 S.A.
693 Motc
700 Insu
748 Bric
782 East
758 Amal
841 Nati
850 Clea
965 Laur
976 Nat:
999 Trar
1 000 Br

LONDON — The threat of economic sanctions mounted yesterday, with the London *Financial Times* voicing its qualified support for such measures.

It said unless the Eminent Persons Group (EPG) was satisfied Pretoria was prepared to begin constitutional talks with black leaders, Britain should opt for tougher economic measures.

As a secret meeting of the EPG entered its second day, it was clear the consensus was moving towards recommending increased economic pressure.

In Oslo, the Norwegian government said it was considering joining Denmark in a total trade embargo against SA.

"If the group (EPG) reports failure in its efforts, Britain should give notice that — in consultation with the Commonwealth, Europe and the US — it intends to introduce fresh economic measures against SA," the *Financial Times* said.

A letter from Pretoria to the EPG which is believed to have invited the team back to SA without making any concessions, has served only to harden the mood of the EPG, already incensed by the timing of SADF raids into three Commonwealth countries.

Sources close to the mission believe that only a last-minute assurance from President P W Botha that he is prepared to release jailed ANC leader Nelson Mandela and begin the negotiation process could rescue the mission.

British Foreign Secretary Sir Geoffrey Howe is believed to have discussed the EPG mission on Wednesday with US assistant Secretary of State Chester Crocker — including possible co-ordination over further sanctions.

Both Britain and the US are urging the mission to continue its dialogue initiative.

The *Financial Times* yesterday stressed the importance of a joint Western stand on sanctions.

"But the EPG should remain in the wings. Pretoria may need their good offices sooner than Mr Botha realises," the paper said.

There are indications that the deepening SA crisis has risen to the top of Britain's priorities as a highly sensitive domestic and foreign policy issue.

For Prime Minister Margaret Thatcher the future of the Commonwealth and Britain's economic interests in Africa are at stake.

It is understood that while EPG co-chairman Malcolm Fraser and Britain's Lord Barber are willing to pay a further visit to SA, the other co-chairman, Nigeria's General Olusegun Obasanjo, is opposed unless there is a new commitment forthcoming from Pretoria.

It is expected that the EPG will finalise the draft of its report today. But it is unlikely to be published until the end of the month so as to leave open doors for Pretoria until the last moment.

Mission sources believe the report will be unanimous and that even Britain's Lord Barber, the chairman of Standard Chartered Bank, is prepared to support a recommendation for tougher measures.

A Commonwealth position on sanctions will not emerge until after a seven-nation mini-summit in London in the first week of August.

● See Page 5

Tighter sanctions 'seen as inevitable'

GOVERNMENT has accepted the inevitability of tighter economic sanctions being imposed, according to Cabinet sources in Cape Town.

The disclosure came amid signs that the international sanctions campaign was gaining momentum, with Norway set to follow the example of Denmark and Sweden in cutting off trade, and Japan pledging to follow the example of the US in imposing limited sanctions.

Behind the acknowledgement of more sanctions is the view in top political circles that government's last responses to the Commonwealth Eminent Persons Group (EPG) had little chance of altering matters.

There is a growing conviction, too, that the EPG, now meeting in London to consider the results of its peace mission, will emerge from the three-day session with a decision to abort its initiative.

If this view is correct, there would be a recommendation to the Commonwealth to go ahead with further sanctions. This would coincide with and strengthen the effort to push major new sanctions legislation through the US Congress.

And **HAMISH MCINDOE** reports that Norway's labour government said it was

CHRIS CAIRNCROSS

considering banning all trade with SA, in a move aimed at SA oil supplies. Anti-apartheid campaigners believe a third of SA oil supplies arrive in Norwegian vessels.

However, the move has been strongly criticised by opposition parties and shipowners who argue the loss of lucrative SA oil trade could hurt Norway's reputation for political impartiality in international shipping.

In any event, a petrol industry spokesman thought it unlikely that a trade ban on SA would greatly affect oil shipments from Norway. "There are large number of flags of convenience shipowners could use," he said.

The Swedish government's decision yesterday to establish a public register of Swedish firms trading with SA was unlikely to prove an effective sanctions package, political observers said.

Research director of the SA Institute of International Affairs, Anne Pienaar, said Swedish companies were not under shareholder pressure to divest in SA.

● To Page 2

Tighter sanctions forecast

● From Page 1

"The pressure is far more intense in the US," she said

In a separate development, the Department of Trade and Industries (DTI) has denied speculation that government was thinking of reciprocal registration of Swedish companies involved in the anti-apartheid lobby.

According to trade sources in Johannesburg, Japan was "highly likely" to react to any US sanctions initiative, because it was keen not to exacerbate its oft-strained relations with its most important Western trading partner, reports **ALAN RUDDOCK**.

Despite long-standing and severe sanctions against SA — direct investment and bank loans have been banned since 1968 — Japan still felt obliged to react sharply to US President Ronald Reagan's executive order last year and imposed a much-publicised, but largely innocuous package of limited sanctions against SA, including a *recommendation* that Krugerrands not be imported

SA Foreign Trade Organisations international division manager David Graham believes any new move by Japan would tend less towards the punitive and more towards stressing its already hard-line stance against SA.

NM (280) S/6/86

Get-tough call from Stanford

PALO ALTO—Stanford University president Donald Kennedy has called for tougher federal trade and tax policy sanctions against South Africa, reports Sapa-AP.

Citing a 'lack of progress in dismantling the system of apartheid' in South Africa, Mr Kennedy said in written testimony to a State Department committee: 'It is past time for our country to take a more pronounced stand against what is happening in South Africa.'

'If as a nation we decide to apply no pressure at all, how can such inaction possibly help right the wrongs?' Mr Kennedy wrote to the Secretary's Advisory Committee on South Africa, which held public hearings in Washington D C on Monday and Tuesday.

'I believe that stiffer sanctions can serve as a signal to South Africa that the apartheid system will no longer be tolerated,' he wrote.

Meanwhile, 27 Stanford alumni have signed a letter urging the university to divest itself of investments in companies doing business there as a way of pressuring the white minority government in Pretoria.

'In 1977, when apartheid surfaced as a major issue at Stanford, many counselled patience,' the letter said, 'but after nine years of inadequate action we cannot wait any longer.'

"HE VITAL VIEWPOINT"

US action could hit oil project

HAMISH McINDOE

LATEST US sanctions proposals against South Africa could severely hinder foreign oil company involvement in the R5bn Mossel Bay oil-from-gas project, according to political and oil industry observers.

Jointly sponsored by Democrat senator Edward Kennedy and congressman William Grey, the five-track congressional bill introduced in Congress late last month includes a ban on new US investment in SA.

Department of Mineral and Energy Affairs deputy-director Theuns Burger admitted such a ban could well have a serious impact on the project.

US oil companies Mobil and Caltex would be barred from offering technology and expertise in the development of Mossel Bay if President Reagan adopted the congressional bill's new investment ban.

"Mobil technology has been mentioned as a possible route in the liquefaction process at Mossel Bay," Burger said.

Three non-oil US companies have already been strongly urged to withdraw from the Mossel Bay project by the American Committee on Africa.

Soekor declined to comment on how government's open invitation to foreign oil companies to help develop Mossel Bay had been affected by latest sanction moves in the US. "We are not involved in the negotiations," a Soekor spokesman said.

BDDA 6/6/86 280 "TH

US Bill spells out fresh set of sanctions against SA

WASHINGTON — A House of Representatives sub-committee has approved a new set of sanctions against SA.

If enacted, a Bill proposed by the House Foreign Affairs sub-committee on Africa yesterday will immediately end all new US investment, bar all commercial bank loans, withdraw SAA landing rights and prohibit imports of coal, steel and uranium.

If, a year later, Pretoria has failed to release jailed ANC leader Nelson Mandela and to start talks with truly representative black leaders, all US computer companies will be required to cease operations and a total ban on computer exports will be enforced.

In addition, President Ronald Reagan will be required in June 1988 to advise Congress whether complete US disinvestment is warranted by lack of progress towards reform.

The sub-committee approved the proposed curbs on a six-to-four vote and sent the Bill to the full Foreign Affairs committee which will act on it today.

House Speaker Thomas O'Neill said the Bill would receive priority treatment.

Republicans, who are in a minority in the House, delayed sub-committee action until after the House had completed its official business for the day.

The sub-committee then approved the Bill, with all Democrats for it and Republicans opposed to it.

Draft legislation must be considered and voted on in the relevant committees and sub-committees before being sent to the full House for action.

During the Africa sub-committee voting last night, one amendment was adopted to bar Americans from mining or other mineral exploration or trading in Namibia/SWA until it has gained independence from SA under the provisions of a UN resolution.

Reagan's earlier sanctions, imposed at the eleventh hour when Congress was about to enact stiffer measures, included a ban on the import of Krugerrands and prohibited commercial bank loans and the sale of US computer and nuclear technology to the government and its agencies. — Sapa-Reuter.

SAPA

Cape Times 6/6/86 2807

Minnelli takes UN pledge

Own Correspondent

NEW YORK. — Liza Minnelli won't be seen in Sun City again.

She is the latest in a growing list of stars to get off the UN blacklist by taking the no-return pledge.

"I previously performed in South Africa in the belief that it was to the benefit of the people living in the homelands," she asserted in a letter to the United Nations Special Committee Against Apartheid.

"I now realize they are virtual prisoners of the homeland system and any such benefit, if there is one, is far outweighed by the detrimental effects of the homeland system."

Others who have had their names deleted from the list in return for a similar undertaking include Rod Stewart, Elton John, Cliff Richard and Tina Turner.

280

WORLD

UK must face up to sanctions on SA — report

LONDON — Britain should give notice it would impose fresh economic measures on SA if, as seemed likely, Commonwealth mediators reported a failure to open a dialogue in the country, *The Financial Times* said yesterday.



● BOTHA

It said: "The tortuous progress of P W Botha's reform programme, the ambivalent and ambiguous nature of Pretoria's commitment to an equitable society, and the increasing call from black South Africans for international action against apartheid all require that Britain send a clear message to SA."

Britain should give notice of new economic measures against SA in consultation with the 49-nation Commonwealth, Europe and the United States.

The mediators, the Commonwealth Eminent Persons' Group (EPG), are meeting in London to prepare a report on efforts to promote dialogue between blacks and whites in SA.

The Financial Times said: "Whatever selective additional sanctions are advocated, they will have far greater impact if they win endorsement beyond the Commonwealth."

And it said the British government had reached a watershed in its policies towards SA.

The Guardian said the EPG was "close to acknowledging defeat" and was "profoundly pessimistic" after receiving the SA government's response.

Pretoria was "apparently trying to string the members along" and the EPG felt that it could not continue to press the African National Congress (ANC) to suspend violence as a precondition for negotiations.

The Times said SA had told the EPG that it was prepared to discuss power-sharing if there was an "indefinite cessation of violence" and referred to a letter from Foreign Minister Pik Botha, said to rule out a "transfer of power as demanded by the ANC".

Commonwealth leaders are due to hold a "mini summit" in London early in August to discuss the EPG's report and, without doubt, the question of sanctions will come under scrutiny. — Sapa-Reuter.

Bus. Day 6/6/86

Swedish and SA trade war grows

HAMISH McINDOE

SWEDEN'S cold trade-war with SA is set to intensify with a government edict requiring all goods used in bilateral trade to have licence permits from July.

Social Democrat Prime Mimister Ingvar Carlsson yesterday in parliament proposed further trade moves against SA, which have the full support of opposition parties, a government spokesman in Stockholm told *Business Day*.

But Sweden has not severed trade ties with SA, despite contrary reports.

Economists pointed out yesterday the threatened Scandinavian trade boycott would hurt Norway, Sweden and Denmark more than SA, reports GERALD REILLY.

SA imports from Scandinavia totalled R593 966 356 for the whole of 1985, compared with exports to the three countries totalling R289 681 135.

Sweden was the biggest exporter to SA — R287 945 761 — followed by Norway with R190 327 044, and Denmark R115 693 551.

Denmark was the only one of the three countries which imported more from SA — R175 009 329 mostly in minerals and coal — than it exported, R115 693 551.

SA Agricultural Union economist Koos du Toit said total agricultural exports to Scandinavian countries were insignificant in terms of rands and cents.

Swedish firms exporting to SA will have to apply for a government licence before landing their goods in SA. The same applies to SA exporters. The move follows the gazetting last Friday of the licensing of all Swedish imports to SA by Trade and Industry (DTI) Minister Dawie de Villiers.

But a DTI spokesman said the permits were an administrative measure to monitor the type of Swedish goods being imported to SA. He said the permits were in line with measures allowed by the General Agreement on Tariffs and Trade, of which SA is a signatory.

On Tuesday, the Swedish government announced it would establish a public register of local firms trading with SA in a crackdown on bilateral trade.

Sanctions opponents fear bloodbath

By Alan Dunn,
The Star's Foreign
News Service

WASHINGTON — Punitive economic sanctions against South Africa would foster intransigence on the part of its government, the United States State Department has warned.

Rejecting sanctions contained in the "Anti-Apartheid Act of 1986" now before Congress, the State Department said the actions would also foster illusions among anti-apartheid supporters that an immediate solution was at hand.

The Bill was introduced to the House of Representatives Foreign Affairs Committee yesterday, but debate has been postponed to Tuesday.

"We understand and sympathise with the strong feelings in Congress and among American people about apartheid," the State Department said "We share those feelings, and are as impatient as Congress to see the end of apartheid and the establishment of a political system in South Africa based on the consent of the governed."

Pretoria had committed itself to an early end to apartheid and, in this context, the Reagan Administration believed sanctions would represent a "gratuitous self-inflicted reduction in our influence" and abrogation of the US's responsibility to support an end to apartheid

"We also object to harsh sanctions because they would damage both South Africa's economy, which we regard as a progressive anti-apartheid force, as well as the region's economy, which should hardly be victimised because of apartheid."

LOSS OF JOBS

However, the passage of the Bill through the Foreign Affairs Committee seems likely. But the committee will probably have to consider a number of Republican efforts to amend the legislation.

Congressional sources said there was a possibility of a substitute Bill hinging implementation of the sanctions on ANC leader Nelson Mandela renouncing violence and being released.

Other amendments are being considered, including making the sanctions null and void if more than 3 percent of the South African workforce lose their jobs as a result of the measures.

The Republican minority on the Foreign Affairs Sub-committee on Africa tried on Wednesday to delay the Bill, fearing that if it was pushed through before June 16 — the 10th anniversary of the Soweto riots — the move would cause a bloodbath in South Africa.

While the Bill is widely expected to be approved by the House of Representatives after passing the Foreign Affairs Committee, its passage will be far tougher through the Senate committees. Some Congressmen feel it will be killed there.

The Bill prohibits US bank loans to the South African private sector; prohibits all new investments in South Africa; closes South African bank offices in the US; denies SAA landing rights in the US; prohibits the import of uranium, steel and coal from South Africa, stops computer equipment and know-how to South Africa if certain conditions are not met in 12 months; and forbids any US involvement in the exploitation of Namibian natural resources, or importation of those resources.

APARTHEID BAROMETER

DEFENCE
THE government has given the Transvaal Provincial Administration R3,5-million for security measures in the northern border region. Part of the money will be spent on security for 12 schools in the north-western border region.

WHIPPINGS
According to Minister of Justice Kobie Coetsee, between July 1984 and July 1985 a total of 40 288 people were sentenced to corporal punishment in South Africa not coupled with other sentences.

The Criminal Procedure Amendment Law, passed last month, gives greater flexibility to magistrates to sentence people to whippings. According to Dave Dalling (PFP Sandton) the new law made it possible "for every youngster who had thrown a stone during the unrest to be flogged for his indiscretion". He added that the law would quadruple the number of people sentenced to corporal punishment in South Africa and would "further enhance the status of violence among our population".

FORCED REMOVALS
According to the Surplus Peoples Project, 3 522 900 people were forcibly removed from their homes by the government between 1960 and 1982.

According to the former Minister of Cooperation and Development, Dr Piet Koornhof, 1 993 794 people were moved between January 1960 and March 1984, but only 456 860 for "ideological" reasons (from "black spots"). The remainder comprised: 979 034 Africans moved within white-designated area from old townships to newer ones; 487 321 to "homelands" from white-designated areas and African areas (including 46 693 squatters); 48 693 Africans moved by chief commissioners, mainly from rural areas; 17 746 Africans moved for infrastructural development schemes; and 4 140 Africans moved for strategic or military purposes. According to Koornhof's figures 77 577 people were moved between 1981 and 1983.

His figures do not include the 834 400 people estimated by the SPP to have been moved in terms of the Group Areas Act or the 730 000 who found themselves in homelands when borders were re-drawn. According to the SPP 1 129 000 people were removed from rural areas as a result of commissioners' actions.

DISINVESTMENT
According to the Investor Responsibility Research Centre, a Washington Research group, 48 American companies pulled out of South Africa or made plans to leave between January 1985 and April this year.

VETERINARIAN TRAINING
There are 587 whites, 3 Indians, one coloured person and no blacks undergoing training as veterinarians at Pretoria University, South Africa's only university teaching veterinary science, according to Minister of Education and Culture Piet Clase.

DEVELOPMENT BOARD LIQUOR SALES
The 13 Development Boards in South Africa sold more than R365-million in liquor and sorghum beer during the 1984/5 financial year, according to Minister of Constitutional Affairs Chris Heunis.

BANNED BOOKS, PUBLICATIONS AND OBJECTS (May 23)
Apartheid, The United Nations and the International Community (F S Reddy), Trotsky - The Class, The Party and The Leadership (Militant, London); Amor, South Africa's largest confidential mail order specialists (pamphlet) (not stated), 1985 Calendar Protective Packaging (Pty) Ltd (not stated); Das Frohliche Rated Nos 280 and 281 (Gustav H Lubbe GMBH and Co); New Africa News, No 56, Jan/Feb 1986 (New Africa News Collective, Australia); Worker's Liberty, Sept 1985 (Socialist Organiser, London), SALEP 2 Study Notes for Workers - Sifuna Konke (Not Stated), Apartheid: Cosmetics Exposed (Not Stated), Black Sections - Spring 1986 (Black Sections National Committee, London), The Junius Pamphlet (Merlin Press, London) and The Unquestionable Right to be Free (Skotaville Publishers, Johannesburg) Unbanned.
Sharpeville, March 21 1960 (SDA), Wiehahn - Exposing the Contradictions (National Union of South African Students, Rondebosch); SLR Camera, June 1985 (and all future editions) (Haymarket Publications Ltd, London), The Liberation of Guinea (Basil Davidson); and Rich and Poor in New Zealand (David Bedggood) (both still banned for distribution but unbanned for possession).

CHILDREN UNDER APARTHEID. GILI WILLIAM NYATHELA, 11
Nyathela, of Zwane Street, Tumahole, Parys, said in an affidavit that on at 7am on a Wednesday in March, two policemen came to his house and forcibly took him from his mother to the police station. He said, a uniformed policeman asked him if he had stoned the bottle store and he said he had done this with others. He was then taken to a room, a sack was put over his head, he was handcuffed and given electric shocks on his fingers. He lost control of his bodily functions and was forced to clean up the mess. He was then shocked on his genitals, he said. The next day he was taken into a room with corpses and told to kiss the corpse of an old white person. He said he eventually kissed it. On the Friday he was beaten while making a statement, he said. On the Tuesday he was released in the custody of his parents. He was later sjambokked in the street by one of the policemen who arrested him, but managed to run away, he said. His trial for public violence is pending.

PRISONER OF CONSCIENCE: WALTER SISULU
Sisulu, 72, former ANC Secretary General, is serving a life sentence with Nelson Mandela at Pollsmoor prison. In July 1963 he was detained and in June 1964 he was convicted of sabotage and spent the next 18 years on Robben Island.

Sisulu was raised in Encobo in the Transkei and at the age of 15 went to work in a gold mine in Johannesburg. He later worked as a domestic servant in East London and a factory worker in Johannesburg. During this period he had contact with the Industrial and Commercial Workers Union. In 1940 he was fired after organising a strike at a bakery where he was working. He then joined the ANC and was elected treasurer of the Youth League, becoming one of the militant Africanists within the movement. In 1949, after the Youth League's Programme of Action was accepted at the ANC National Conference, Sisulu was elected secretary general. He was one of the key leaders of the Defiance Campaign and was arrested and imprisoned before being banned under the Suppression of Communism Act. In 1956 he was one of 156 people arrested for high treason. The trial lasted until 1961 when all were acquitted. He was again detained under the State of Emergency in 1960. On April 20, 1963 he went underground to play an active role in Umkhonto we Sizwe and was detained three months later. His wife, Albertina, is UDF national president, and Zwelake, one of his five children, is editor of New Nation.

Utah's SA assets attached by order

BRIAN ZLOTNICK
Investment Editor

THE legal wrangle between Utah International and Worcester Gold Mine deepened when an order attaching Utah's SA assets, believed to be worth more than R100m, was granted on Wednesday.

Yesterday the deputy sheriff of the Rand Supreme Court made the attachment to establish jurisdiction for action to be instituted by Worcester.

This will effectively prevent Utah — the Californian-based mining subsidiary of Australian giant Broken Hill Proprietary (BHP) — which is facing a hostile takeover bid from SA-born Robert Holmes à Court, from disinvesting or dealing with its SA assets.

Worcester contends that it has a legally binding merger with certain of Utah's subsidiaries that was to have led to a stock listing in June of an enlarged group with a market capitalisation of some R60m.

Worcester, involved in gold-mining on a small scale in the Barberton area, seeks to either legally force Utah into a merger or receive payment for damages amounting to R12m.

The assets that have been attached include the significant interests Utah holds in partnership with Anglovaal, which were not included in the proposed merger.

They are an important 70% stake in sizeable steam coal reserves, estimated at about 1-billion tons, at Delmas and a 30% holding in a gold-mining project near Loraine.

Assets held by Utah subsidiary Southern Sphere, which were part of the mooted merger, include mineral deposits — chromite, nickel, gold and tantalite in Namibia — and a small diamond mine at Taung, in Bophutswana.

Worcester's lawyers, G B Liebmann, Behrmann & Co intend to issue a summons today and, based on the present backlog of cases before the courts, it could take at least 18 months before the case comes up for trial in the Rand Supreme Court.

In the meantime any thoughts that BHP might entertain about disinvesting shortly from SA will probably have to be shelved.

Embargo 'will reduce US influence on SA'

The Argus Foreign Service

WASHINGTON — Punitive economic sanctions against South Africa would foster intransigence on the part of its government, the US State Department has warned.

Rejecting sanctions contained in the "Anti-Apartheid Act of 1986" before Congress, the State Department said the actions would also foster illusions among anti-apartheid supporters that an immediate solution was at hand.

The Bill was introduced to the House of Representatives foreign affairs committee yesterday, but debate was postponed to Tuesday.

The State Department said Pretoria had committed itself to an early end to apartheid and, in this context, the Reagan administration believed sanctions would represent a "gratuitous, self-inflicted reduction in our influence" and abrogation of America's responsibility to support an end to apartheid

Passage of the Bill through the House foreign affairs committee seems likely, however, next week

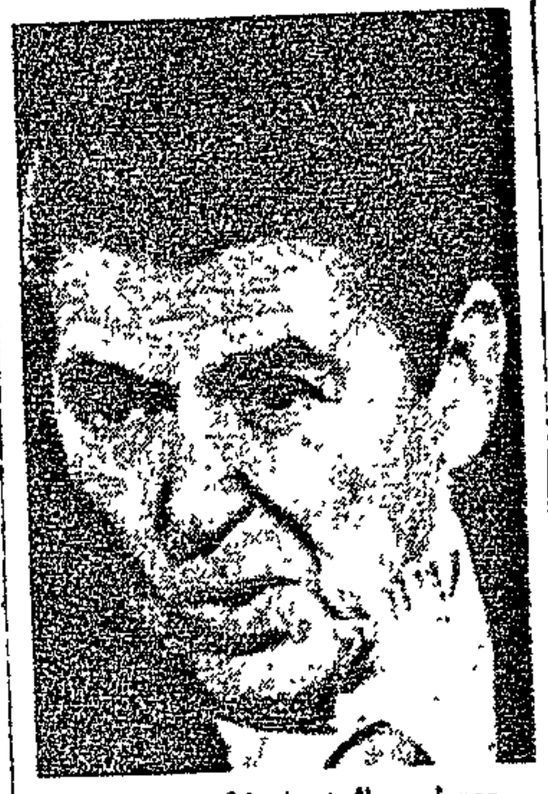
Congressional sources said there was a possibility of a substitute Bill hinging implementation of the sanctions on the African National Congress leader, Nelson Mandela, renouncing violence and being released

90 days

Sanctions would take effect if Mandela did his part but the South African Government did not free him within 90 days

Other amendments are being considered, including making the sanctions null and void if more than three percent of the South African workforce lost jobs as a result of the measures

The Bill prohibits US bank loans to the South African private sector; prohibits all new investments in South Africa; closes South African bank offices in the US; denies South African Airways landing rights in the US; prohibits the import of uranium, steel and coal from South Africa; stops computer equipment and know-how to South Africa if certain conditions are not met in 12 months and forbids any American involvement in the exploitation of SWA/Namibian natural resources and US imports of any of those resources



Reagan — kiss'n telly advice.

Shut your mouth when you kiss on telly: Reagan

The Argus Foreign Service

WASHINGTON. — President Ronald Reagan, the acknowledged master of the medium, has some advice for senators whose deliberations are being televised live for the first time this week.

He told them: "Learn your lines and don't bump into the furniture. And in the kissing scenes keep your mouth closed."

And professional media consultants have told the senators to wear dark-blue suits, light-blue shirts and red ties, and to keep their speeches short in a bid to make them look better and seem less boring to millions who can now switch live TV broadcasts of either the Senate or the more lively House of Representatives.

Lange hints at action against SA

The Argus Foreign Service

LONDON — As the Eminent Persons Group kept silent over its crucial deliberations here, a key member of the Commonwealth has hinted at unspecified action against South Africa

New Zealand Prime Minister Mr David Lange said "measures" would be taken by the Commonwealth if the EPG concluded that its efforts to bring about a settlement in South Africa have failed

This appears inevitable today The EPG seems to be becoming increasingly despondent about the value and wisdom of continued talks with and visits to South Africa.

Mr Lange's hint came shortly after a meeting yesterday with the British Prime Minister, Mrs Margaret Thatcher

"NO DANGER"

Sources close to the EPG believe that the more controversial term "sanctions" would be avoided in deference to Mrs Thatcher They predict that hard-hitting economic "measures" would be sought

Mr Lange was adamant that the Commonwealth was in no danger of breaking up over South Africa.

However, it now seems unlikely that the Commonwealth summit on August 3 will achieve a consensus on sanctions. New Zealand will not attend and Mr Lange is adamant that all members be consulted before action is decided

● A headline in The Argus yesterday incorrectly described the Minister of Foreign Affairs, Mr Pik Botha, as being angry about claims that the EPG peace initiative had failed

This was an unintentional over-statement.

Delay hoped for oil-from-gas project

By Jaap Boekkool

United States-sponsored sanctions against South Africa could delay — but not stop — the R5 000 million Mossel Bay oil-from-gas project which will come into operation early next decade, say experts involved in the planning

They warn that delays caused by sanctions prohibiting exports of technology by oil giants like Mobil and Caltex could somewhat delay the project

If the proven Mobil oil-from-coal technology used by New Zealand, is not available to the Mossel Bay planners they can resort to a number of other processes converting gas to liquid fuel, including the indigenous Fischer-Tropsch process as amended by Sasol.

The American sanctions proposals are jointly sponsored by Democratic Senator Edward Kennedy and Congressman William Grey in a Bill introduced in Congress at the end of May It seeks to ban new American investment here

Meanwhile, in the House of Assembly yesterday reports Sapa, it was stated that in the two years from March 1984 to February 1986 South Africa had the highest fuel price increase among 12 major Western nations

Mr John Malcomess (PFP Port Elizabeth Central) said in the House during the debate on the Mineral and Energy Affairs allocation in the Budget, he was not satisfied officials monitoring the fuel price were always aware of the Government's stated commitment to free enterprise

"They should be closely watched by the Minister (Mr Danie Steyn) and by Parliament,' he said

Calling for strong private enterprise representation on the Strategic Fuel Fund, he noted that in 1985 fuel pipelines made a profit of 76 percent on turnover This was a further tax on the petrol price and was used to subsidise losses on the railway passenger services

This and other taxes on fuel had a "massive effect on inflation", Mr Malcomess said

Between March 1984 and February 1986 the fuel price in South Africa rose by 40 percent.

MURDER

New Zealand had the next highest increase (27 per cent), while in the US the price had declined by nine percent

He described the filling station Rationalisation Plan, which limits the number of fuel retail outlets, as being "very nice for vested interests but murder for the free market system"

On the proposed Mossel Bay fuel project, he wanted to know what had happened since last year when tenders were called for and received

It was known that the State wanted to involve private enterprise. If they had not accepted, "one must ask why"

If the Government proceeded with the project, at what price per barrel of crude imports would it become viable?

The project was important to Port Elizabeth, he said, noting that 1 800 men would be employed in the fabrication of offshore facilities which could not be made in Mossel Bay. — Sapa



Mr Gordon Waddell, chairman of JCI, (right) with the honorary secretary of the Hospice Association, Mrs Shirley Henen, and Mr Stan Henen, chairman of the association

A gift to ease suffering of the terminally ill

By Joe Openshaw,
Medical Reporter

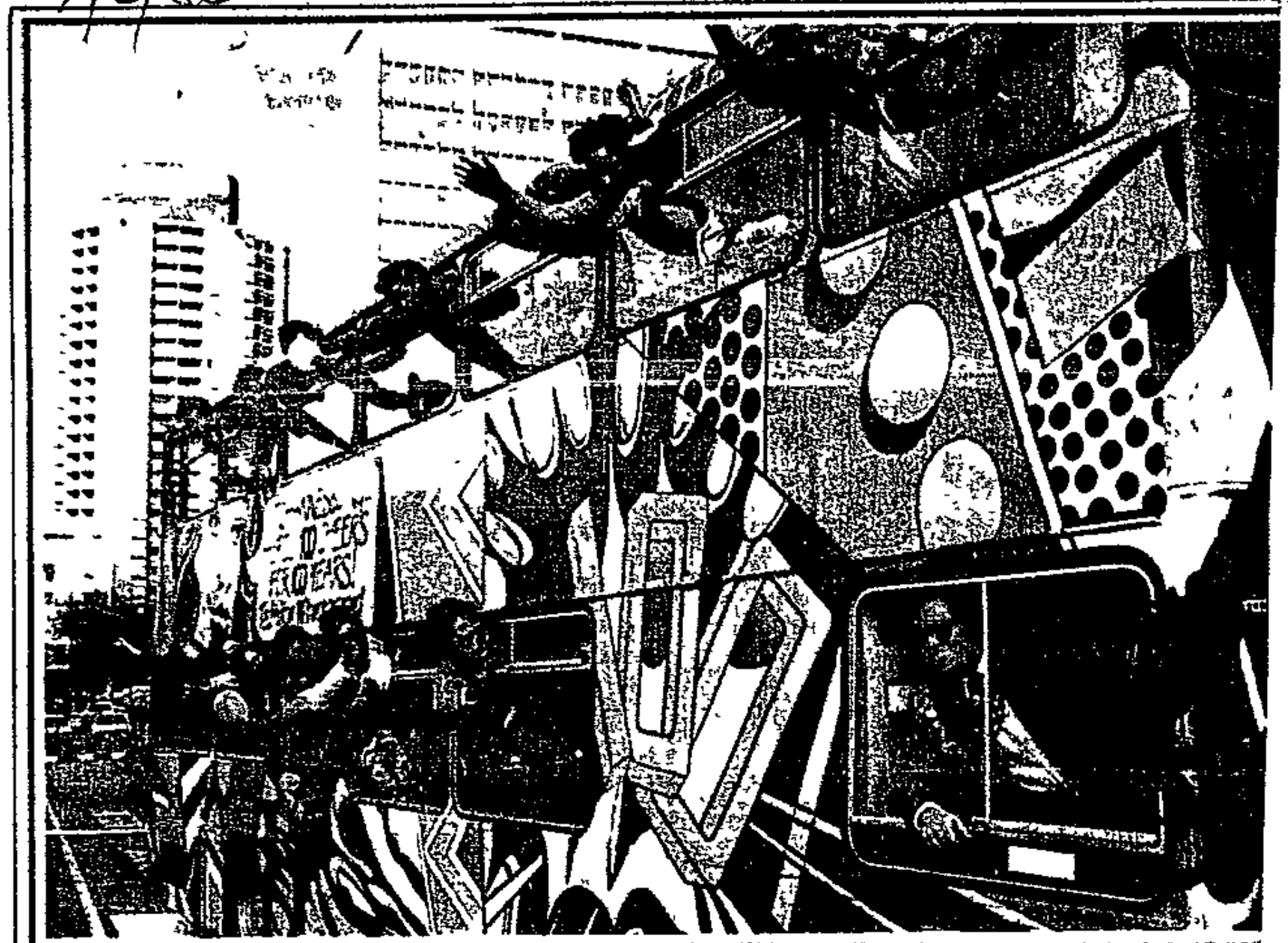
About 2 500 terminally ill people and their families will need medically-directed and nurse co-ordinated services this year, the chairman of the Hospice Association of the Witwatersrand, Mr Stan Henen, said in Johannesburg yesterday

He was speaking at a ceremony at the Hospice in-patient centre in Houghton at which a cheque of R400 000 from Johannesburg Consolidated Investment (JCI) was handed to Mr Henen for expanding existing facilities at the centre

The service is on the basis of need only — not ability to pay — without regard for race, religion, colour or creed.

"Initially we thought the in-patient centre at Houghton — able to accommodate five or six patients — would meet the needs of the community and serve for the next five years," said Mr Henen

"The R400 000 will be the initial outlay of capital towards extending our in-patient facilities and a day-care centre and a further R1,2 million will have to be raised before work can be started on this new development," said Mr Henen.



Bright buses are just the ticket, says M

Two gaily coloured buses will be brightening up Johannesburg streets for the next four months, thanks to the ingenuity of a group of students.

To promote the Witwatersrand Technikon's involvement in the city's centenary, graphic design students have spruced up two municipal buses with bright, colourful artwork.

They were presented outside the Civic Cen tion by the Mayor, Professor Harold Rudolpl thumbs up to cheers from the students.

The School of Art and Design at the Tech tition to find the winning designs, which wer Singleton and Gary Harwood, both second-ye

● Phot

Mellet impressed by regard for media

By David Braun,
Political Correspondent

CAPE TOWN — Mr Leon Mellet, internal media director for the Bureau for Information, and Mr Andries Oberholzer, chief director of liaison, returned this week from a two-week tour to study information systems in the US and in Israel.

Mr Mellet's overall impression was that South Africa could profit from the experience in both Israel and the US. He was struck by the huge importance attached to the media by the governments of both countries The White House was particularly professional in this regard, with a large staff available to deal with enquiries day and night.

The State Department's media liaison staff tried to anticipate questions and prepared for the daily briefings.

A third point which struck Mr Mellet, he said, was that in an era of modern technology and rapid communications via satellite, censorship was not very effective

It might be possible to control the dissemination of news in a particular country, he said, but there was nothing a government could do about what was being distributed elsewhere in the world

THERE'S A BETTER WAY TO



Sanctions may cause 'fight to the finish'

w/e Argus 7/6/86 280

The Argus Foreign Service

DUBLIN — Mandatory international sanctions against South Africa could simply reinforce the Afrikaner's determination to fight to the finish the Roman Catholic Archbishop of Durban, Dr Denis Hurley, has warned

Interviewed on Irish television in Dublin Dr Hurley said he had sympathy with the position of the white minority They were victims of a political system that kept them isolated from reality

White South Africans seemed unable to understand that with an 85 percent black population and 15 percent white a black-majority government was inevitable

They did not appear to realise that what they were now facing was a 'widespread liberation movement which is unstoppable'

Dr Hurley said that international demands for an immediate dismantling of apartheid posed major problems for President P W Botha

He could not tell his white supporters that a dismantling of apartheid would mean one-man one-vote, the redistribution of the land now held by white farmers and a black government led by the ANC and supported by the United Democratic Front

The Archbishop strongly criticised the attitude of the police who, he said, seemed to regard their job as one of suppressing the blacks rather than administering law and order And he had no doubt that many sympathised with the views of the extreme right wing

Dr Hurley also condemned the "necklace" killings and said one of the most appalling aspects was that young blacks with whom he had discussed these killings refused to apologise for them or to accept that such acts were inhuman

Of the immediate future the Archbishop was deeply pessimistic "It looks to me like the violence will worsen until there is a chaotic breakdown in South Africa

"The only thing that can prevent that is a miracle in which the white Government and the ANC get together for talks to work out a future for their country"

Meanwhile, Britain today re-stated its opposition to mandatory sanctions against South Africa for fear of "hurting" frontline states, in particular Zimbabwe

The Minister of State in the Foreign and Commonwealth Office, Mrs Lynda Chalker, said in Harare that Zimbabwe would "suffer greatly" in the event of blanket sanctions and her Government would have no influence on the regime

"We continue to believe that the Commonwealth Eminent Persons Group will find a way — anything short of that will create chaos for the region"

Mrs Chalker said Zimbabwe was already suffering but this was nothing compared to what would happen if effective blanket sanctions were imposed



Frikkie "Spook" van Kerwel, 60, learns to appreciate the product he helps create while (below) fellow farmworkers tuck into food from the demonstration and sample fine red wine.

Workers get to sips with trade



Weekend Argus Reporter

CORNEELS Adonis, 67, has worked on the Kanonkop Estate for as long as he can remember and has drunk wine most of his life — without really appreciating it

He and fellow farmworkers have picked grapes on Boland wine estates since they were two bricks-and-a-tickey high without being told of the magical process which turns grapes into wine

This week the Rural Foundation — a national body established to help to educate and uplift farmworkers — with KWV and the Dairy

product they help to create and to show the many uses wine can be put to, apart from drinking it

Dangers

In a small white-washed

abuse and the fine merits of drinking

A cooking dem followed, using created by Miss of the Dairy Boar

Many of her

UK warns Harare: SA sanctions will hurt you

HARARE — Britain yesterday restated its opposition to mandatory sanctions against South Africa for fear of "hurting" Frontline states — in particular Zimbabwe.

The Minister of State in the Foreign and Commonwealth Office, Mrs Lynda Chalker, said in Harare that Zimbabwe would "suffer greatly" in the event of blanket sanctions, and her government would have no influence on the regime.

"We continue to believe that the Commonwealth Group of Eminent Persons will find a way. Anything short of that will create chaos for the region."

Asked to elaborate, Mrs Chalker said it was her government's belief that Zimbabwean industry would face a real problem. It was already suffering, but this was nothing compared to what would happen if effective blanket sanctions were imposed.

CRUCIAL ISSUE

She said she had differed "in principle" with Prime Minister Mr Robert Mugabe when their talks had centred on the sanctions issue.

"He believes South Africa must move quickly to the ultimate situation we all want to see. We do not agree. That is the difference of opinion, but it is the most crucial issue." — Sapa.

● In an interview on Irish television, the Roman Catholic Archbishop of Durban, Dr Denis Hurley, said mandatory sanctions against South Africa might not work — they might simply reinforce the Afrikaners' determination to fight to the finish.

He said he had sympathy with the position of the whites. They were victims of a political system which kept them isolated from reality.

They seemed unable to understand that with a population 85 percent black and 15 percent white, black majority government was inevitable. Nor did they realise they were now facing a "widespread liberation movement which is unstoppable".

'Most blacks back disinvestment'

By Jo-Anne Collinge

Total or conditional disinvestment is supported by most of the "political mainstream" — followers of the African National Congress, Bishop Desmond Tutu, the United Democratic Front and other radical groups who want not only democratic political rights but also a new "more or less" socialist order.

This is the conclusion of researcher Mark Orkin, director of the Community Agency for Social Enquiry (CASE), whose book "Disinvestment, the Struggle and the Future", is to be published by Ravan Press this month.

It investigates the attitudes of 800 black people to various disinvestment options, producing results which "send a rocket right through the position" of those quoting earlier studies which concluded that most urban blacks rejected disinvestment.

The CASE study found that:

- 24 percent supported total disinvestment.
- 49 percent supported conditional disinvestment, bringing to 73 percent the number who supported disinvestment in principle.

These findings stand in sharp contrast to the results obtained by both Professor Lawrence Schlemmer in 1984 and the London *Sunday Times* in 1985

These two studies presented a confusing view, with the first claiming that 75 percent of black people rejected disinvestment and the latter that more than 75 percent wanted total disinvestment.

Mr Orkin says the CASE study got different answers because it posed the question differently.

"Disinvestment has to be conceived as a three-way, rather than a two-way, issue to be true to the actual distribution of black opinion," he writes.

And, he points out, this contention is confirmed by people's answers to a second question on whether they would stand by their views if they knew that jobs would be lost.

"A quarter of the respondents are 'hardline', much as in the disinvestment question, and would advocate their position whatever the cost.

"A further quarter would sustain their stance if only few jobs were lost.

"The remaining half of the sample would be cautious if sacrifice had to be involved.

"Many respondents are looking to conditional disinvestment as a strategy to help end apartheid.

Professor defends survey results on disinvestment

BUSDAY 280 9/6/86

A NATAL professor has defended her disinvestment survey findings that 73% of SA blacks favoured some form of disinvestment to bring an end to apartheid and denied that the results had been interpreted to support a political viewpoint.

Business Day has done further analysis of the figures from last year's survey done by Professor Fatima Meer of the Institute of Black Research, University of Natal, and has found that the survey results could also be interpreted to find that 73% of blacks were against disinvestment.



● MEER

The issue of black support for economic sanctions is a major consideration in the sanctions debate and Meer's figure of 73% has been widely drawn on to support pro-disinvestment arguments.

About 10 disinvestment attitude surveys have been done in the past two years and many of these have led to diametrically opposed conclusions.

Meer's survey shows that 26% of respondents felt overseas firms should be encouraged to stay in SA, 49% felt companies should be allowed to stay only if they put pressure on government to end apartheid and 24% advocated total disinvestment.

From this, Meer drew the conclusion that 73% — a combination of the latter two groups — favoured some kind of disinvestment in SA.

Another question asked respondents if they would support disinvestment if it meant some, or many, people would lose their jobs.

Of these, 26% said they would still support it if many lost their jobs, 25% said they would support it if only a few lost their jobs, while 48% would not support it if any jobs were lost.

DIANNA GAMES

Meer agreed that the last two figures could also be grouped into one finding on the basis that if respondents had been asked a more general question, it could equally be found that 73% were against disinvestment.

Professor Lawrence Schlemmer, head of the university's Centre for Applied Science, said it was not survey results that were juggled, but the interpretation of them.

Schlemmer said he rejected the finding that 49% of Meer's respondents felt companies staying in SA and fighting apartheid from inside was a disinvestment stand.

He said. "US companies here are trying to do something to change apartheid, and the point is not whether they are successful but that they are still supporting the status quo."

Schlemmer's survey on black attitudes to disinvestment, published a year before Meer's, found that 75% of blacks were against disinvestment. Among the critics of his findings was Meer.

Schlemmer says his finding of 29% favouring hardline disinvestment was close to Meer's 24% and the proportions on that question were fairly consistent with other surveys.

Meer said the focus of the two surveys was entirely different and Schlemmer had used subjective questions biased in favour of foreign investment.

Both agreed that the majority of respondents were not fully *au fait* with the disinvestment issue and thus, were possibly more susceptible to how the questions were phrased.

Thatcher under fierce pressure on SA

The Star Bureau

LONDON — Mrs Thatcher is under fierce pressure on several fronts to impose sanctions against South Africa.

● President Kenneth Kaunda has threatened to pull Zambia out of the Commonwealth unless it adopts further sanctions.

● Mr Bob Hawke, Australian Prime Minister, said he would back sanctions unless South African changed its policies in two months. His Cabinet is understood to have approved in principle a ban on new investment and the cancellation of SA Airways landing rights.

● Mr David Lange, New Zealand Prime Minister and Mrs Thatcher's main ally in Nassau in opposing comprehensive sanctions, said he expected the Commonwealth Heads of Government would agree on such measures later this year.

Sir Geoffrey Howe, the British Foreign Secretary, persuaded his partners at an informal meeting in Heemskerk, Holland, at the weekend to wait for publication of the Eminent Persons' Group report before considering further economic measures.

But the EPG is widely understood to have concluded that Pretoria is not disposed to embark in meaningful talks with black opposition leaders.

The group's report, expected to be sent to Commonwealth Heads of Government today or tomorrow, is due to be discussed by Mrs Thatcher and six Commonwealth leaders in August.

The report does not specifically advocate sanctions but its implication is clear. The group's acknowledgement that it has been frustrated in its task is being seen as backing the British Government into a corner which will make a change of policy unavoidable.

The report is believed to draw attention to the fact that no progress has been made on specific measures to which the Commonwealth had attached importance, including the freeing of Mr Nelson Mandela or the removal of the ban on the ANC.

Mr Kaunda and other Commonwealth leaders are believed to have warned the Queen that the future of the Commonwealth could be at risk if Britain failed to agree to sanctions.

Sanctions battle looms in EEC

The Star Bureau

LONDON — The European Economic Community (EEC) is bracing itself for an internal battle on tougher sanctions against South Africa.

Disagreement within the organisation over the issue is likely to dominate its summit in The Hague on June 26 and 27.

Britain takes over the EEC presidency on July 1 and Mrs Thatcher will almost certainly be urged to relax her opposition to sanctions.

Mr Hans van den Broek, the Dutch Foreign Minister, said the EEC was "awaiting with anxiety" the report of the Eminent Persons Group.

There was not much that was optimistic about the South African issue, he added.

He said that the EEC had demanded the release of Mr Nelson Mandela and the lifting of the ban on the African National Congress. The Community would act if Pretoria did not change its ways "within a reasonable period of time".

But diplomats said that the EEC was divided over sanctions, with Denmark and Ireland strongly in favour and Britain taking a far more cautious line.

The EEC Foreign Ministers meet again in Luxembourg on June 16. The meeting will prepare the summit agenda and any increase in the violence in South Africa is bound to add to the pressure on the EEC to take some joint action.

CAPE Times
9/6/86
280

EEC fear of more violence in SA

Own Correspondent

THE HAGUE. — Foreign ministers of the 12 Common Market countries yesterday admitted they feared further violence in South Africa, but agreed they should take no further action until they had heard the recommendations of the Eminent Persons Group (EPG).

This followed an informal meeting of ministers at the 13th Century Castle Marquette near Holland's North Sea coast.

Speaking for the 12, the Dutch Foreign Minister and president of the EEC Council, Mr Hans van den Broek, said there was no optimism about South Africa.

"As long as changes in South Africa, both in substance and timing, are being decided only by South Africa — ruling out black representatives — we fear that a further escalation of violence remains imminent," he said.

Sir Geoffrey Howe, the British Foreign Secretary, left early without meeting the press, apparently reflecting the delicate situation concerning the Commonwealth EPG.

The group is expected to release its report any day now and it is likely to include a recommendation for economic sanctions against South Africa.

These have been rejected by the EEC consistently so far because of strong opposition by Britain, although the 12 have repeatedly said they reserve their right to take further action.

There are, nevertheless, signs of considerable impatience among the individual member states.

The matter could be raised at the EEC summit on June 26-27.

ARGUS 9/6/86

Sanctions loom as UK comes under pressure

280

The Argus Foreign Service

LONDON. — The British Prime Minister, Mrs Margaret Thatcher, is today under fierce pressure on several fronts to impose sanctions on South Africa.

And the European Economic Community is bracing itself for an internal battle on tougher sanctions. Disagreement within the EEC over the issue is likely to dominate its summit in The Hague on June 26 and 27.

Commonwealth leaders are leading the onslaught against Mrs Thatcher's more moderate stance.

● President Kenneth Kaunda has threatened to pull Zambia out of the Commonwealth unless it adopts further sanctions.

TWO-MONTH DEADLINE

● Mr Bob Hawke, the Australian Prime Minister, said he would back sanctions unless South Africa changed its apartheid policies within two months.

The Australian Cabinet will address the question this week. It is understood to have approved in principle measures which include a ban on new investment in South Africa and the cancellation of landing rights for South African Airways.

● Mr David Lange, the New Zealand Prime Minister, said in London yesterday that he believed the Commonwealth heads of government would agree on such measures this year.

Sir Geoffrey Howe, the British Foreign Secretary, persuaded his EEC partners at an informal meeting in Heemskerk, Holland, at the weekend to wait for publication of the Eminent Persons Group report.

The EPG is understood to have concluded that Pretoria will not embark on serious talks with black leaders.

The group will send its report to Commonwealth heads of government today or tomorrow,

Interviewed on BBC television, Mr Lange said he believed the report would be so pessimistic about the attitude of the South African Government and the possibility of further dialogue that the Commonwealth would be obliged to take action.

Mr Kaunda and other Commonwealth leaders are believed to have warned the Queen that the future of the Commonwealth could be at risk if Britain failed to agree to sanctions.

The report is expected to be published within about 10 days.

The EEC Foreign Ministers meet again in Luxembourg on June 16 — the 10th anniversary of the Soweto riots. The meeting will prepare the summit agenda and any increase in the violence in South Africa is bound to add to the pressure on the EEC.

VIOLENCE

Meanwhile, Mr Colin Eglin, leader of the Progressive Federal Party, today warned that the South African Government had to take the initiative to prevent "the final closing of the door of the EPG" and the resultant sanctions.

Sanctions, he said, were rushing towards South Africa like an avalanche, our Political Staff reports.

However, a spokesman for the President's office said the Government had yet to react to the latest EPG proposals.

Mr Eglin returned to South Africa at the weekend after talks overseas. He

(Turn to Page 3, col 2)

lowing a 1-1 draw with Paraguay on Saturday.

Pressure to impose tough sanctions

Continued from Page 1

said South Africa would have to consider very seriously the consequences of a final breakdown of the EPG effort

Neither the Minister of Foreign Affairs, Mr Pik Botha, nor Mr Chris Heunis Minister of Constitutional Development, who chaired the last meeting with the EPG, would comment today.

● Mr Lange says the Commonwealth should send warning signals to the South African business community

The signals should be that "They are going to lose access to foreign capital support. they are going to have pressure on the rand, that sort of thing But there are other more symbolic things you can do

"If South African Airways didn't have landing rights they might by that means have a signal of cut-off

"I don't want to see the South African business community lose all their investments I want them to share them"

"WASTELAND"

● Dr Zac de Beer has told Britons that severe new sanctions could produce a "wasteland" for a new Government to inherit

In a BBC radio interview today, Dr de Beer, an executive director of the Anglo American Corporation and former Progressive Federal Party MP, said such sanctions would have a counter-effect in political terms and a devastating effect in economic terms

"In every sense I'm against apartheid and have been for nearly 40 years," he said

"But I don't want to see a situation in which, when change finally comes in South Africa, the new caretakers inherit a wasteland and can do nothing for any of the people and least of all for the poor

"To the extent that sanctions were severe enough to be effective they would deepen the recession, increase the unemployment, feed further unrest, undermine international confidence even further, and I fear — although this I cannot know — increase the intransigence of those in power"

The new suit Say that the new suit costs R189,95, then add the GST and deduct the R100 for your two old suits This means you pay three cheques of R37,58, one of which is current and two post dated for 30 days and 60 days respectively

Still a chance to deflect sanctions campaign

Pretoria can let Britain off hook

Star 10/6/86

By Michael Morris, The Star Bureau

LONDON - South Africa still has a chance to keep the Eminent Persons Group peace initiative ticking over — and to save Britain from a major political row with her Commonwealth partners.

As the pressure mounts on British Prime Minister Mrs Margaret Thatcher, it is clear she would welcome a concession from Pretoria significant enough to restore the potential for dialogue and vindicate her "no-sanctions" foreign policy

If not, she will face an agonising choice. oppose sanctions and endanger the Commonwealth bond, or back sanctions at a high economic cost to Britain.

In the light of widely-published speculation that the Commonwealth group has concluded that it has failed in its task of bringing white and black nationalists together for talks, and that a tougher approach may be required, observers in London suggest South Africa still has a chance to deflect the sanctions campaign.

An 11th-hour concession, it is argued, could take the wind out of the sanction sails, restore the potential for dialogue and let Britain off the hook.

And, in the tense run-up to the June 16 anniversary of the Soweto uprising, South Africa could draw considerable benefit from a new reform initiative.

But with the likely publication of the EPG's report this week, possibly on Thursday, President P W Botha does not have a lot of time.

The Star's Political Correspondent reports from Cape Town that the Government would respond to the latest EPG proposals once they have been thoroughly considered, a spokesman for the Office of the State President confirmed yesterday

Still talking

His statement is at odds with the reported position that the EPG had decided that further dialogue is pointless.

The South African Government is clearly under the impression that it is still negotiating with the EPG.

The Minister of Foreign Affairs, Mr Pik Botha, last week strongly rejected claims that the EPG mission had been wrecked.

He was reacting to Zambian President Kenneth Kaunda's claim that the venture had been undermined by South Africa's raids on neighbouring countries.

"As far as I am concerned we are still communicating with the EPG," said Mr Botha.

The Star's Pretoria Bureau reports the Deputy Minister for Information, Mr Louis Nel, as saying the cross-border raids on May 19 are not the reason for the breakdown in the EPG mission.

Mr Nel said he had not seen evidence that the EPG mission failed because of the SADF predawn attacks on May 19.

According to reports from London, the EPG blames South Africa for the breakdown of the peace initiative.

"When the EPG left South Africa after the raids they said the initiative was still alive."

EPG 'to call for sanctions'

The Star Bureau

LONDON — The report of the Eminent Persons Group concludes that only concerted international action can avert "the terrible fate" that otherwise awaits all South Africa's communities, it is claimed here.

And by "action", says Hella Pick, diplomatic correspondent of *The Guardian*, they mean swift and major sanctions.

The EPG's report will be published on Thursday but the group has sent all Commonwealth leaders copies of the "negotiating concept" which it had offered to Pretoria and to the ANC.

It also gave them copies of all the recent correspondence between the EPG and South Africa.

The two co-chairmen, Mr Malcolm Fraser, the former Australian Prime Minister, and General Olusegun Obasanjo, the retired Nigerian leader, are visiting Paris and Bonn this week to report on their visits to South Africa.

In its letter to the Commonwealth heads of government, the EPG refers to a "very considerable hardening" of Pretoria's attitude to negotiations with black leaders, and says the climate for such talks "has been very materially prejudiced" by recent government actions, including last month's raids on three neighbouring states, and an attack on Angolan ports by what was believed to be the South African navy.

A ban on air links would appear to be a mild sanction. But it would be severe on South Africa — and probably on the rest of the continent since very few African air routes are profitable without a South African connection. For South Africa such a ban would spell the end of tourism for all practical purposes and the impact of that alone could be massive.

Sanctions that will hurt

Argus 10/6/86

280

SPECIAL REPORT
By HUGH ROBERTON

OF all the possible sanctions with which the South Africa Government has been threatened, there are two which have cropped up with increasing frequency and which seem likely to be in the vanguard of any Commonwealth action later this year — a ban on air links with South Africa and a ban on new investments in the country.

Other sanctions have been mooted, too, but they seem less likely to emerge intact from the hard-nosed bargaining between Britain and the Commonwealth which is virtually certain to precede any united action. And even a ban on air links and new investments could be partial, conditional or for a limited period.

What seems certain is that the Commonwealth decision will set the tone for sanctions by virtually the entire international community. The prospect of Britain, for instance, being forced to impose sanctions while her EEC partners continue with business as usual is an unlikely one.

Similarly, in the present international climate it would probably not be possible for President Reagan, or the Japanese, to withstand demands for at least the same sanctions as the Commonwealth decides to impose.

CALLS for a ban on air links and on new foreign investments have been bandied about at international gatherings for more than a decade. They began at the United Nations during Mr Andrew Young's tenure as US ambassador, and they were at the top of the list of prospective sanctions in the Nassau Declaration signed by all 49 members of the Commonwealth last year.

Perhaps not coincidentally, both were also at the top of the list of sanctions included in the Anti-Apartheid Act which was introduced simultaneously in both houses of the United States congress last month.

It is not clear yet how extensive a ban on new investments would be. The envisaged US sanctions legislation, for instance, is mute on the subject of US companies reinvesting the profits they make in South Africa, while the Nassau Declaration defines the reinvestment of profits as "new" investment and calls for profits to be included in the ban.

Linked to the proposed Commonwealth ban on new investment — and likely to be embraced by Britain with more relish than other sanctions — is the comparatively mild injunction to terminate "all government assistance to investment in, and trade with, South Africa" — which, presumably, would leave the private sector free to proceed.

ON the surface the ban on air links would appear to be a mild sanction. But it would be severe on South Africa — and probably on the rest of the continent since very few African air routes are profitable without a South African connection.

For South Africa such a ban would spell the end of tourism for all practical purposes and the impact of that alone could be massive.

The Secretary-General in the office of the State President, Dr J P Roux, told last month's congress of the Federated Hotel, Liquor and Catering Association that a fall-off of some 70 000 tourists since 1981 had brought about a direct loss to the industry of R350-million and the "multiplier effect" through the economy meant a potential loss of R1,2-billion.

But that would be a drop in the ocean compared with the loss from a total air ban. In the first 11 months of last year 1 094 533 tourists came to South Africa, the overwhelming majority by air.

THE effects of a ban on new foreign investment would be even greater. A recent Anglo American Corporation study found that an annual growth rate of 3,5 percent would be needed just to stabilise South Africa's existing unemployment — a rate impossible to achieve without significant foreign investment.

A 20 percent drop in foreign investment from present levels would result in a further 40 000 people being unemployed — four out of every 10 of them being whites.

If sanctions were to touch South Africa's trade, the impact could be devastating. A 20 percent reduction in sales to foreign countries would mean a growth in unemployment from 400 000 to 500 000.

Last year South Africa's exports represented 34,7 percent of the nation's gross domestic product and directly supported some 2,5-million people.

IN addition to pressing for a ban on air links and new investment, the Nassau Declaration calls for a ban on the import of agricultural products from South Africa, the termination of double taxation agreements, a ban on all governmental procurement in South Africa, a ban on government contracts with companies in which South Africans control the majority of shares and a ban on the promotion of tourism to South Africa.

It seems unlikely, however, that such severe measures would be imposed in any "immediate post-EPG" sanctions package — at least not by Commonwealth and other countries which have significant investments here already, or which have a major trading relationship.

An estimated 600 000 jobs in five countries, including Britain, are dependent on trade with South Africa.

But Britain is not immune from pressure from other Commonwealth countries in this regard. While the "white" Commonwealth countries — Australia, Canada and New Zealand — are Britain's major trading partners in the "club", the Third World members buy substantially more from Britain every year than does South Africa.

Two Third World Commonwealth countries — India and Nigeria — between them buy more from Britain than does South Africa (R4,2-billion against R3,3-billion in 1983) and if Britain were forced to choose, the choice clearly would not favour South Africa as readily as it now does.

Sunday June 10 1986

UK paper takes a'360 tilt at sanctions

LONDON — The Times today says in a leading article that if Britain has to embark on open-ended sanctions it should make sure the paper suggests enforceable international sanctions are "demonstrably Britain plays the part as others do.

If not, the paper suggests Britain has to behave like a pariah state as South Africa ... will inevitably isolate itself from the Commonwealth and the West.

"It is almost as patently absurd to behave as South Africa ... could indeed be dire but not Rhodesia. "The effect on the way advocates hope Sanctions will bring South Africans to the negotiating table."

LAST CONSTRAINT

The Times says politicians have learned, from Afghanistan to Rhodesia, that sanctions to do their jobs. "Already a significant lobby is straining the Virtues of a siege economy ... The Times says sanctions would remove the last inhibition on Pretoria: that constraint on Pretoria's military ... The siege mentality would like, leading the black unemployment and the collapse of the economy who see sanctions as a moral weapon. "If sanctions were to work as quickly and the one they would like, benefit of high" it says the moral weapon. "It has not proposed them. those who proposed them in the ephemeral attractions of sacrifice Britain's influence for nor has she been prepared to sacrifice British interests in Commonwealth threat."

Star Bureau

The Times today against South Africa and at Presidents Kaunda of Zambia.

And the Daily Telegraph that it should make clear that it would not dream of using South Africa's wealth to force sanctions on Pretoria. "Mostly unless Britain almost by Third World politicians with alarm Commonwealth countries to do their own interests. "Kaunda's Commonwealth not practice." The Times says President Kaunda's observing them in jeopardise investment would cheerfully on trade and other governments embark on a gamble that the Commonwealth would be Britain's economic sanctions.

"Most others do. The paper suggests that sanctions are "demonstrably ineffective and should make enforceable. It should make clear that if Britain has to embark on open-ended sanctions it should make sure the paper suggests enforceable international sanctions are "demonstrably Britain plays the part as others do.

If not, the paper suggests Britain has to behave like a pariah state as South Africa ... will inevitably isolate itself from the Commonwealth and the West.

"It is almost as patently absurd to behave as South Africa ... could indeed be dire but not Rhodesia. "The effect on the way advocates hope Sanctions will bring South Africans to the negotiating table."

LAST CONSTRAINT

The Times says politicians have learned, from Afghanistan to Rhodesia, that sanctions to do their jobs. "Already a significant lobby is straining the Virtues of a siege economy ... The Times says sanctions would remove the last inhibition on Pretoria: that constraint on Pretoria's military ... The siege mentality would like, leading the black unemployment and the collapse of the economy who see sanctions as a moral weapon. "If sanctions were to work as quickly and the one they would like, benefit of high" it says the moral weapon. "It has not proposed them. those who proposed them in the ephemeral attractions of sacrifice Britain's influence for nor has she been prepared to sacrifice British interests in Commonwealth threat."

10/6/86

3 DAY

280

Sanctions threat to air travel

LONDON — Britain would view any declaration of a state of emergency in SA with deep concern.

The possibility of martial law being introduced would be viewed even more gravely.

A Whitehall spokesman said yesterday if a state of emergency was re-imposed, it would be a seriously backward step.

Meanwhile the report from the Commonwealth Eminent Persons Group (EPG) is likely to be presented to Prime Minister Margaret Thatcher this week, at a time when the possibility of sanc-

MARGARET SMITH

tions looms ever larger.

One of the proposals believed to be suggested by the EPG is the restriction or cancellation of landing-rights for SAA.

If SAA were denied landing rights in Commonwealth countries, its flights to Britain would be by far the most severely affected.

BBC radio yesterday interviewed *Flight International* editor-in-chief Mike Ramsden about the implications of a ban.

He told British listeners: "SAA and BA operate in partnership between SA and the UK. It is a very profitable trade for both airlines."

If landing rights in Britain were cancelled, SAA would lose its biggest and most profitable market, Mr Ramsden said. But BA would be deprived of one of its most important markets in response.

The BBC suggested that with sanctions in prospect, BA were already searching for alternative destinations in Southern Africa, should a tit-for-tat move by SA be introduced.

280

Sanctions 'only way to avert SA 'tragedy'

The Argus Foreign Service

LONDON. — Only concerted international action can avert "the terrible fate" that otherwise awaits all South Africa's communities, the report of the Eminent Persons Group concludes

And by "action", says Hella Pick, diplomatic correspondent of The Guardian, the group means swift and major sanctions

The EPG's report will be published on Thursday but the it has sent all Commonwealth leaders copies of the "negotiating concept" it offered to Pretoria and to the African National Congress

It has also given them copies of all recent correspondence between the EPG and South Africa.

It explains, said the EPG, "why we came to the reluctant but unequivocal judgment that further talks would not lead anywhere"

In a letter to the Commonwealth heads of government the EPG warns "The prospects are now grim and the likelihood of swift and destructive escalation of violence with much greater loss of lives of both whites and blacks must be seen as probable"

The co-chairmen, Mr Malcolm Fraser, former Australian Prime Minister, and General Olusegun Obasanjo, retired Nigerian leader, are visiting Paris and Bonn this week.

The French and the West German governments have declared their opposition to sanctions but the two men are expected to stress that they see no alternative strategy for the Commonwealth and the European Community

"Hardening"

In its letter the EPG refers to a "very considerable hardening" of Pretoria's attitude to negotiations with black leaders

It also says the climate for such talks "has been very materially prejudiced" by recent actions including last month's raids on three neighbouring states and an attack on Angolan ports by what was believed to be the South African Navy

The letter says these actions have soured the atmosphere "It is impossible to understand the motivation of the Afrikaner, but the Government does persist in saying that political and economic rights must be exercised through racial groups

"If that is the absolute objective of the Government they must realise that no genuine black leaders would ever accept it in a real negotiation'

Observers in London suggest South Africa still has a chance to deflect the sanctions campaign

An 11th-hour concession, it is argued, could take the wind out of the EPG's sails, restore the potential for dialogue and let Britain off the hook

But, with the likely publication of the EPG's report this week, President Botha does not have a lot of time

US criticises ANC, Govt as June 16 nears

The Argus Foreign Service

WASHINGTON. — The United States, concerned about the prospect of further violence as June 16 approaches, has chastised both the African National

US editor slams disinvestment

By Frank Jeans

By discouraging capitalism through disinvestment, foreign companies will only strengthen the apartheid system and authoritarianism.

This is the view of American journalist Mr Michael D Johns, who believes that through increased operations by US multinational companies resulting in higher output and greater job opportunities, the present reform process now taking place in South Africa can only benefit.

In an article in the New Hampshire publication *Union Leader* and which is quoted in the latest issue of the South Africa Britain Trade Association Bulletin, Mr Johns, who is editor in chief of the *Midmi Tribune*, slams the American disinvestment platform which aims to "undermine yet another American ally in yet another strategic region of the world".

Pointing out that the "frightening scenario" is clearly evident and smacks of a well orchestrated propaganda effort, Mr Johns hits out at the American left and its popular support of "radical Philistines" who demand, under the name of US compassion, disinvestment and the severance of diplomatic and cultural ties.

"The result, of course, is always the same. The American ally, faced with growing outside pressure and lack of internal support, is violently overthrown by a militant regime hostile to the West, allied with the Soviet Union and far more corrupt, barbaric and totalitarian than any previous leadership."

Pointing out that disinvestment is based on a misinterpretation of Afrikanerdom, a misunderstanding of the process of gradual change and a historically unjustified confidence in the effectiveness of boycotts, Mr Johns has no doubt about the importance of foreign companies operations in South Africa.

"America would be wise to consider the many fallacies and dangers of disinvestment."

Whitehall warning on state of emergency

Own Correspondent

LONDON. — Britain would view the declaration of a state of emergency in South Africa with deep concern.

The possibility of martial law being introduced would be viewed even more gravely.

A Whitehall spokesman yesterday said that if a state of emergency were to be reimposed, it would be viewed as a seriously backward step.

Meanwhile, the report from the Commonwealth Eminent Persons Group (EPG) is likely to be presented to the Prime Minister, Mrs Margaret Thatcher, this week, at a time when the possibility of sanctions looms ever larger.

One of the proposals which the EPG is believed to have suggested is the restriction or cancellation of landing rights to South African Airways

If SAA were denied landing rights in Commonwealth countries its flights to Britain would be by far the most severely affected.

BBC radio yesterday interviewed the Editor-in-Chief of Flight International, Mr Mike Ramsden, about the implications of a ban.

Mr Ramsden said that if landing rights in Britain were cancelled, SAA would lose its biggest and most profitable market. But BA, its partner, would immediately suffer and would be deprived of one of its most important markets

Sanctions

The BBC suggested that, with the prospect of sanctions, BA was already searching for alternative destinations in Southern Africa, should there be a tit-for-tat move by South Africa

Whitehall sources yesterday were predicting that, if there were to be a landing rights ban, it could merely make flights more difficult for South Africa.

For instance, if only Commonwealth airports were involved — it is believed bans might later be taken up by the EEC and other countries — SAA could fly Johannesburg, Togo, Paris, instead of the routes now used to Heathrow.

Frightened

● Our Johanneburg correspondent reports that the PFP spokesman on transport, Mr John Malcomess, said he was "frightened considerably by pressure being placed on international airlines to stop flights to SA".

It was also possible that the International Air Travel Association would decide to deny SAA flying rights over IATA countries

Both steps would mean total exclusion of South Africa from the airlanes of the world.

Siege

"It seems the government is preparing for a siege economy and this would be one of the inevitable consequences," Mr Malcomess said.

"Sanctions are a racing certainty."

The denial of landing rights to SAA would not alone have any significant detrimental effect, Mr Malcomess said.

He said that in 1984/85 a R16-million loss on SAA's overseas operations was recorded In 1983/84 the loss was R50-million

He estimated that SAA carried 50 percent of South Africa's passenger and cargo traffic overseas.

● Sanctions: Howe, Lange disagree, page 5





Sanctions: the bad news and the good

The Star Bureau

WASHINGTON — The latest package of American economic sanctions against South Africa has moved significantly closer to approval in the United States House of Representatives.

Despite the arguments of the US Secretary of State, Mr George Shultz, and the Assistant Secretary for Africa, Dr Chester Crocker, that sanctions would worsen the already dangerous situation in South Africa, the sanctions package easily won approval in the House foreign affairs committee yesterday by 25 votes to 13.

The administration deployed big guns in an effort to influence the committee. Mr Shultz and the Secretary of Commerce, Mr Malcolm Baldridge, sent messages, and Dr Crocker attended the hearing to argue that the Bill would worsen the dangerous situation in South Africa.

But the Democratic majority was in no mind to listen. One Democrat, Congressman Howard Wolpe, dismissed Dr Crocker as "Alice in Wonderland".

APPROVAL ASSURED

The measure — the Anti-Apartheid Act of 1986 — is expected to go the vote in the full House next Tuesday or Wednesday and its approval there is assured.

Republican tactics are to secure sufficient "nay" votes — 135 — to allow President Reagan to veto the bill eventually.

From Paris, James Tomlins reports that French Foreign Minister Mr Jean-Bernard Raimond and his British counterpart, Sir Geoffrey Howe, yesterday agreed on a no-sanctions policy at a four-hour meeting at Saint Cloud chateau outside Paris.

They will present their joint view to a meeting of EEC Foreign Ministers at The Hague on June 26 when West Germany is expected to support them.

The Paris-London attitude over South Africa, which will undoubtedly meet strong opposition at THe Hague meeting, was surprising in its firmness and can only be a major "plus" for Pretoria.

US group out to fund anti-SA candidates

SIMON BARBER

WASHINGTON — The first "political action committee" (PAC) designed specifically to raise funds for pro-sanctions congressional candidates was formally launched on Capitol Hill at the weekend.

The group, which calls itself Americans Against Apartheid (AAA), will also aim to defeat Congressmen who oppose the Anti-Apartheid Bill currently before the House of Representatives, its organisers said.

US liberals have generally frowned on the use of PACs, claiming they were vote-buying machines. But AAA's executive director Gary Walker said the strategy was justified in this case.

"The soldiers who go into the townships on June 16 will be riding tanks fuelled by the Shell Oil Co and vehicles provided by General Motors," he said.

Walker said his organisation, whose board includes chairman of the House Africa Sub-committee Congressman Howard Wolpe and 24 other members of the House and Senate, planned to contribute to as many as 30 candidates in the November mid-term elections.

Not all board members seemed to agree that sanctions and disinvestment were the best course. Dr Christian Alfinsen, a Nobel Prize-winning biologist from Johns Hopkins University, said at the launch ceremony:

"I know I am not supposed to say this sort of thing, but I don't know if disinvestment might not be self-defeating. To make the experiment in SA work, they're going to need a lot of money."

Board chairman Robert Browne, a Howard University research fellow, countered: "I used to think the same way 10 years ago, and I'm sure Dr Alfinsen can be persuaded to change his mind once he knows the facts."

Hill Samuel denies sale rumours

LESLEY LAMBERT

HILL Samuel SA MD Hamish Donaldson has denied rumours that the merchant bank is up for sale and that its UK parent plans to reduce local market activity.

Donaldson's comment follows rumours, fuelled by an article in a recent edition of the international finance weekly, *Euromarket*, which said Hill Samuel was considering reducing its SA operations and was "more-or-less up for sale".

The publication quoted Dick Lloyd, London-based CE of Hill Samuel & Company and chairman of the Hill Samuel Group (SA), as saying the bank had no intention of withdrawing from SA. "We are looking at whether we can expand the bank as the SA economy comes out of the recession."

Donaldson did not cancel out the possibility the UK parent would consider selling part of its 71,5% interest in Hill Samuel SA if the offer was good enough.

However, while most other banks have battled through the past financial year, Hill Samuel has made a strong recovery to boost earnings-a-share from 7,1c to 21,1c in the year to March.

To expand in certain areas the local bank, which is listed on the Johannesburg Stock Exchange would have to boost its capital base.

Noting that Barclays Bank and Standard Chartered Bank had both reduced their presence in SA by not subscribing to local rights issues, Lloyd told *Euromarket*: "We are at the thinking stage, considering various options. We have taken absolutely no decisions."

While Hill Samuel holds 71,5% of the SA offshoot, the remaining 28,5% is in the hands of local minority shareholders.

Argus 11/6/86

France and UK agree on joint no-sanctions policy

From JAMES TOMLINS, The Argus Foreign Service

PARIS. — France and Britain have thrashed out a joint no-sanctions policy towards South Africa.

French Foreign Minister Mr Jean-Bernard Raimond and his British counterpart, Sir Geoffrey Howe, agreed on this yesterday at a four-hour meeting at Saint Cloud chateau outside Paris

They will present their joint view to a meeting of European Economic Community foreign ministers at The Hague on June 26 when West Germany is expected to support them.

Their stand was backed by a Downing Street statement.

Acknowledging receipt of the report by the Commonwealth Eminent Persons Group, Downing Street reaffirmed that the British government policy rejected "general economic and trade boycotts, which we believe would be counter-productive"

Several Commonwealth leaders have been calling for sanctions but Downing Street is advocating a different course of action: "Our object remains to work for peaceful change and the opening of genuine dialogue in South Africa in the context of a suspension of violence on all sides."

In favour

In Washington The Argus Foreign Service reported that the latest package of American economic sanctions against South Africa had been approved by the House of Representatives foreign affairs committee.

The committee vote yesterday was 25-13 in favour of the sanctions.

The Anti-Apartheid Act of 1986 is expected to go to the vote in the full House next week and its approval there is assured.

Republican tactics are to secure sufficient no votes to allow President Reagan to veto the Bill eventually.

The Bill seeks to ban all new US bank loans to South Africa, stop computer sales, bar the importing of South African coal, steel and uranium, end SAA flights to the US, close South African bank offices in the US and prohibit all new US investment.

Love killing

Continued from Page 1

"He said that Neville had had many affairs and how could I choose someone like that

"He said he was going to shoot Neville so that he couldn't ruin another marriage . . or he could have said 'kill'."

This seemed to "trigger off" something in his mind, because he then ripped open the locked cupboard containing a revolver

He pulled the trigger twice and a shot "flew past" her.

He pushed her into her car and drove to Misty Morn.

During the journey she tried to calm him, without success.

When she looked at him or the revolver, he hit her.

At the farm the couple left the car and went to the dairy, where Mr Solomon asked a worker to call Mr Evans.

KICKED HER

"We went back towards the car. I said as soon as Neville arrived I would tell him Andrew had a gun."

Mr Solomon pushed her into the car and kicked her thigh.

"He pulled my wedding ring off and I thought he threw it into the long grass."

"This was contrary to his nature . . . I couldn't believe what was happening . . .

When Mr Evans arrived, Mr Solomon walked towards his vehicle, saying "how could you do this to me?".

A shot rang out. Mrs Solomon thought her husband must have missed Mr Evans because he took two paces forward.

"Then he took a pace back and collapsed on his back on the ground."

(Proceeding)





Landmine victim

Martin Coetzer, 18, left, who was seriously injured in a landmine blast in Volksrust. Martin was driving to school yesterday when his bakkie detonated a landmine about 30m from the family farmhouse. The farm, Boshoek, is 5km from Volksrust. Part of the matric scholar's right foot was blasted away. His legs, right arm and jaw were broken and his skull was fractured. He was taken to Johannesburg Hospital by helicopter. A hospital spokesman said Martin was in a "serious but stable" condition after an operation. The wrecked bakkie is pictured above.

Two rhino poachers shot dead

HARARE — Two more poachers have been killed in the undeclared war in the Zambezi Valley between heavily armed gangs from Zambia and Zimbabwean game rangers trying to protect the last viable black rhino population in the world.

A National Parks Department spokesman said the two were shot dead in a gun battle in the Chewore North area in Chirundu on Saturday just after they had killed a rhino. Four horns, each worth up to R25 000 on the Oriental black market were recovered. — Sapa.

Cape Times 11/6/86 280

EPG chairmen visit Bonn, Paris

LONDON. — The joint chairmen of the Commonwealth Eminent Persons Group have left London for Paris and Bonn to brief the French and West German Governments on their abortive attempt to initiate dialogue between Pretoria and the ANC.

The Commonwealth Secretariat confirmed that the former Australian Prime Minister, Mr Malcolm Fraser, and the former Nigerian Head of State, General Olusegun Obasanjo, were visiting the countries — two of South Africa's major trading partners — but would not comment on a report that they were urging international sanctions against South Africa.

The EPG's report on its five-month mission will be published in London tomorrow, when Mr Fraser and General Obasanjo will hold a press conference.

The report — sent yesterday sent to all Commonwealth leaders — is still officially confidential, but parts of it have been leaked to British newspapers.

The Guardian reported yesterday that the EPG had concluded that only "concerted action" by the Commonwealth and the whole international community could now avert "the terrible fate" that otherwise awaited all South African communities.

Mrs Margaret Thatcher disassociated herself from any consideration of economic sanctions against South Africa, but she is going to come under heavy pressure from other Commonwealth countries to back down on her anti-sanctions policy.

The leaders of seven Commonwealth governments — Australia, Canada, Britain, Zimbabwe, Zambia, India and the Bahamas — meet in London on August 2 to discuss the report and recommend what should be done next in view of the mission's failure. It is possible that a conference of all 49 Commonwealth governments will be needed to reach agreement on what action to take.

The Daily Telegraph said yesterday it was likely that Britain would be driven before long to embark on sanctions.

"The best the British Government can do, in these circumstances, is to ensure as far as possible that the sanctions chosen are demonstrably enforceable internationally," it said.

"To the extent that they are not, then we must play the game as others do. Most other governments embark cheerfully on trade and investment embargoes because they would not dream of observing them in practice.

"We are more squeamish. As a result — as happened in Rhodesia — we watch our goods and services replaced by those from trading partners who are supposed to be as solemnly pledged to withhold supply as we are. At least we need not make that mistake again."

The Times said the effect of sanctions on South Africa — the 15th largest trading nation in the world — "would indeed be dire". But it questioned whether they would work, and said they would "inevitably feed the strong isolationist strain in the Afrikaner psyche".

If sanctions were to work as their advocates would like, "large-scale black unemployment and the collapse of the South African economy can hardly delight those who see sanctions as a moral weapon", the newspaper said. — Sapa

Cape Times 11/6/86

Major vote in US on SA sanctions package

From SIMON BARBER

WASHINGTON. — The House of Representatives is next week set to pass the toughest sanctions bill ever adopted in the West against South Africa after action by the Foreign Affairs Committee yesterday.

The panel adopted the bill on a strongly partisan 25-13 vote. Three Republicans threw in their lot with the majority Democrats.

One, Mr Jim Leach of Iowa, said he was doing so because he supported "the Jeffersonian right of revolution".

Secretary of State Mr George Shultz and Dr Chester Crocker, the Assistant Secretary of State for African Affairs, pleaded fruitlessly with the committee to reconsider. An amendment to soften one section of the bill — a conditional ban on all US computer sales to SA — was soundly rejected.

Congressman Mr Mark Siljander, a ranking Republican member of the House Africa Subcommittee and a supporter of the administration's policy, said bitterly: "The South African Government could do nothing now that would stop this bill ram-rodding through Congress."

'President's veto'

Although the Senate has yet to act, Mr Siljander said the best hope now was a presidential veto.

The bill is scheduled to be voted on by the full House on Tuesday or Wednesday

Depending on the Commonwealth Eminent Persons Group's recommendations, due at the weekend, and events on June 16, the tenth anniversary of the Soweto revolt, it could be made even more stringent.

The proposed legislation bans new loans and investment in SA, bars SA-owned banks from operating in the US, emabargoes SA steel, coal and uranium, and ends SAA's US landing rights.

Theses sanctions may be lifted once Congress determines that all SA political prisoners have been released and Pretoria has in good faith begun negotiations for majority rule.

If these conditions are not met within one year, the computer ban will go into effect.

The committee did permit one minor change to the measure that would otherwise have prevented US citizens in SA from using local banks to conduct their operations in the country.

Overlooked in the haste to legislate, this would have made it virtually impossible for any US activity — commercial, news-gathering or even charitable — to continue in the Republic.

Even so, US education and other programmes to help black South Africans are threatened under the legislation which scraps existing government assistance in favour of plans deemed politically correct. According to Dr Crocker, at least 100 scholarships could be cancelled.

The panel debate was often bitter.

Congressman Mr Stephen Solarz, one the the bill's chief authors, said the US would be making a "terrible mistake" if it "lagged behind" the Commonwealth.

He said sanctions would only cause "a temporary incovenience" to blacks.

The strongest language came from Congressman Mr Henry Hyde, a flamboyant Illinois Republican, who expressed undisguised contempt for Wolpe.

"You're waving the bloody flag of revolution in a situation that requires the highest calibre of diplomacy ... The stakes are too high in SA — this is not a game of Trivial Pursuit. Deliberation by a lot of wise people and not political creatures is what's needed," Mr Hyde said.

Computer industry won't survive sanctions

By Sven Lünsche

Burroughs chief executive, Mr Mees van Vuuren, says the South African computer industry cannot possibly survive without overseas information processing technology.

"We simply do not have the technology or the capital to manufacture local mainframes and there will be no alternative sources available in case the US declares sanctions against this country," he said.

Japan and European countries have been cited as alternative suppliers of computer hardware, but they will follow suit if the major companies in the US are forced to pull out of the country.

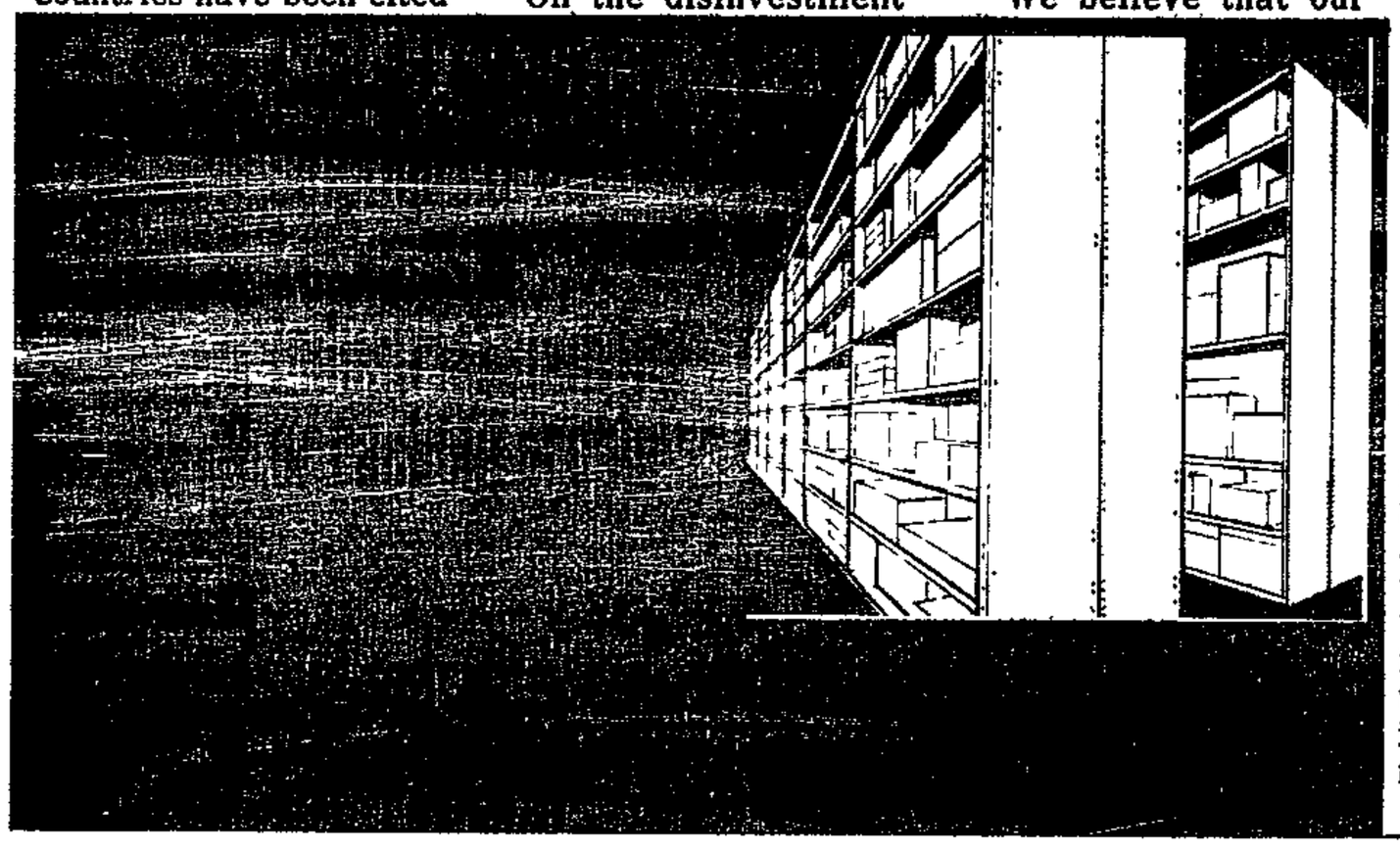
"If this situation arises, South Africa would face a very severe crisis, as we need computer technology to build up the economy," Mr van Vuuren said.

He suggested that local companies build up a sufficient infrastructure to keep going for a forseeable future after sanctions had been imposed.

On the disinvestment issue Mr van Vuuren said that all multinational companies are under tremendous pressure, but Burroughs is one of the worst affected as their percentage contribution is the biggest of any of the local computer companies.

On May 8, however, only three percent of Burroughs shareholders in the US were in favour of disinvestment and the management of the company as at numerous occasions expressed its opposition to such a move.

"We believe that our presence in this country is a force of positive influence — by leaving we could not contribute to the dismantling of apartheid," he said.

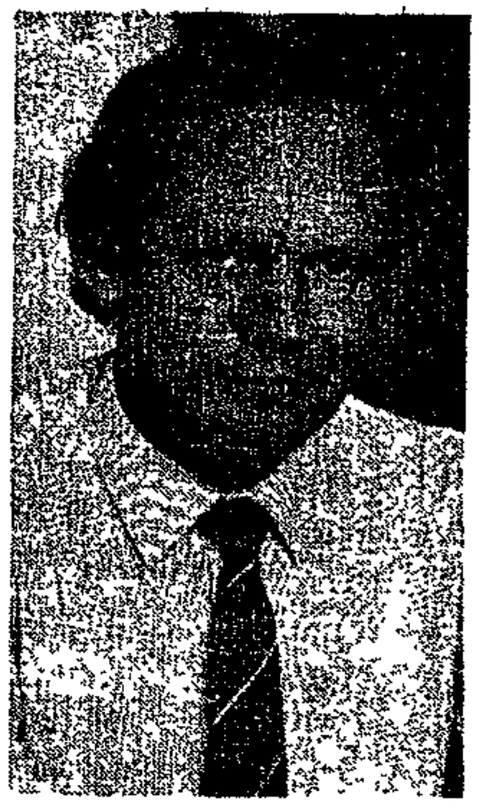


The company's presence is however not only threatened by overseas pressure groups, but also by the economic problems which have been encountered in South Africa over the last two years.

"The politics of apartheid is threatening the survival of the free enterprise system, as the freedom of choice and movement is fundamental to economic growth," Mr van Vuuren added.

Replying to the accusation that big business is getting cold feet at a time when its profits are in danger, he said that Burroughs has always been involved in promoting change in South Africa.

"We were one of the founder signitaries of the Sullivan principles and are now actively involved in the project 'Free Enterprise', which is of such importance that I would be surprised if the government did not react to it."



Mr Mees van Vuuren.

Burroughs, the number two information processing company in the world, recently acquired the Sperry Corporation for a R10,6 billion. This erger will improve Burroughs position in challenging IBM for the number one spot.

This deal will allow the company to almost double its revenue to R10 billion, while overall profits should exceed the R1 billion mark for the first time.

"Where Burroughs was traditionally strong, Sperry had a small market share and vice versa, so this new deal allows us to consolidate our international market position," Mr van Vuuren said.

He added that the consolidation of the two companies' manufacturing and administrative infrastructure will allow the new group to be far more cost effective in future.

While there is not much overlap in hardware and mainframe manufacturing, Mr van Vuuren said that this could be the strength of the new merger.

"Burroughs has been strong in the financial and manufacturing and commercial applications of computing, while Sperry's strength lies in the scientific and defence field. This will allow us to broaden our target areas."

In the South African market the effects of the mergers are still not certain. For the time being each company will run their own production lines, although there might be some rationalisation of headquarter facilities on management level in the near future.

Congress moves against SA

Sanctions struggle in US begins in earnest

12/6/86

STAR

280

The Star Bureau

WASHINGTON — The United States House of Representatives is heading for another showdown with the White House over South African sanctions.

The struggle began in earnest this week and shows every sign of being more bitter than last year's clash that forced President Reagan to order his own limited set of sanctions into place.

Every day this week, the Reagan Administration has issued statements denouncing apartheid but urging Congress not to take the unwise step of approving more sanctions.

But the majority Democrats in the House of Representatives are paying no heed to the Administration's pleas that sanctions will be no quick-fix

On Tuesday, the Anti-Apartheid Act of 1986 passed through the House Foreign Affairs Committee with the speed of what one Republican conservative called a "well-greased ramrod".

Yesterday, it was approved even more quickly by the House Ways and Means Committee, and its passage through Banking and Public Works Committees is seen as a certainty. All of these committees have a say because of the wide-ranging nature of the sanctions Bill.

It leaves the way clear for a full-blown debate on the floor of the House, probably next Tuesday or Wednesday, when congressman after congressman will rise to blast Pretoria.

Violence in SA

"There is nothing the South African Government can do to satisfy these people," said conservative Republican congressman Mr Mark Siljander. "They are using the issue for their own political purposes"

But the liberal Democrats and the moderate Republicans who favour sanctions take a different view.

They say the violence in South Africa could have serious repercussions for the US and that punitive economic measures ... which may cause temporary suffering for blacks ... are the only way to force change on the reluctant Botha government.

They also say that with Commonwealth sanctions now a strong possibility, the US should not lag behind in the international effort to end apartheid

Today, the United Mine Workers of America said it would go to court to challenge a US Government rejection of its demand that the importation of South African coal be banned.

The court action, and many other efforts by anti-apartheid groups will add to the pressure on the White House which is now looking to the Republican-controlled Senate to hold off sanctions.

The Reagan Administration is anxious to take the steam out of the debate, especially with crucial congressional elections coming in November. It is hoping the SA Government will do something to help ... like implementing meaningful reform.

Boycott bite might be light — Norton

BUS DAY 12/6/85 (1) 28

MARGARET SMITH

LONDON — On the eve of what is predicted to be an international call for sanctions, Johannesburg Stock Exchange president Tony Norton said that the form might not be as bad as the concept.

He was addressing Britons through an interview on the main BBC Radio 4 daytime news bulletin yesterday.

Speaking of the failure of the EPG to make a breakthrough, Norton said there had been hopes — and people were sad these had been dashed.

Most of the realists in the SA community had never seen it more than just a hope, he said.

Asked how the business community responded to increased measures and sanctions not only from Britain but also from the US, Norton said it was not with relish.

"But one has to see the form which they take, and the consequences they will have in the form in which they are represented.

"There is a feeling in SA that when work is started on the form that sanctions will take, we will find perhaps that the reality is not that bad," he added.

He said some of SA's trading partners would have a problem implementing sanctions without a significant loss of jobs in their own countries.

He added: "We could reasonably expect them to have some substance but to have quite a lot of cosmetic content."

The BBC also spoke to Conservative Party leader Dr Andries Treurnicht.

He said there were many people in SA who did not consider the suggestions of the EPG in a very serious light.

"We are contemplating the solution inside SA, to do what is right, and we have serious doubts as to the originality of any suggestion that comes from outside."

Sanctions only hope for SA, says EPG

LONDON — The Commonwealth group that investigated the South African crisis says tougher economic sanctions against the Government may offer the last chance to avert what could be "the worst bloodbath since World War 2".

In its report made public today, the Commonwealth's Eminent Persons Group said it sees little likelihood of a negotiated solution to the country's racial conflict. It blamed the violence almost exclusively on the policies of the Government.

The group stopped short of recommending sanctions outright, but said they were a weapon South Africa feared and had used effectively against neighboring black nations. The group said not imposing them encouraged Pretoria to drag its feet on reform.

It also saw sanctions as a way of showing South African blacks change can be brought about without violence.

The report said: "Such action may offer the last opportunity to avert what could be the worst bloodbath since World War 2".

The report strongly recommends South Africa remain ostracised from world sports.

It said: "The lengths to which the South African authorities are prepared to go in elevating the importance of visiting teams, and the huge financial inducements they offer, reveal their craving for supposed international recognition"

Exhaustive study

The report, based on five months' research and meetings in Southern Africa, is likely to put more pressure on Britain's Prime Minister Mrs Margaret Thatcher to bow to majority Commonwealth sentiment for sanctions.

The group was set up last October by the 49-nation Commonwealth, an association of Britain and its former colonies, as a compromise between the majority's stand and Britain's rejection of sanctions.

The report is the most exhaustive study of the problem by a diplomatic group since South Africa plunged into racial turmoil nearly two years ago.

Led by former prime ministers Mr Malcolm Fraser, of Australia, Dame Nita Barrow, of the Bahamas, and Nigerian former military leader Gen Olusegun Obasanjo, its mission was to analyse the situation and recommend what action the Commonwealth should take.

The group said its mission, which included an attempt to mediate between Pretoria and the African National Congress, was scuttled by South Africa's raids on ANC bases in three neigbouring black states, and its insistence that the ANC permanently renounce violence rather than just suspend it during negotiations.

The report charged: "Its (Pretoria's) obduracy and intransigence wrecked the Commonwealth's initiative".

Out of touch

In its 116 pages of reporting, recommendations and appendices the group accused South Africa's white rulers of self-delusion, being "unrealistic and wholly unreasonable", and being out of touch with black thinking.

The group conceded some steps had been taken to ease the effects of apartheid, but did not see any readiness to dismantle the system of institutionalized racial separation that denies the black majority the vote.

The report said: "The harshness of apartheid, in many of its manifestations, has been and is being softened, but the essential pillars remain: The homelands policy, the Population Registration Act and the Group Areas Act.

"To the casual visitor, apartheid may appear to be on the way out. In its essential elements, it remains very much intact".

The group dismissed all the Government's key arguments. It does not believe jailed black nationalist Nelson Mandela is a communist, nor that his release would trigger uncontrollable black violence.

The group said: "Provided the negotiating process was agreed, Mr Mandela's own voice would appeal for calm. We believe his authority would secure it".

The group added many whites are ahead of their government in seeking change.

It accepted that police face "an enormously difficult task" against black rioters, but accused them of using mostly "an aggressive and ruthless approach with a degree of force wholly out of line with that either required by the circumstances or permitted by law". — Sapa-Associated Press.

Sanctions will lead to a siege, Relly warns US

By Alan Dunn,
The Star Bureau

WASHINGTON — One of South Africa's top business executives has warned that the Government would probably turn to a "repressive and destructive siege" if economic sanctions continued multiplying.

Such action by Pretoria would have been promoted by the polarising effect of sanctions, the chairman of the Anglo American Corporation, Mr Gavin Relly, said.

He cautioned that sanctions could encourage black and white extremists and discourage those willing to negotiate.

He said also withdrawal of US and other foreign companies would irreparably damage prospects for any viable post-apartheid society.

This was the view of most South African business chiefs, he noted.

Stressing that South Africa's private sector could not go it alone, Mr Relly charged American businessmen that they faced an awesome responsibility.

PROFITS

"Many have made good profits in South Africa for decades. But faced with lean times and a host of pressures, they are attracted to the easy option of withdrawal, especially if the ignorance, mischief making, and mythology underlying these pressures is ignored," he said.

Writing in the latest edition of "Foreign Policy", a Carnegie Endowment for International Peace publication, Mr Relly advocated business risk-taking.

"South Africa is not for the faint-hearted.

"It presents immense challenges, huge opportunities and the excitement of involvement in one of the great historical processes of change seen in the 20th century".

American companies could claim some credit for the important erosion of apartheid that had taken place, he said. "They have helped break down segregated amenities, such as beaches.

"Some American firms are planning to build racially integrated residential areas for their employees as an exception to the Group Areas Act," Mr Relly said.

DESTRUCTIVE

"There are no quick fixes for South Africa," he said.

"Many of the costs of disinvestment, increasing sanctions and isolation can be passed on to others — black migrant workers from neighbouring countries, black South Aficans, and local industry and commerce through higher taxes.

"But if sanctions continue to multiply, Pretoria probably will be fully committed to a repressive and destructive siege by the time it fully feels the adverse effects of sanctions.

"Neither domestic nor foreign business can force our Government to act against its will. South African firms do not have the same power as American business, which can often sway Washington.

"We don't think we can adapt to the new South Africa by carrying on as before.

"The drive to achieve a more representative complexion among employees at all levels will require a range of programmes more ambitious than the few in place today.

"Greater worker participation in business, not just through his union but through shareholding programmes, is likely," he said.

Sanctions: Europe is still divided

12/6/86 STAR 280

The Star Bureau

LONDON — Pressure for further sanctions against South Africa will increase today with the publication of the EPG report on its failure to initiate dialogue in the country — but Europe is divided.

Commonwealth leaders are expected to make fresh calls for sanctions and are likely to urge the EEC support. But Britain and France will oppose sanctions and Germany is likely to join them.

● Italy is party to the embargo on sales of military equipment to South Africa, but other Italian exports to the country amount to about R800 million.

● Denmark, from the end of this year has banned all trade in goods and services excluding medicine.

● Ireland, which has banned South African fruit and vegetables, would support all sanctions.

● Belgium has a freeze on inter-governmental agreements but the Antwerp diamond market is a major customer for De Beers.

● Spain has indicated it will support "continued pressure" on South Africa.

● Portugal is concerned about the impact of 700 000 Portuguese returning home if forced to flee.

● Holland has promised to support strong action but a major problem is the EEC ban on oil exports — crude oil is almost certainly shipped through Rotterdam.

● Greece aligns itself to the EEC stand but there is a 130 000-strong Greek community in South Africa to consider.

● See Page 23

280

EPG 'paves way for sanctions'

Own Correspondent

LONDON. — A Commonwealth report which paves the way for Western economic sanctions against South Africa was due to be released here today, as Sir Geoffrey Howe, the British Foreign Secretary, yesterday said that Britain remains firmly opposed to mandatory sanctions against South Africa.

The historic 70-page report, which has already been widely leaked to the British press, warns that "concerted action of an effective kind" might offer the last opportunity to avert what could be the worst bloodbath since World War II

Although the report does not recommend specific sanctions, it is likely to intensify mounting pressure for further economic signals from South Africa's major Western trading partners.

It will form the main input at a seven-nation Commonwealth mini-summit in August which is expected to spell out a detailed Commonwealth position on tougher economic sanctions.

The report squarely blames the South African Government's "obduracy and intransigence" for wrecking the Commonwealth initiative and warns of the "certain prospect of an ever-sharper decline into violence and bloodshed".

The EPG report firmly establishes the African National Congress as an indispensable part of the South African solution and is adulatory in its praise for the jailed ANC leader, Mr Nelson Mandela.

Conclusions

Among the report's conclusions are:

● There can be no negotiated settlement in South Africa without the ANC and the breadth of its support is incontestable

● Pretoria is not prepared to negotiate with representative black leaders except on its own terms and there is no present prospect of dialogue leading to the establishment of a non-racial and representative government. In recent weeks the government had moved away from — rather than closer to — a negotiating process.

● The state of emergency has been lifted in name only and the substantive security powers are being strengthened

● Political freedom — rather than being established — is being more vigorously curtailed.

● The government's reform programme does not seek to end apartheid but to give it a less inhuman face

● Mr Mandela is a "unifying, commanding and popular leader" who is not a communist but a fervent nationalist. His freedom is the key to a peaceful resolution to a conflict which otherwise would prove all-consuming

Opposed

Sir Geoffrey said in Paris yesterday after a working lunch with his French counterpart, Mr Jean Bernard Raimond, that despite the growing pressures from the Commonwealth, Britain remains firmly opposed to mandatory sanctions against South Africa.

His view was supported by Mr Raimond, who said France also opposed obligatory sanctions.

Sir Geoffrey said he and Mr Raimond agreed "there is no quick confrontational solution" to South Africa's problems.

Meanwhile Mr Alistair Burt, Tory MP and one of an all-party delegation to South Africa which has recommended "new and urgent economic measures" against the Republic, yesterday said that Britain, the West and the Commonwealth, when considering pressures on South Africa, must do so in a manner which would lead to reform and not to a crippling of the economy.

Once an economy was crippled, who knew if it would right itself again, Mr Burt said.

"The South African economy is the key to wealth and support in Africa for generations to come. There is no point in a new system taking over something which is destroyed," Mr Burt said.

But, he was quick to add, it was to be hoped that reconciliation would have taken place long before that stage was reached.

Mr Burt said all the MPs believed drastic economic sanctions would be detrimental to the country.

● Last night Foreign Minister Mr Pik Botha declined to comment.

"I am only expecting the report tomorrow (today) and would prefer to peruse the official report before commenting," he said.

EPG attempt to blackmail SA Government, says Pik

By BRUCE CAMERON, Political Staff

SANCTIONS against South Africa were not inevitable but pressures would increase following the release of the Commonwealth Eminent Persons Group report, Foreign Minister, Mr Pik Botha, has said.

Mr Botha, who is to hold a Press conference later today, as soon as he has a full copy of the report, in initial reaction accused the EPG of attempting to "blackmail" the South African Government into accepting conditions that no respectable government could accept.

Mr Botha said, from what he had seen and heard, it would not be difficult to discredit the report.

He criticised the tone and content of the report saying that a "a little more sophistication would have been accepted

"Let them try"

"I do not think sanctions are inevitable The Commonwealth countries adjacent to us cannot apply sanctions

"Let them try it.

"Lesotho cannot, neither can Swaziland or Botswana, nor can Zambia, Malawi or even Zimbabwe These are prominent countries which one would expect to apply sanctions."

Mr Botha said however the EPG report would build up pressures for sanctions

Mr Botha said the attitude of the South African Government could not be seen as unreasonable

"We went out of our way to see them and to let them travel around the country

"We felt that if violence could be ended that would be the sound barrier that had to be broken through.

"But they came back with a stricter definition saying violence would only stop as long as negotiations lasted

"No government could accept this It was plain blackmail"

He was particularly upset that the EPG had said that no changes had occurred in South Africa

"All your important statesmen Reagan, Kohl and Thatcher have acknowledged that important changes have occurred

Mr Botha also accused the EPG of breaking their own assurance that they would not dictate to South Africa what changes should take place

SA flights ban would 'devastate' airlines

The Star Bureau

LONDON — Suspension of South Africa's overseas air links — suggested as one of several new sanctions — would "devastate" airlines operating the service, an air travel expert has warned.

Airlines would have to be forced by government regulation to give up the "lucrative, multi-million-rand" route, says Mr Mike Toynbee, of Executive Travel Magazine.

The failure of the Commonwealth's EPG initiative has fuelled the campaign for wider economic sanctions and increases the pressure on governments to consider suspending air travel to and from South Africa.

This is one of several measures Commonwealth nations are urging the international community to use against Pretoria in its campaign for change.

UNWILLINGLY

But airlines will not willingly ditch their South African flights.

Spokesmen for some of the major carriers were cautiously reticent on the subject, declining to comment on what they preferred to call a "purely hypothetical" situation.

Mr Toynbee believes the South African route is one of the most profitable and that a ban on flights would be "disastrous" for all airlines involved.

"They would have to be forced into it and they would give up with the greatest reluctance. There would be very loud protest.

"Taking business and leisure travel together, suspension would be devastating."

He believed the only way round a ban would be to have a system of connecting flights through Harare — if such a plan were acceptable to Zimbabwe.

EMINENT PERSONS GROUP

Reluctant conclusion

It is no longer a question of whether the Commonwealth and European Economic Community (EEC) will implement new tangible measures against SA, but rather what actions they can agree on. That, according to diplomatic sources in London and Brussels, is the inevitable outcome of the Eminent Persons Group (EPG) report which was being published as the *FM* went to press this week.

A torrent of leaks preceded the report. The EPG has already sent a detailed preliminary dossier to Commonwealth governments. A front page report in *The Guardian* on Tuesday quoted the EPG as telling the Commonwealth this explained "why we came to the reluctant but unequivocal conclusion that further talks (with SA) would not lead anywhere in the current circumstances." Last month's raids on ANC targets into Botswana, Zimbabwe and Zambia, plus "the obvious determination to use renewed force and repression within South Africa itself have soured the atmosphere for negotiations.



Lange

"It is impossible to understand the motivation of the Afrikaner. But the government does persist in saying that political and economic rights must be exercised through racial groups. If that is the absolute objective of the South African government, then they must realise that no genuine black leaders would ever accept it in real negotiations," the EPG is quoted as saying.

And it was widely anticipated that the EPG's overall conclusion would be that "concerted action" by the international community as a whole — taking in the US, Japan and the EEC — was needed. To this end the EPG's co-chairmen, Malcolm Fraser of Australia and General Olusegun Obasanjo of Nigeria, went to Bonn and Paris this week.

The EPG is not making any recommendations as to what "measures" should be taken. As New Zealand PM David Lange said this week: "Sanctions is a hard word, measures is a better one." Appropriate action will be decided at the meeting of seven Commonwealth countries (the UK, Australia, India, Canada, Zimbabwe, Zambia and the Bahamas) on August 2.

The Commonwealth will be looking at the eight proposals — headed by a ban on air links with SA — which, it agreed at the Heads of Government Meeting in October, it would consider if the EPG's diplomatic approaches failed. The whole list has been exhaustively studied by the Foreign Office to determine which could be practically implemented to have the most effect while inflicting the least damage. PM Margaret Thatcher is as opposed as ever to comprehensive sanctions but is being forced towards a compromise by both the Commonwealth and forces within the EEC — of which Britain assumes the presidency next month.



Thatcher

The sanctions debate will first be reopened in the EEC when the 12 foreign ministers meet next Monday (the Soweto anniversary) to prepare for the half-yearly summit on June 26 (the Freedom Charter anniversary) of the community's leaders. Much of this meeting is expected to be devoted to seeking a common position towards SA and, as the rightwing *Daily Telegraph* of London observed in its editorial comment this week, Thatcher is looking "beleaguered." The *Telegraph* said: "The likelihood must be that we shall find ourselves driven before long to embark on open-ended sanctions. The best the British government can do, in these circumstances, is to ensure as far as possible that the sanctions chosen are demonstrably enforceable internationally." The Rhodesian experience was a mistake "we need not make ... again," it concluded. ■

US-SA SANCTIONS

Harsh prospects

The US Congress is taking another long, hard look at sanctions — and this time, President Ronald Reagan may not be able to forestall action with a legislative counter-offensive.

As the *FM* went to press, the House Committee on Foreign Affairs was about to go in to "mark-up" a Bill which is expected to include, among other things, a provision to ban outright any new US investment in SA, be it for public or private purposes, by a US bank or company.

The Anti-apartheid Act 1986, which has also been introduced in the Senate, would also bar South African sales of coal, uranium and steel. Among other amendments to be considered are that if there are no significant

conclusion

Heads of Government Meeting in October, it would consider if the EPG's diplomatic approaches failed. The whole list has been exhaustively studied by the Foreign Office to determine which could be practically implemented to have the most effect while inflicting the least damage. PM Margaret Thatcher is as opposed as ever to comprehensive sanctions but is being forced towards a compromise by both the Commonwealth and forces within the EEC — of which Britain assumes the presidency next month.



Thatcher

The sanctions debate will first be reopened in the EEC when the 12 foreign ministers meet next Monday (the Soweto anniversary) to prepare for the half-yearly summit on June 26 (the Freedom Charter anniversary) of the community's leaders. Much of this meeting is expected to be devoted to seeking a common position towards SA and, as the rightwing *Daily Telegraph* of London observed in its editorial comment this week, Thatcher is looking "beleaguered." The *Telegraph* said: "The likelihood must be that we shall find ourselves driven before long to embark on open-ended sanctions. The best the British government can do, in these circumstances, is to ensure as far as possible that the sanctions chosen are demonstrably enforceable internationally." The Rhodesian experience was a mistake "we need not make ... again," it concluded. ■

FIN MAIL 13/6/86

US-SA SANCTIONS 280

Harsh prospects

The US Congress is taking another long, hard look at sanctions — and this time, President Ronald Reagan may not be able to forestall action with a legislative counter-offensive.

As the *FM* went to press, the House Committee on Foreign Affairs was about to go in to "mark-up" a Bill which is expected to include, among other things, a provision to ban outright any new US investment in SA, be it for public or private purposes, by a US bank or company.

The Anti-apartheid Act 1986, which has also been introduced in the Senate, would also bar South African sales of coal, uranium and steel. Among other amendments to be considered are that if there are no significant strides toward dismantling apartheid, including the release of all political prisoners within 12 months, sanctions prohibiting all computer sales and technology information transfer to SA would be automatically triggered. A suspension of SA's landing rights in the US will probably be in the final Bill as well.

All of the sanctions, however, will be withdrawn immediately should Pretoria release political prisoners and take other action to break down apartheid's barriers.

This is Congress' second go-round with sanctions, but it would be a mistake to assume that the end result will be the same. In 1984, when Congress appeared close to passage of an anti-apartheid sanctions Bill, the president avoided a nasty showdown by implementing less severe and mostly symbolic sanctions of his own.

At that stage, the White House had high hopes that its policy of "constructive engagement" would result in a peaceful solution to SA's regional troubles, and Reagan wanted to keep on good terms with Pretoria to continue what until then seemed a promising dialogue.

The president's action prompted Congress to hold its sanctions agenda for the time being. But two years of unbroken unrest in the townships, Pretoria's military sorties into neighbouring states and a growing wave of disinvestment pressure back home, have brought the Bill back to the forefront — this time with a much tougher punch.

One reason for the congressional zeal is that SA has the potential to become a hot election-year controversy. For one, anti-apartheid forces have become increasingly more organised. One group, calling itself "Americans Against Apartheid" has set up a political action committee, a registered group which will solicit campaign funds to distribute to Republicans and Democrats who back sanctions and oppose SA.

The committee has just formed and it will not be known for some time whether it can turn a grassroots aversion toward apartheid into a serious fund-raising issue. If it does, a fair number of the 435 House members and the 34 senators up for re-election will take notice. ■

FIN MAIL 13/6/86

CAPE SQUATTERS

Reform and reality

The irony could hardly have been more bitter. In parliament, MPs were pushing through the most significant apartheid reform in 38 years — the Abolition of Influx



London—The head of the Commonwealth Secretariat, Sir Shridath Ramphal (centre), Gen Olusegum Obasanjo (left) and Mr Malcolm Fraser, former Australian Prime Minister, at the launch of a hard hitting report on South Africa yesterday. — (Reuter)

Mandela 'key to peace' says Lord Barber

London Bureau

LORD Barber, chairman of the Standard Chartered Bank, said yesterday that limited sanctions against South Africa could no longer be avoided and Nelson Mandela remained the key to peace.

'If his good offices were used, I have no doubt that people would respond to his call for an end to violence,' said Lord Barber in two major interviews with British radio and television.

Speaking against devastating sanctions, Lord Barber said the destruction of the South African economy was the worst possible situation he could envisage

But he warned that after the breakdown of its peace mission to South Africa, the Commonwealth Emminent Persons Group was unanimous that some form of sanctions had to be imposed.

'Will come'

Lord Barber, Mrs Thatcher's nominee on the group, said that whether they were called 'measures' or 'sanctions' or anything else was irrelevant, 'for steps must be taken'.

'There will have to be at the coming conference of Commonwealth heads of government some signal expressing the concern of the Commonwealth.

'But I do want to make this absolutely clear: I believe the worst possible situation for the future of the people of South Africa would be when the change comes to a true democracy — and it will come, make no doubt about that — if the people of South Africa are left with a country which is economically devastated.

'I think that would be disastrous.'

Asked whether he was then against actual economic sanctions, Lord Barber, who is a former Conservative Government Chancellor of the Exchequer, said. 'No. I am not against further measures of one kind or another.

'Funny'

'What I am saying is that it would be quite preposterous if we thought that we who are not in office — a group of people, churchmen and others — were to specify what we thought it was proper for governments to do That is for them.'

Pressed to comment, Lord Barber emphasised: 'It is for the heads of government to decide in the light of all their knowledge, which is far greater than I have or indeed the other members of the so-called EPG group have ... we thought that was a rather funny title by the way.

'Disagreeable'

'My own personal opinion is that I think that in the interests of the cohesion of the Commowealth, that when they meet, they will have to take some action.'

Asked if the South African Government feared sanctions, he said: 'They naturally gave the impression they didn't. But I have no doubt in my mind that they would find sanctions very disagreeable. I believe sanctions could have some effect'

Lord Barber's reference to Nelson Mandela's importance came when he was asked to comment on the group report's reference to the high quality of South Africa's black leaders 'shining through all the gloom'

Violence

'Well, I spent several hours with the others with Nelson Mandela on two occasions,' said Lord Barber

'I must say I found him to be a remarkable man.

'I am absolutely convinced he is not a communist, and I am convinced that if his good offices were used, I have no doubt at all that people would respond to his call for an end to violence.

Asked to comment on the report's opinion that without effective pressure from outside, blacks in South Africa would consider there was no alternative to violence, Lord Barber said: 'That is their perception. This is what their leaders told us.

'That was not from Mandela himself, but from other leaders.'

CAPITAL ACCOUNT

Fright at the flight

Speaking to local bankers these days is no fun. Their message is scary. As if in chorus, banker after banker repeats that while flight money pours out the situation regarding loans to SA has, if anything, deteriorated. The remedy, they agree, is political measures to satisfy the grievances of most South Africans.

Not only foreign institutions are blamed for disinvesting. There is growing concern in financial markets that locals are exporting capital. The amount of unaccounted money leaving through unorthodox channels is worrying, particularly since forex control is already tight.

The authorities do not appear to be in full control. In an attempt to address the problem, the Reserve Bank last week tightened the administration of the financial rand pool. This week there is a notice informing exporters that they must maintain their contracts — one institution was approached by the Bank last week concerning profits from cancelling a reported $70m forward export contract.

Says Reserve Bank Senior Deputy Governor Japie Jacobs: "Exporters must take forward cover within seven days of shipment and must remain covered for the full term until they receive their foreign currency." These moves are in addition to the recent suspension of African Bank's forex trading licence and clamp on gilt-stripping.

While such action might slow the outflow it is unlikely to plug the leaks as capital flight is routed in many ways difficult to monitor and ascertain. Says a banker: "There are unending opportunities, used increasingly as uncertainty deepens." Adds another: "There is an attitude of take-out-what-you-can as bodies clamour to get money out. No money is coming in to offset this."

Jacobs is not as worried: "The amounts are not substantial. Leads and lags are again operative, exerting pressure on the rand. But there has been a gain in reserves in recent weeks." (See Box.)

Ways to circumvent exchange control include non-cash trade and barter, mainly with countries lacking hard currency. Some ex-South Africans who have left blocked rands behind use cash to finance an exporting business — thereby transferring cash offshore, often at a substantial personal discount.



Reserve Bank's Jacobs ... not too worried

Jacobs responds that such actions are "highly unlikely" without the authorities knowing. "All transactions are recorded. Exporters must complete returns and we keep a close watch." He assures: "There are no plans to introduce tighter exchange controls."

Nevertheless, the dual exchange rate lends itself to all sorts of abuse — providing as it does a great incentive to "inventive behaviour." Outflows through manipulation of dividend policies and over/under-invoicing, seemingly the major source of unidentifiable outflows, cannot be materially reduced.

Regarding the financial rand, Jacobs explains that "only authorised banks may hold financial rand accounts for non-residents. Local banks cannot deal in financial rands for their own account nor take positions in the financial rand."

The seriousness of SA exporting capital has been stated often enough. As a developing country it has to build up a wealth-creating base. More importantly, we desperately need to alleviate unemployment — which some estimate at 4m.

Capital flight is not going to be compensated for by foreign loans. There is, bankers agree, no chance of local companies being granted new loans. At best they might secure trade credit facilities. Worse still, tougher sanctions by the European Economic Community and US, and limited sanctions by Commonwealth countries appear likely.

The speculation is that, contrary to the authorities' expectations, money was not rolled in mid-April when the first partial debt repayment under the standstill was made. "Officials have been too optimistic in their assumptions about replacement funds," says one banker.

Jacobs explains that part of the payment was subjected to foreign exchange cover at that stage, which became repayable after the contracts expired.

Also, there is concern about the repayment of debt outside the net. Last week Barclays noted: "It is believed that some $3,5 billion outside the net matures in 1986, of which $2 billion was expected to be rolled There are fears that foreign creditors may not be as willing to roll this as hoped."

Jacobs expects a net outflow of $2 billion this year against a current account surplus of $2,3 billion "We are still on target."

The draining of foreign currency is reaffirmed in the Bank's assets and liabilities statement for May. Foreign currency holdings have fallen to R479m (R634m), reflecting the Bank's limited flexibility to defend the rand. The poor reserve position is a major reason for the pressure that has built up against the currency since mid-April. The bank has no choice but to build up reserves rather than support a high rand But there

RESERVES IMPROVE

Gross reserves, after hitting a seven-year low of R3,2 billion in April, show a marginal R300m (8,9%) improvement in May. Of the R3,5 billion reserves at month-end, gold contributed R2,9 billion (R2,6 billion), thanks to the increase in average price used to value gold holdings to R719,57/oz (R638,13). Physical gold stock, at 4,06m oz, is virtually unchanged (4,08m oz), suggesting that recent gold swaps ceased in May.

The Reserve Bank's June *Quarterly Bulletin,* due next week, is unlikely to show net reserves changed substantially in the first quarter from end-1985. The first quarter's expected R2 billion deficit on capital account should be offset by a similar surplus on current account.

Given this scenario, are further measures to tighten exchange control likely, as rumoured in the forex market? Moves in January, September and December last year practically exhausted options. In any event these measures show how difficult it is to stem outflows when there are such strong incentives to take money out.

It is possible to allocate foreign currency to banks, strengthen direct import controls, reduce travel and emigration allowances, and further curtail the ability of exporters and importers to take forward cover. While these steps could reduce the volatility of the rand, they will hardly help strengthen the currency. Another (drastic) option would be to extend the standstill net.

must be a bottom line as the currency nears last year's all-time low against the US$ (see *Markets*).

Says Jacobs: "There is no use trying to maintain the rand exchange rate at a certain level at all costs. The adjustment mechanism in the forex market is working well and is aligning the rand to sentiment." ■

CMC Times 13/6/86 280

Govt foresees foreign 'punitive measures'

PARLIAMENT. — The government was aware that stricter security action could elicit criticism and punitive measures from the outside world, the State President, Mr P W Botha, said yesterday after the declaration of a national state of emergency.

"I wish . . . to say forthrightly to the outside world: We have seen clearly what happened in Angola as well as in Vietnam, Nicaragua, Kampuchea, Afghanistan and Iran.

"We will consequently not allow our heritage of more than 300 years to be placed needlessly on the altar of chaos and decay."

Mr Botha said that since he became Prime Minister, more had been done (in the field of reform) in all spheres of life than most people considered the government willing or able to do.

This included "drastic" labour reform, the new constitution as a broadening of democracy, abolition of discriminatory measures, freehold property rights for blacks, the urbanization policy, willingness to negotiate with all South Africans on political reform, citizenship for blacks, and upgrading of education and housing.

"Despite the government's commitment to negotiation for a new South Africa, in which the reasonable aspirations of all its citizens would be satisfied, violence has continued and even increased."

Violence had also increased in white areas but the largest increase occurred in black communities "where violence has been imposed on decent members of the black community by so-called 'comrades'.

"This action, encouraged by the African National Congress and its followers, has made the burning of innocent people who disagree with them, a daily occurrence."

During the period March 1 to June 5 this year alone, 284 black people had been violently killed by "radicals" — 172 of them by means of the barbaric so-called "necklace" method.

"It is clear black revolutionaries do not enjoy the spontaneous support of the majority of blacks and that they consequently resort to these methods of intimidation in order to gain control.

"These revolutionaries are controlled by a power clique which is typical of Marxist regimes and which is interested only in a violent take-over of power."

He said the call for sanctions now heard in the United States was a cynical political move to buy black votes in the US at the expense of job opportunities for black people in South Africa.

Mr Botha also said the measures gazetted yesterday were not aimed at the normal activities of law-abiding citizens but specifically aimed at the protection of their interests.

"I therefore make an appeal to all peace-loving South Africans to continue with their daily task to the advantage of our country."

Referring to the measure to which the rand dropped in circumstances such as these, he said exporters should continue to use the low value of the rand on world markets to their own advantage. — Sapa

BUS DAY
13/6/86 - 280

Disinvestment prompts management buyouts

PRESSURE on international companies to disinvest has created opportunities for management buyouts, writes LESLEY LAMBERT.

PRESSURE on international companies to disinvest has created opportunities for management buyouts.

The practice of selling a subsidiary or a division to management has become a solution for international companies wanting to reduce their profile in SA and still maintain a trading relationship with it.

Barclays National Merchant Bank (Barname) recently concluded four more management buyouts. The companies involved are Industex, an Eastern Cape fabric manufacturer; Gilbarco, the subsidiary of a petroleum-dispensing equipment producer; Gardner-Denver, a mining construction producer; and Rohm and Haas, a New Germany-based chemicals manufacturer.

Three of these management buyouts (MBOs) involved the SA subsidiaries of international companies.

Barname assistant GM Andre Roux agrees that disinvestment is part of the motivating force, with US parent companies being chief players.

"The other part of the story is setting up local control and management — and preserving supply and reserach links between SA companies and their former parents."

Barname's involvement in MBOs — which have gained popularity fast in the US and, to a lesser extent, in the UK — has intensified over the past two years. It established a division to specialise in this area earlier this year.

Roux believes the shift away from large industrial conglomerates and the encouragement of smaller business operations able to create jobs more easily has played a role in nurturing the international MBO boom.

Statistics show that in the US the MBO market grew from $3,5bn three years ago to $20bn in 1985. In the UK the market is estimated at about £1bn.

Statistics are harder to come by in SA. But the interest, which is based on the incentive of controlling one's own business, is growing.

Roux alludes to local companies looking inwards at their core business, some with a view to shedding divisions which no longer fit in with corporate strategies.

"We are looking at a number of fairly large local management buyouts which may come to fruition. If they do, this would be further evidence of the growing trend in SA."

Roux defines an MBO as a deal enabling members of the management of a profitable company or division to buy the shares or assets with a significant amount of debt and little equity capital.

This is accomplished primarily by structuring the buyout in such a manner that it is legally possible to use the seller's assets for collateral and the seller's earning stream to reduce debt.

The role of the merchant bank is to structure a deal, to negotiate with the seller and potential outside investors and lenders and to construct a finance package for the business being acquired which takes into account its future needs as well as the purchase itself.

The bank normally provides a substantial proportion of the finance, with assistance from other financial institutions. In a typical leverage buy-out situation, the management can contribute as little as 5% of the purchase price to gain control.

Sanctions could mean 1m jobs lost

The Argus Correspondent

JOHANNESBURG.— Warning was sounded today that more than a million jobs would be jeopardised inside South Africa if the world tightened the sanctions noose with trade boycotts.

Studies by the Production Management Institute show that even if boycotts on South African exports were only 20 percent effective, the chain reactions would put about 90 000 whites and 343 000 blacks out of work.

If export boycotts spread to become 50 percent effective, the toll on jobs would grow to more than 1,1 million.

Dr Frank Carlisle, executive director of the institute, forecast there would be "inconceivable hardship" as about R2 600-million was wiped off the combined incomes of black and white workers who would be idle.

Industries involved in the manufacture of automobiles, machinery and plastics would especially vulnerable if overseas suppliers started to choke off essential imports.

Howe: Too soon to talk about economic measures

The Argus Foreign Service

LONDON — Britain's Foreign Secretary, Sir Geoffrey Howe, has said that Britain will be prepared to discuss with the Commonwealth further measures to encourage peaceful change in South Africa

He said today that Britain had already been party to a number of economic measures against South Africa, involving arms and oil supplies and the Gleneagles agreement

It was too soon to say what options should be considered, but the issue would be discussed at the August Commonwealth heads-of-government meeting

Urgent

He described the need to bring pressure to get talks between "the beleaguered South African Government and the black majority to bring change by discussion and not by violence as "overwhelmingly urgent'

But he stressed that Britain had always opposed collective economic boycotts because experience had shown they did not work

Opposition Labour Party leader Mr Neil Kinnock said he believed Mrs Thatcher would change her mind about economic sanctions against South Africa in the run-up to the Commonwealth leaders' conference

Campaign

Last month's optimism over the EPG initiative — which brought South Africa to within reach of major constitutional negotiations — is being dispatched with a determined campaign to destroy apartheid through sanctions and increased isolation

And Britain, which had high hopes of a successful EPG venture vindicating its opposition to sanctions, is being forced to consider taking some form of action to appease the chorus of criticism and to preserve the Commonwealth bond

From Washington the Argus Foreign Service reports that President Ronald Reagan is to make a statement about the situation in South Africa today and is expected to defend his administration's decision to oppose further economic sanctions

In London South Africa's Ambassador, Dr Denis Worrall, faced criticism on two television panel discussions last night

He said the EPG's warning of a "bloodbath" was "totally irresponsible"

The Commonwealth report and reimposition of emergency law have generated considerable concern in Whitehall and Downing Street.

British Prime Minister Mrs Magaret Thatcher, reported to be deeply concerned, requested a meeting with the co-chairmen of the group, General Olusegun Obasanjo and Mr Malcolm Fraser "for guidance'

Sapa reports from Ulundi that Kwazulu Chief Minister Chief Mangosuthu Buthelezi said yesterday that the declaration of an emergency was tragic

"The momentum that was building up towards negotiation among all population groups will now again be halted," he said

Sanctions could mean 1m jobs lost

The Argus Correspondent

JOHANNESBURG — Warning was sounded today that more than a million jobs would be jeopardised inside South Africa if the world tightened the sanctions noose with trade boycotts.

Studies by the Production Management Institute show that even if boycotts on South African exports were only 20 percent effective, the chain reactions would put about 90 000 whites and 343 000 blacks out of work.

If export boycotts spread to become 50 percent effective, the toll on jobs would grow to more than 1,1 million.

Dr Frank Carlisle, executive director of the institute, forecast there would be "inconceivable hardship" as about R2 600-million was wiped off the combined incomes of black and white workers who would be idle.

Industries involved in the manufacture of automobiles, machinery and plastics would especially vulnerable if overseas suppliers started to choke off essential imports.



Picture: DANA 'T ROUX The Argus

Major-General Dirk Genis, left, talks to the Press on a tour of KTC

Crossroads anarchy must stop, says Genis

Staff Reporter

CROSSROADS anarchy must stop, says Major-General Dirk Genis in charge of the security forces in the area

General Genis toured the area accompanied by the Press after high-level meetings yesterday

The area was quiet, although a stone was thrown at the Casspir in which the party was travelling

He said it appeared as if the violence was dying down but one had to look at the weather "the great policeman"

Asked whether he would try to meet squatter leaders in an attempt to find a solution to the violence, he said "I don't know We'll see how things develop"

He said he was greeted by an "indescribable sight" when he visited the scene of this week's fighting

"You can see clips on television but you really have to see it for yourself."

"It's absolutely chaotic.

"WORSENED"

"I was here a few weeks ago but since then the situation has worsened greatly'

Asked what the police would do to end the violence, he said discussions were "at an early stage" and "I don't want to say too much'

Asked if there would be changes in police methods, he said "It's too early to comment."

● More reports — Page 4

City men win world boat race trophy

Staff Reporter

TWO Cape Town men have won the world championship inflatable boat-race trophy in the United States

Rob Newman and Chris Lemmer competed as an individual entry against 17 international teams, including seven Springbok squads

The race was over 322km on the Payette River, Idaho, which runs into the raging Snake River

"It was rough r' was exciting it was frightening," said Newman back this week at his desk at D F Malan Airport where he works as an engineer

Durban's Martin Visagie and Greg Bennett were third

Cour... Bare...

By TOS ... Political Cor...

THE state of ... the most ... rights South ... while the C... paring the ... tional sanct... spokesmen ...

They w... ca could pay ... the new state ...

On the ... Government's ... problem is to ... morale

Some good ... when the ... Mr Barend ... nounces a ... stimulate ... week in the ... bate on the ...

DRAS...

Although ... work ... and a cut in ... pected.

The Gov... its drastic ... stability ... confidence.

The Prog... Party ... order, Mrs ... she had a ... developments ... newed ...

The ... serious ... that South ... said.

The ...

Five in K...

The Argus C... PRETORIA ... people, in... guards, ... killed and ... ly wounded ...

Sources in ... trouble star... afternoon ... guards at a ... belonging to ... ternal ... clashed with ... wanted to ... alight for ...

They said ... iously ... guards ... group.

Later, ... youths ... guards with ... missiles. The ... overpowered ... their bodies ... with diesel ...

The ...

FURNITURE ALWAYS COST LESS AT
Harmony
DISCOUNT FURNISHERS
CHALLENGE
COMPARE
OUR PRICES
HARMONY FOR DISCOUNT PRICES
6 MONTHS TERMS AT NO EXTRA CHARGES AT ALL...
WARDROBE SPECIALS
'NYSNA'
'JENNY'
'MARINA'
'CH...

Canada halts SA products

CHERILYN IRETON

THE Canadian government yesterday announced it would no longer buy South African products and also effectively banned SA government attaches from operating in Canada.

A statement on the report of the Eminent Persons Group (EPG) said the Canadian government believed the Commonwealth would move forward united against apartheid.

"...I am announcing four more Canadian measures against apartheid," said Secretary of State for External Affairs Joe Clark. These include a halt on government purchases of SA products; a ban on the promotion of SA tourism in Canada; an allocation of an additional R5,2m for the education and training of blacks in South Africa; and a ban on the official presence of four SA attaches in Canada."

Neither trade experts nor government officials were certain of how much of the R204m exported to Canada last year was government-bound.

France volte-face : Call for SA sanctions

PARIS. — In a dramatic switch, the French Government announced today that it supported sanctions against South Africa.

On the State-run Antenne 2 television network junior Minister Mr Claude Malhuret announced that France would contact its 11 European Common Market partners on Monday and urge them to bring sanctions against South Africa, "particularly halting import of all agricultural produce".

The new pro-sanctions policy is a complete turnabout, especially as French Foreign Minister Jean-Bernard Raimond agreed with his British counterpart Sir Geoffrey Howe at a meeting in Paris last Tuesday that France opposed sanctions.

Pressure

Intense pressure will be put on Britain and the US to join in a sanctions move.

However, at a news conference in Washington, President Ronald Reagan reaffirmed his opposition to sanctions against South Africa.

US investment was only one percent of the country's total foreign investment and sanctions would be ineffective and hurt the people Americans were trying to help, he said.

The President's comment about sanctions followed an earlier statement by the Secretary of State, Mr George Shultz, that an "unravelling tragedy" was taking place in South Africa but that sanctions would leave the US with no further leverage to press for reform.

Message

In a message from the White House President Reagan also appealed to all South Africans to end violence.

The American people felt strongly that permitting non-violent meetings was the hallmark of civilised government and in the best tradition of Western democracies.

"At the same time, I want to address myself publicly to all South Africans to urge that they consider again the stark consequences of violence before lighting the next match or pulling the next trigger.

"Our hearts are with the people of South Africa in this time of trauma. We appeal to them — white and black — to face up to their responsibilities."

President Reagan told reporters he regretted the state of emergency.

The President said his Administration wanted to do everything possible to help the faction in the South African Government that had made some progress.

The British Prime Minister, Mrs Margaret Thatcher, has also restated her objections to economic sanctions against South Africa and says she is ready to stand alone on the issue.

Interviewed on Britain's commercial television network, Mrs Thatcher said her view was that sanctions might contribute to violence, add to poverty and harm jobs in Britain.

She seemed to counter-suggestions that Britain might compromise to hold together the 49-country Commonwealth.

Mrs Thatcher told her interviewer. "There is an argument that sanctions would lead to greater turmoil and more killing."

Recalling the failure of a 15-year economic blockade of Rhodesia, Mrs Thatcher said sanctions by Commonwealth countries alone would not be enough.

She repeated the argument that sanctions would harm neighbouring black states and would make 120 000 people jobless in Britain. — Sapa-Reuter.

s leave in
: Holidays in

24 days sick

: 48 days sick

78 days sick

thereafter

BUSDAY · 15/6/86 ·

280

SA waiting for the sanctions blade to drop

By David Southey

THE imposition of broader economic sanctions on South Africa seems to draw nearer by the day.

And as prospects for normal trade grow dimmer, local businessmen and farmers are worrying about when the curtain might fall on their particular products.

Sankorp's Peet Strydom believes most goods exported in bulk — essentially raw materials — should continue to find access to foreign markets.

This is because bulk goods' sources are difficult to identify and are often mixed with the same exports from other countries at the world's major shipping centres

Economists also point out that there is a certain level of world demand for particular commodities which cannot suddenly be compensated for by stepped up production by non-SA producers.

These commodities include coal, base metals such as iron ore, copper and aluminium, wool, mohair and so on.

More vulnerable are the easily identifiable exports, such as SA wine, certain textiles and deciduous and citrus fruits. However, SA is known to be exporting large quantities of fruit into politically hostile countries, routing these through some of the world's busiest international harbours

Countries competing with SA's exports have long been among the most vociferous proponents of sanctions Countries that stand to benefit from sanctions against SA include Australia (minerals and agriculture), New Zealand, and some South American countries

It goes without saying that countries that help SA in sanctions busting could make a fortune. They could act as middle-men, or dishonest brokers, creaming off five or 10 percent or more on exports worth billions.

IMPORTS		EXPORTS
16,2%	North America	9,2%
15,3%	Asia	11,8%
41,6%	Europe	27,9%
11,8%	Japan	7,5%

SA's major merchandise exports by composition (excluding gold) in 1985 were as follows:

Diamonds, precious and semi-precious metals	13%
Minerals	25%
Base Metals	20%
Vegetable products	4%
Textiles, including wool and mohair	5%
Chemicals	5%
Prepared foods, canned fruits, sugar etc	4%
Machinery and transport equipment	5%

Biggest losers — apart from SA — are likely to be the South-east Asian developing nations which have substantially expanded trade with this country in the last few years With economic growth being somewhat slow in the industrialised nations of Europe and the US, these Asian countries have been looking increasingly to Australia, New Zealand and SA to bolster their trade.

There is always the prospect, however, that one or more of these exceedingly hungry and agile international traders were willing to act as middlemen.

SA's existing Asian trading partners are said to be less politically sensitive than their European and American counterparts. Some are also heavily dependent on SA raw materials

SA is said to be most vulnerable to sanctions imposed by EEC countries. Already Scandinavian countries have banned imports of SA coal, although much of this is still known to be reaching original destinations on a "via via" basis. (Communist China is said to be among SA's clients)

SA is one of the world's biggest coal exporters and also accounts for most of the best grades

Imports (with the possible exception of oil) pose less of a problem High technology equipment, including computers, is produced by multinationals across the globe.

The withdrawal of one or two brands from the SA market — which would imply the exit of its manufacturer — shouldn't prove critical. Most computers are mutually compatible. Besides, even with the withdrawal of Apple, SA is able to import these machines from Taiwan, for example

Sanctions would inevitably lead to faster rationalisation in the motor industry, but the withdrawal of, say, Ford, General Motors or Toyota would undoubtedly leave a big gap

Sanctions proponents overseas have said they will attempt to monitor oil shipments via satellite. Still, shipping experts point out it is relatively easy for a vessel "to change its identity" on the high seas

With sanctions outlawing SA participation in international markets, domestic strategies will have to change.

Says Dr Strydom "If we have sanctions we will no longer be participating according to the rules of the market. Policies and strategies related to our foreign trade sector will have to be reviewed. We might be forced to use more powerful measures, such as direct import controls instead of tariff protection and bigger tax concessions for export industries"

Fraser urges sanctions against SA

COMMONWEALTH Eminent Persons Group co-author Malcolm Fraser yesterday called for economic sanctions against SA.

Former Australian Prime Minister Fraser – speaking in advance of the publication of the report – told BBC the time had come for Western nations to impose sanctions against SA.

"I believe there would be a good chance they would work because the SA government certainly fears the imposition of sanctions," he said.

However, although the Commonwealth mediators said they feared a major bloodbath if negotiations between black and white people did not take place, their report did not recommend full economic sanctions.

It did say there was little prospect of change without them.

It said Pretoria was not interested in serious negotiations and the cost of lives "may have to be counted in millions".

● The African National Congress says it is not surprised at the Eminent Persons Group's failure to promote dialogue between it and the SA government.

The ANC says it was to be expected that the group must eventually conclude that the SA government was not serious about its claims that it wanted to move away from apartheid.

An ANC official spokesman in Lusaka added that the outlawed movement had never believed the EPG had much hope of success, although the ANC had given the group all the help it could.

He said the ANC was still prepared to meet the group if it came knocking on the ANC's door as the outlawed movement – while continuing its "people's war" – would continue to explore all avenues which might contain the possibility of a reasonably peaceful transfer of power to the people.

Commonwealth unity likely to be shattered

15/6/87 (16) S. TIMES

280

By EVELYN HOLTZHAUSEN: London

IRON LADY Margaret Thatcher has set the scene for a dramatic showdown at home and abroad over sanctions

First, she faces the House of Commons on Tuesday in a stormy debate on her Conservative Government's policy on South Africa

But the real battle is expected in August, when she will stand alone against the Commonwealth in her resolute opposition to an all-out economic blockade

If she remains unbending — and she made it clear in a TV interview on Friday night that she was sticking to her guns — it could shatter Commonwealth unity

Even that, she indicated, was a risk she was prepared to take

Uncompromising

The British Prime Minister also made it clear that in return she expected the South African Government to forge ahead with dismantling apartheid

Mrs Thatcher is backed in her uncompromising anti-sanctions stand by her biggest foreign ally, President Ronald Reagan In a major speech he too bucked calls for tougher economic action against South Africa

Mrs Thatcher said on Friday night that she was to embark on an urgent series of 'extensive consultations with leading Western Governments to work out the most effective way of bringing a 'non-racial one man, one vote" democracy to power in South Africa

Rejecting the Eminent Persons Group's call for full-scale embargoes, she said that whatever happened in South Africa it was 'essential that the economy survive intact"

The British Prime Minister's attitude may split the Commonwealth and anger the Queen who as head of the Commonwealth is reported to be concerned that the Commonwealth remains intact

Asked directly if her attitude towards sanctions might cause a Commonwealth split, Mrs Thatcher said "If I was the odd one out and I was right, that would not matter — would it?"

This remark caused a gasp in Westminister and an immediate explanation was rushed out almost before Mrs Thatcher's interview was finished.

Officials pointed out that there was no question of her meaning that she was prepared to precipitate the break-up of the Commonwealth whose heads of Government are pushing for total sanctions

She was making the point, said Government officials, that if you believe you are right you do not simply drop your case because others hold a different view

Asked in the interview to comment on the Queen's attitude Mrs Thatcher curtly replied that she did not discuss matters affecting the Queen except with the Queen



Margaret Thatcher — sticking to her guns and fighting against SA sanctions, but D-Day looms in her war against the Labour Party and Commonwealth

She said those who advocated sanctions, including Bishop Desmond Tutu, the heads of the Frontline States and others, had no proof that they would be effective in bringing about their main objective — peaceful change

"Sanctions may make things worse" she said, citing predicted black hunger as yet another factor which would have to be dealt with if sanctions caused the collapse of the economy

She also said sanctions would harm many countries in Africa and hit 120 000 jobs in Britain which is facing its highest unemployment ever

She said for sanctions to be effective they would have to be imposed by the 'entire world', or countries not part of the blockade would take advantage of the situation for their own benefit

She pointed out that South Africa and the Soviet Union were the only countries which supplied the world with platinum and there were considerations regarding the world economy which would have to be taken into account if sanctions were applied

But Mrs Thatcher did not rule out that 'tough measures" would have to be taken to bring pressure to bear on the South African Government to negotiate

"There have been changes in South Africa" she said, "but not anything like enough

"I do want effective measures, I do want to bring about an end to apartheid, I do think it is urgent and I will do everything possible' she said

Mrs Thatcher said she would study the EPG report and embark on extensive consultations' with Western Governments including the USA Germany, Japan the Commonwealth countries and the EEC before deciding on what measures to adopt

She said there was a moral argument for sanctions but there was also a moral argument against sanctions Merely "hitting out' at the South African Government would not help South Africa

Objectives

"One knows the arguments for and against and careful consideration will have to be given to the question before any decisions are made," she said.

She said no one should lose sight of the main objective which was to bring about peaceful change in South Africa and ensure the economy remained intact

In six weeks Mrs Thatcher will face the Commonwealth at a mini-summit which will be dominated by the sanctions proposals of the EPG

It won't just be the Afro-Asian block that Mrs Thatcher has to handle Britain's traditional allies in two World Wars — Canada Australia and New Zealand — have come out in favour of sanctions against South Africa

The prospect of a major split with these nations will stir strong British emotions

But first, Mrs Thatcher has to defend her stand in Tuesday's Commons debate, called by the Labour Party to discuss the EPG report

Adding to her problems, there are reports that some Tory MPs have swung in favour of sanctions

A snap poll on Thursday, only hours after the EPG report had been published, showed a significant body of Conservative MPs were now in favour of sanctions

Former Tory Chancellor of the Exchequer Lord Barber — who was Mrs Thatcher's nominee member of the EPG and who has opposed sanctions in the past — has now acknowleged that economic pressure was desirable to force the South African Government to follow a stepped-up programme of dialogue and reform

Lord Barber is also the chairman of Standard Chartered Bank which has a major interest in the Standard Bank (SA), and chairman of the board of directors of the Urban Foundation in Britain The Labour Party's shadow Foreign Secretary, Mr Dennis Healey, said this week it was clear the EPG was calling on the Commonwealth to impose sanctions

The risk of delaying a decision on the issue "to save face for Mrs Thatcher", would lead to growing international 'fury' at the British Government's failure to act, he said

Commonwealth unity likely to be shattered

15/6/85 289 S. TIMES

By EVELYN HOLTZHAUSEN: London

IRON LADY Margaret Thatcher has set the scene for a dramatic showdown at home and abroad over sanctions.

First, she faces the House of Commons on Tuesday in a stormy debate on her Conservative Government's policy on South Africa

But the real battle is expected in August, when she will stand alone against the Commonwealth in her resolute opposition to an all-out economic blockade

If she remains unbending — and she made it clear in a TV interview on Friday night that she was sticking to her guns — it could shatter Commonwealth unity

Even that, she indicated, was a risk she was prepared to take

Uncompromising

The British Prime Minister also made it clear that in return, she expected the South African Government to forge ahead with dismantling apartheid.

Mrs Thatcher is backed in her uncompromising anti-sanctions stand by her biggest foreign ally, President Ronald Reagan In a major speech, he too bucked calls for tougher economic action against South Africa

Mrs Thatcher said on Friday night that she was to embark on an urgent series of "extensive" consultations with leading Western Governments to work out the most effective way of bringing a "non-racial, one man, one vote" democracy to power in South Africa

Rejecting the Eminent Persons Group's call for full-scale embargoes, she said that whatever happened in South Africa it was "essential that the economy survive intact"

The British Prime Minister's attitude may split the Commonwealth and anger the Queen who, as head of the Commonwealth, is reported to be concerned that the Commonwealth remains intact

Asked directly if her attitude towards sanctions might cause a Commonwealth split, Mrs Thatcher said "If I was the odd one out and I was right, that would not matter — would it?"

This remark caused a gasp in Westminister and an immediate explanation was rushed out almost before Mrs Thatcher's interview was finished

Officials pointed out that there was no question of her meaning that she was prepared to precipitate the break-up of the Commonwealth, whose heads of Government are pushing for total sanctions

She was making the point, said Government officials, that if you believe you are right you do not simply drop your case because others hold a different view

Asked in the interview to comment on the Queen's attitude, Mrs Thatcher curtly replied that she did not discuss matters affecting the Queen except with the Queen



Margaret Thatcher — sticking to her guns and fighting against SA sanctions, but D-Day looms in her war against the Labour Party and Commonwealth

She said those who advocated sanctions, including Bishop Desmond Tutu, the heads of the Frontline States and others, had no proof that they would be effective in bringing about their main objective — peaceful change

"Sanctions may make things worse," she said, citing predicted black hunger as yet another factor which would have to be dealt with if sanctions caused the collapse of the economy

She also said sanctions would harm many countries in Africa and hit 120 000 jobs in Britain which is facing its highest unemployment ever

She said for sanctions to be effective they would have to be imposed by the "entire world", or countries not part of the blockade would take advantage of the situation for their own benefit.

She pointed out that South Africa and the Soviet Union were the only countries which supplied the world with platinum and there were considerations regarding the world economy which would have to be taken into account if sanctions were applied

But Mrs Thatcher did not rule out that "tough measures" would have to be taken to bring pressure to bear on the South African Government to negotiate.

"There have been changes in South Africa," she said, "but not anything like enough.

"I do want effective measures, I do want to bring about an end to aparthied, I do think it is urgent and I will do everything possible," she said.

Mrs Thatcher said she would study the EPG report and embark on "extensive consultations" with Western Governments including the USA, Germany, Japan the Commonwealth countries and the EEC before deciding on what measures to adopt.

She said there was a moral argument for sanctions but there was also a moral argument against sanctions Merely "hitting out" at the South African Government would not help South Africa

Objectives

"One knows the arguments for and against and careful consideration will have to be given to the question before any decisions are made," she said.

She said no one should lose sight of the main objective which was to bring about peaceful change in South Africa and ensure the economy remained intact.

In six weeks, Mrs Thatcher will face the Commonwealth at a mini-summit which will be dominated by the sanctions proposals of the EPG

It won't just be the Afro-Asian block that Mrs Thatcher has to handle Britain's traditional allies in two World Wars — Canada, Australia, and New Zealand — have come out in favour of sanctions against South Africa

The prospect of a major split with these nations will stir strong British emotions

But first, Mrs Thatcher has to defend her stand in Tuesday's Commons debate, called by the Labour Party to discuss the EPG report

Adding to her problems, there are reports that some Tory MPs have swung in favour of sanctions

A snap poll on Thursday, only hours after the EPG report had been published, showed a significant body of Conservative MPs were now in favour of sanctions

Former Tory Chancellor of the Exchequor, Lord Barber — who was Mrs Thatcher's nominee member of the EPG and who has opposed sanctions in the past — has now acknowleged that economic pressure was desirable to force the South African Government to follow a stepped-up programme of dialogue and reform

Lord Barber is also the chairman of Standard Chartered Bank, which has a major interest in the Standard Bank (SA), and chairman of the board of directors of the Urban Foundation in Britain The Labour Party's shadow Foreign Secretary, Mr Dennis Healey, said this week it was clear the EPG was calling on the Commonwealth to impose sanctions.

The risk of delaying a decision on the issue, "to save face for Mrs Thatcher", would lead to growing international "fury" at the British Government's failure to act, he said

Bush backs Reagan's SA stand

SUNDAY TIMES
FOREIGN DESK

US Vice-President George Bush yesterday backed President Reagan's firm stand against sanctions.

Mr Bush said he did not expect the US to drop its opposition to economic sanctions against South Africa to speed the end of apartheid.

"I don't foresee change in that regard," Mr Bush told a news conference in Ottawa, where he has been holding talks with the Canadian Government. "We have never been a great believer in sanctions," he said.

Tough

Mr Bush said there had been some progress in dismantling apartheid but not enough. Sanctions would not be effective, he said, "so we want to stay engaged".

Mr Bush said the subject was raised during talks with Canadian Prime Minister Mr Brian Mulroney.

Canada yesterday announced further limited measures against South Africa, saying full economic and diplomatic sanctions were likely in the absence of real reforms.

The Canadian government asked newspapers, radio and TV not to carry South African advertising. It also said it would not buy any South African products and has revoked the diplomatic status of four US-based South African attaches who do some of their work in Canada.

PATRICIA CHENEY reports from Washington that despite the White House's defiant stand against sanctions, the issue will be resolved on the battleground of Congress.

The crucial legislation took shape this week in the House of Representatives. A tough sanctions Bill passed both the Foreign Affairs Committee and the Trade Sub-committee on its way to full deliberation by the House.

The Bill, which is identical to one introduced in the Senate by Senator Edward Kennedy, bans the sale of computers to South Africa, ends all bank loans to South African clients, halts new business investment, cuts off landing rights for all South African-owned aircraft and ends the import of uranium, steel and coal.

The Bill's backers are pushing to bring it up for debate in both the House and Senate during the next week, in the hopes of exploiting the emotional anniversary of the 1976 Soweto riots.

Senator Kennedy is expected to try to add the Senate Bill as a rider to another piece of legislation.

Republican senators who have previously blunted sanctions legislation with less onerous Bills indicated events in South Africa gave them little choice but to go along with the harsh Kennedy Bill.

Protest

On Friday, some Senate Republican aides were discussing a non-binding resolution to expel the embassy's Press staff to protest against the suppression of Press coverage in South Africa.

A State Department source told the Sunday Times that despite his vows to the contrary, President Reagan would not be able to withstand the sanctions that are expected to get overwhelming approval by the Congress.

Japan to follow West's lead

TOKYO — Japan will join in economic sanctions against South Africa if Britain, America and other countries decide to impose them, according to a Foreign Ministry official.

Japan has already announced a ban on the imports of gold coins from South Africa and the exports of computers to South Africa. However, further economic sanctions would be considered if other nations imposed them, the official said.

The Japanese Government filed an official protest on Friday expressing strong regret over the declaration of a state of emergency. — The Star's Foreign News Service.

Further steps could depend on Govt response to Soweto anniversary

US to put on the screws?

The Star Bureau

WASHINGTON — The United States is considering further steps against South Africa, according to news reports here

Last night NBC news reported that the US could take such action as expel more South African diplomatic staff and ban South African aircraft if the Botha Government's reponse to today's Soweto anniversary is excessively violent

CBS also reported the possibility of action such as the closing of consulates

Asked whether the US intends taking further steps, Mr Edward Djerejian, White House spokesman on foreign policy, said the situation was under review.

But from President Reagan down, US officials have repeated that further economic sanctions are not being considered because they will hurt blacks — the people the US is trying to help

The US Government has decided to join Britain and West Germany in boycotting a United Nations-sponsored conference on SA sanctions that starts in Paris today

Inspite of the Reagan Administration's firm opposition to punitive economic steps, officials here are making little effort to hide their mounting frustration and dwindling patience

This has been expressed publicly in a series of tough statements in recent days According to one report here, President Botha responded angrily in a letter after the US Secretary of State, Mr George Shultz, said that apartheid was an immoral system that did not serve US interests and offended its moral principles

To the floor

Mr Botha is said to have responded that any further criticism like that could mean the end of contacts between the two countries

Economic sanctions will be one of the top issues of the week in the US House of Representatives where the Anti-Apartheid Act of 1986 will go to the floor for a vote, possibly as early as today or tomorrow

The measure is certain to be approved since it has the support of virtually all the majority Democratic Party members and a significant number of Republicans

The Bill will have to be approved by the Republican-controlled US Senate as well if it is to become law but its fate in that chamber is less certain The Senate is likely to be more responsive to the President's requests

The Senate's Foreign Relations committee is to hold public hearings on the South African situation in mid-July and congressional sources say that some form of punitive legislation could emerge from them

But it is expected here that any new legislation arising in the Senate would be milder than the Anti-Apartheid Act of 1986 which would ban all new investment in SA, close all SA bank offices here and impose other tough restrictions

President Reagan has appealed to the Congress to allow the Advisory Committee on South Africa — a 12-member panel he appointed last year —



President Reagan... wants to hear from Advisory Committee

to make policy recommendations first before they vote for new sanctions

The panel has until January to submit its report to the Secretary of State

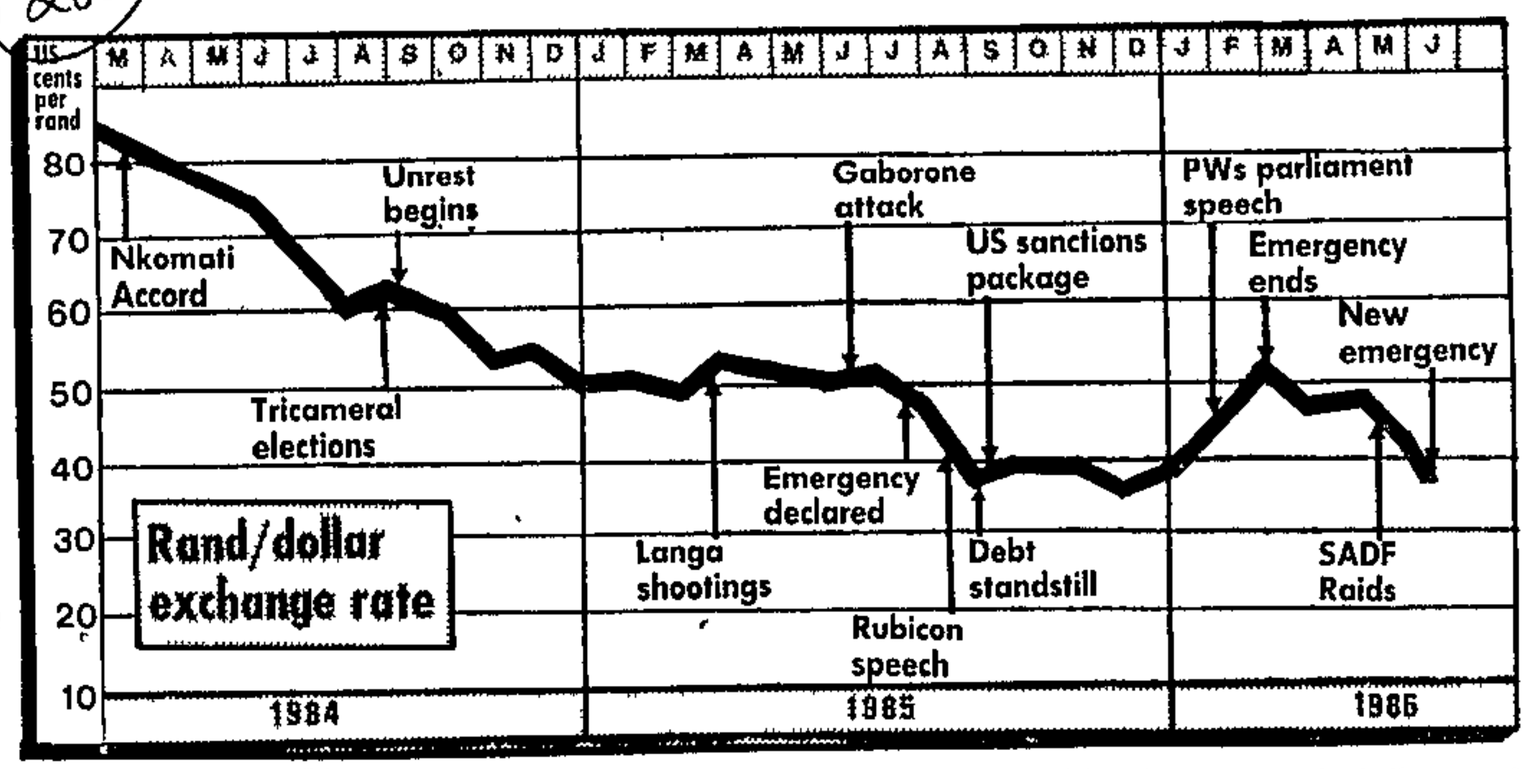
The Star Bureau in London reports that the British Government is facing a deepening split as it considers the crescendo of demands for sanctions against South Africa

Britain's position is likely to be spelt out at next week's Luxembourg meeting of EEC Foreign Ministers

Air links

It is clear Mrs Thatcher is being forced to come up with something significant enough to satisfy the Commonwealth, EEC and elements within her own party

It is thought she may choose a ban on air links



This graph traces the decline of the rand against the dollar during two-and-a-half years of political turbulence The strength of the US dollar against all currencies in recent years partly accounts for the crash of the rand But continuing unrest has knocked foreign confidence — pushing the rand down further and contributing to South Africa's economic slump Major events which influenced foreign investors in 1984 included the launch of the new constitution, accompanying protests and the start of unrest In 1985 significant events included the Langa shootings in March, the SADF attack on Gaborone in June, the declaration of the state of emergency in July, the "Rubicon" speech by the State President in August and the debt standstill declared in September Key events this year include the State President's opening speech to Parliament, the end of the first state of emergency in March, the latest SADF raids on three neighbouring states and the declaration of a new state of emergency in June

Cost of politics to the country

She faces a major Commons debate on South Africa tomorrow which will be followed on June 26 by the EEC summit in The Hague and then the mini-Commonwealth summit in London in August

Sir Leslie Smith, chairman of the British Industry Committee for South Africa, said on BBC television at the weekend that the only hope of getting non-violent, managed change is through maintaining the South African economy

UK measures unlikely to satisfy EC partners

Thatcher agrees to limited SA package

16/6/86 - BUSDAY - 280

LONDON — British Prime Minister Margaret Thatcher — SA's staunch ally in the anti-sanctions campaign — has backed a package of "effective measures" to ward off mounting pressure.

However, the limited measures she could propose are unlikely to satisfy Britain's partners in the 12-nation European Community (EC), whose foreign ministers meet today in Luxembourg to discuss the question of sanctions.



● THATCHER

British Foreign Minister Sir Geoffrey Howe was to begin a round of intensive negotiations today with EC countries, the US, and Japan, to seek agreement on new measures.

British newspapers suggested yesterday these measures could include a ban on air links with SA, a ban on imports of agricultural produce, restrictions on new British investment and loans, withdrawal of consular facilities and the boycott of bulk commodities such as steel and coal.

Thatcher has remained firm in her rejection of sanctions and insisted over the weekend that time was needed to work out constructive proposals, "rather than falling back on sanctions".

JOHN BATTERSBY and Sapa

She said on television effective measures could only be taken after the fullest consultation between Britain and the major Western industrialised nations.

"One can't act alone. There can be no effective measures unless we agree with our European partners and the seven Western industrialised nations," she said.

Her shift was reported to be aimed at deflecting Commonwealth pressure for tougher sanctions and to reassure Queen Elizabeth, head of the Commonwealth, she was doing everything possible to maintain its unity and to prevent splits in her Conservative Party.

Britain has been strongly criticised by members of the 49-nation Commonwealth for its anti-sanctions stance.

The EC meets today having already called for drastic measures against SA to make negotiation possible. It protested to SA over the weekend against the imposition of the State of Emergency.

The Netherlands, which currently holds the presidency of the EC, and France have said they want the EC to ban the imports of SA vegetables, fruit and wine.

However, diplomats said any such move would probably face opposition from Britain and West Germany.

In Jerusalem yesterday, SA's other strong ally, Israel, condemned the State of Emergency in a statement released by the Foreign Ministry. This said Israel viewed the imposition of emergency regulations "with extreme gravity".

The communique followed a meeting of PM Shimon Peres' cabinet to discuss whether Israel should impose sanctions against Pretoria.

Australia now seems certain to back black African calls for trade sanctions and to apply pressure on Thatcher to change her stance.

Australian PM Bob Hawke said yesterday it would be in Britain's interests to accept economic sanctions against SA.

In a television interview, Hawke said he hoped Thatcher could be persuaded to agree to sanctions at the Commonwealth summit meeting next month.

The Australian Council of Churches has called for a day of prayer in all major cities today to mark the anniversary of the Soweto riots.

Pope John Paul II appealed yesterday for an end to violence in SA and said all men had an innate dignity which excluded discrimination.

In his first public comment on SA since government imposed a nationwide State of Emergency on Thursday, the Pope told crowds in St Peter's Square that Christians would mark a day of prayer for peace and justice in the region.

12/2/86

EEC to discuss sanctions today

LUXEMBOURG — Foreign Ministers of the 12 European Common Market nations meet today to consider banning imports of some South African food products and imposing other economic or political sanctions.

It will be the Common Market's first high-level meeting on sanctions against South Africa since its foreign ministers agreed last September to a series of mostly symbolic political and economic measures, including the withdrawal of military envoys from South Africa.

The Ministers were scheduled to confine their discussion of the South African crisis to their regular once-a-month "political co-operation" luncheon.

The rest of their two-day conference was scheduled to focus on a variety of other subjects, including strained Common Market trade relations with the United States and prospects for holding the first high-level meeting with Turkey since the military coup there in September 1980.

FARM PRODUCTS

The Common Market, or European Economic Community, embassies in South Africa were to be closed today as a security precaution and as a gesture to South Africans commemorating the 1976 Soweto riots.

The EEC Ministers faced mounting pressure to act quickly on South Africa.

Dutch Foreign Minister Mr Hans van den Broek, chairman of the Common Market's governing Council of Ministers, was expected to propose stopping Common Market imports of fruit, vegetables and wine from South Africa.

France, while declaring itself opposed to "mandatory and extreme sanctions" against South Africa, said on Friday it would propose a limited EEC trade embargo that would ban purchases of farm products.

In the past, Britain and West Germany have been the main opponents of strong economic sanctions against South Africa, arguing that they would hurt the black majority without assuring a change in the Pretoria Government's apartheid policy.

AIR LINKS

British newspaper reports yesterday said Prime Minister Mrs Margaret Thatcher was ready for limited sanctions to deflect mounting international criticism of her government's response to the South African crisis.

The reports said the measures could include ending air links, banning food imports, restricting new investment and boycotting bulk commodities such as steel and coal.

Britain and West Germany are Europe's two biggest traders with South Africa, accounting together for about R19 billion of the R39 billion worth of trade the entire EEC did with South Africa in 1984.

The Common Market countries sell mostly manufactured goods, raw materials and fuel products to South Africa and import mostly machines and transport equipment. — Sapa-Associated Press.

EEC appears divided on extent, timing of sanctions

BRUSSELS. — The European Economic Community (EEC) appears willing to impose sanctions against South Africa but looks divided on the extent and timing, say EEC diplomats.

They said the sanctions issue would top the agenda at a two-day meeting of EEC foreign ministers starting in Luxembourg today, the 10th anniversary of an outbreak of serious black rioting against apartheid.

Dutch Foreign Minister Mr Hans van den Broek, president of EEC councils, is expected to propose a ban on imports of South African fruit and other limited measures in response to the imposition of a state of emergency.

The diplomats said this was unlikely to satisfy those who wanted strong sanctions and a row was expected between them and opponents of sanctions.

Britain would be difficult to achieve.

West Germany and France opposed mandatory measures as strongly as Britain, while Italy, Belgium and Luxembourg were against sanctions in varying degrees but kept mostly quiet about it, they said.

In Paris a United Nations conference on South African sanctions opens today but the United States, Britain and West Germany, Pretoria's main Western trading partners, will not be present.

The five-day "world conference on sanctions against racist South Africa" is being organised by the UN special committee against apartheid — Sapa-Reuter.

Toned down

Britain, which opposed mandatory economic sanctions proposed in the EEC last September and later by its partners in the Commonwealth, appears to have toned down its opposition.

It objects to calling them "sanctions" and does not want the EEC to go ahead with new measures before obtaining support from other trading nations such as the United States.

The diplomats said it was not clear whether the Dutch proposals would be acceptable to British Foreign Secretary Sir Geoffrey Howe if the "sanctions" label was dropped.

Anger

Other EEC countries believed such limited action would have little effect on Pretoria's exports to the 12-nation group and would be an inadequate response to the deteriorating situation in South Africa, they said.

Denmark, Ireland, Spain and Greece want sanctions that convey the depth of European concern about Pretoria's unwillingness to negotiate with the country's black majority on ways of speeding up the dismantling of apartheid, they added.

Other EEC nations could outvote Britain and impose EEC-wide sanctions, but diplomats said this would anger London and a majority against against

129

thin one month of commencing
yearly basis. Liability for

ers' and
Transvaal
Industrial
erboom

Prime Minister Margaret Thatcher remains adamantly opposed to sanctions, but the pressure on her to conform with moves by the other countries of the EEC and the Commonwealth is now growing very rapidly reports CLIFF SCOTT of from London

Argus 16/6/86 280

Thatcher takes firm stand on sanctions

FRANCE'S dramatic sanctions somersault this weekend is a serious embarrassment to Mrs Margaret Thatcher, and will lead to a flurry of diplomatic activity in the next few days.

She remains publicly opposed to sanctions. But there is growing belief that she will be forced to agree to some economic measures against South Africa and may try to turn the French move to her advantage by launching a damage-limitation exercise.

So far, France has only said it will call on its 11 European partners to impose sanctions, and has specifically mentioned the import of agricultural produce.

To appease critics of her "sanctions won't work" stance Mrs Thatcher may well finally agree to the kind of limited sanctions suggested by France. She may not even concede that, for tactical reasons, before she has met the other Commonwealth heads of government in August.

She faces furious criticism in Parliament next Tuesday when MPs will debate South Africa. And before the debate even starts, she knows that some of her most senior Cabinet members are convinced Britain cannot avoid agreeing to significant sanctions when the Commonwealth leaders meet.

Among those supporting this view are reported to be her Foreign Secretary, Sir Geoffrey Howe, and her deputy, Lord Whitelaw.



Prime Minister Margaret Thatcher — her speech on television has caused a stir in Europe

Her continuing opposition to sanctions is causing anxiety in government circles, and even led to a hasty clarification of some remarks Mrs Thatcher made in a Friday night TV interview.

After repeating her view that sanctions would not work and would not help to bring peace in South Africa, she was asked if she was not threatening the future of the Commonwealth by going it alone

She replied. "If I was the odd one out and I was right, that would not matter — would it."

The government was so apprehensive about how this remark would be interpreted that it rushed out an explanation before her remarks had even been transmitted.

Officials said there was no question of Mrs Thatcher meaning she is prepared to see the break-up of the Commonwealth over the South African issue.

She was, officials painstakingly explained, making the point that if you believe you are right you do not simply drop your case because others hold a different view.

Mrs Thatcher has been careful to leave herself room to retreat on the sanctions issue, however. In Parliament on Friday she said she was prepared to consider limited "measures" (she does not like the word sanctions) if she can be convinced they will be effective in bringing change in South Africa.

But she still disputed the EPG stance that sanctions would help South Africa

"I do not see their argument that full economic sanctions would stop violence. You could argue that it could make it worse."

She said later: "I do want effective measures. I do want to bring about the end of apartheid. I do think it is urgent."

US bank bans SA loans

SAN FRANCISCO — Bank of America, the second-largest bank in the United States, has formally banned any new loans to South African borrowers.

"We believe prosperity and stability cannot return to South Africa while the apartheid system remains," the bank's management wrote in an employee newsletter.

"Taking into account not only the credit risk apparent in South Africa, but also our abhorrence of apartheid, we will not make new loans to borrowers in South Africa as long as the apartheid system exists."

A spokeswoman for a group called Stop Banking on Apartheid said Bank of America is the first major US bank to formalise its opposition to South Africa's policy. — Sapa-Associated Press.

● See Page 9.

Pressure rises for sanctions

280

C Times

6/6/86

From JOHN BATTERSBY

LONDON. — The threat of Western economic sanctions against South Africa mounted yesterday as Commonwealth negotiators prepared to concede defeat.

As a meeting of the Commonwealth Eminent Persons Group (EPG) entered its third day of secret talks today, it was clear that the consensus was moving towards recommending increased economic pressure.

It is expected that the EPG will finalize the draft of its report to Commonwealth heads of government later today, but it is not likely to be published until the end of the month — so as to leave open doors for Pretoria right up until the last.

Sources close to the mission believe that the report will be unanimous and that even Britain's Lord Barber, the chairman of Standard Chartered Bank, is prepared to support a recommendation for tougher economic measures against South Africa.

Seven-nation mini-summit

The sources said said that only a last-minute assurance from President P W Botha that he is prepared to release Mr Nelson Mandela and begin negotiations could rescue the mission.

The mood of the EPG's report will form an important input into a seven-nation mini-summit in London during the first week of August. This conference will send a clear message to the Non-Aligned Summit in Harare at the end of August.

In Oslo the new Labour government announced that it was considering joining Denmark in a total trade embargo against South Africa.

In Washington a US House of Representatives sub-committee approved legislation that would impose several sanctions on South Africa.

If adopted the legislation would forbid any new US investment or loans to South Africa, ban landing rights for South African aircraft, bar the import of South African coal, uranium and steel and provide more than R50 million to aid black community development efforts inside South Africa.

Lange calls for sanctions

The Prime Minister of New Zealand, Mr David Lange, last night called for the Commonwealth to impose economic sanctions against South Africa. He said it was necessary to send a signal to the business community in South Africa so that they could bring pressure to bear on the government.

He conceded that sanctions were an easier decision for New Zealand, which did not have substantial trade with South Africa, than it was for countries like Britain and the United States.

Informed sources said a co-chairman of the EPG, Nigeria's General Olusegun Obasanjo, has refused to return to South Africa because of the SA Government's reply to its latest proposals.

In London the authoritative Financial Times said that unless the EPG was satisfied that the SA Government was prepared to begin constitutional talks with black leaders — including Mr Mandela — Britain should opt for tougher "economic measures" against South Africa.

Co-ordination of further measures

It is understood that talks on the Commonwealth mission between the British Foreign Secretary, Sir Geoffrey Howe, and the US Assistant Secretary of State, Mr Chester Crocker, on Wednesday, included the possible co-ordination of further economic measures against Pretoria.

Meanwhile three Conservative UK MPs yesterday called on the government to match its words condemning apartheid with measures to assist the suffering black people of South Africa.

The MPs, Mr Hugh Dykes, Mr Robert Adley and Mr Steven Norris, head a backbench movement they claim reflects the views of the overwhelming majority of Tory MPs.

GHt Times

nday, June 16, 1986

280

UK to accept anti-Republic sanctions?

LONDON. — Mrs Margaret Thatcher appeared to be moving towards healing a rift within the Commonwealth by accepting further sanctions against South Africa, British newspapers said yesterday.

The Sunday Times, quoting government sources, said Mrs Thatcher would be seeking to reassure Queen Elizabeth, head of the Commonwealth, that she was doing everything possible to maintain its unity

Britain, which has adopted limited measures against Pretoria but refused to consider full economic sanctions, has been criticized strongly by several Commonwealth countries which have threatened withdrawal from the 49-nation group.

The Sunday Times said Foreign Minister Sir Geoffrey Howe would begin a round of intensive negotiations today with other European Community countries, the United States and Japan to seek agreement on new measures

Embargoes

Currently Britain has arms and oil embargoes, bans on the importation of Kruger rand gold coins and restrictions on sporting links with South Africa.

The paper reported that Commonwealth officials thought Mrs Thatcher might be persuaded to accept a ban on air links with South Africa and stop Britain importing agricultural produce

Meanhwile, the New York Times said that South Africa had effectively imposed martial law with the declaration of a state of emergency

An editorial said the action was a sign of panic which would impress neither the black majority nor foreign governments or businesses.

"In all but name, it has imposed martial law," the newspaper said "The army and police are raiding, banning and censoring and have jailed more than 1 000 opponents without charges"

The test for Mr P W Botha had been whether he could dismantle apartheid while facing down the rebellion in Afrikaner ranks, it said, adding "The president seems to be failing that test."



Mr Reagan



Mrs Thatcher

The newspaper said sanctions alone would be a sterile response and criticized Washington for behaving as if only the ruling whites counted in South Africa

"Mr Reagan expresses the right concern, at least in his formal statement Let him follow it up by reaching out to all who speak credibly for apartheid's victims and offer hope for ending the violence — including (jailed black leader Mr Nelson) Mandela. South Africa's deliverance depends more on them than on Mr Botha's truncheons"

In further reaction received at the weekend·

● Israel's Foreign Ministry voiced concern at the situation in South Africa in a statement that reiterated opposition to apartheid but appeared aimed at avoiding damage to its sensitive relationship with Pretoria. Economic Co-ordination Minister Mr Gad Yaacobi, who had proposed that Israel respond to the latest events in South Africa, told reporters the government was not contemplating any practical steps against South Africa

● The French Secretary of State for Human Rights, Mr Claude Malhuret, said France wanted its EEC partners to impose new sanctions against Pretoria and planned to press for restrictions on South African food products at a foreign ministers' meeting today.

● In The Hague, the Dutch Foreign Ministry said the Netherlands, which currently holds the presidency of the Community, wanted a ban on South African vegetables, fruit and wine

The question of sanctions against Pretoria will be the main topic of a meeting of foreign ministers from the 12-nation bloc in Luxembourg today.

● Pope John Paul II appealed for an end to violence in South Africa, saying all men had an innate dignity which excluded discrimination.— Sapa-Reuter-AP

RUBBER STAMP & ENGRAVING Co.
also at stationers, instant printers or nearest stampmaker

"THE VITAL VIEWPOINT"

17/6/86 Bud DAY- 280

Sanctions: EC unable to agree

LUXEMBOURG — European Community (EC) foreign ministers were unable yesterday to agree on immediate measures in reponse to a reimposed state of emergency in SA.

Dutch Foreign Minister and EC president Hans van den Broek said officials had been asked to prepare a report on options available to the EC before a summit of EC heads of state and government in 10 days' time.

The 12 believed no improvement in SA was likely unless government was prepared to give consideration to opening a national dialogue with the black majority and release jailed African National Congress leader Nelson Mandela, he added.

The EC ministers met in Luxembourg yesterday amid mounting pressure for mandatory sanctions against SA.

Van den Broek said the ministers had not discussed any specific measures, but would try to get common action by all 12 states.

Britain in particular was holding out for EC discussion and consultations with partners like the US before any measures were agreed, diplomats said. — Sapa-Reuter.

UK firms form united front against sanctions

Financial Staff

The more-than-50 UK companies constituting the British Industry Committee on South Africa (Bicsa) are forming a united front against sanctions.

The 50 are producing a pamphlet setting out their opposition to sanctions which, says Bicsa chairman Sir Leslie Smith, would be "quite ineffective".

"We believe there is a more positive part to play, which is essentially to say: 'South Africa has one hell of a problem. What can we do to help?' "

Bankers in London say that, while the interim debt rescheduling agreement is working satisfactorily, the state of emergency may prove a setback.

An imposition of economic sanctions might cause the foreign trade position to deteriorate further, leading to an interruption of interest payments.

The bankers' main anxiety is, however, political.

Though unwilling to define what steps South Africa needs to take to restore its international creditworthiness, they say reforms must be enough to satisfy public opinion in the west and lift pressure from lobby groups on bank creditors, particularly in the United States.

Considerable dissension and apprehension reigns in the European Economic Community about the emotive issue of sanctions against South Africa.

At this stage there is no agreement on what measures EEC nations should take. A key decision is expected next week.

A London broker said "private sector sanctions" already in force, had not prevented the state of emergency, nor had they brought the Government to the negotiating table.

Britain, singled out as an opponent of sanctions, had backing from Germans and Belgium at the EEC meeting.

● See Page 15

UN sanctions conference staggers on

The Star's Foreign News Service

PARIS — Delegates from more than 100 nations have been told they are attending the "conference of the last chance" over South Africa.

Senegalese president Mr Abdou Diouf, who is also the head of the OAU, opening the five-day UN conference on South African sanctions, said "You must impose total, mandatory and severe sanctions."

But there were gloomy expressions as delegates listened to, fine phrases which have echoed round similar meetings or the past 15 years.

France's Antenne-2 television network said the conference served no purpose.

The commentator said none of the Western industrial nations attended although France and Japan were present with observer status.

Mrs Danielle Mitterrand, wife of the French president, suggested that her France-Libertes Foundation should create à research institute in the Cape where South Africans of all races could contemplate "a democratic South Africa".

Many African delegates tried to pick up news bulletins about South Africa on their transistors.

Some seemed disappointed. One said: "If the Africans down there can't make a dramatic move on a day like this, why the hell should we?"

Top UK companies to fight sanctions move

17/1/86 SM 280

The Star Bureau

LONDON — More than 50 major British companies operating in South Africa are about to fire a broadside against sanctions.

The companies, including Shell, RTZ, Barclays, ICI, British Petroleum, BOC and Unilever, are members of the British Industry Committee on South Africa (Bicsa), which was formed in January to act as a mouthpiece on South Africa.

Representatives of the companies will meet in London tomorrow to consider a draft pamphlet setting out Bicsa's views on sanctions.

Once the draft is agreed, the pamphlet will be circulated as widely as possible, said Bicsa chairman Sir Leslie Smith.

He said yesterday: "In our view, sanctions will not work at all. They will be quite ineffective. People in this country underestimate the determination of the Nationalist Government."

He said he thought all 50 companies opposed sanctions.

Sir Leslie pointed out that all Bicsa members opposed apartheid, but it was difficult to keep a balanced and reasoned attitude to the situation in the present climate of emotion and anguish.

'One hell of a problem'

"It seems to us that there are really two routes to follow. One is the negative route which was followed by the EPG report This finished up by saying 'There is no hope — let's wash our hands of the situation and finish in despair.'

"That's not the route that British companies want to follow. We believe there is a more positive part to play, which is essentially to say: 'Look, South Africa has one hell of a problem. What is it we can do to help.'

"I think we can help. We know that apartheid will go — it has to go. But we are looking through apartheid to the situation after there has been agreement on some form either of political power-sharing, or indeed of black political control.

"We believe we will have an important contribution to make as foreign companies to maintaining the South African economy."

Sir Leslie said the worst consequence of sanctions was that the South African economy would be damaged, and as a result it would be impossible to get through a non-violent process of change.

"That's what worries us."

Bank cutback to have little effect

THE Bank of America's (BA) decision to terminate all lending to SA's private and government sectors will have little effect on either the SA financial system or the BA.

However, Citibank may be forced to cut back its local operations if the present 1986 anti-apartheid Bill — which bans new loans and investment in SA — comes into law in its present state.

Local banking sources confirmed the BA, which is believed to be currently in the red, has been reducing its SA exposure for the last two years.

This is in line with the bank's policy of reducing its international exposure, with other countries being affected as well over this period.

STEPHEN ROGERS

American Chamber of Commerce executive director Ken Masson confirmed yesterday the bank had no formal presence in SA.

Dealings with SA are usually conducted through a intermediary "correspondence" bank, or through direct lending to the private and public sector.

But the decision could put additional pressure on Citibank, the only US bank with a direct presence in SA.

Although he would not comment on the implicatiions of the BA decision, Citibank MD David Hexter reiterated the bank's policy of its intention "to stay in SA and remain a force for change".

EEC racked by dissension over action on SA

By Neil Behrmann

LONDON — Considerable dissension and apprehension reigns in the European Economic Community (EEC) about the emotive issue of sanctions against South Africa.

At this stage there is no agreement on what measures EEC nations should take; nor are ministers sure whether they will work. A key decision is expected to made next week.

In a television interview Lord Soames, who was intimately involved with Rhodesia, said caustically that European Community nations should have a clear objective on what sanctions they want and what they would achieve.

"Do the proponents of sanctions want an end to apartheid, power sharing or a unitary black majority government?" asked Lord Soames.

Before a nation deployed troops in a foreign country there were clear objectives on what the intervention was supposed to bring about, said Lord Soames.

The same thinking should apply to sanctions.

"But sanctions is also an emotive issue and has a dismal history of failure," said a West German banker. "They are in effect already in force," he said.

NO MORE LOANS

The banker was referring to international banks which were trying to get repayment on their $25 billion loans made to South Africa.

"Proponents of sanctions contend that there should be no more loans and investments to South Africa, but they are in reality talking about a de facto situation," said the banker.

"Except for a few exceptions, who is investing in South Africa? Who is lending money?

"As far as I can see investors and bankers are trying to take money out of the country."

Some analysts estimate that EEC foreign investment in South Africa totals about £30 billion.

Britain's share is £12 billion and the direct investment of Britain, according to these estimates, is around £6 billion.

But those calculations do not take into account the slump of the rand and the financial rand.

About two years ago British companies' assets were worth about £58 for each R100 of capital in South Africa.

Since they can only repatriate their assets in financial rand, their capital, on a strict currency basis, is currently worth £15 for each R100.

In practice the assets could have appreciated or depreciated in line with the economy, but the worth in pounds, deutsche marks or dollars has shrunk considerably.

NEGOTIATING TABLE

Other things being equal, Britain's direct investment in South Africa is down to about £1,5 billion against £6 billion in 1983.

A London broker pointed out that "private sector sanctions" already in force had not prevented the state of emergency; nor had they brought the government to the negotiating table.

"This is not to say that for years we tried to persuade the government and South African businessmen that they had to do something about black rights," said the German banker.

Britain has been singled out as an opponent of sanctions, but at the EEC meeting there was backing from the Germans and Belgiums.

Belgium imports about £1,5 billion, mainly diamonds, from South Africa and then exports the polished stones.

No consensus on sanctions in EEC

The Star's Foreign News Service

280

LUXEMBOURG — The European summit in The Hague at the end of this month will be dominated by South Africa as a result of the failure by the Foreign Ministers of the 12 to reach agreement yesterday.

Britain, West Germany and Portugal were prominent in opposing Dutch proposals to ban imports of South African wine, fruit and vegetables.

Denmark and Ireland were the leading supporters while others, such as France and Greece, took ambiguous positions.

Political directors from each foreign ministry now have the task of preparing recommendations on how to respond to developments in South Africa.

Britain's Foreign Secretary Sir Geoffrey Howe has not given any clue how far the British Government may go to join a common EEC policy. He did say, however: "The community, along with the rest of the world is now considering whether there is a need for any further measures. Our purpose must be to bring down apartheid, not the South African economy."

Dutch Foreign Minister Mr Hans van den Broek said there was no specific instruction to the political directors to suggest new sanctions or "negative measures", against South Africa.

However, they had been asked to consider extending "positive measures".

Ireland and Denmark have said they will go ahead with their own national bans if the 12 fail to reach agreement on joint-measures.

Ireland will ban all South African fruit and vegetables from September once a special Bill has gone through Parliament.



Pressure rises for sanctions against SA

Cape Times 17/6/86

280

PARIS. — South Africa's leading Western trading partners came under increasing pressure yesterday to take effective sanctions against the country and force it to end apartheid.

Speakers at the opening of a five-day United Nations conference on sanctions accused Britain, the United States and West Germany of dragging their heels and allowing apartheid to survive by failing to end trade and investment there.

The United States, Britain and West Germany, which are South Africa's biggest trade partners, are boycotting the sanctions conference.

Diplomats said their absence was likely to blunt the impact of its recommendations.

Political will

The Nigerian ambassador, Mr Joseph Garba, chairman of the UN Special Committee against Apartheid, said "a small, powerful group of countries" was standing firm in blocking the imposition of sanctions.

"The fact of the matter is that the major Western powers lack the political will to act decisively against apartheid."

The Nigerian External Affairs Minister, Mr Bolaji Akinyemi, said South Africa would be very vulnerable to an oil embargo.

Mr Akinyemi announced that Nigeria would give $50-million (about R128-million) in aid over the next five years to the black frontline states and liberation movements.

One of the few European speakers on the opening day was France's Secretary of State for Human Rights, Mr Claude Malhuret, representing the host government which has observer status.

Tory revolt

Other observer nations are Belgium, the Netherlands, Israel and Japan. Nordic countries such as Sweden are full participants and have in some cases sent their foreign ministers.

● The Cape Times London correspondent reports that the Archbishop of Canterbury, Dr Robert Runcie, yesterday backed a Commonwealth call for "tougher measures" against South Africa.

In parliament the British Prime Minister, Mrs Margaret Thatcher, was facing a revolt in Tory ranks on the eve of a major sanctions debate today.

Launching a vigil of prayer and fasting at St Martin-in-the-Fields — across the road from the South African Embassy — Dr Runcie said the country had reached a "moment of crisis". — Sapa-Reuter

Sanctions: effect on local insurance industry

ANNABELLE GORDON

THE chief executive of a prominent local reinsurance company maintains that insurance is a business not affected by politics. Should sanctions be applied against SA, it is unlikely they would relevantly affect insurance.

In past experience of international insurance and reinsurance, sanctions have never been effective. Even when Britain and Zimbabwe clashed, others simply moved into the void. International reinsurers work in so many countries — even Communist countries — that backing would simply be channelled via uncomplicated routes.

"If one draws parallels with Zimbabwe, the overseas reinsurers were not allowed to send money to the then Rhodesia, making claims worthless. But there was a friend, SA, so there was an escape hatch," says Commercial Union MD Bill Rutherford.

"But if sanctions are enforced against SA, who will be our friend, our escape hatch?" Rutherford asks.

"When you come to spread risks — the facility is reinsuring. If not arranged here, then it must be organised overseas. If countries are not allowed to deal with us, it would severely curtail the risk we could insure and limit local capacity.

"Controlling sanctions is difficult, how could it be policed? It all depends on the degree of support given by companies to sanctions. They are nearly impossible to impose 100%."

If SA has friends, the reinsurers are not prepared to disclose who they are. "Not every country is a member of the UN," pointedly remarks Dennis Bridge, deputy GM of Mercantile and General, responsible for the short-term account.

"If sanctions pulled the plug it would affect our gross basis. We are back to guessing the effectiveness of sanctions. Worldwide, in recent years, the underwriting results of reinsurers have been poor. In many cases the cash flow underwriting theory has been disproved and investment earnings have been insufficient to cover underwriting losses.

"To counter sanctions we have to accentuate the current drive to get back to profitability. Money talks, it is deaf to sanctions. The more profitable the business, the more back doors it will open.

"We are aware of what has happened with the distinct hardening of the London and European reinsurance markets, now being difficult. This is in general terms, but as far as we are concerned in SA, we are doubly involved. If reinsurance is bad worldwide, reinsurers will react. If in the current political circumstances this bad business includes SA, then the ceding companies here are faced with a double reaction.

"With our current loss situation we are sure to feel an effect from sanctions. If business is poor, more people pull out because of the economics involved, although it suits them to piously blame it on sanctions.

"Scandinavian firms were instructed by their governments to withdraw, but one company is already arranging ways and means around it.

"My estimate is that from 1980 to 1984, reinsurers have subsidised the SA insurance industry to the tune of close to R250m. So, obviously there will be changes. To date it has been gratifying for local reinsurers to see that they have had reasonable support from the overseas reinsurers and from Lloyds.

"Certainly I believe the lack of overseas capacity in SA will continue until the business at last appears to be getting better.

"Sure, reinsurers now have more than one excuse to avoid business from this country. However, they, like any other businessmen, must be on the lookout for possible profits. As far as overseas reinsurers and brokers are concerned, they will certainly continue to monitor the results of our business to see which direction they are likely to take in the future.

"While we all have wealthy parents, understandably there may be a reluctance to increase the capital of SA subsidiaries in the current political climate. This, then, may lead to the need for more overseas reinsurance — but this will not be available until results improve.

"If sanctions should prove effective our mega risks may not have cover, and it is vital to have that cover," stresses Bridge.

"Last time we had an upset, pressure came from US banks, which are big lenders on the insurance and reinsurance side. There is no problem with Europe; Swiss and German companies are particularly helpful," says Lenz Keel, GM of Swiss-SA Re.

"The main reason capacity has been drying up is due to the economics of business; many companies have cut back. Now that rates are rising and it becomes profitable again, capacity will increase. Most of the local reinsurers depend on their parent companies and little is placed outside of them, with nothing placed in the US.

"French representatives — like everyone else, they do business when the price is right — have been picking up shares of treaties whether their government is friendly or not.

"The big worry is on the government side, what if something unforeseeable happens?

"Our company is committed to this country ... as long as it is profitable."

Sanctions call likely

SOWETAN 17/6/86.

BRUSSELS — The European Community appears willing to impose sanctions against South Africa but looks divided on their extent and timing, EC diplomats said.

They said the sanctions issue would top the agenda at a two-day meeting of EC Foreign Ministers which started in Luxembourg yesterday, the 10th anniversary of an outbreak of serious black rioting against South Africa's apartheid system.

Dutch Foreign Ministers Mr Hans van den Broek, president of EC councils, is expected to propose a ban on imports of South African fruit and other limited measures in response to the imposition of a state of emergency by Pretoria on Thursday.

Row

The diplomats said this was unlikely to satisfy those who wanted strong sanctions and a row was expected between them and opponents of sanctions.

Britain, which opposed mandatory economic sanctions proposed in the EC last September and later by its partners in the Commonwealth, appears to have toned down its opposition.

Denmark, Ireland, Spain and Greece want sanctions that convey the depth of European concern about Pretoria's unwillingness to negotiate with the country's black majority on ways of speeding up the dismantling of apartheid, said Diplomats.

Other EC nations could outvote Britain and impose EC-wide sanctions but diplomats said this would anger London and a majority against Britain would be difficult to achieve. — Sapa-Reuter.

Failure to agree on sanctions casts gloom over UN's Paris conference

The Star's Foreign News Service

PARIS — Clouds of gloom continue to gather over the UN's Paris conference on sanctions against South Africa.

Most of the 200 delegates from 100 countries were saddened over the failure of the EEC Foreign Ministers to agree on even soft sanctions at their meeting in Luxembourg on Monday.

President Abdou Diouf of Senegal, a dominant figure here as head of the OAU, repeatedly said: "Sanctions are more than ever justified to destroy apartheid as all political and diplomatic moves have so far been a total failure."

He said he found it "inexplicable" that the EEC Foreign Ministers had so little understanding of the situation in South Africa that they were unable to agree even on a joint communique about apartheid.

But delegates at the Paris conference unanimously carried a resolution: "Let Pretoria be aware the days of apartheid are numbered and the governments represented in Paris today have decided to liquidate apartheid within the shortest possible time."

African National Congress president Mr Oliver Tambo was in a rather ambigious position because repeated ANC threats to start an insurrection on June 16 had obviously failed.

Delegates were eager to remind each other that the eyes of the world were on them — and on their plans for action against South Africa.

In the circumstances an anti-apartheid rally organised in Paris on Monday afternoon should have drawn massive crowds — but there were barely 1 000 people and police reported no incidents.

Labour flays Maggie for her stand on SA

Tories defeat sanctions call

18/6/86 BUDAM

280

The Star Bureau

LONDON — Resisting the growing clamour for tough action against South Africa, the British Government has defeated a Labour motion calling for "effective economic measures", but has earned widespread scorn.

Mrs Thatcher took a battering from Labour leader Mr Neil Kinnock and shadow Foreign Secretary Mr Denis Healey.

The marathon six-hour Commons debate — prompted by the Labour motion — culminated with a vote of 331 against to 206 in favour, giving the Government a 125 majority.

There were several abstentions, but the feared Tory revolt did not come off.

Still, the Tories are not wholly united behind Mrs Thatcher and Foreign Secretary Sir Geoffrey Howe in their careful resistance to strong action against Pretoria

Former Foreign Secretary Mr Francis Pym earned cheers from some Tories — in contrast to the muted response given to Sir Geoffrey — when he challenged the government not to be "reluctant co-operators" in any international action.

He said he had not detected in Sir Geoffrey's speech any great enthusiasm for the task ahead.

Mr Pym said the sooner the first measures were put in place, the better "and if it turns out to be restrictions on investment, so be it".

Conviction

Sir Geoffrey stuck to his guns in the debate on his conviction that any measures Britain decided to adopt should not have the effect of ruining the South African economy and risking economic upheaval for South Africa's neighbours

To be effective, any steps must be directed at influencing opinion firmly in the direction of reform

They must be introduced with the fullest international support and must give the South African Government the incentive to respond positively rather than the excuse to retreat further into isolation.

But, rounding sharply on Mrs Thatcher, Mr Healey said: "On South Africa, as on so many issues closer to home, her total incapacity to understand how the victims of society feel about their predicament makes her unfit for office."

Accusing her of "imperious vanity", he said that if she emerged once again from a Commonwealth summit boasting that she had outwitted her colleagues she would be condemning the Commonwealth to disaster

And Mr Kinnock told a mass lobby for sanctions: "Mrs Thatcher, with her unique mixture of insolence and insincerity, said she was against sanctions because they will hurt the people that we are trying to help," but her position was "morally and logically unsustainable."

He said the world was now seeing the nightmare that apartheid and its apparatus of repression and injustice and violence had made inevitable

There was, he said, "the most compelling justification for international action to isolate and to squeeze the stuffing out of apartheid".

'UK won't hit SA economy'

LONDON — Britain's Foreign Secretary, Sir Geoffrey Howe, yesterday pledged the government to bringing apartheid to its knees as quickly as possible, but said Britain would not come along with measures simply aimed at clobbering the South African economy.

He said: "We want to get apartheid out of the way as quickly as possible, and it does now mean looking for other steps."

He said he was opposed to a Tory back bench motion on South Africa, because it called for a total ban on any action at all

"We are looking not just for something that will clobber the South African economy, perhaps with no effect at all (in bringing about dialogue between white and black) but for steps which will actually promote the positive prospects of the change we all want to see.

"We need to take effective action to end apartheid, and that means doing everything we possibly can to get the South African Government to move forward, to free Nelson Mandela, to engage in talks with him and other leaders in the black community.

"We don't think that a comprehensive trade and financial boycott is the best way of bringing that about."

Sanctions easier said than done

The Argus Foreign Service reports from London

FORMER Rhodesian Governor Lord Soames has come out strongly against imposing economic and trade sanctions on South Africa, saying he had never known such sanctions to be effective.

In any case, he said in a BBC radio interview, nobody seemed to know what the sanctions were supposed to achieve. If it was majority black rule in a single unitary state, he did not think this would be a proper ending to South Africa's problems.

He recalled that when he went to Rhodesia to arrange the elections in the last months of white rule, sanctions had been in force for some years. Yet the country was "full of foreign goods when I got there".

He went on: "I don't think in history there is any instance of sanctions having brought a regime or a government to its knees. And of course the whole world would have to agree to impose sanctions.

"I agree South Africa obviously is a different case to Rhodesia, but I have no reason to believe that sanctions would be effective."

The main point was what was meant by "effective" sanctions. "What are the sanctions for? To bring what about? You don't want to impose sanctions unless you know what your objective is. And the question I have never seen posed, let alone answered, is what would be the objective of putting on sanctions.

"Would it be to end apartheid? Or to impose majority rule? Which is it? How would all the countries agree to do it? How would they know where to stop?

ON majority rule for South Africa, he said it all depended on what was meant by the term.

"If you are going to superimpose a democratic system on to black Africa, which is traditionally tribal, are you going to get an effective majority rule?

"Are you after a unitary state or a federal state? Are you after total majority rule or power-sharing?

"You see, whatever questions one poses, there are supplementary questions that come up."

Lord Soames said he did not think anybody in their heart of hearts thought sanctions would be effective.

The reason there was so much talk about sanctions was because nobody could think of any other way of persuading the South African Government to go as far as they would like to see it go.

CAPE TIMES 18/6/86

280

Thatcher 'firm' on sanctions

LONDON. — British Prime Minister Mrs Margaret Thatcher stood firm in rejecting economic sanctions against South Africa yesterday, a few hours after Bishop Desmond Tutu claimed she did not care about South African blacks.

Pressed by opposition Labour Party MPs to heed those who demand sanctions regardless of their impact on South African blacks, Mrs Thatcher again insisted they would damage those they are designed to help.

She reminded the Labour Party that it opposed sanctions when it was in power.

Mrs Thatcher said: "I have given and will continue to give our own views on the lack of effectiveness of economic sanctions."

She added: "The important thing is to try to end apartheid by negotiation and to try to get a suspension of violence on all sides.

"That will continue to be our objective."

Mrs Thatcher asked: 'Why did the last Labour government vote against sanctions in the United Nations?

"Why did it say ... 'Those whom we do not wish to hurt would suffer most were economic sanctions to be imposed'?"

She said sanctions would cost the jobs of black South African as well as British workers, because of Britain's large economic stake in the country, and asked Labour leader Mr Neil Kinnock: "How does he think that will bring about peaceful change?"

Mrs Thatcher said Britain had helped greatly by bringing about the establishment of the Commonwealth Eminent Persons Group which spent five months seeking to set up negotiations between South Africa and the African National Congress.

She believed the group "would have been successful" had South Africa not raided alleged ANC bases in three neighbouring states in May.

Earlier Bishop Tutu said he was considering barring the British ambassador from his enthronement as Archbishop of Cape Town in September.

"I am so annoyed at Mrs Thatcher's stand that I am going to consider very seriously not inviting the British ambassador to my enthronement," he said.

"It is not a very big thing but it will be my gesture to demonstrate our feelings." — Sapa-AP

Big anti-SA lobby at Westminster

The Star Bureau

LONDON — More than 1 000 people gathered at the House of Commons and Westminster Cathedral Hall yesterday to attend a mass lobby calling for immediate sanctions against South Africa.

Police were drafted in to deal with a stream of constituents filing into the lobby at the Commons to discuss the issue with their MPs and to hear some 30 leading figures speak against Britain's stand on sanctions.

Speakers included leading Opposition MPs Mr Neil Kinnock, Mr David Steel and Mr Denis Healey and representatives of the United Nations, Swapo and the ANC.

A number of announcements of further campaigns and demonstrations against apartheid were made, including a huge rally planned by Artists Against Apartheid at Hyde Park on June 28. Artists scheduled to perform after a march from Clapham Common are Hugh Masakela, Boy George and Sting.

● See Pages 3 and 15.

Bus Day 18/6/84 280

Clergy's interests will be hurt, so . . .

No withdrawal of investment

LONDON — The Church Commissioners, supervisors of the Church of England's money, said they could not withdraw investment from companies dealing with South Africa as it would damage the clergy's interests.

About 65 companies are involved.

The commissioners, under General Synod pressure since 1982 to disengage from companies with South African links, admitted that the proportion of shares had hardly changed. Mostly, their shares in a firm are no more than one or two per cent.

Sir Douglas Lovelock, First church Estates Commissioner, launching the commissioners' annual report on Monday, said: "Some of our critics would want us to sell everything, but that would have incalculable consequences for our beneficiaries and would go directly against the law."

Own Correspondent

The 65 companies are half the firms in which the commissioners hold shares and represents about two-thirds of the equity portfolio by value. Among companies involved are such household names as ICI, GEC, Beecham, British Oxygen, Shell and British Petroleum.

In a statement the Church Commissioners, including the Archbishop of Canterbury, said: "To exclude such a wide range of leading British companies would seriously damage the long term interests of our beneficiaries. We cannot take investment decisions as a form of protest."

On publication of the report, the Anti-Apartheid Movement immediately described investment in companies with South African interests as "unchristian".

The General Synod will debate the Church's involvement in South Africa at its meeting in York next month.

Tories snuff out sanctions move

The Argus Foreign Service

LONDON. — Resisting the growing clamour for tough action against Pretoria, the British Government has defeated a Labour motion calling for "effective economic measures".

The marathon six-hour Commons debate — prompted by the Labour motion — culminated with a vote of 331 to 206, giving the Government a 125 majority against the motion. There were several abstentions but the feared Tory revolt did not materialise.

The Tories are not, however, wholly united behind Prime Minister Mrs Margaret Thatcher and Foreign Secretary Sir Geoffrey Howe in their careful resistance to strong action against Pretoria.

Enthusiasm

Former Foreign Secretary Mr Francis Pym earned cheers from some Tories — in contrast to the muted response given to Sir Geoffrey — when he challenged the government not to be "reluctant co-operaters" in any international action.

He said he had not detected in Sir Geoffrey's speech any great enthusiasm for the task ahead or any indication that he was going to approach it with the vigour and enthusiasm required.

Mr Pym said the sooner the first measures were put in place the better "and if it turns out to be restrictions on investment, so be it".

Sir Geoffrey stuck to his guns in the debate on his conviction that any measures Britain adopted should not have the effect of ruining the South African economy and risking economic upheaval for South Africa's neighbours.

He said the government's aim was to bring apartheid to an end and see established in its place a non-racial society with democratic government.

To be effective, any steps must be directed not at the destruction of the South African economy but at influencing opinion there firmly in the direction of reform.

They must be introduced with the fullest international support and must give the South African Government the incentive to respond positively rather than the excuse to retreat further into isolation.

US actions

It is reported from Washington that further United States actions on South Africa loomed with a key congressional leader saying he would work for a unified American strategy on the problem.

Senator Richard Lugar, chairman of the Senate foreign relations committee, said: "The thought that we're not precisely certain what course is best ought not to suggest that inactivity will follow."

Mr Lugar, a Republican from Indiana, is regarded as a crucial Reagan ally on foreign policy with a great deal of sway with the President, top policymakers and the Republican majority in the Senate.

He was a prime mover in the package of mild economic sanctions Mr Reagan imposed on South Africa last September.

Embassy picket back after broomstick row

The Argus Foreign Service

MELBOURNE. — Anti-apartheid groups have reinstated the picket line outside the South African Embassy in Canberra following Monday's incident in which a South African diplomat beat a protester with a broomstick

Pickets spent six months last year trying to interrupt deliveries to the embassy. The attempt was abandoned following union and government pressure.

Now they are back and the picket line is likely to be endorsed formally by the Canberra Trades and Labour Council tonight.

Meanwhile, it seems that Australia and South Africa are anxious to put the broomstick affair behind them following the Australian decision to expel the diplomat, Mr Koos Alberts, a junior official. He has been given 10 days to leave.

Mr Alberts beat 22-year-old protester, Miss Kirsti Valiaho, after she entered the embassy grounds and began breaking windows with a rubber hammer. She was later arrested and charged on four counts.

The South African Department of Foreign Affairs has defended the action of Mr Alberts.

Foreign Minister Mr Pik Botha said Mr Alberts had "lightly struck" a demonstrator on the back of her thighs with a 40cm piece of broomstick while she was breaking embassy windows with a hammer and while she was kicking at other windows.

It was clear that Mr Alberts had reacted instinctively to prevent a direct physical attack on the embassy.

Mr Botha said the Australian government had not taken into account all the facts.

But it was the right of a government to refuse entry to a foreign diplomat and arrangements were therefore being made to bring Mr Alberts back.

Sacla staff hope to be on duty

Staff Reporter

STAFF of the Sacla Empilisweni Clinic at Crossroads hope to report for duty again after talks with the clinic committee and the Crossroads executive committee this Sunday.

A Defence Force doctor and four support staff took over the clinic on Monday following the withdrawal of Sacla medical staff, according to the Bureau for Information.

A staff delegation met members of the Crossroads committee yesterday.

A spokesman said staff hoped to have a second meeting with the Crossroads and

Irish, French back sanctions

Cape Times 18/6/86 280

PARIS. — French and Irish officials said yesterday their countries would press for sanctions against South Africa at an EEC summit meeting this month.

Mr Claude Malhuret, French Secretary of State for Human Rights, said France would press for further sanctions at the June 26-27 meeting of European heads of state in The Hague.

Foreign ministers of the European Economic Community, meeting in Luxembourg on Monday, failed to adopt new sanctions against South Africa.

The President of Senegal and president of the Organization of African Unity, Mr Abou Diouf, said yesterday that the failure by foreign ministers to agree on sanctions was "deplorable".

The EEC adopted a series of measures last September, including an end to military and oil exports and nuclear cooperation and the recall of military attaches.

France announced an end to new investments in South Africa in November 1985.

The Irish Prime Minister, Mr Garrett Fitzgerald, said he hoped that at The Hague summit "important measures are taken" against apartheid. He said Ireland was "favourable" at Monday's meeting to adopting further sanctions.

● The US warned African nations yesterday against forming a multilateral military force to "deal with" South Africa.

The US Ambassador to the United Nations, Mr Vernon Walters, on an official visit to Australia, told journalists Washington opposed a plan raised by Zimbabwe's Prime Minister, Mr Robert Mugabe, to form a Pan-African force to fight Pretoria.

Mr Mugabe said on Monday that he would put his proposal to a meeting of the OAU in Addis Ababa next month.

His statement was the first concrete suggestion of military intervention by the rest of Africa.

Mr Walters, a former military man, questioned the viability of a combined black African force and said the US was totally opposed to a violent solution in South Africa.

"I do not believe the US would support any attempt to solve the situation in South Africa violently. We believe the situation should be solved by negotiation," he said.

Former Nigerian military ruler General Olusegun Obasanjo, a member of the Commonwealth Eminent Persons Group, has also warned African countries against a war with South Africa.

● The Nigerian Foreign Minister, Mr Bolaji Akinyemi, in a nationwide television address on Monday night, pledged $50-million (R130-million) in support of black guerillas and the nations that border South Africa. — Sapa-Reuter-AP

'Sanctions will hurt Aussies'

The Star's Foreign News Service

MELBOURNE — It's not going to be as easy as the Australian Government might think to impose sanctions on South Africa.

For instance, South African Airways, whose services to Australia are a possible target, say the Australian Government might have to introduce a special Act of Parliament to stop services.

Mr Allan Dexter, a spokesman for SAA, said today the airline's services to Australia were governed by a 1957 bilateral agreement which could not be changed by either country without a year's notice.

Mr Dexter said any decision to ban SAA from Australia would cost the Australian tourist industry the equivalent of R70 million a year in lost income.

Other Australian industries which would also be affected by sanctions include the motor and steel sectors, which import rare metals from South Africa.

In the nine months to March this year, Australia imported goods worth R260 million from South Africa and exported goods worth R180 million.

South Africa is a major source of chromite, used in the production of stainless steel.

If sanctions were imposed the prices of some steel products would rise.

South Africa is also the source of special metals such as platinum which are used to produce catalytic converters for cars using unleaded petrol.

Anti-SA Bill faces defeat — analysts

STAR 19/6/86

The Star Bureau

WASHINGTON — The drastic anti-apartheid sanctions Bill that swept through the US House of Representatives yesterday faces certain defeat in the United States Senate.

In the unlikely event of its getting through the Senate, it is bound to be vetoed by President Reagan.

This is the view of Washington analysts who, along with many congressmen, were astonished by yesterday's developments in the House.

The Bill that was approved — it was sponsored by Congressman Ron Dellums of California — is so wide it virtually excludes South Africa from the US economy. Only strategic minerals could be imported into the US.

To become law, a Bill has to be approved by both the House and the Senate. If there are differences in the two versions, they are ironed out if possible in a House-Senate conference.

The final product then goes to the White House where the President can use his veto — if less than than two-thirds of both chambers support the measure.

NO CHANCE

The Dellums Bill is so radical in its demands that it stands no chance of making it through to the conference stage, let alone to the President's desk, say the analysts.

It was learned last night that the passage of the Dellums measure will have no effect at all on plans by Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, to hold public hearings next month as a first stage towards drafting a South Africa bill acceptable to the Senate's Republican majority.

Senator Lugar is opposed to further economic sanctions against South Africa. But he feels limited measures might be useful in putting pressure on the South African Government.

A Lugar aide said night: "We want to fashion legislation in which the US would try to use its economic, diplomatic and political influence to help bring

UK govt gets more support on sanctions

JOHN BATTERSBY

LONDON — The British government yesterday strengthened its anti-sanctions stand after winning the support of Parliament to limit further action against SA to "effective measures".

British Foreign Secretary Sir Geoffrey Howe turned down a request from Anti-Apartheid Movement (AAM) president Archbishop Trevor Huddleston for Britain to seek the imposition of mandatory and comprehensive economic sanctions against SA.

In the House of Commons, the government won a significant victory against mounting pressure for the imposition of substantial "economic measures" when it limited an expected Tory revolt.

British Foreign Office sources said yesterday the move to co-ordinate "effective measures" against SA would move now to the European Economic Community (EC).

TEAROOM, R

Parties E

T

Area I

Footnotes

1. Hours of

2. Overtime

3. Annual lea

CAPE Times 19/6/86

Eglin: Act before Commonwealth meets

HOUSE OF ASSEMBLY. — The government should release Mr Nelson Mandela and lift the state of emergency before the Commonwealth heads of government conference in London in August, PFP leader Mr Colin Eglin said yesterday.

"These two steps will be the most positive signals that the government could give to South Africa and to the world that it wants to get on in earnest with the tough task of negotiating a new deal for all South Africans," he said during third-reading debate on the budget.

Mr Eglin said it was dangerous and against South Africa's interests for the government to "throw in the towel" on sanctions "and then simply batten down the hatches and try to ride out the storm".

"It is stupid to posture on sanctions and suggest that sanctions may actually benefit South Africa."

They would harm the country, even if they only prevented the socio-economic reconstruction of South African society.

Mr Eglin said the government should not dismiss further discussions with the Commmonwealth or other countries that might genuinely want to help the country resolve its problems.

"We simply cannot dismiss the West as if Western Governments were all hell bent on destroying South Africa." — Sapa

SRAND

rant Proprietors'

Restaurant and

Randfontein,*
Johannesburg,
enoni, Brakpan,*
s, Kempton Park*

arded as normal
plying.

tipulated hours
kers may work.

her trade nor
Public Holidays, Sundays and after 2 o'clock on a Saturday are entitled to 18 days annual leave

ii) All other workers, 24 days

Britain, US veto punitive sanctions

From RICHARD WALKER

NEW YORK. — Britain and the United States last night blocked a security council move to impose punitive sanctions on South Africa in retaliation for "persistent aggression" against Angola.

It was their second double veto to protect the Republic inside a month and the 50th time in United Nations history that the US has resorted to the use of the veto. France, as it did last time, abstained.

The resolution — which would have ordered a global ban on new investment plus a series of other spot sanctions — was approved by the 12 other council members, but it takes just one negative vote from any of the permanent members to kill any measure.

Abdication

The vote came minutes after the US House of Representatives approved a sanctions package containing some of the same key elements, but the US ambassador, Mr Herbert Okun, told the council: "Punitive economic sanctions would represent an abdication of our responsibility" and "would foster even greater intransigence on the part of extremists in South Africa".

Britain told the council: "We remain opposed to economic boycotts because they do not work."

The council was spurred by an Angolan complaint stemming from South Africa's June 5 raid on Namibe, in which a cuban ship was sunk and two Soviet freighters damaged.

SHOCK U.S. VOTE FOR WIDE SA SANCTIONS

280

Argus 19/6/87

From ALAN DUNN
The Argus Foreign Service

WASHINGTON. — In a political bombshell the United States House of Representatives has voted for almost total economic sanctions against South Africa.

In by far the toughest Congressional move against Pretoria, the House yesterday agreed by voice vote to almost total severance of business and trade links.

"It is a vote that will be heard around the world," said a jubilant Congressman Stephen Solarz of New York, a leader among Democrats for stronger action against the South African Government.

The House speaker, Mr Thomas O'Neill, called the vote a condemnation of apartheid in the strongest possible terms. "This bipartisan action shows the tidal wave of American revulsion against the discredited policy of constructive engagement," he said.

The Bill must pass the Senate and President Ronald Reagan to become law. But observers believe it highly unlikely that either of these checkpoints will let it through.

Democrat Congressman William Gray from Pennsylvania hailed the passing of the Bill, which stunned House members as a signal about the depth of House feelings on apartheid.

"I think it will be uphill (for the Bill) in the Senate. But based on the last month's experiences with Pretoria, who knows?" he said.

Mr Gray said the reason the House had approved almost total sanctions was because of recent events in South Africa.

It was his Bill of economic sanctions against South Africa that the House had been debating for some hours yesterday when the drama happened Mr Gray's sanctions were stronger than those ordered by Mr Reagan last September, but far from a total cut in trade ties.

Congressman Ron Dellums, a black Democrat of California, introduced an amendment to the sanctions package which was, in effect, a substitute.

STRATEGIC

It allowed only US imports of strategic minerals from South Africa which the US President certified were necessary for military uses. All business and other trade links would have to be cut within 180 days of the Bill becoming law, he said.

Mr Dellums said the Gray Bill was a step in the right direction but urged his colleagues to "go all the way", to step away from South Africa.

They did. His amendment was adopted by the "yeas", with no dissenting voice

Congressmen for and against imposing more economic sanctions on South Africa both claimed the shock vote a victory.

Democrat leaders said it would now make sanctions of some sort against South Africa difficult to stop, while anti-sanctions Republicans said they let the vote go by deliberately knowing that neither the Senate nor President Reagan would accept it.

● Sanctions 'certain of defeat' in the Senate — Page 17.

Veto blocks UN security council move

The Argus Foreign Service

NEW YORK. — For the second time in less than a month the United States and Britain used their veto to kill a United Nations Security Council resolution which would have imposed mandatory economic sanctions against South Africa.

France abstained and the remaining 12 members voted Yes.

The vote came after a three-day meeting called by Angola in protest againt the June 5 raid on its port of Namibe, during which a ship was sunk and two damaged.

S AFRICAN DENIAL

South Africa has denied it had anything to do with the raid.

On May 23, the Security Council rejected a move to impose sanctions against South Africa after it attacked Zimbabwe, Zambia and Botswana, seeking to wipe out alleged African National Congress targets.

Commonwealth six threaten to punish UK

The Argus Foreign Service

HARARE. — Six African states are threatening to close British high commissions if Mrs Margaret Thatcher fails to agree on sanctions against South Africa at the mini-Commonwealth summit in August.

The countries planning the move are Zimbabwe, Zambia, Tanzania and Nigeria — with Ghana and Uganda likely to back them.

Western diplomats confirm that Britain is preparing for a change of relations with its former African colonies if the government fails to agree on sanctions.

Closure of the high commissions would lose Britain its privileged access to important African governments.

STAR

Representatives vote for almost total sanctions

Tough anti-SA Bill gets US nod

19/6/86

280

The Star Bureau

WASHINGTON — In a political bombshell, the United States House of Representatives has voted for almost total economic sanctions against South Africa.

In what is, by far, the toughest Congressional move against Pretoria, the House agreed by voice vote to almost total severance of business and trade links.

The Bill must pass the Senate and the President to become law but observers believe it highly unlikely either of these checkpoints will let it through.

The House Speaker, Mr Thomas (Tip) O' Neill, called the vote a condemnation of apartheid in the strongest possible terms: "Today's bipartisan action shows the American revulsion against the discredited policy of 'constructive engagement'.

"It is time for President Reagan to stand up for American ideals.

"I call on the President to lend the moral force of his office and his great popularity to a cause shared by the great majority of Americans."

Democrats and Republicans said they would immediately get in touch with their Senate counterparts to promote — or try to kill — the sanctions Bill.

Hailed

Congressman William Gray, a powerful Democrat from Pennsylvania, hailed the passing of the sanctions Bill as a signal to all about the depth of House feeling on apartheid.

"I think it will be uphill for the Bill in the Senate. But, based on the past month's experiences with Pretoria, who knows?" he said.

Mr Gray said the reason the House had approved almost total sanctions was due to recent events in South Africa.

The House had been debating Mr Gray's Bill for economic sanctions against South Africa for some hours yesterday when the drama happened.

Mr Gray's sanctions were stronger than those ordered by Mr Reagan last September but were far from a total cut in trade ties.

Then Congressman Ron Dellums, a black Democrat from California, introduced an amendment to the sanctions package which was, in effect, a substitute.

It allowed only the importation from South Africa of strategic minerals which the American President certified were necessary for military uses.

All business and other trade links would have to be cut within 180 days of the Bill becoming law, he said.

His substitute amendment was adopted by the "Yeas" with no dissenting voice and no call for a roll call vote.

● See Page 7.

Washington observers analyse the likely future progress of the sanctions bill approved by the House of Representatives. NEIL LURSSEN of the Argus Foreign Service reports from the American capital

Sanctions 'certain of defeat' in Senate

THE drastic anti-apartheid sanctions bill that swept through the United States House of Representatives yesterday faces certain defeat in the US Senate

And even in the unlikely event of its getting through the Senate, it is bound to be vetoed by President Reagan

This is the view of Washington analysts who, with many Congressmen, were astonished by yesterday's developments in the House

The bill that was approved — sponsored by Congressman Ron Dellums of California — is so wide that it virtually excludes South Africa from the US economy Only strategic minerals could be imported into the US

To become law, a bill has to be approved by both the House and the Senate If there are differences in the two versions, they are ironed out if possible in a House-Senate conference

THE final product then goes to the White House where the president can use his veto — if fewer than two-thirds of both chambers support the measure

The Dellums bill is so radical in its demands that it stands no chance of making it through to the conference stage let alone to the president's desk, say the analysts

It was learned last night that the passage of the Dellums measure will have no effect at all on plans by Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, to hold public hearings next month as a first stage towards drafting a South Africa bill acceptable to the Senate's Republican majority.

Senator Lugar, who has strong influence in the Reagan administration, is opposed in general to further economic sanctions against South Africa But he feels that limited measures might be useful in putting pressure on the South African government

He believes there is sufficient bipartisan support in the Senate to win approval of such a measure

A LUGAR aide said night "We want to fashion legislation in which the US would try to use its economic, diplomatic and political influence to help bring about positive change in South Africa"

The House Dellums bill, an almost total boycott of South Africa, is so far removed from the Lugar approach that conservative Republicans are hailing its passage as a defeat for the sanctions effort this year

"Better to have a lousy bill go through than one that was lukewarm and might have muddied the waters," said Congressman Dan Burton, a conservative from Indiana.

A Senate official said it was clear that the House Republicans had set a trap for the Dellums bill's liberal sponsors by helping to make the measure so radical that it was certain to become derailed

"The Dellums bill screams out for a reasonable approach — which is what we will provide in the Senate," he said. "South Africa at the moment is a free ride for the House members If they know that the Senate is going to do something reasonable, they know they can approve anything and not have to worry about the consequences"

At the White House, an official said after the House vote "Our position remains the same We are adamantly opposed to punitive economic sanctions"

AND at the South African embassy in Washington, a spokesman said it was premature to comment at this stage of the lengthy and complicated legislative process

"We would hope nonetheless that good sense would prevail because any sanctions decision is regrettable"

The effect of sanctions will be to hurt the employment prospects and impede political and social reform in South Africa"

Parliament and Politics

Howe rejects call for sanctions

Cape Times 19/6/86 280

From JOHN BATTERSBY

LONDON. — The British Government yesterday strengthened its anti-sanctions stand after winning the support of Parliament to limit further action against South Africa to "effective measures".

The British Foreign Secretary, Sir Geoffrey Howe, turned down a request from the President of the Anti-Apartheid Movement (AAM), Archbishop Trevor Huddleston, for Britain to seek the imposition of mandatory and comprehensive economic sanctions against South Africa.

Archbishop Huddleston led an AAM delegation to see Sir Geoffrey yesterday following the biggest-ever pro-sanctions lobby at Westminster on Tuesday.

Tory revolt limited

The lobby heard calls for economic sanctions from church leaders, trade unionists and opposition politicians.

But in the House of Commons the government won a significant victory against mounting pressure for the imposition of substantial "economic measures" when it limited an expected Tory revolt.

About 10 Tory MPs abstained on an opposition motion calling for imposition of effective economic measures which was defeated by 331 votes to 206.

The British Foreign Secretary mounted a holding operation — promising the adoption of further measures following consultation with the EEC, the Commonwealth and the Economic Summit powers.

Further EEC measures

His strategy was seen by political commentators as a skilful tightrope act between a powerful Tory anti-sanctions lobby (about 80 MPs) and the growing number of Tories who believe further measures against South Africa are necessary.

British Foreign Office sources said yesterday that the move to co-ordinate "effective measures" against South Africa would move now to the European Economic Community (EEC).

EEC political directors meet tomorrow in Brussels to draw up a list of further measures to be considered by EEC heads of government at a summit in the Hague on June 26 and 27.

These measures could be adopted before a Commonwealth mini-summit in London on August 3 — in which case Prime Minister Margaret Thatcher would face renewed pressure to take tougher action.

FM MAIL 29/8/86

SANCTIONS

Protection posturing

Behind international sanctions pressures against apartheid and the State of Emergency lies a strong element of economic self-interest for major Western nations. For if SA were to be pushed out of major minerals markets, competitors like the US and Australia would have a virtual free hand.

"An analysis of the Democratic Party's sanctions Bill shows that three major industries have been targeted· coal, steel and uranium. In all three, struggling US industries would benefit tremendously if South African competition is outlawed. The Bill therefore boils down to pure protectionism — cloaked with the moral posturing of anti-apartheid activism," says Barlow Rand financial director Evert Groeneweg.

Groeneweg says South Africans who take part in strident calls for sanctions as "a way to end apartheid" are in fact helping these Western interest groups to sink the economy and remove it as competitor.

"Once the economy is destroyed, there will be little content to any political power in the new dispensation these people are striving for. It is in the interest of all South Africans to protect the economy against the ravages of international groups who do not have the interests of all South Africans at heart," adds Groeneweg.

Australia is another country clamouring for sanctions which would directly benefit by the removal of SA from the international minerals marketplace. "These elements of economic self-interest have been hidden; it is time that all South Africans wake up to the real threat," he says.

To counter this, a campaign must be launched to create an awareness of the interlinking economic interests of this country's peoples, and exports must be stepped up all round.

"Once we lose our markets, *any* government will be hard-pressed to regain them. These international economic self-interest groups are going all out to sink us on world markets — and all South Africans will be the losers," says Groeneweg.

He adds that the focus on political aspects of the campaign against SA has overshadowed economic realities. Sanctions have become such an emotional international issue that SA will have to take the strongest *economic* actions — increased exports, an awareness campaign among all population groups that their jobs, economic future and very survival are at stake once sanctions begin to bite — to counter the threat.

"Protectionism is again — wrongly, as in the Thirties — becoming the vogue internationally to save jobs and struggling economies. Even were SA to announce tomorrow that one-man-one-vote would become policy by next year, this would not stop the sanctions bandwagon. We *must* increase exports to retain our foot in international markets," says Groeneweg.

Measures to increase the stake of all population groups in the economy have become important to provide an economic and political future for SA. "The whole population must understand what is at stake," says Groeneweg ■

FIN MAIL 20/6/86

EEC-SA SANCTIONS (280)

No agreement

The strong emotions stirred up by the State of Emergency proved insufficient to produce a quick agreement among foreign ministers of the European Economic Community (EEC) on what new action to take against SA. Instead, senior officials of the 12 member states were ordered to produce a list of possible measures — with assessments of their effects both on SA and the community, for next week's EEC summit meeting.

Even then, the chances of EEC heads of government reaching the required unanimity look slim after the divisions which emerged from Monday's meeting of foreign ministers in Luxembourg. Britain and Germany firmly blocked a Dutch proposal to ban imports of fruit, vegetables and wine (worth US$377m last year, or 4,3% of South African exports) to the EEC (see page 91).

UK Foreign Secretary Sir Geoffrey Howe, facing a heated debate in the House of Commons on sanctions as the *FM* went to press, refused to give even a clue as to what measures Britain might consider acceptable. "Trade and financial boycotts don't work. Our purpose must be to bring down apartheid and not the South African economy," he said.

He was given full support by German Foreign Minister Hans Dietrich Genscher, although France apparently amended its previous stance and was prepared to support the Dutch plan, which echoed the views of co-chairman of the Commonwealth Eminent Persons Group (EPG), Malcolm Fraser A food and wine ban would not only have been relatively harmless in EEC terms, but would offer marginal benefits to France

The ideas, which will not be put to the EEC leaders, are expected to cover the full range of those canvassed by the EPG

Dutch Foreign Minister Hans van den Broek said· "Nothing is excluded " To this Howe replied· "Nothing is specifically included either." His point was backed by Genscher, who indicated Germany could only support EEC action that was unanimous and binding

In Paris, at the UN sponsored conference on sanctions — attended by neither the US nor Britain — Commonwealth Secretary General Sridath Ramphal claimed UK Prime Minister Margaret Thatcher was coming round to the idea of firmer measures. If so, she is giving little public indication of a change of heart.

Thatcher's recent statements strongly suggest she is prepared to risk being out of line with the rest of the Commonwealth when its seven-nation committee considers the EPG report in early August. "If I were the odd one out and I were right, that wouldn't matter, would it?" she said on television last week And despite "informed speculation" that Thatcher would consider severing air links, she has raised the issue of legal difficulties (see page 72) and of the need for concerted international commitment to such action.

Given her position and emphasis on the imperative of US and Japanese participation in any "measures," it seems likely Thatcher will urge the EEC to again defer any new decisions — at least until after the Commonwealth has had its meeting And that, according to political commentators in London, could be followed by another cycle of consultations to secure wider support for a package of both "positive and negative" proposals.

Thatcher seems determined to buy as much time as she can before yielding to the pressures building up — potentially valuable time for SA. ■



Waldheim ... bad for Austria's international standing?

phatic rejection of that view, so Sinowatz had to step down.

The new Chancellor, Franz Vranitzky (48), an ex-banker and finance minister, has been given the task of revitalising the Socialists' image. His Cabinet — which surprisingly included Ferdinand Lacina, who resigned as Transport and Nationalised Industries minister after Waldheim's victory — was sworn in this week. A pragmatist who, unlike Sinowatz, comes across well in public and on television, Vranitzky is given a good chance of coping with the "strong president" Waldheim says he wants to be when he becomes head of State next month.

But most political commentators doubt whether Vranitzky can win back the middle-ground voters who deserted the Socialists last week. He became a Cabinet minister only 21 months ago and, outside banking and business circles, where he is widely respected, Vranitzky is little known and has no political base. He may not have enough time to promote himself and impose his ideas for practical, efficient and profitable "humanitarian socialism," on a party staled by 16 years in power Vranitzky himself admitted: "It's going to be very difficult." ■

FINANCIAL 20/6/86 280

UK-SA SANCTIONS

Legal questions

The possibility of British government sanctions against SA raises a number of legal questions.

How could the government give effect to its decision? What would be the effect on consumer and business contracts? Could compensation be claimed from government by those in the UK or abroad suffering from the consequences? And, could any such measures be attacked under international law?

The first question does not present any great difficulty. The UK government has the necessary powers to regulate imports and exports under the Foreign Exchange Act 1947, as in the case of Rhodesian sanctions. A simple order laid before parliament would do.

Transport and aviation seem to be outside these powers. A number of ways of stopping direct flights to SA seem open — a short Bill activating the Trading with the Enemy Act or possibly an order in council resting on the prerogative powers of the sovereign. Such a move could be opposed in parliament by a motion of no confidence.

Private contracts

A more practical question concerns the fate of private contracts, whether between businessmen or between businessmen and consumers. For example, what would be the position of passengers booked on a cancelled flight?

Most contracts, probably all which are likely to be affected by sanctions, have a force majeure clause relieving the parties of liability if they cannot do what they promised because of "Act of God or Princes," war or civil commotion.

Even without such a clause, most courts in England and elsewhere would absolve a party to a contract if its performance became impossible. The courts would reject claims for damages on the ground that the contract had been frustrated.

On the matter of compensation, no English court, and hardly any other, would presume to interfere with governmental activities which are not of a commercial nature. This would apply even if such government orders cancelled contracts concluded by enterprises which it owned or controlled.

The most difficult question concerns the standing of sanctions in international law.

UN resolutions do not provide an answer as they are mere recommendations which do not create international law. Cessation of trading may not be recognised as a hostile act and certainly not a warlike act.

On the other hand, it is difficult to claim that sanctions of this sort are not an interference in the domestic affairs of another country which are frowned upon by the international community.

No justification for such interference can be found in international custom. The repeated complaints of infringement of human rights in Communist and Latin American countries for example, have never given rise to sanctions

The only place where SA could seek remedy if it felt harmed under an Act contrary to international law would be the International Court of Justice in The Hague — and no State is bound to recognise its judgments. ■

F&N Mail 20/6/86

US-SA SANCTIONS

No narrow focus

The Reagan administration is awaiting developments in Congress that will, perhaps more than events in SA itself, set the stage for future relations between Pretoria and Washington.

Last week's imposition of a State of Emergency in SA is expected to fuel the growing momentum in Congress for passage of a weighty sanctions Bill. This time President Reagan is not likely to be able to circumvent the drive. The House of Representatives last Tuesday approved a measure that would mandate a new, and much tougher, range of sanctions than the largely symbolic ones President Reagan imposed a year ago.

The Bill would, among other things, bar all new investment in SA, force the de-listing of SA companies on American stock exchanges, withdraw landing rights for South African Airways, and halt imports of SA steel, uranium and coal. Further, if there is no lessening of apartheid, including the release of political prisoners within a year, all computer and communications equipment sales in SA would be prohibited.

The real battleground of SA policy in the months ahead will be the Republican-controlled Senate. In late July, the Senate Foreign Relations Committee will consider the same Bill approved by the House last week. All indications are it will pass with little trouble.

Contrary to PW Botha's statements to parliament last week, the sanctions drive in America is not fuelled in its entirety by a handful of American congressmen attempting to placate black constituents back home.

"It is a mistake for Mr Botha to assume the US concern is so narrow in focus," said Philip Christianson, staff director of the Senate Foreign Relations subcommittee on Africa. "I don't know where he is getting his information from, but it is that sort of miscommunication and disinformation that has sent SA defence forces from house to house attacking their neighbours. It's politically naive. It's wrong."

Christianson would not say whether the tough House Bill would encounter trouble in the Republican-dominated Senate, but he indicated that much depends on what happens in coming weeks, and especially on June 16. ■

SANCTIONS

Countering the threat

While the international sanctions debate rages, South African business and industrial sectors are taking stock of the economy's strengths and weaknesses.

There is little doubt that they will find answers to whatever is thrown SA's way, but sanctions will have to be overcome at some cost to the economy.

In the front line will be black employment, but much depends on the severity of the measures taken against SA foreign trade. Alternative ways of earning foreign exchange will inevitably increase the cost base of the economy, but there is almost certain to be, in the short term at least, an increase in economic activity.

Recent moves have sent a clear signal to the business community that the government is in no mood to pay for its trade links with the outside world by bowing to political pressure.

Some SA hi-tech companies have already shored up their operations against sanctions by building stocks of vital imported materials. Others are looking at counter-trade as a way around boycotts of goods, and there is no doubt that shadow companies, to act as middlemen in import and export deals, have already been set up.

"Offers to find ways of overcoming bans on exports are now streaming in to individual company offices from hundreds of foreign companies and interest groups — at a price," says Safto CE Wim Holtes, who has just returned from a European visit.

"Sanctions would act as a tremendous negative stimulus to the economy. We will be forced to fight for our very survival, but the position is still very confused and nobody knows what action will be taken on exports, imports, air and sea links, technology and finance," he adds.

Holtes says SA industry would have to focus strongly on more sophisticated marketing techniques. They would have to use alternative export routes, improve the quality of local production and become more competitive in the international marketplace.

Research and development will have to be increased to improve local products. "Far greater demands will be placed on the marketing skills of our exporters. It'll be tougher to survive in the world out there," says Holtes.

"Diversification into new markets and an increased market spread — to lessen the impact of sanctions — will be necessary. If these demands are met, at whatever cost, there'll still be room for increasing exports," he adds.

Exporters will, however, have to keep a lower profile and export sales figures will have to be kept confidential to avoid giving ammunition to SA's trade enemies, he suggests.

"The European Community's intended ban on our agricultural exports protects their farmers against competition, while Canadian action against Krugerrand sales was followed by increased sales of the Maple Leaf gold coin. It is also significant that the proposed areas for US sanctions include a ban on SA steel exports, of direct interest to an ailing domestic steel industry," he says.

The prospect of sanctions is daunting, but it is a "survivable situation, provided we work harder at it," adds Holtes.

The final form of sanctions legislation is now being debated in the US (see page 74), Europe (see page 72) and Australasia. Any formal SA reaction — policy or practical — must depend on the nature of the final sanctions package. There are no clear answers at this stage.

Government sources remain silent as a quiet diplomatic battle goes on to limit the effects of sanctions. There is, however, little doubt that government will have to help companies minimise the effects of export sales losses and increased costs.

Apart from the negative effects, there is a positive side to the sanctions story. Import substitution would be an obvious spur for economic growth when supply boycotts begin to bite, and there are other less visible spin-offs.

"Greater self-sufficiency and a 'Buy South African' campaign would boost industry, ensuring that under-utilised production capacity comes into play," says Afrikaanse Handelsinstituut (AHI) president Christie Kuun. "Technology and capital remain two problem areas, but steps could be taken to overcome these difficulties."

Kuun says the hi-tech problem could be tackled in the way the arms ban is being fought by Armscor, and the shortage of capital would be a spur for the more gainful use of scarce production resources in the economy.

"Meanwhile, the rand's very strong recovery shows there is little panic about the possible negative effects of sanctions," adds Kuun.

A tragedy

Anglo American economist Aubrey Dickman is less sanguine He says sanctions would be a "tragedy," although there might be a false boom, based on import replacement and the need for self-sufficiency. "The dangers lie on the export side, as we need foreign exchange to pay for our imports," he says.

However, Dickman doubts that total sanctions will be applied. He cannot see countries like the US, the UK and Germany imposing a blanket ban on SA platinum, gold, diamonds, chrome and other essential minerals — and that always leaves a door open to hard bargaining. He says, however, even limited sanctions would have an impact on local business confidence

"Sanctions would, nevertheless, act as a fantastic protective measure for some local industries, but it remains a very serious threat. We can do anything — at a cost," he says. ■

BAREND'S BONUS

All the weeping and wailing appears to have borne some fruit for SA's beleaguered motor industry. The package of stimulatory measures for the economy announced (see page 47) this week has been hailed as the best news for the industry in two years.

The measures, which will have a direct impact on the motor industry, are:

- ☐ A cut in excise duties on motor vehicles, which has been estimated to be worth some R70m a year;
- ☐ Easing of the fringe benefit tax applicable to motor cars, and,
- ☐ The removal of the import surcharge on about a third of the items currently subject to import surcharge, which will save the industry another R180m a year.

Says Naamsa's Nico Vermeulen: "We also believe it's significant that the minister has accepted, in principle, the need to introduce a more reasonable and equitable basis of valuation of the private use of company-owned vehicles.

"Once the details of the new tables have been released, there will be significant benefits to both the motor industry and to taxpayers who have private use of company-owned cars."

The injection of another R300m into the economy — by the early repayment of the 1980 loan levy — and other general measures will give consumers more money to spend and could improve the outlook for motor manufacturers and distributors.

CAPE Times 20/6/86

UK Cabinet to meet on sanctions

Own Correspondent

LONDON. — Mrs Margaret Thatcher yesterday called a critical Cabinet meeting as domestic and international pressure for sanctions against South Africa mounted.

The shock decision of the United States House of Representatives to vote for an all-out trade embargo and disinvestment has surprised the British Government.

This was conceded by a British Foreign Office spokesman yesterday but he said that the US decision would not have "much impact" on British policy.

Wednesday's double veto against sanctions at the UN by Britain and the US has brought a new round of international condemnation against the Thatcher government.

Mrs Thatcher has undertaken to consult her European, Commonwealth and Economic Summit partners on taking "effective measures" which would promote the case of inter-racial dialogue and suspension of violence in South Africa.

Yesterday in the House of Commons Mrs Thatcher faced another series of angry questions from opposition leaders. But she refused to shift her ground, insisting that sanctions would bring unemployment to both South Africa and Britain and disrupt British shipping.

In the debate right-wing Conservative MP Harvey Proctor urged the government to slam the door on the large-scale immigration of white South Africans to Britain.

He said it was estimated that 800 000 people in South Africa had the right of abode in Britain, which already had a high population and high unemployment.

West won't do it — Pik

LONDON — South African Foreign Minister Pik Botha told Britons on television yesterday that Western countries will not impose sanctions because it would be too costly in terms of jobs and money.

Asked what South Africa was offering in return for the British and American governments holding out, he replied: "We do not see their stand as something subject to negotiation.

"They are concerned about unemployment caused in their countries as a result of the sanctions — hundreds of thousands of jobs that might be lost to, say, British nationals.

"They are concerned about the effect on South Africa's neighbouring states.

"They know that in the end these countries will ask the British Treasury to make good the losses they will suffer." — The Star Bureau.

Bundestag against sanctions

BONN. — West German coalition parties in Parliament at a sparsely-attended session yesterday defeated an opposition motion calling for sanctions against South Africa.

By a hands vote in the Bundestag, members of Chancellor Helmut Kohl's Christian Democrats and the liberal Free Democrats rejected a resolution supported by the Social Democrats and the anti-Nato Greens Party.

The resolution called on the government to impose "effective political and economic pressure" on South Africa to express opposition to racial policies in South Africa. — UPI

Cape Times 20/6/86

280

'Political ploy' aids SA in US

WASHINGTON. — Republicans have supported unexpectedly a tough set of economic sanctions against South Africa, but their backing in the House of Representatives is part of a political ploy to ensure the defeat of the bill in the Senate,, informed sources said

The measures call for a total withdrawal of American business operations in South Africa and bar virtually all imports from SA.

President Reagan has opposed further sanctions against South Africa on the grounds they will deny the US any leverage on Pretoria to negotiate a peaceful transition to black majority rule.

A chance

The House Democratic leadership had endorsed new sanctions against South Africa, which stood a chance of passage on Wednesday. These called for the barring of new American investments and loans in South Africa and prohibiting the import of its coal, uranium and steel.

Seeing that possiblity, House Republicans sabotaged the bill by challenging the Democrats to vote for the total business disinvestment proposal of Representative Ronald Dellums, Democrat-California.

The Dellums measure bans any American bank loans or business investments in South Africa and calls for "the withdrawal or disinvestment of all American assets currently in South Africa".

Voice vote

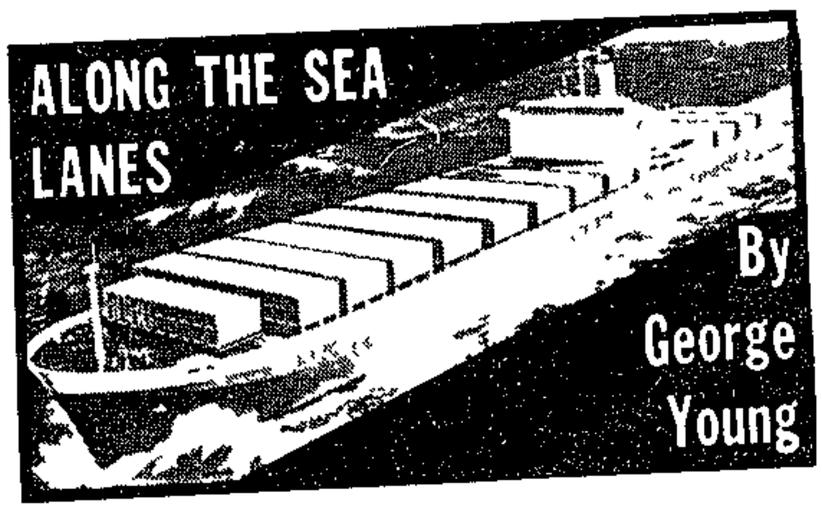
On a voice vote, Democrats and Republicans swiftly endorsed Mr Dellums' proposal.

Representative Robert Walker, Republican-Pennsylvania, opposed any sanctions and was the primary force in the Republican manoeuvre.

"The President will veto a bill that comes close to the Dellums' bill," Mr Walker said. "Maybe now we can get these folks to sit down with the administration, with the conservative side, and work out some options rather than these political charades". — UPI

1985
20/6/86
EVE 110
280

Sanction threats no worry to SA shipping



THE country's maritime authorities are not unduly alarmed by threats to impose sanctions on South Africa, specially since many of the most vociferous threats come from countries providing the least cargo.

For instance, the volume of sea traffic between Australia and New Zealand to SA scarcely fills one ship a month.

And on the Canadian route the two biggest carriers, Thorscape and Thor I, have rarely been full.

However, it would be unfortunate if denial of existing volumes either north- or southbound should interfere with the successful operation of these two Norwegian ships tailor-made for the route

The value of the dollar and the imposition of surcharges by the SA authorities on imports have seriously eroded the quantity of American imports in service and also the rationalising by Safmarine and Bank Line of their respective sailings.

Sanctions had nothing to do with it.

The US Energy Administration said only 900 000 tons of coal entered Mobile, Alabama, from Richards Bay last year, the equivalent of the carrying capacity of five big bulkers.

No figures are available of the quantity of steel shipped from this country, but Iscor and Highveld Steel and Vanadium handled this traffic.

It was never a major operation, however.

Norway has so far this year imported about half the quantity of SA goods it took last year, but this is only partly due to disenchantment on political grounds.

Shipowners in Norway have strongly opposed the home Government's insistence that the names be given of tankers serving SA.

Such action endangers charters and ultimate employment of tankers which, until recently, had difficulty getting any employment at all.

The Danes, also, are resisting Government pressure against its ships tradwith South Africa, but it is conspicuous for all visitors to ports the number of Danish-owned vessels currently working along the seaboard.

Shipping people are satisfied that if sanctions on cargoes to SA are imposed by specific countries, the goods they formerly supplied would speedily be provided by alternative sources.

Indeed, the threat in respect of Scandinavian tankers is playing into the hands of a rapidly expanding Asian tanker fleet which is entirely impervious to current talk of sanctions.

These tankers can be hired on the open market any day and they regard the SA business as almost a staple diet.

What is more, they patronise the repair industry here which they are satisfied provides advantages over even the sophisticated industry of Singapore.

The mass of South Africa's rough exports go, among other places, to the Far East and there appears little reason for thinking this traffic will change.

The Asians buy in the cheapest and best market and are not involved in idealogical disputes with the country.

While Denmark and France indicate intention of curtailing coal imports, from SA, they must in turn recognise the higher price of stocks from elsewhere, and this factor is inimical to programmes for reducing expenditure on imports.

SA's indigenous shipowners, notably Safmarine, would be vulnerable to any sharp cutback on the European service conducted by its five container liners.

But this has been a problem route for some time, and should there be a tendency for traffic to decline it may necessitate the laying up of one or more ships.

Unfortunately, SA flag carriers cannot easily be shunted to other trades without a change of flag, and in any case all box routes are currently heavily over-subscribed by carriers and the position is getting worse by the provision of bigger carriers on the part of the various shipping lines.

The movement of rough cargo exports has represented an important industry for Safmarine, using chartered ships obtained at current low rates and securing US dollars in freight earnings.

This type traffic can in difficult times represent a better source of revenue than established liner routes which must be plied whether business is good or bad, in the hope that traffic will improve.

Clients have to be served if they are to be persuaded not to divert their patronage to rate-cutting independents who stand to gain considerable new custom when established lines trim their sailings.

The other SA carrier, Unicorn, is not normally engaged in trade with countries who are party to sanctions discussions, and the oversea operations of the Gencor shipping connection are inhibited more by economic troubles

Clearly sanctions do not threaten the biggest problems on the dock front — the liquidity of owners is of even greater concern.

Thatcher buys time on anti-SA sanctions and stakes her reputation on Howe's peace mission

MAGGIE'S LAST THROW



FLASHBACK TO HAPPIER DAYS: Mrs Thatcher with PW in England in 1984

20/6/86.

280

S. TIMES 29/6/86.

By JOHN BATTERSBY and EVELYN HOLTZHAUSEN: London

MARGARET THATCHER now stands virtually alone between South Africa and a tidal wave of sanctions. She is staking her reputation on a last-gasp attempt to initiate black-white dialogue in the Republic.

The British Foreign Secretary, Sir Geoffrey Howe, will be sent to Southern Africa on a one-man peace seeking mission. Mrs Thatcher herself will remain in direct contact with President Botha.

At a European summit meeting in The Hague this week, the iron-willed British Prime Minister, supported by West Germany's Chancellor Helmut Kohl, battled tenaciously to persuade the Common Market to shelve sanctions for three months.

She and Sir Geoffrey will now use this breathing space to persuade South Africa's polarised groups that negotiation is the only alternative to the twin threats of endemic internal conflict and looming punitive measures by the combined might of Europe, America and the Commonwealth.

And she is under pressure at home from both sides. The Queen was yesterday considering a report from Sir Shridath Ramphal, Commonwealth Secretary General, urging tougher sanctions against South Africa.

The churches see the report and his visit to the Queen last week as an attempt to stir up Commonwealth pressure for more restrictions.

Meanwhile, it is understood Lord King, chairman of British Airways, has warned Mrs Thatcher of possibly disastrous effects on the ailing state airline if the South African links are cut.

In a television interview, Mrs Thatcher described Sir Geoffrey's mission as a "very constructive exercise".

She denied any difference of opinion between her and the Foreign Secretary, adding: "We are a superb team.

Negotiation

"What we have chosen is the best way to try to get the result we want: an end to apartheid, trying to do it constructively and by negotiation, and to bring about an end to violence.

Sir Geoffrey said: "I shall ask the people concerned on what terms they might we willing to talk together."

But, he warned, if there was to be a chance of success the key players would have to be set free to conduct meaningful dialogue.

It is understood that Mrs Thatcher, in deciding to play a direct mediating role between President Botha's Government and the ANC, is also prepared to provide back-up to keep the process on the rails.

She has emphasised that dialogue cannot take place "as long as recognised leaders of the black community are detained and their organisations proscribed".

Earlier the British Government had its first formal contact with the exiled ANC.

Support

In addition to top-level contacts with members of the South African Government, Sir Geoffrey is also likely to seek an early meeting with the jailed ANC leader, Nelson Mandela. He is also likely to travel to Lusaka.

He hopes to report progress to a meeting of European Foreign Ministers on July 22 — the first under Britain's presidency — and ahead of the crucial Commonwealth mini-summit on August 3.

At the two-day EEC summit this week Mrs Thatcher skilfully enlisted the support of her 11 European colleagues.

By putting Sir Geoffrey in charge of a new round of shuttle diplomacy, Mrs Thatcher hopes that the quiet but determined lawyer might succeed where the more cumbersome Eminent Persons Group (EPG) failed to win Pretoria's confidence.

This week Sir Geoffrey reacted with sensitivity to statements by Dr Allan Boesak and Bishop Desmond Tutu that he would be wast-

□ To Page 2

SA visit 'still on cards'

LONDON. — Two lawmakers from the opposition Labour Party yesterday said the South African Government had told them it would be "most inopportune" for them to go ahead with a planned visit next week

But the party's spokesman on foreign affairs, Mr Denis Healey, said he and deputy spokesman Mr Donald Anderson were still planning to go ahead with the visit and had sought an assurance from Pretoria that they would have no difficulty entering the country on Tuesday.

A spokesman at the South African Embassy said: "We would be surprised if they did come in the circumstances because there is a diplomatic convention that where a government has said it would be most inopportune that responsible people do not come."

If the visit goes ahead, the two men will be guests of the general secretary of the South African Council of Churches, Dr Beyers Naude. — Sapa-AP

120 nations in sanctions call

PARIS. — A world conference on sanctions against South Africa ended yesterday with a call for sweeping, mandatory economic measures against the Pretoria government.

A declaration adopted by representatives of more than 120 nations taking part said the alternative to sanctions was escalating violence in the country.

"The situation brooks no delay," the document said. "Time for concrete, immediate action has come. This is the call of this conference"

The declaration said it was "important and urgent" that the United Nations Security Council adopt comprehensive, mandatory sanctions against South Africa and ensure that all states carried them out, particularly major Western powers which were also South Africa's major trading partners.

The conference urged the few Western nations that opposed sanctions, especially the United States and Britain, to "reassess their positions and co-operate in rather than hinder, international action".

Britain and the US have voted twice against sanctions in the Security Council in recent weeks.

The US, Britain and West Germany, South Africa's main trading partners, did not take part in the five-day meeting. They maintain sanctions would harm the blacks in Southern Africa more than the government and ruin the country's economy.

Among the sanctions called for in the declaration are the adoption by the UN Security Council of a mandatory oil embargo, a worldwide boycott against companies that invest in South Africa and an embargo on investments and bank loans.

The delegates condemned the imposition a week ago of a nationwide state of emergency, "the continued killings and the arrest of thousands of persons involved in the struggle against apartheid". — Sapa-Reuter

WE Post 21/6/86

US puts screws on PE company

By JACK DEWES

A BIG company in Port Elizabeth is losing business in the United States because potential customers there are loath to have anything to do with a product from South Africa.

Mr Selwyn Jacobson, chairman of the clothing manufacturing company, Mentone, said yesterday: "Potential customers are not interested in our goods, even though they say our product compares favourably with the products of other countries.

"They say they don't want any hassles, they don't want boycotts and pickets.

"The irony of it is that they don't have any hassles buying from Iron Curtain countries."

The feeling against us was "not all over the States", Mr Jacobson said. "In Texas they don't give a damn where a product comes from. But in California they certainly do, and in New York they do."

This trend against South African products began about 12 months ago.

It was "purely a political matter" of lobbyists activating an anti-South African attitude, he said.

"I can't speak for our competitors, so I can't say that they are getting the same feedback.

"But as for ourselves, the hard fact is that we can't broaden our base in the States."

US warns: Sanctions could backfire

The Star Bureau

WASHINGTON — The almost total economic sanctions approved this week by the House of Representatives would undermine US influence in South Africa and could backfire, the State Department said yesterday.

Both the department and the White House said the Reagan administration did not intend budging from its present policy.

State Department spokesman Mr Charles Redman said: "We are going to continue our efforts to promote change and negotiation inside South Africa, and this is not the kind of legislation that brings us to that end."

Mr Larry Speakes of the White House said almost total sanctions would erode US capacity to promote negotiations in South Africa.

The US had to avoid moves that would polarise attitudes and hamper dialogue between Pretoria and its black population.

The first victims of such measures would be the black people and "millions beyond South African borders".

Mr Redman noted that the House vote reflected the "universal revulsion Americans feel for apartheid and their abhorrence at the levels of violence and repression".

The State Department believed that America's business presence in South Africa gave the US some limited influence over the trend of events.

The House Bill, severing all business and trade ties except for some US imports of strategic minerals, and the Reagan administration's steadfast adherence to "constructive engagement", illustrate the sharp differences in Washington on how to deal with the South African issue.

Congressional leaders feel recent events in South Africa were mainly responsible for the vote.

Mr Redman said the administration had already imposed pressures on Pretoria.

"But we are against pressures that would make it less and less likely that the South Africa that comes after apartheid is going to be one that has any kind of economic base," he added.



Miss MIRIAM LITHINS has had her dream of subscribing to a British film magazine thwarted because of the present political situation. The publication is no longer sent to SA subscribers.

Magazine banning made her see red

Weekend Post Reporter

NOTHING she'd seen on the screen recently quite aroused the passion in Miss Miriam Lithins that did the banning of the film magazine she had ordered from Britain.

Because of the political situation, the British Film Institute (BFI) will not fulfil orders from South Africa of its *Sight and Sound* magazine.

"I was really livid about the whole thing As far as I am concerned it is all a load of sanctimonious rubbish," said Miss Lithins, who lives in Central, Port Elizabeth.

Miss Lithins said the magazine contained reviews of current films from top critics, as well as articles about film directors, philosophies and trends.

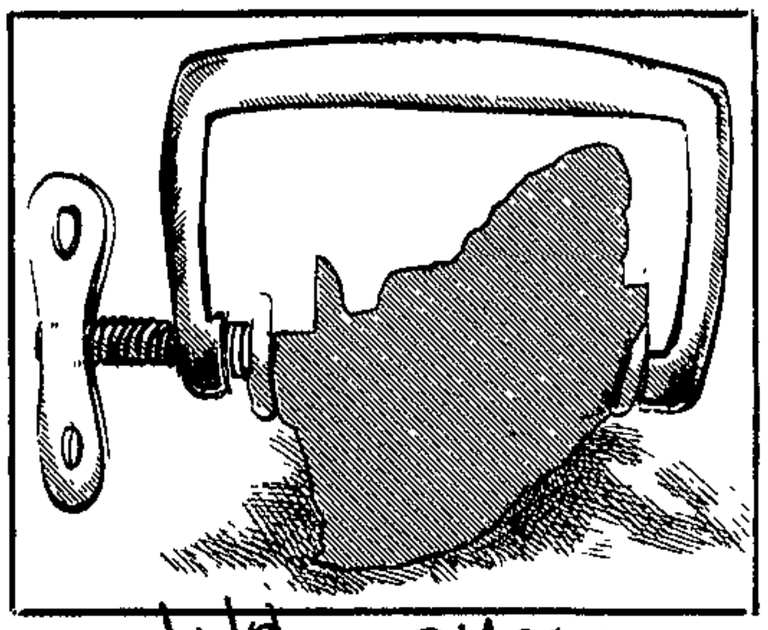
"I feel very frustrated. We do not see many films that are really worthwhile in PE. I used to be a member of the film society, but that collapsed and I decided that reading about films was the last — and perhaps the best — resort," she said.

"For somebody like myself who is not involved in politics, this gives one a tremendous sense of isolation and the whole situation is really brought home."

Miss Lithins said she had applied for the subscription through the International Subscription Services (ISS), who had subsequently written a letter to the Prince of Wales as he is a patron of the BFI.

Asked whether he had had any reaction to his letter, Mr E Polakow, proprietor of the ISS, said he was still waiting for news from the Palace.

MEANWHILE, IN WASHINGTON THE POLITICAL HOT AIR IS RISING . . .



Victory for sanctions lobby — or is it a ploy?

22/6/86 Bs. Times

250

By PATRICIA CHENEY
Washington

WHEN the dust settled on Capitol Hill this week, both sides in the sanctions battle claimed a victory of sorts.

But all that immediately became clear was the extent of political posturing and manoeuvring that lay behind the House of Representatives' surprise approval of a sweeping trade blockade against South Africa.

No one, least of all the Democrats who cheered the proposals through, really expects America to mount a total boycott.

Those lobbying for full-scale sanctions argue that the new Bill, which now goes to the Senate, is a broad negotiating position which has enabled them to up the stakes in the sanctions showdown.

On the other hand, the anti-sanctions brigade claim their opponents have gone too far — and that they have scuppered their chances of getting any meaningful restrictions imposed this year.

The drama began on Wednesday when the 435-member body gathered to consider a mild sanctions package but landed up — to the apparent amazement of everyone — giving a resounding "aye" to a sweeping amendment offered by black Californian Democrat Ron Dellums.

Exemptions

The new Bill gives American companies 180 days to withdraw from the Republic and cuts all trade and air links. The only exemptions would be the import of minerals deemed strategic by President Reagan.

US investment in South Africa currently runs at R4,5-billion while trade is worth R12,5-billion annually.

Late this week both the pro and anti factions were claiming a triumph in the House of Representatives.

Representative William Gray, author of last year's limited sanctions legislation, said there was now "irrepressible pressure" on the Senate to pass strong sanctions measures.

But Representative Mark Siljander, the Republican leading the battle against restrictions, declared sanctions "dead for this year".



RONALD REAGAN
May send envoy

"The Dellums Bill is a lemon. It's the kiss of death," he said after the vote went unchallenged by the Republicans.

Even Mr Dellums, who is known for his fiery speeches against apartheid, was astonished when the Republicans, most of whom are opposed to sanctions, did not bother to demand a roll-call vote

Later, several even went so far as to say they had been hoping for "the worst possible Bill" — a set of extreme proposals that would have no chance of passing the Republican-dominated Senate.

Politics aside, however, no one in either the House or the Senate appears to know quite how the vote is going to effect the final outcome of the sanctions struggle

One scenario, put forward by a Republican Senate aide, is that the anti-sanctions Republican leadership will allow the tough House Bill to be considered by the full Senate. It will be "blown out of the water" and that will be that for the time being.

A second, more realistic, scenario has the Senate considering the limited Bill put forward by Senator Edward Kennedy and Republican Senator Lowell Weicker.

It will pass, and the final legislation will go to President Reagan for his signature and will be "something stronger than the Senate Bill and weaker than the House Bill".

The Kennedy-Weicker Bill is identical to the one the Representatives were meant to vote on this week: no more new investment in SA; no more bank loans; no more imports of South African coal, uranium and steel; no more computer sales; and no more landing rights for South African aircraft.

"Kennedy-Weicker now seems mild in comparison to the House Bill," said one pro-sanctions aide.

"Before Wednesday's vote, the Senate might have been able to get away with a watered down version of that Bill. Now it's the very least they'll be able to vote for."

Profound

What everyone seems to agree on is that if the Senate does vote through some sanctions, and a compromise is reached with the House, President Reagan will be hard put, in the present political climate, to veto it.

Events in South Africa, and Pretoria's conduct over the next few months, will have a profound effect on the next chapter of the sanctions saga.

So will events directly affecting the US If something big enough knocks South Africa off the front pages for a while, it will be easier for the Senate, a third of which is up for re-election this year, to pare away the more onerous sanctions.

It was rumoured on Thursday that the White House was considering sending Senator Paul Laxalt to Pretoria as Mr Reagan's special envoy.

Senator Laxalt was the man dispatched to the Philippines earlier this year to inform dictator Ferdinand Marcos of the withdrawal of American support for his regime.

WORLD WATCH

Black states in a cleft stick

By NORMAN ELLIS
Harare

SANCTIONS against South Africa threaten devastation to the fragile economies of neighbouring black-ruled nations.

Ironically, black states form the vanguard in demands through the United Nations for a blockade of South Africa.

And few doubt that the same black states will suffer more from the backlash of boycotts than South Africa itself.

Mr John Mkshi, president of the Confederation of Zimbabwe Industries, warns that, since most of his landlocked country's trade is ferried through South African railroads, highways and ports, Zimbabwe's economy will collapse "in a matter of months" if Pretoria carries out threats to pass on the impact of sanctions to neighbouring states.

"By howling for sanctions the African countries in the region are inviting economic suicide," said a Western diplomat in Harare.

Migrants

"All the South Africans have to do is to close their borders with the black states round them and that will lead to the black states' ruin."

Statistics tell one side of the story:

● Malawi, Zaire, Zambia and Zimbabwe move up to 80 percent of their trade through South Africa.

● More than 350 000 migrant workers from black states send $1 000-million in foreign currency to their home countries, supporting two-million people who are dependants.

● South Africa controls 77 percent of the region's electricity output.

● South Africa produces almost 80 percent of the area's maize, 87 percent of its wheat and 67 percent of its sugar cane.

● A customs union linking South Africa to the former British colonies of Botswana, Lesotho and Swaziland provides those landlocked countries with up to 61 percent of their government incomes.

● And more than half of the continent's locomotives and rolling stock is owned by South Africa, which routinely leases them to neighbouring states

To blunt the impact of sanctions — and to make these neighbouring nations independent of South Africa's trade, transport and communications links — nine African nations in 1980 formed the Southern African Development Co-ordination Conference. Its members are Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

But the grouping, representing 60-million of Africa's 550-million people, annually trades more than US$1 500-million with South Africa — and a mere US$290-million among its members.

"South Africa can demolish these countries' terms of trade by simply cutting the existing contracts," said an importer in Lusaka.

"Every time our President (Dr Kaunda) opens his mouth to call for sanctions against South Africa, we wince."

But African leaders like Dr Kaunda, Mr Robert Mugabe of Zimbabwe and President Samora Machel of Mozambique contend they are willing to court South Africa's wrath, and the whiplash of sanctions, to set an example to Western powers.

Zimbabwe's Minister of Economic Planning, Mr Bernard Chidzero, believes that a sanctions backlash will not collapse his country's economy, now picking up after three years of drought, but will slow it down.

Britain, the US and West Germany fear that sanctions will stiffen white South African defiance, heap hardships on South Africa's blacks and irreparably cripple the economies of the neighbouring independent nations.

The fall-out from a trade blockade might even be felt in African countries thousands of kilometres away. South African coasters routinely dock at most African ports to off-load anything from apples to air-conditioners. Its air transporters land in capitals ranging from Kinshasa to Khartoum, with medical suplies, food and machinery.

"Nowhere do we have this situation in which so many countries are so dependent on a powerful neighbour they hate and want to destroy," a Zambian diplomat said.

Your move, Maggie!

22/6/86. 280 STIMES

Calls mount to spell out SA policy

MARGARET THATCHER, who spent this week defending her outright rejection of trade sanctions, is now under mounting pressure to spell out what she means by "effective measures" against South Africa.

This is the phrase repeatedly used by the British Prime Minister when she has resolutely resisted calls for an economic boycott.

In a speech yesterday, Mrs Thatcher said she wanted the South African Government to sit down and talk to black leaders.

At a Tory conference in Wales, she said: "I am anxious to get the fundamental equation going so that you have negotiation in return for cessation of violence."

By EVELYN HOLTZHAUSEN and ANDREW GARFIELD

This underlined a growing conviction among senior Tory Cabinet Ministers that the Foreign Secretary, Sir Geoffrey Howe, may be despatched to South Africa to urge President Botha to free Nelson Mandela and begin discussions.

Foreshadowing ideas she is to put to the EEC summit in The Hague on Thursday and Friday, Mrs Thatcher said positive action and proposals were needed to promote the negotiation "which must come sooner or later between the South African Government and black people" so that they can fashion their own future.

"I am sure if we work with other countries to that end, that is the way forward"

Again dismissing a full trade embargo, Mrs Thatcher said cryptically that Britain had a number of "other things" it could do, stopping short of comprehensive sanctions

Yesterday's speech ended a tough but successful week for Mrs Thatcher in dealing with South Africa.

She carried the day in the House of Commons on Tuesday by defeating a call for sanctions and at the same time quelling rumblings of dissent among Tory backbenchers.

In Luxembourg, backed by Common Market partner West Germany, Britain also thwarted a move by EEC members to ban some South African imports.

Now, having staved off the initial sanctions clamour, Mrs Thatcher is expected to seize the initiative — to formulate and seek international support for her "effective measures"

She has refused to hint at what options she is considering. One possibility is a ban on air links. Although earlier dismissed by the government, this option has now apparently become among the "least unacceptable" to Mrs Thatcher. By supporting such a move, her government would do much to end its increasing political isolation over South Africa.

Emphasised

Cutting air routes was one of the eight measures which Commonwealth heads of government agreed on last year in Nassau that they would consider if they were to act against Pretoria.

But there will be no early announcement. Mrs Thatcher is not expected to detail her proposals until the mini-summit of Commonwealth leaders in August.

The British Prime Minister has emphasised repeatedly that she will impose only measures which are going to work, and to do that she wants the agreement of all countries, particularly the United States and Japan, as well as Britain's partners in the European Community

Some EEC members are annoyed that Britain and Germany blocked a moderate proposal for an import ban on South African fruit, vegetables and wine at a meeting of Common Market Foreign Ministers in Luxembourg on Monday.

Sir Geoffrey Howe said afterwards. "It's not a question of sanctions or no sanctions.

"We want measures which will work Our purpose must be to bring down apartheid, not the South African economy"

The failure to agree on the ban was a serious blow to the Netherlands, which had put the idea forward. Britain and Germany are the biggest importers of South African produce

It is believed the right-wing French Prime Minister, Mr Jacques Chirac, shares Mrs Thatcher's distaste for a full trade embargo

22/6/86's TIMES. 50 280

THE SANCTIONS DEBATE KICKS OFF WITH AN IRONY



By EVELYN HOLTZHAUSEN
London

THE sanctions stand by the Eminent Persons Group embodies a bitter irony for one of its members.

Lord Anthony Barber, nominee of Mrs Margaret Thatcher on the EPG and former Chancellor of the Exchequer, is also chairman of Britain's Standard Chartered Bank, which has considerable business, banking and investment interests in South Africa.

The invidiousness of Lord Barber's position as both an Eminent Person and a company chairman has not gone unremarked in London.

Evasions

The articulate, elegant peer evaded a question on conflict of interests in a television interview. He was asked why he backed tough economic "measures" against South Africa when these meant his own company would suffer.

Instead of answering directly, he referred to the fact that the EPG's report had been "unanimous", and he stood by what had been written in the report.

However, sources close to Lord Barber say he has spoken privately about how he was virtually "moved to tears" by what he saw during the extensive travelling he did in South Africa during the EPG's peace mission.

It was a face of South Africa he had not witnessed on previous visits as an important businessman.

"As head of the Standard Chartered Bank, Lord Barber was a frequent visitor to South Africa," I was told.

"But on those trips he was ferried from the airport to a luxury hotel in Johannesburg and from there to various boardrooms for business meetings before being chauffeured back to the airport.

"On that kind of business trip there is very little opportunity, or indeed inclination, for a man of his stature to want to go venturing into townships or explore the grassroots of South Africa's political system.

"So when he went as a member of the EPG it was as if he were visiting the country for the first time — and he found it a very moving and very disturbing experience.

"He was particularly shocked by the extensive control the authorities excercised over the daily lives of black people," said the source.

Lord Barber was also tremendously impressed with imprisoned ANC leader, Nelson Mandela, whom he met twice.

On the second occasion the two talked for two hours and Lord Barber said in a television interview in Britain that he was convinced beyond any doubt that Mandela was not a communist.

Harm

"I think he is a man who would lend all his efforts to bring about peace in South Africa," said Lord Barber.

In the same interview, Lord Barber said as a member of the EPG he was not in a position to dictate to the heads of the Commonwealth governments what "measures" should be imposed against South Africa, as it was not their mandate to do so.

But he felt strongly that united Commonwealth "measures" should be taken as the last opportunity to avert "what could be the worst bloodbath since the Second World War".

Lord Barber was "not available" late this week to discuss what exactly had brought him to suggest steps which would undoubtedly harm his own company's interests in South Africa.

But as he has publicly reaffirmed that the EPG report was signed "unanimously" by all members, that report must reflect his views.

Friends described him as a "kind and caring" man.

Profits

Standard Chartered has an investment of close to R525-million in the Standard Bank Investment Corporation in South Africa, which controls Standard Bank SA (Ltd).

The investment company last year provided 12 percent of Standard Chartered's profits of £268-million (R1 072-million).

According to former South African bank executive Mr John Pank, now a senior spokesman for Standard Chartered in London, Stanbic employs 22 000 people in South Africa and Standard Bank SA (Ltd) has 950 branches in the country.

SA-bound Healey calls for sanctions

The Star Bureau

LONDON — Labour's shadow Foreign Secretary, Mr Denis Healey, on the eve of a visit to South Africa, has made another strong call for sanctions to be imposed against Pretoria.

Mr Healey said the Labour Party believed that the failure of the outside world to impose sanctions could delay the possibility of negotiations between the South African Government and the black majority.

It was essential that further measures should be taken now in order to increase the possibility of the South African Government changing its mind.

Mrs Margaret Thatcher thought there was a danger sanctions would destroy the South African economy but she was in a shrinking minority in Europe, the Commonwealth and the world, Mr Healey said.

"I think you will find that, even if she has to be dragged kicking and screaming into some form of sanctions, she will, in fact, adopt some and so will the United States before this year is out."

"I very much hope she leads rather than follows in this particular enterprise."

He said he believed timid sanctions would have almost no economic or political effect.

"What we in the Labour Party would like most of all is comprehensive trade sanctions applied through the United Nations."

Disinvestment was already taking place, he said, noting that, at a recent conference representatives of many US multinationals operating in South Africa said they were planning to get out within the next year or two because they were not making any money.

"Under its present regime, South Africa is sliding into the status of a banana republic and is likely quite soon to default on its debts."

747s may fly under foreign colours

Secret SAA plan to beat the air ban

23/6/86. STAR

280

By Michael Chester

South African Airways has laid elaborate strategies to lease out several of its jumbo 747 jetliners so that they can be flown under the colours of neighbour states, according to travel industry sources.

Amid growing threats of bans on several key overseas routes, the sources say contingency plans have been drafted to counter any possibility of the withdrawal of landing rights for SAA in the United States, Western Europe and Australia.

Minister of Transport Mr Hendrik Schoeman has declined to comment on the reports, but said in a statement to *The Star*: "We are not prepared to be isolated and are continuously busy with practical plans in co-operation with countries which are prepared to do a good business deal.

"I am not prepared to comment on your information ... and I am not prepared to divulge our plans".

In Johannesburg, travel sources say strategy options being considered by SAA to counter the wave of banning threats from overseas include:

● Leasing several Boeing 747s — perhaps at least three — to Zambia, and providing South African crews to fly regular new services on international routes. The planes would be resprayed and flown with Zambia Airways colours.

● Leasing other jumbos to Swaziland under an identical scheme.

● Possible expansion of the deal which SAA struck with Mauritius about two years ago — a similar leasing arrangement under which there is already a regular once-a-week service between the island and London.

Negotiations are believed to be under way with at least five overseas airlines to increase the number of flights they make in and out of South Africa — on the understanding that they pay a special surcharge to SAA.

They are Olympic Airways of Greece, Alitalia of Italy, Sabena of Belgium, KLM of Holland, and UTA of France.

Each of the five airlines would be invited to increase the number of their weekly flights from two to three.

SAA is using the argument that it is entitled to a slice of the profits on services to South Africa because of the savings open to overseas airlines since they are not forced — like SAA — to fly round "the bulge" of West Africa to avoid flying over hostile black countries.

The Star Bureau in London reports that the British Government is likely to rule against stopping direct flights from South Africa when senior Ministers meet today.

Prime Minister Mrs Margaret Thatcher is said to have ruled out an SAA ban on both financial and legal grounds.

It would cost British Airways about R240 million in revenue if flights were halted, and a ban on SAA landing rights would lead to legal wrangles and could take up to two years to implement.

Sanctions meeting

LEADERS in the bus industry will meet at Mabula Game Lodge, near Warmbaths, next month to discuss the threat of sanctions.

Import replacement and related strategies have been included as an urgent topic for discussion at the Business for Buses conference, to be chaired by former Anglo American executive director Dennis Etheredge from July 1-3.

It will be attended by about 35 of SA's top bus-company executives, who will review their services in what promises to become an increasingly difficult climate.

Sanctions and other politically-motivated developments could aggravate the problems of an industry which took R1,6bn in fares and subsidies last year.

Sponsors of the conference include the CSIR, Mercedes-Benz and two specialist publications.

UK set to move on SA deadlock

The Star Bureau

LONDON — The British Government is expected to launch a fresh initiative this week to end the deadlock on South Africa and limit growing world pressure for full-scale economic sanctions.

It is possible that Foreign Secretary Sir Geoffrey Howe, or a senior official, may be sent to Pretoria to discuss how negotiations can be restarted between the South African Government and the black community.

It is suggested that he will also make another attempt try to persuade President Botha to release Nelson Mandela.

No decision has yet been taken, but Mrs Thatcher will probably put the idea forward at the meeting of European Community heads of government at The Hague on Thursday and Friday.

As Britain assumes the presidency of the EEC in just over a week's time, Sir Geoffrey would go on behalf of the community as a whole.

It is suggested that the Government could present such a mission to Commonwealth leaders as a follow-up to the work of the Eminent Persons' Group. Such a plan would please Tory right-wingers.

But it is argued that even if 80 Conservative MPs did vote against "measures", as some Rightwingers claim, the size of the Government's majority and the support of the Opposition parties would see them through.

Tory Left to meet Tambo

An increasingly vocal group of left-wing Tories is campaigning openly for sanctions and will this week meet ANC president Mr Oliver Tambo.

An inner group of senior Ministers will meet today at No 10 Downing Street. It is expected to rule against stopping direct flights and banning the import of South African fruit and vegetables.

Instead it is likely that the group will recommend the banning of uranium imports and an end to new investment by British firms in South Africa.

Mrs Thatcher is said to have ruled out a ban on air flights to South Africa on financial and legal grounds. Apart from costing British Airways an estimated £60 million (R240 million) in revenue, it would lead to a legal wrangle and could take up to two years to implement.

According to one political commentator, BA has been putting pressure on the Government not to ban such flights. He says the airline's chairman, Lord King, has told Ministers that it would be wrong if long-term civil aviation agreements were threatened.

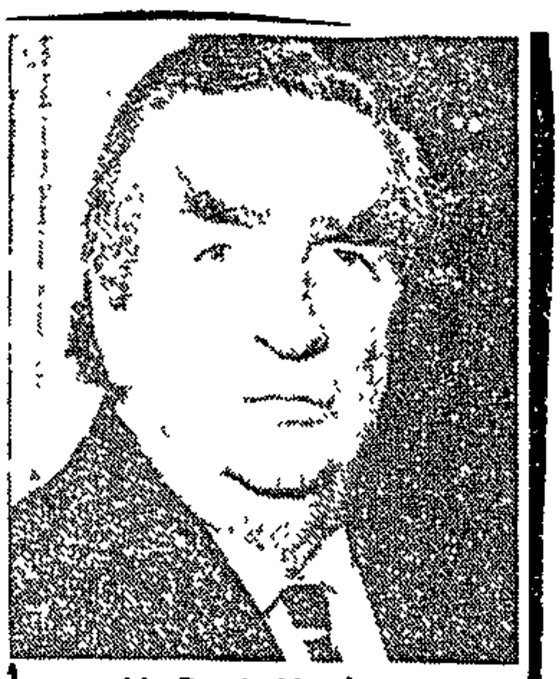
"British Airways officials believe that the message has got home," he added.

Mrs Thatcher is personally opposed to ending the import of South African fruit and vegetables, arguing that the only people it would hurt would be black farmworkers.

The inner group's proposals will go to a meeting of the Cabinet's overseas and defence committee tomorrow, and the full Cabinet on Wednesday.

—

Frank and fearless Healey is no pushover



Mr Denis Healey

280 24/6/86 STAR

The Star Bureau

LONDON — Labour's shadow Foreign Secretary, Mr Denis Healey, on the eve of a visit to South Africa, has made another strong call for sanctions to be imposed against Pretoria.

Mr Healey said the Labour Party believed that the failure of the outside world to impose sanctions could delay the possibility of negotiations between the South African Government and the black majority.

It was essential that further measures should be taken now in order to increase the possibility of the South African Government changing its mind.

'KICKING AND SCREAMING'

Mrs Margaret Thatcher thought there was a danger sanctions would destroy the South African economy but she was in a shrinking minority in Europe, the Commonwealth and the world, Mr Healey said.

"I think you will find that, even if she has to be dragged kicking and screaming into some form of sanctions, she will, in fact, adopt some and so will the United States before this year is out."

"I very much hope she leads rather than follows in this particular enterprise."

He said he believed timid sanctions would have almost no economic or political effect.

PLANNING TO GET OUT

"What we in the Labour Party would like most of all is comprehensive trade sanctions applied through the United Nations."

Disinvestment was already taking place, he said, noting that, at a recent conference representatives of many US multinationals operating in South Africa said they were planning to get out within the next year or two because they were not making any money.

"Under its present regime, South Africa is sliding into the status of a banana republic and is likely quite soon to default on its debts."

Mozambique favours sanctions against SA

BUSDAY 280 24/6/86

Own Correspondent

PARIS — War-torn Mozambique, threatened along with other Frontline states by economic reprisals if the world imposes sanctions on Pretoria, is prepared to suffer.

Foreign Minister Joaquim Chissano said at the weekend in Paris that Maputo was ready for the sacrifice because it believed its guerrilla-fuelled destabilisation problems would cease only once apartheid was destroyed.

Chissano was attending the UN-sponsored five-day conference on sanctions against South Africa which wound up on Friday with a call by more than 150 Third World and Western nations for "comprehensive, mandatory and effective" international sanctions against South Africa.

Pretoria's four main trading partners — Britain, the United States, West Germany and France — did not favour sanctions.

Chissano said he was certain Mozambique's rebel problem would disappear once apartheid went.

He accused Pretoria of not sticking to its part of the Nkomati Accord of ending support for Mozambican National Resistance (MNR) guerrillas. But he said Mozambique was not planning to denounce the accord.

"South Africa must show good faith and keep its side of the deal," he said.

He also again ruled out negotiations with the rebels to end the conflict: "We can't talk to a void."

He acknowledged that Mozambique and other Frontline states would be hit hard if a world embargo were applied to Pretoria.

Most states at the conference agreed that South Africa would lash out at its black neighbours in reprisal for an international embargo.

But, he said, Mozambique and other nations in the region were willing to pay the price as long as apartheid — the supreme indignity — was ended.

Conference delegates and Commonwealth Secretary-General Shridath Ramphal refused to be drawn on the financial burden a South African reprisal boycott would place on other countries in the region.

But a well-briefed Western diplomat in Paris said the United States and Britain had concluded last year that Mozambique alone would need half-a-billion-dollars immediately to rebuild and prepare the country for South African reprisals.

Britain and the US have already said they will not fork out any additional aid to Frontline nations to help them deal with retaliation by Pretoria.

The only offer on the table at the conference came from Nigeria which said it would budget $10m over the next five years to help the Frontline states.

Sanctions not end of world says top man in Armscor

Pretoria Correspondent

Economic sanctions against South Africa will not be the end of the world, but rather "the beginning of life".

This is the view of Mr Fred Bell, executive general manager of Armscor, who leaves the corporation at the end of this month to take up a new, as yet still classified, position.

"The only way to break out of sanctions is when they are applied. Before that it is very difficult to decide what to do," he said in an interview.

He said that prior to the arms embargo, South Africa had a "supermarket buying" policy.

SUBMARINES

He pointed to the fact that among the arms "lost" when the United Nations resolution was passed was a French contract to supply corvettes and submarines. But now, nearly 10 years later, South Africa was still surviving even without the submarines.

When the embargo was imposed they decided what they really needed in the weapons field and made plans to get it, or build it themselves, he said.

If the SADF needed submarines they would get them.

While the G5 gun was an impressive achievement, its triumph lay rather in the production than the techlogical field.

"Look at that," he said pointing to a minature of the Boer War Long Tom gun in his office. "It has a 155 mm calibre and had a range of 12 km. What is so different about the G5? It is the same basic product, but the result of the latest production technology."

Mr Bell regards breakthroughs such as beating the military computer boycott as more important. If if could be broken, he said, South Africa could beat any sanctions.

SE Asian nations call for sanctions

MANILA. — Foreign ministers of six South-East Asian nations yesterday called for the immediate lifting of the state of emergency in South Africa and voiced support for "comprehensive and mandatory sanctions" against the Pretoria government.

In a declaration, the Association of South-East Asian Nations meeting here also urged unconditional release of all political prisoners in South Africa and an end to "policies ... designed to further entrench the apartheid system".

The ministers of Thailand, Malaysia, Singapore, Indonesia, the Philippines and Brunei also supported the establishment "of a non-racial democratic society based on majority rule" in South Africa.

Pressure

"In the face of Pretoria's intransigence, the foreign ministers were convinced of the compelling need to bring worldwide pressure to bear on South Africa through the application of comprehensive and mandatory sanctions in accordance with the charter of the United Nations," the declaration said.

● Meanwhile it is reported from Brussels that European Community leaders meet in The Hague on Thursday for a summit dominated by controversy over sanctions amid mounting pressure on Britain to agree to limited action against Pretoria.

Diplomats said the 12 leaders would try to shed a growing impression that they remain divided and hesitant in following up their verbal condemnation of apartheid with action. — Sapa-Reuter

Business Day

C (45c + 5c tax) For other prices, see Back Page
I, Western Province, Eastern Province 80c (71c + 9c tax)

Insurance

280 BD Dir: 24/6/86

Lloyds to reduce SA involvement if Standard bid comes off

LLOYDS Bank said yesterday it would reduce its involvement in SA operations if its bid to acquire Standard Chartered was successful.

Standard Chartered, based in London, owns a 38,9% interest in Standard Bank Investment Corporation (Stanbic), one of SA's largest commercial bank holding companies

The announcement created the probability Lloyds would sell the interest in Stanbic if it completed the acquisition — a move that would weaken international lending ties for the SA bank. It would also open the door for Liberty Life, which now holds 21,5% of Stanbic, to increase its stake.

Liberty Life chairman Donald Gordon yesterday told *Business Day* from London: "We're certainly going to have first look at it, but I think the assumption that Lloyds is going to win the battle is premature."

Gordon said any offer by Liberty for more Stanbic shares would depend on "the conditions, the terms and the price".

Business Day Reporters

Meanwhile, London's financial community is awaiting a new bid from Lloyds, which is expected to increase by £100m to £1,3bn.

Lloyds CE Brian Pitman told *Business Day* the SA bank's poor performance and the weakening of the rand made a large investment unattractive. In addition, he said, Lloyds was concerned by the size of Standard Chartered's exposure in the country, which he said totalled £800m.

According to a letter sent to Standard Chartered shareholders this weekend, the London bank reported a £16,3m profit from operations in SA and Nigeria in the four months ended April, down from £32,1m in the same period during 1985. In that time, however, Standard Chartered reduced its holding in Stanbic to 38,9% from 51%.

Pitman said Lloyds' concern was not based on political matters. But bankers in Johannesburg suggested Lloyds, with its extensive system of branches across Britain, would be far more vulnerable to a consumer boycott protesting the SA investment, than would be Standard Chartered, which has a small consumer

● To Page 2 ⇨

(a) (ii) 1 June 1986.

(b) (i) Once. The Executive Committee has, however, met four times.

(b) (ii) The Board has considered the following matters at its meeting:

—reports of departmental examiners and moderators,

—prescribed books for the 1989 exam;

– appointment of examiners and moderators for the 1987 exam;

—complaints in respect of the November 1985 exam,

—applications for matriculation exemption;

—financial and policy matters

(c) The candidates that sit for the JMB examination at the end of 1985, are as follows:

Total enrolled	*White*	*Indian*	*Coloured*	*Black*
2050	1219	46	105	680

TUESDAY, 24 JUNE 1986

---

†Indicates translated version.

For oral reply:

General Affairs:

State President:

American Chamber of Commerce: advertisement

*1. Mr L F STOFBERG asked the State President:†

(1) Whether any representatives of certain American companies doing business in South Africa consulted with him or members of his office about a full-page advertisement of the American Chamber of Commerce which recently appeared in South African newspapers; if so, (a) when and (b) what companies were involved;

(2) whether he intends having action taken against these companies; if not, why not, if so, what action;

(3) whether he will make a statement on the matter?

†The MINISTER OF TRANSPORT AFFAIRS (for the State President):

(1) No

(2) and (3) Fall away

Minister:

American Chamber of Commerce: advertisements

*1 Mr L F STOFBERG asked the Minister of Foreign Affairs.†

(1) Whether any representatives of certain American companies doing business in South Africa consulted with him or members of his Department about a full-page advertisement of the American Chamber of Commerce which recently appeared in South African newspapers; if so, (a) when and (b) what companies were involved;

(2) whether he intends registering a protest with the American Government about this advertisement; if not, why not;

(3) whether he will make a statement on the action taken by the above-mentioned American companies?

†The DEPUTY MINISTER OF FOREIGN AFFAIRS:

(1) No.

(2) No. There is no official relationship between the American Chamber of Commerce in South Africa and the American Government.

(3) No. The activities of the American Chamber of Commerce in South Africa, in the first instance, do not fall within the ambit of responsibilities of the Department of Foreign Affairs.

American Chamber of Commerce: advertisements

*2. Mr L F STOFBERG asked the Minister of Trade and Industry:†

(1) Whether any representatives of certain American companies doing business in South Africa consulted with him or members of his Department about a full-page advertisement of the American Chamber of Commerce which recently appeared in South African newspapers; if so, (a) when and (b) what companies were involved;

(2) whether he intends taking action in connection with this matter; if not, why not; if so, what action?

The MINISTER OF TRADE AND INDUSTRY:

(1) No.

(a) and (b) Fall away.

(2) No. The advertisement was placed by a private organisation which is at liberty to do so provided that the laws of the country are complied with.

Mr F R Modise

*3. Mr J H VAN DER MERWE asked the Minister of Education and Development Aid:†

(1) Whether a certain Black person, whose name has been furnished to the Minister's Department for the purposes of his reply, is or was attached to the staff of the Moheme Primary School near Warmbaths; if so, what is the (a) rank, (b) monthly salary and (c) name of this person;

(2) whether any criminal charges are pending against this person; if so, what is the nature of the charges;

(3) whether the person concerned is still teaching; if not, since when;

(4) whether this person is still receiving his monthly salary; if so, why;

(5) whether his Department has received any representations in connection with the transfer of this person; if so, (a) what was the nature of the representations and (b)(i) what action was taken as a result of the representations and (ii) why was this action taken;

(6) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) Yes, up to 30-06-1986.

(a) Principal PIII.

(b) R1 151 pm (Bruto).

(c) Mr F R Modise.

(2) Yes, housebreaking.

(3) No. He is still on the establishment of the school but is on sick-leave, vacation leave and school holiday for the period 17-02-1986 to 30-06-1986.

(4) Yes, as he is still in service although at present on leave.

(5) Yes, orally.

(a) That his services be terminated at the farm school in question.

UK yielding on sanctions — Healey

DIANNA GAMES

BRITISH Labour Party shadow foreign minister Dennis Healey said yesterday the government appeared to be yielding to public pressure on sanctions and other issues.

He said in Johannesburg an indication of this was Monday's announcement that Minister of State in the Foreign Office, Lynda Chalker, was to meet ANC delegates in London.

The government had realised its position in not allowing meetings with the ANC was untenable, Healey said.



● Healey in conversation with the Rev Alan Boesak and David Anderson

"There have been many major shifts of British government policy in the last few months."

It had set up a committees to examine the sanctions issue and discuss recommendations.

A full cabinet meeting would take place today to discuss the proposals Thatcher would be putting to this week's European Community summit, he said.

The Eminent Persons Group (EPG) report on SA was going to have a major impact on public opinion "In fact, I believe it is already beginning to shift opinion and I think pressure on SA will continue to mount"

Healey was reluctant to elaborate on his party's stand on sanctions for fear of violating the emergency regulations.

The SA government, he said, was not entirely happy with his visit, but he had come as the guest of the SA Council of Churches

Upgrade continues at Jan Smuts

By Zenaide Vendeiro,
Transport Reporter

Threats to curtail South African Airways' foreign landing rights — which could result in a sharp drop in passengers going through Jan Smuts Airport — will not affect the airport's multimillion-rand development plan.

A Directorate of Civil Aviation spokesman yesterday said the main aim of the plan was to improve passenger handling and not to increase the airport's capacity.

Mr Stewart Huckwell, director of airport systems and development, said improvements to the airport were necessary regardless of the number of passengers it handled.

THIRD PHASE

The DCA was awaiting approval from the Treasury's Priorities Committee before embarking on the third phase of the four-phase plan, he said.

This involved improvements to the existing terminal building at a cost of more than R20 million.

The improvements include the construction of two-level corridors leading to the entrances of 13 passenger-loading bridges connected directly to the aircraft.

The first phase of the plan involved the construction of a new parallel runway at a total cost of R40 million and of a new control tower. The runway has been completed and the control tower is under construction.

SECOND PHASE

A new operations centre between the two parallel runways — the second phase — is under construction and is expected to be completed in 1988. The centre will have a new 65 m control tower, air traffic control tower and meteorological centres, an avionics centre, a power lighting block and a fire station.

Mr Huckwell said planning of the fourth phase — a large new domestic terminal between the parallel runways — had been shelved. The airport would only need such a terminal in 1995.

When the terminal was built, the existing terminal would be used solely for international passengers.

Prudent CNA-Gallo braced for boycotts

By Michael Menof

CNA-Gallo has invoked the generally accepted accounting practice Statement AC 103, which deals with prior year adjustments, in its 1986 annual report.

The director's report mentions that an adjustment was made to the 1985 results with a note that during the year the basis of accounting for music and video contract advances has changed. Previously, video and music contract advances were written off over the contract period after taking into account sales levels.

Now these advances are to be written off on payment or release of the product, whichever comes first To effect the change, the retained income brought forward from 1985 has been reduced by R6,2 million or 16,6c a share. The directors believe their actions are prudent and realistic in the face of threatened artists' boycotts and unstable currency and market conditions

Some may argue that 1986 has been made to look somewhat better through window-dressing if one considers that earnings attributable to ordinary shareholders' for 1986 were R8,2 million or 26,2c a share compared with 1985's R8,2 million or 26,12c a share.

Had the previous accounting policy been used, it is estimated that earnings would have been 27,2c a share in 1986, but more important 1985's comparative would have been 42,8c a share — a significant drop of 36 percent. The 1986 trading results were far from satisfactory due to difficulties which saw lower profits than forecast. The entertainment division's poor performance really hurt the group.

In 1985, sales were R66,2 million with a pre-tax contribution of R3,1 million In 1986, sales declined to R57,8 million with a pre-tax profit of only R930 000.

Mr Bloom predicts that problems in the entertainment division will remain. Shareholders need to know how the accounting change in 1986's annual report will affect 1987's results and just how quickly the division's problems can be resolved.

Will the annual general meeting tomorrow provide the answers and reassure shareholders?

Nel: Sanctions 'cruel, ruthless'

Own Correspondent

LONDON — Mr Louis Nel, Deputy Minister of Information, yesterday told Britons that sanctions, designed to cripple the South African economy, would be the most cruel and ruthless act the international community could do.

This emotional moment came in a BBC radio interview during the main daytime bulletin yesterday.

Mr Nel had suggested that sanctions would cause black as well as white to lose their jobs. The newscaster added: "But that would also help to cripple the South African economy, would it not?"

Mr Nel replied: "Why do you want to cripple the South African economy? Why would anyone who called himself a Christian, or a decent, civilized man want to cripple the South African economy?"

People would die of hunger, he said.

"Why would anyone be so ruthless, so uncivilized, so rude, so cruel."

25/6/86 STAR 250

'100 000 jobless if US Bill is passed'

The Star Bureau

LONDON — Deputy Information Minister Louis Nel has told Britons that if a resolution at present before the American House of Representatives calling for all American companies to withdraw from South Africa within six months, became law, more than 100 000 black South Africans would immediately lose their jobs.

Mr Nel said for anyone to try to cripple the South African economy would be like trying to "kill the goose that lays the golden eggs".

"It is the cruellest, most ruthless thing anybody can think of doing," he added in an interview on BBC radio yesterday.

Mr Nel said there was no doubt sanctions would have a very powerful effect on the South African economy.

The blacks and their families totalled more than half-a-million people. Some whites would also lose their jobs, but not as many as blacks.

Asked if it would not cripple the South African economy, he said: "Why do you want to cripple the South African economy?

"What decent, civilised man who calls himself a Christian would want to cripple the economy? It would only result in people dying from hunger.

"Why would anybody be so ruthless, so uncivilised, so rude, so cruel?" he asked.

Hypocritical

It was hypocritical to say blacks would not mind sanctions.

He had not heard any black leader propagating sanctions who would, as a result of sanctions, lose his job. Bishop Tutu would not lose his income. But many other blacks would.

On a possible visit by Foreign Secretary Sir Geoffrey Howe, he said there would be no difficulty about this.

It would be an opportunity to explain to Sir Geoffrey the complexities of the situation in the Republic.

Asked how the Government would explain the state of emergency to Sir Geoffrey, he said he would be told this was an absolute necessity because the country was experiencing a "revolutionary onslaught."

Radicals were trying to gain control of the black masses and in the process were murdering blacks.

Healey

As a result of the imposition of the state of emergency, the number of unrest-related incidents had declined tremendously and the number of deaths had declined

On Mr Denis Healey's visit, he said the Government was sure his visit was for one purpose only — "to confirm his preconceived ideas".

These were that there should be sanctions against South Africa and that they would benefit the black people.

But Mr Healey was totally wrong His attitude was an immoral one. Sanctions would be to the detriment of all the blacks of Southern Africa.

Thatcher's SA package

BUSDAY 25/6/86 (280)

LONDON — A package of proposals aimed at ending British isolation over the question of economic sanctions against SA will be finalised by Prime Minister Margaret Thatcher today, government sources said.

As she prepared to meet senior ministers this afternoon, the African National Congress (ANC) said Oliver Tambo had agreed to meet junior Foreign Office Minister Lynda Chalker.

Thatcher, who has come under increasing pressure from the European Community (EC) and the Commonwealth to agree to sanctions against SA, will meet senior cabinet ministers late this afternoon.

The draft British package, due to be presented to the EC summit in The Hague tomorrow, is believed to include a halt to all fresh British investment, an end to uranium imports and a ban on imports of fruit and vegetables.

Sources said Thatcher's decision to invite Tambo to meet a British minister without first renouncing violence, as well as her reluctant acceptance of some form of economic measures, showed a marked change of course by Britain.

They said that as Britain was due to take over the EC presidency on July 1, Foreign Secretary Sir Geoffrey Howe

● To Page 3

Thatcher finalises SA package

BUSDAY 25/6/86

● From Page 1

could well be sent on an EC-sponsored mission to SA.

Other proposals in the British package include financial assistance for the victims of apartheid, legal aid for defendants in political trials and an increase in funds for black students to study in Europe.

Sources said it still remained to be seen whether the package would be enough to mute calls from many Commonwealth leaders for full sanctions.

Thatcher's main aim is to produce a policy that will go some way towards satisfying calls for full sanctions, yet not damage the SA economy beyond repair or harm Britain's considerable investment there.

TRADE

W Germans hit at sanctions

The Argus Foreign Service

BONN — West Germany's four largest business and industrial associations have reiterated their opposition to economic sanctions against South Africa.

In a statement issued here they described sanctions as "unsuitable and dangerous instruments in international trade relations."

The German Chamber of Industry and Trade, the Federation of Industry, the Federation of Wholesale and Foreign Trade and the Banking Federation issued a joint statement on the eve of the EEC summit meeting in The Hague, which is to consider the South African issue.

The statement takes roughly the same line that Chancellor Helmut Kohl's Christian Democrat Government follows on apartheid and sanctions.

ACTION PROGRAMMES

The associations called for "credible and comprehensive reforms to overcome the apartheid system in South Africa," and said they supported the action programmes proposed by the South African economic associations.

"But the German economy continues to consider economic sanctions as a means of enforcing this policy to be unsuitable and dangerous instruments in international trade relations," the statement said.

"The goal of all efforts must be to overcome apartheid, not to impair the South African economy and thus the entire population of the country.

"To cope with its great social and economic problems, South Africa requires a functioning economy.

"Withdrawal of private foreign capital would also be contrary to this urgent requirement."

SA cannot go it alone, warns Oppenheimer

By Craig Kotze

South Africa was not in a position to "go it alone" internationally, Mr Harry Oppenheimer said at the South African Institute for International Affairs (SAIIA) in Johannesburg last night.

Speaking in his capacity as national chairman of the SAIIA — situated in Jan Smuts House on the Witwatersrand University campus — Mr Oppenheimer said the country was in a worrying condition.

He was attending a function at which the chief executive officer of Gold Fields of South Africa, Mr Robin Plumbridge, presented a R350 000 cheque to the Smuts Memorial Trust.

The donation was made on behalf of the Gold Fields Foundation for the Trust to maintain Jan Smuts House for the use of SAIIA and the development of the building's library.

Mr Oppenheimer said the lesson — that South Africa was not in a position to go it alone — was one learned by observing the country's relationships with the international community.

"The institute has succeeded in its work and no political party can doubt its integrity," Mr Oppenheimer said.

The function, attended by the Deputy Minister of Information, Mr Louis Nel, and the Director-General of the SABC, Mr Riaan Eksteen, also celebrated the 25th anniversary of Jan Smuts House.

A memorial plaque to Dr William Busschau, the founder and first chairman of the trust, was also unveiled at the same ceremony.

The trust was formed by SAIIA, the Jan Smuts Memorial Committee and the university.

In appreciation of Dr Busschau's contribution to the trust and his involvement in the building of Jan Smuts House, the large boardroom in the campus building was named after him.

Govt believes SA would be better able to cope with embargo blues than its neighbours

Sanctions will hit sub-continent

Staff Reporter

The South African Government maintains that economic sanctions against South Africa would affect the entire sub-continent.

And South Africa, because of its more resilient economy, would be better able to absorb the impact than its neighbours.

The country's leading role was shown in a recent Department of Foreign Affairs publication, "South Africa — Mainstay of Southern Africa."

It examined areas of inter-dependency between South Africa and 10 Southern African states and demonstrated how these states would suffer in the event of sanctions.

● **Foreign labour** — If employment opportunities were reduced by sanctions, the SA Government would "be obliged to give preference to its own citizens in the labour market".

The implication is that South Africa could expel about 350 000 foreign blacks legally employed in South Africa — 139 000 from Lesotho, 60 000 from Mozambique, 30 000 from Malawi, 26 000 from Botswana and 17 000 from Swaziland.

These workers send home half their total earnings In 1983 this money accounted for more than 50 percent of Lesotho's GNP

If each of these workers support six people at home, nearly two million women and children depend on earnings in South Africa.

In addition, the number of foreign blacks living and working illegally in South Africa is estimated at 1,2 million Most come from Mozambique, Lesotho, Botswana, Swaziland and Zimbabwe

● **Electricity** — If foreign capital were closed, Escom would be forced to curtail expansion and put South Africa's power needs first.

Escom supplies all of the electricity used in Lesotho, 79 percent in Swaziland, about 52 percent in Botswana and 60 percent of power used in Maputo, the Mozambiquan capital.

● **Railways and harbours** — SA Transport Services are a lifeline for Southern Africa,

At least 45 percent of the combined total imports and exports of Malawi, Zimbabwe, Zambia and Zaire are carried to and from South African ports and virtually all by Botswana, Lesotho and Swaziland are routed through South Africa.

Last year, 5 883 SATS freight cars on average were used in these states on any given day.

● **Trade** — Few African countries admit to trade relations with South Africa but there is a flow of goods between 47 African states and the country.

In 1983 South African exports to Africa amounted to R1 800 million (about 10 percent of total exports) while imports came to R400 million (2,5 percent of total imports)

Sanctions would undermine South Africa's capacity to supply these vital imports. Alternative sources would be more expensive

● **Petrol** — Botswana, Lesotho, Swaziland and Namibia obtain all their petroleum products from South Africa, while Zimbabwe and Zambia rely on South Africa's transport network to bring in much of their supplies.

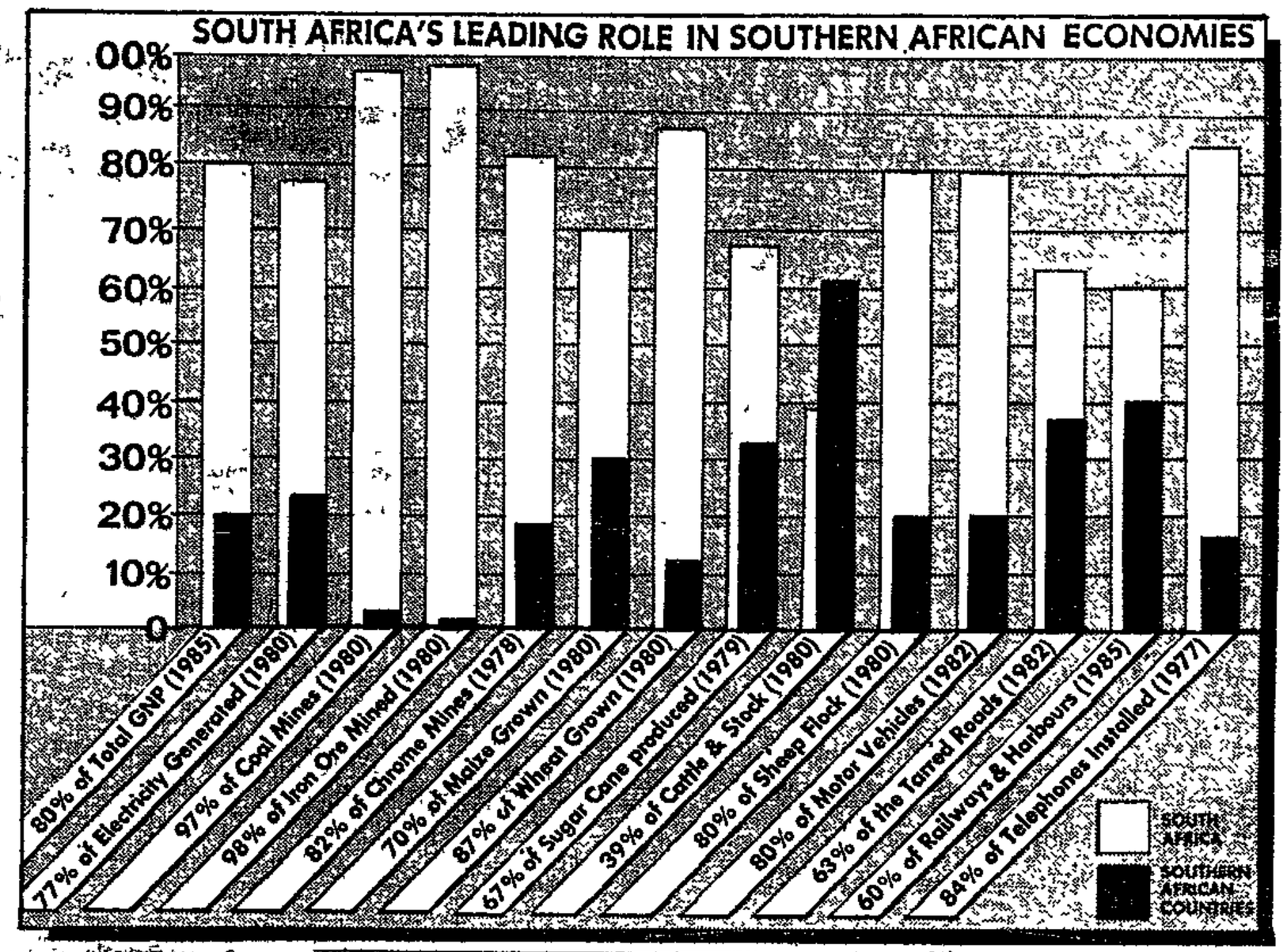
An effective oil embargo could mean a sudden and catastrophic cut-off of supplies of South African oil from coal products to at least Botswana, Lesotho and Swaziland.

● **Credit** — Both public and private sectors provide credit to sub-Saharan Africa, The Government has provided R214 million in development funds to Southern and Central African countries

The Credit Guarantee Insurance Corporation based in Johannesburg, which enjoys reinsurance facilities from the Government, has provided African countries long-term credit guarantees in excess of R350 million, of which about R200 million was outstanding in September last year

It has extended short-term credit of more than R250 million a year, of which R80 million was outstanding in September last year.

● **Posts and telecommunications** — All international telecommunications traffic of Lesotho and Swaziland and some of Botswana's is routed through South Africa SA telecommunications link Swaziland direct with the United Kingdom.



Govt believes SA would be better able to cope with embargo blues th

Sanctions will hit sub-co

Staff Reporter

The South African Government maintains that economic sanctions against South Afri ca would affect the entire sub-continent.

And South Africa, because of its more resilient economy, would be better able to absorb the impact than its neighbours.

The country's leading role was shown in a recent Department of Foreign Affairs publication, "South Africa — Mainstay of Southern Africa."

It examined areas of inter-dependency between South Africa and 10 Southern African states and demonstrated how these states would suffer in the event of sanctions.

● **Foreign labour** — If employment opportunities were reduced by sanctions, the SA Government would "be obliged to give preference to its own citizens in the labour market".

The implication is that South Africa could expel about 350 000 foreign blacks legally employed in South Africa — 139 000 from Lesotho, 60 000 from Mozambique, 30 000 from Malawi, 26 000 from Botswana and 17 000 from Swaziland.

These workers send home half their total earnings. In 1983 this money accounted for more than 50 percent of Lesotho's GNP.

If each of these workers support six people at home, nearly two million women and children depend on earnings in South Africa.

In addition, the number of foreign blacks living and working illegally in South Africa is estimated at 1,2 million. Most come from Mozambique, Lesotho, Botswana, Swaziland and Zimbabwe.

● **Electricity** — If foreign capital were closed, Escom would be forced to curtail expansion and put South Africa's power needs first.

Escom supplies all of the electricity used in Lesotho, 79 percent in Swaziland, about 52 percent in Botswana and 60 percent of power used in Maputo, the Mozambiquan capital.

● **Railways and harbours** — SA Transport Services are a lifeline for Southern Africa.

At least 45 percent of the combined total imports and exports of Malawi, Zimbabwe, Zambia and Zaire are carried to and from South African ports and virtually all by Botswana, Lesotho and Swaziland are routed through South Africa.

Last year, 5 883 SATS freight cars on average were used in these states on any given day.

● **Trade** — Few African countries admit to trade relations with South Africa but there is a flow of goods between 47 African states and the country.

In 1983 South African exports to Africa amounted to R1 800 million (about 10 percent of total exports) while imports came to R400 million (2,5 percent of total imports).

Sanctions would undermine South Africa's capacity to supply these vital imports. Alternative sources would be more expensive.

● **Petrol** — Botswana, Lesotho, Swaziland and Namibia obtain all their petroleum products from South Africa, while Zimbabwe and Zambia rely on South Africa's transport network to bring in much of their supplies.

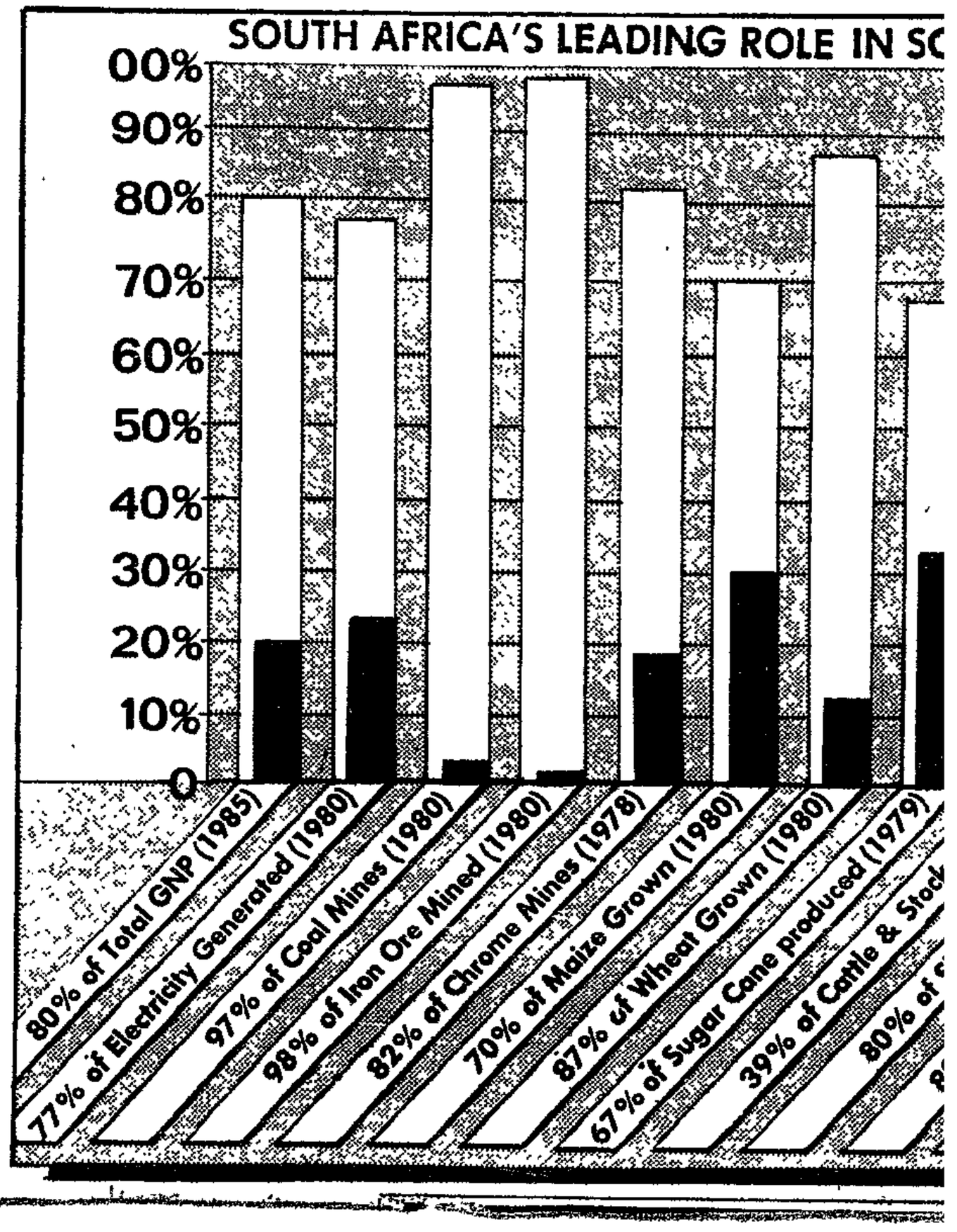
An effective oil embargo could mean a sudden and catastrophic cut-off of supplies of South African oil from coal products to at least Botswana, Lesotho and Swaziland.

● **Credit** — Both public and private sectors provide credit to sub-Saharan Africa. The Government has provided R214 million in development funds to Southern and Central African countries.

The Credit Guarantee Insurance Corporation based in Johannesburg, which enjoys reinsurance facilities from the Government, has provided African countries long-term credit guarantees in excess of R350 million, of which about R200 million was outstanding in September last year.

It has extended short-term credit of more than R250 million a year, of which R80 million was outstanding in September last year.

● **Posts and telecommunications** — All international telecommunications traffic of Lesotho and Swaziland and some of Botswana's is routed through South Africa. SA telecommunications link Swaziland direct with the United Kingdom.



EEC considers ban on fruit and wine

Australia may lead sanctions squeeze on SA

STAR

280

26/6/86.

Melbourne

As pressures for tough sanctions on South Africa hot up in Europe, Australia is expected to consider going it alone soon.

Measures which Australia is likely to take include closing South Africa's commercial office in Melbourne, revoking SAA's landing rights, banning tourist promotion and cutting imports — particularly fish.

The Australian Government is expected to receive a detailed submission from its Department of Foreign Affairs within two weeks, reports *The Star* correspondent in Melbourne.

Meanwhile, it is learnt from London that a fresh initiative by Britain and the European Economic Community (EEC) is likely to be pegged on an insistence on the unconditional release of Nelson Mandela and a suspension of violence — the two issues central to the recommendations of the recent Commonwealth Eminent Persons Group report.

Any move by the EEC could involve a visit to South Africa by a troika comprising British Foreign Secretary Sir Geoffrey Howe and the Foreign Ministers of Holland and Belgium, Mr Hans van den Broek and Mr Leo Tindemans.

Other proposals before the EEC council meeting include one from the Dutch for a ban on the import of South African fruit, vegetables and wine, and one which would limit government-backed export credits to firms trading with South Africa.

West Germany has still to make a decision on its position, but a senior diplomat in Bonn said: "We want a common position among the twelve (EC members), but you can assume that West Germany will be close to the British position."

UK protests

The British Government has meanwhile strengthened its stand on South Africa by formally protesting to the South African Government about the widespread arrests and detentions under the state of emergency.

The protest was made yesterday to the South African Ambassador in London, Dr Denis Worrall, after he had been called to the Foreign Office.

A similar protest was made in Pretoria by the British Embassy.

Dr Worrall was told that Britain deplored the restrictions — including those on the Press — imposed under the state of emergency, and the detentions of community, church and trade union leaders.

The protests are seen as another sign of the British Government's preference for strong diplomatic pressure on South Africa rather than economic sanctions, which would damage the British economy and interests. — The Star's Foreign News Service.

Boycott of SA fruit would be 'disastrous'

By VIVIEN HORLER, Staff Reporter

A EUROPEAN ban on South African fruit would be "disastrous" in the opinion of the Deciduous Fruit Board's chairman, Mr Leo Fine.

And the general manager of an Elgin farm which employs 700 people at the height of the season said it would be a "mortal blow" to the Western Cape.

Deciduous Fruit Board figures show that most of the R692-million earned from exports of fresh, canned and dried fruit and juices last year was injected into the Western Cape.

MAJOR MARKET

A spokesman for the Citrus Board in Pretoria said a ban by Britain "would have serious consequences as the United Kingdom is one of our major markets".

It is thought that about 2,5-million South Africans, most of them black, depend directly on the fruit, citrus and avocado industry for a living.

"So if people come with this nonsense that by boycotting South African fruit they'll be helping the blacks, these are the facts," Mr Fred Meintjies, spokesman for the DFB, said.

CONFIDENT

"We've conveyed these figures to Britain and to European governments and this is why we are confident that no ban will be introduced."

But a British Cabinet committee is understood to be ready to endorse proposals which may include a ban on the import of South African fruit and vegetables.

And a similar proposal may be considered at the European Economic Community's summit in The Hague today, although last week EEC officials failed to agree on this.

Last year South Africa exported 305 000

(Turn to Page 3, col 2)

Ban a 'disaster' for Cape

Continued from Page 1

tons of fresh deciduous fruit, worth R473-million. Britain was the biggest customer.

Mr Fine said he was confident that a ban would not materialise.

"We're relying on Mrs Thatcher's word that she will not support sanctions and we've made representations to the authorities in Europe, pointing out what the trade has to lose from their point of view, too.

"But if sanctions were applied and they were effective it would be a disaster for the fruit industry.

"About 75 percent of our fresh fruit goes to EEC countries, so a loss of that percentage of your market would have a disastrous effect on the local community, especially black farm labourers."

He was echoed by Mr Basil Tarr of Applethwaite Farm in Elgin, a major producer of apples and pears.

"The fruit industry is one of the main employers in the Western Cape. The area has little industry and a lot of what there is services the agricultural industry. So you'd get a ripple effect.

He said many jobs, mainly for blacks, would be lost.

Mr Tarr said a ban would mean the local market would be flooded with fruit, sending prices crashing.

Mr Meintjies said DFB figures that South Africa supplied Britain with 50 percent of its deciduous fruit between January and June and 80 percent of its citrus between May and November.

Europe debates sanctions today

EEC foreign ministers to discuss action against South Africa

From FRED BRIDGLAND and MICHAEL MORRIS, The Argus Foreign Service

THE HAGUE. — Proposals for limited sanctions against South Africa will be on the table when the European Economic Community summit meeting starts here today.

The EEC Foreign Ministers met this morning in a last-minute effort to work out a common policy before the 12 heads of state were to get together.

The Dutch, who now hold the presidency, have proposed sanctions which would ban the importing of South African fruit, vegetables and wine and which would limit government-backed export credits to firms trading with South Africa.

But the community is deeply split on the issue. The attitudes of its three economic giants — West Germany, Britain and France — will be crucial to the shaping of an EEC policy.

And the three are playing their cards very close to their chests.

There is much speculation that Britain will succumb to pressure to impose the fruit, wine and vegetable boycott.

Protest

West Germany, whose trade with South Africa is second in value only to that of Britain, has not yet made a final decision.

Mrs Margaret Thatcher, the British Prime Minister, is strongly opposed to economic sanctions. However, officials in London are hinting that she may give in to the ban to prevent Britain from being isolated.

Meanwhile, Britain has formally protested to South Africa about the widespread arrests and detentions under the state of emergency.

The protest was made to the South African Ambassador, Dr Denis Worrall, yesterday after he had been called to the Foreign Office. A similar protest was made in Pretoria by the British Embassy.

Dr Worrall was told that Britain deplored the restrictions, including those on the foreign Press and the detentions of community, church and trade union leaders.

Mandela

The move was based on information about the effects of the state of emergency, reported by the British Embassy.

It is seen here as another sign of the British Government's preference for strong diplomatic pressure against South Africa as opposed to economic sanctions which would damage the British economy and harm British interests.

The key to any fresh diplomatic intiative by Britain and the EEC is the unconditional release of Mr Nelson Mandela from prison. It is seen by the Eminent Persons' Group and the international community as a precursor to dialogue and a suspension of violence.

Britain's Foreign Secretary, Sir Geoffrey Howe, has made his view on Mr Mandela very clear: "The key to the commencement of dialogue, if one has to try to find one key, is the unconditional release of Nelson Mandela.

"Pave the way"

"That must be seen as the most important act of reconciliation that is necessary to pave the way for peace."

It is suggested that a new initiative towards achieving a peaceful settlement could involve a visit to Pretoria by an EEC "troika". It would comprise Sir Geoffrey and the Foreign Ministers of Holland and Belgium, Mr Hans van den Broek and Mr Leo Tindemans.

Britain is seriously considering it as an option and Mr Tindemans has said he would back the idea.

Mrs Thatcher and Sir Geoffrey are expected to urge their EEC partners to support an initiative of this kind when they meet today and tomorrow.

Press highlights SA minerals

SA sanctions may be 'costly' for US defence

MAJOR new US sanctions proposals, aimed at severing trade links with SA, could prove costly for Washington's defence build-up.

A sustained cut-off of strategic metals from SA might jeopardise national security and force the US to rely on the Soviet Union for supplies, said Robert Greenberger in a recent *Wall Street Journal* report.

A batch of recent US news articles was made available to the SA media at the Bureau of Information's security briefing in Pretoria early this week by the US Information Service.

Greenberger's article highlighted Washington's reliance on SA-sourced minerals and metals used in military applications.

"Without exports from Pretoria, the US would have to turn to Moscow, which, after SA, has the largest reserves of platinum and manganese and the world's third-biggest chromium supply," he wrote.

Washington's mineral procurement bill from SA last year was $1,3bn.

The US Commerce Department's Office of Strategic Resources maintained that the free market access to SA's minerals was "vital for continuing US defence build up ... in the event of a national security emergency".

Business Day Reporter

"I'd be fairly sure the Soviets would step in and sell us the minerals in the event of an SA cut off," said Charles Bennet, chairman of the US House Armed Services sub-committee on seapower and strategic and critical metals.

"But that puts us in the hands of potential enemy as far as immediately acquiring things. And they'd cut us off when they wanted to."

President Ronald Reagan, however, has said the US could still source strategic minerals and metals from SA as a matter of national security.

Some political observers feel this could turn the congressional sanctions bill awaiting Reagan's approval into a dead letter.

Congressional critics say stockplies have already fallen below the three-year supply target — government's inventory for chemical-grade chromium stands at 242 000 tons against the strategic reserves official goal of 675 000 tons.

Without SA shipments to the US, the stockpile was sufficient to tide the country over a conventional war that might last several years, concluded a congressional aide.

BUSDAY. 26/6/86.

Fruit ban would hit EC

LONDON — An immediate European Community ban on imports of fresh fruit and vegetables from SA would disrupt long-established trade and push up prices of citrus fruits in Europe this northern summer, trade sources said yesterday.

Such a ban could sharply drive up the prices of oranges, lemons and grapefruit because other exporting countries could not completely fill the gap until late last year, the sources added.

The possibility of the 12-nation EC banning imports of SA fresh fruit and vegetables might be considered at the EC summit in The Hague today.

Government sources say Britain, an opponent of sanctions, would reluctantly accept an EC boycott of uranium and fruit and vegetable imports from SA if this were the price of agreement at The Hague.

Marketing of the SA citrus crop, which is now beginning its sales season, would be disrupted at a time when alternative supplies from nations like Brazil would not be readily available until October or November, the sources said.

SA fruit and vegetable exports make up only about 4% of total trade between SA and the EC. But SA supplies some 80% to 90% of citrus fruit in many West European countries between July and September, the sources said.

If a ban remained in effect until the start of 1987, when SA deciduous fruit such as apples, grapes, pears, plums and nectarines normally begin entering the European market, the effect could be much more apparent to consumers.

According to the SA Deciduous Fruit Board, the West European market for grapes during the Southern Hemisphere season is about 11-million 5kg cartons, and SA provides about eight to nine million cartons from late December until the end of June.

Plums from the Cape make up about 95% of the European market from January until the end of March.

Britain, the largest EC importer of SA deciduous and citrus fruit, would be particularly hard hit by a ban, as would European firms depending on SA supplies. — Sapa-Reuter.

FIN MAIL
27/6/86

SANCTIONS

FEATURE

Mixed bag for minerals

Whatever the overall effects of sanctions on SA's economy, earnings from export of precious metals are likely to be boosted, at least in the short term. That, at any rate, is the positive view of Aiden Edwards, president of the Council for Minerals Technology (Mintek), a government-private sector body investigating beneficiation.

He tells the *FM* that the platinum price could double, and the gold price increase by between 10% and 50%, depending on the strength of the international sanctions packages

"Subject to world perceptions of the seriousness of the South African situation, foreign exchange earnings from these two important commodity exports would appreciate considerably," says Edwards.

SA is responsible for about 90% of annual world platinum production and supplies some 50%-60% of the West's gold. Sales of gold accounted for 45% of the country's total exports of R33 billion in 1985. Given international demand and the many devious trade routes, particularly for gold, it would be virtually impossible to embargo exports of the two metals.

But, adds Edwards, there is a danger that users of platinum as a chemical catalyst in the motor, petroleum, nitric acid and other chemical industries would look for cheaper alternatives if prices shoot through the roof

Conversely, investment in platinum as a precious metal — Japanese jewellery purchases make up roughly a quarter of all sales — could increase

"What we are looking at here is a short-term boom and thereafter, possible serious damage to the industry," says Edwards

He points to the sudden jump in the gold price in the days preceding June 16 to illustrate the effect political uncertainties can have on the price of SA's single most important foreign exchange earner. Sanctions would increase this uncertainty, placing a solid platform beneath the international gold price.

"Gold is also an excellent instrument for international barter deals. It would be a major trade weapon in SA's arsenal," says Edwards.

Diamonds provided some 3% of the country's foreign exchange earnings in 1985, and it is difficult to project the effect of sanctions while De Beers' Central Selling Organisation virtually controls the international market

Producers of other strategic minerals — chromium, manganese, vanadium and titanium — would probably not be as fortunate, as they are mostly easily identifiable bulk exports. Alternative producers would be quick to fill any gap left by SA's absence from international markets.

SA has about 75% of proven world chromium reserves and produces some 50% of the world's ferrochrome, which is essential for stainless steel manufacture.

A short-term price boom could be followed by degeneration of this important industry, in spite of the fact that SA is the world's cheapest producer.

"Zimbabwe, India, Brazil, Sweden, the Phillipines and Turkey are all ready to step into the breach, and it could take the industry between 10 and 20 years to recover from imposition of sanctions," Edwards notes. But chrome, although an important export, provided only 4% of SA's foreign exchange earnings last year and a collapse would not be catastrophic for the economy, he adds.

Another option for SA is to increase local production of stainless steel "Although most stainless steel producers jealously protect their own industries, the alternative does exist," says Edwards

SA has the world's greatest reserves of vanadium, used in production of speciality steels and in the chemical industry The 1985 earnings of R300m made up about 1% of total export receipts, but producers could be forced to ride the same rough road as chrome producers

Alternative producers in Brazil, China and Russia are already waiting in the wings But again, beneficiation, already successfully done by Highveld Steel and Vanadium, could provide some relief.

"The immediate effect of sanctions would therefore be an increase in foreign exchange earnings as world prices shoot up," Edwards sums up. "But this would be followed by the gradual deterioration of several industries as substitutes are developed or other producers take over SA's markets."

The sobering thought must be: where does this leave the workforce?



Raymond Preston

Mintek's Edwards ... fine for gold

MAKING NEW MARKETS

If sanctions force South African platinum out of world markets for catalysts, new hi-tech development, particularly in the use of platinum fuel cell electricity production, could yet save the industry.

Although fuel cell development is still at an embryonic stage, its international application in an increasingly pollution-conscious world would provide a massive boost for the platinum industry, claims Mintek president Aiden Edwards.

"The use of the fuel cell would completely eradicate air pollution from electricity generation. This would prevent acid rain and the so-called greenhouse effect and protect the environment," he says.

Current fuel cell electricity generation costs are roughly double those of thermal power generation, but economies of scale would bring down the cost dramatically.

"New Mintek technology for exploiting the UG-2 reef in the next decade would ensure that extraction from SA's massive reserves could be doubled to meet increased demand from the rest of the world," says Edwards.

He says, however, that SA, as the world's premier producer, should become more active in fuel cell research. A major research and development project for the advancement of a fuel cell pilot plant would cost some R40m.

"Historically, we have given too little attention to the beneficiation of our minerals," he adds. "A modest application of fuel cell power generation worldwide could double the market for platinum and earn us an extra R2 billion a year. What a return on a R40m investment."

SA FOREIGN RELATIONS

Western pressure mounts

The international ground was shifting at an alarming rate under SA's feet in Europe and the US this week, despite the opposition of America's President Ronald Reagan and the UK's Margaret Thatcher to full-blown sanctions against SA

In its biggest policy reversal yet, the British government invited African National Congress (ANC) president Oliver Tambo for talks with Lynda Chalker, the Foreign Office Minister responsible for Africa. PM Margaret Thatcher's long-standing pre-condition — ANC renunciation of violence — was not mentioned.

It infuriated rightwing Tory MPs. Foreign Office officials said, however, the meeting was consistent with UK appeals for negotiations with the South African government and all black political groups.

"Just as we urge the South African government to come to the table, so we want to impress on the ANC that negotiations and dialogue is the way forward. We will also emphasise our abhorrence of violence," said a spokesman. Tambo was seeing Chalker as the *FM* went to press, after some hesitation over whether he would demand a meeting with Foreign Secretary Sir Geoffrey Howe. However, Howe was scheduled to attend a full Cabinet meeting, and then an emergency session of European Economic Community (EEC) foreign ministers — to try to reach a common position on new actions towards SA ahead of the two-day summit meeting in The Hague of the 12 EEC heads of government.

The invitation to Tambo was being coupled with hints that Thatcher, while still opposed to comprehensive trade sanctions, might now agree to a ban on imports of South African fruit, vegetables and wine. Britain and Germany vetoed this Dutch proposal at last week's EEC Council of Ministers talks (*FM* June 20)

Thatcher's view remains that such a ban would merely enrich French farmers at the expense of jeopardising the jobs of black agricultural workers in SA. Reports from Bonn say, however, that Germany would drop its objections to this limited embargo, if all the EEC partners agreed, as being a relatively less damaging but effective pressure on SA.

The question remains whether Britain — which takes over the EEC presidency on July 1 — is prepared to be isolated both in Europe and the Commonwealth. It is seen as unlikely Thatcher will abandon her position quickly.

She is expected to propose yet another EEC peace initiative headed by Howe, as president of the council of ministers. EEC officials in Brussels also point out that further diplomatic action would be agreed at The Hague summit as an interim measure

The UK and Germany are the only EEC members which do not require South African visitors to obtain visas, and Germany has long objected to SA's refusal to reciprocate. Visa requirements, plus withdrawal of diplomatic trade representation, are described as "real possibilities."

Meanwhile, this week London was the centre of unprecedented exposure for the ANC. Tambo spoke to the Royal Commonwealth Society, met the Labour Party's shadow Foreign Secretary, Denis Healey, before the latter set off for SA, and spoke at the House of Commons to Tory MPs on the liberal wing of the party. He also lunched with the British Industry Committee on South Africa (BICSA), comprising the chairmen of the biggest firms with operations in the Republic. Two ANC executive members, Thabo Mbeki (information) and Johnstone Makatini (international relations), gave evidence to the House of Commons Foreign Affairs Committee. On Monday, Ambassador Denis Worrall gets his turn as the first official South African government representative to speak to the committee. Foreign Secretary Howe will be questioned on July 7. The committee's reopening of its hearings — which gives the ANC its second appearance — follows its decision to assess "what would in practice 'constitute effective measures which will help achieve a peaceful solution in SA.'"

It has already held informal off-the-record talks with the co-chairmen of the Commonwealth Eminent Persons' Group and with Bill Yeowart of Nedbank. The committee also plans to take evidence from "relevant" government departments, British business organisations and "others" before parliament rises for the mid-year recess next month.



Howe

Meanwhile, reports our Washington correspondent, no one in the US capital doubted that the House of Representatives would approve a Sanctions Bill over White House objections, but few had accurately gauged how far the Democratic-controlled chamber would go.

California Congressman Ronald Dellums, a leader of the Democrats' oft-ignored radical wing, singlehandedly stunned Washington when he took to the House floor last week in the midst of the sanctions debate and offered up a substitute Anti-apartheid Bill that was markedly harsher than the one under consideration (*World* June 20).

The Dellums Bill replaced a more moderate piece of sanctions legislation that was already under attack from conservatives as being too tough· the House Foreign Affairs "Anti-apartheid Act of 1986" included measures to bar any new investment in SA, cut off South African imports of steel, uranium and coal, and force the de-listing of South African companies on American stock exchanges.

Republican opposition in the House apparently decided to make an 11th-hour gamble and forgo and challenge to Dellums' Bill in the hope that the Senate will be better able to reject sanctions outright

But it was a gamble that may well be lost In the wake of the House action, congressional sources in both chambers said they thought the tougher Bill could actually increase rather than decrease the pressure on the Senate to pass a milder form of sanctions of its own. With the House on record calling for total withdrawal, the stakes have been raised.

Although Senate foreign relations' committee chairman Richard Lugar has said he opposes sanctions, his committee is scheduled to take up the issue next month and it is unlikely that Senate Republicans can afford to let the issue die without some sort of public whack at SA — a milder sanctions Bill that might withdraw SA Airways landing rights or include selective bans on new bank loans and investment, for instance SA is too hot a topic in this 1986 election year to

CITY BLASTS

The Johannesburg city centre was rocked by two explosions on Tuesday afternoon. A blast inside a Rissik Street fast food outlet was followed 25 minutes later by another outside the President Hotel in Plein Street.

Seventeen people were injured in the explosions, according to a spokesman for the Bureau for Information. He said no information was available on who was responsible for the blasts.

be ignored by Republicans or Democrats.

The heavy US media attention and worldwide condemnation of Pretoria's State of Emergency actions ensure that this is one topic that won't die quietly.

Once the Senate passes its version, key senators and representatives will sit down and iron out their differences. With the Dellums total-disinvestment Bill as a starting point, even tough sanctions could look like a compromise.

The House Bill did provide some ammunition for the White House, which has sought with little success to dampen the sanctions flames since they first ignited on Capitol Hill some two years ago.

"We believe that legislation of this type would erode our capacity to promote negotiations in SA and would likely further separate an already divided society," said White House spokesman Larry Speakes.

But absent from the White House condemnation was any mention of a potential presidential veto. The likely outcome of the House action will be to strengthen, rather than kill, the sanctions drive. Reagan is expected to reserve his veto decision until the House-Senate wrangling over sanctions takes a more concrete shape.

Pretoria is declining to react "at this stage" to the mooted two-pronged South African peace initiative by Britain and the US. In addition to Geoffrey Howe's visit next week, President Ronald Reagan's key trouble-shooter, Nevada Senator Paul Laxalt, is reported to be also preparing for a visit armed with a personal message from Reagan to President P W Botha. Laxalt was sent by Reagan to the Philippines last year to deliver a final warning to President Ferdinand Marcos. The warning was apparently not heeded, and Reagan effectively turned his back on his former ally. Question is, could the same happen to Pretoria? ■

Deadlock in EEC over SA sanctions

The Star's Foreign News Service

THE HAGUE — Common Market leaders are today resuming their talks on sanctions against South Africa after breaking up last night in apparent deadlock.

Mrs Thatcher, backed by West Germany and Portugal, is said to be resisting calls from the other nine European Community countries for a trade ban.

The Dutch had drawn up a formidable shopping list of South African products which could be banned. These included fruit, vegetables, wine, iron ore, steel, coal and gold coins.

During the exchanges, Chancellor Helmut Kohl of West Germany, whose country has a substantial trade with South Africa, counselled "caution and care".

He was strongly supported by Mrs Thatcher, who pointed out that an embargo on, for instance, precious metals and minerals would benefit the Soviet Union, and that about 120 000 British jobs would be affected.

South Africa might counter such sanctions by banning exports of strategic minerals to Europe.

BLOCKADE

Mrs Thatcher also warned that a total economic blockade would be unrealistic and impossible to impose successfully without including the United States and Japan.

She added that it was a question of effective action, not just moral gestures "to feel good".

Diplomats were said to be working through the night to prepare [illegible] package to be considered today.

The package is expected to include a [illegible] of so-called "positive" measures which Mrs Thatcher favours, and which are intended to encourage talks between the South African Government and the black majority.

They are thought to include humanitarian aid for the victims of apartheid and the current state of emergency, and help for trade unions and churches working with blacks.

● It is suggested here that Mrs Thatcher and Foreign Secretary Sir Geoffrey Howe are in dispute about sanctions, and that they were still arguing about Britain's role when they left for The Hague.

Sir Geoffrey is said to have doubts about the benefits of another mission to Pretoria, which he is expected to lead.

On other matters, too, Downing Street is said to have opposed what it regards as Foreign Office "softness".

Healey is committed to sanctions against South Africa

Despite centre-right tag he's no pushover

27/6/86. STAR. 280

By Garner Thomson, The Star Bureau

LONDON — Despite the "centre-right" tag that has attached itself to Shadow Foreign Secretary Denis Healey throughout his career, the South African Government is unlikely to find him a pushover.

He is committed to the imposition of sanctions against the Pretoria regime and is anxious to find ways to ensure that they are immediate and effective.

Mr Healey — a respected politician who somehow manages, as one constituency friends puts it, "to dine at the top tables of the world, yet loves to eat fish and chips with us" — is gravely worried not only about the welfare of South Africa's blacks, but about the "massive shame" Britain's inactivity over South Africa would inflict on its own people.

Denis Healey, Britain's longest-serving Chancellor of the Exchequer, has had only one major political turnabout.

His promises to "soak the rich" by stepping up taxation turned sour in 1976 when he was forced to make massive cuts in public spending to get an IMF loan to shore up the pound.

His background is salt-of-the-earth Yorkshire, born in Keighley and educated at Bradford Grammar School. He gained a double first at Oxford and enjoyed a brief affair with communism, prompted, as with so many of his generation, by the Spanish Civil War.

During World War 2, he rose to the rank of major. He was beach-master at Anzio during the Italian campaign and was mentioned in despatches.

He retained a good sense for tactics and applied it well in the post-war Labour Party, in which he rose from international secretary to Defence Secretary in 1964.

His opponents came to recognise that behind the comically beetling eyebrows, and his ruddy-faced "silly-billy" charm (immortalised as such by impersonator Mike Yarwood), was a tough negotiator who suffered fools badly.

Stature

During Britain's run-down east of Suez, he told some of the Empire's most senior Admirals: "Get out! You're wasting my time."

The 1974 Labour victory saw him move into No 11 Downing Street as Chancellor. He grew in stature both within the party and among his opponents over his fearless engagements with his own party's Left. He alienated them by telling them they were "out of their tiny Chinese minds". They got their revenge by throwing him off the National Executive in 1975.

Denis Healey — also an expert on art, opera and rare books — is undoubtedly one of the bluntest members of the Labour Party. His style of politics has doubtless cut down some of his popular support, but there are many — among them some of the country's most powerful unions — who like and respect his style.

His popularity extends to many statesmen and politicians abroad, because he is known as someone who takes the trouble to familiarise himself with the minutiae of day-to-day politics in the country he is visiting. He speaks several languages, and — rare in a British politician — seems to have no fear of making speeches or discussing issues in a borrowed tongue.

Many commentators have claimed his objective has been to gain party power. His hopes of leading Labour looked brightest in 1976 but came to nothing.

He has not become embittered. His son, Tim, describes him as "the least vain man in the world". Others close to him see his fearlessness and his frankness as a simple matter of doing and saying what he truly believes in.

Denis Healey has never been one to avoid unpopularity if the issue demanded it — some have said that he probably wouldn't recognise it as such, anyway.

Thatcher resisting pressure from EEC

Cape Times 27/6/86 280

From JOHN BATTERSBY

THE HAGUE. — The British Prime Minister, Mrs Margaret Thatcher, was holding out against pressure from other European leaders last night to adopt a mixed package of economic measures on South Africa.

The South African crisis dominated the opening of the 12-nation European Economic Community summit here, with the emphasis on achieving a package which would promote dialogue and end violence

Leading the pressure on Britain was Mr Rood Lubbers, Prime Minister of Holland, which holds the EEC presidency until next week when Britain takes over.

Mrs Thatcher's only allies were West German Chancellor Helmut Kohl and Portugal's President Mario Soares

West Germany is South Africa's other major trading partner while Portugal faces a powerful expatriate community which is strongly opposed to sanctions.

'Balanced response'

Opening the session on South Africa last night, Mr Lubbers diplomatically stressed the importance of promoting dialogue in South Africa and called for a "balanced response".

This would consist of negative measures, or sanctions, positive measures aimed at helping blacks and a diplomatic initiative to promote a black-white dialogue.

But Mrs Thatcher's proposal for a troika of EEC foreign ministers, led by the British Foreign Secretary, Sir Geoffrey Howe, to initiate dialogue received a cool reception at the summit.

Other European leaders want a minimum guarantee that President P W Botha will release the jailed African National Congress leader, Mr Nelson Mandela, and open talks with the ANC before they sanction another peace mission so soon after the ill-fated Commonwealth mission.

Earlier yesterday, EEC foreign ministers failed to reach agreement on a package of limited sanctions because of strong opposition from Sir Geoffrey.

EEC heads of government continued to discuss the South African package over dinner last night and were expected to do so again over breakfast this morning.

The package is made up as follows:

- A ban on the import of South African fruit, wine and vegetables.
- A ban on the import of South African coal and steel.
- A total ban on the import of all gold coins from South Africa — a measure Britain has already taken within a Commonwealth context.
- Targeted financial aid for black training scholarships and non-violent opposition movements such as the United Democratic Front and the London-based anti-apartheid group International Defence and Aid.
- Closer contact between EEC nations and non-violent opposition groups in South Africa

In apparent deference to Britain there was no mention of a ban on air links and it appears that the EEC will not address the question of a ban on new investment. The latter measure is more likely to be initiated in the context of the Commonwealth

Unanimous measures

Mrs Thatcher is mindful that whatever measures she adopts here will be only a curtain-raiser to the Commonwealth mini-summit in August where she will come under even more intense pressure to adopt further sanctions.

She is adamant that any measures taken should be unanimous, not just within the EEC, but among all South Africa's major trading partners including the United States and Japan

She also insists that measures must be "effective" in terms of promoting black-white dialogue in the context of a suspension of violence on all sides.

She is also expected to present her government's recent contact with the ANC president, Mr Oliver Tambo, as an imaginative and genuine attempt to bring the two sides together.

short-term end of the market to stay at present levels or to decline by one or two percentage points.

we had a successful anti-inflation policy without high interest rates but with a buoyant economy."

Cape Times 27/6/86 280

Sanctions would turn SA into an Ethiopia—Ackerman

Own Correspondent

LONDON. — Mr Raymond Ackerman, chairman of Pick 'n Pay, has warned Britons that sanctions against SA would devastate his country and turn it into another Ethiopia.

He said that SA did not need the world to "whip and thrash us".

What it needed now was a carrot.

Speaking to BBC radio, Ackerman said he understood the political ramifications of sanctions to the British, the Americans and the nations of the Commonwealth.

But he said, as a South African — not a white South African or a black South African — sanctions would have devastating affects on SA

It was pointed out to Ackerman that other South Africans, as well as the Commonwealth's Eminent Persons' Group, who felt that sanctions had to be taken.



Raymond Ackerman

He said he supported some of the things that such people said.

At least 90% of SA businessmen, for example, wanted apartheid to go. They wanted people who had been detained without trial to be released, and also the real leaders to get around the table and sort out real power sharing. They were agreed that constitutional change was needed.

But he could not agree with those who espoused sanctions.

Meanwhile 34 leading British companies, backed by the Confederation of British Industry (CBI) have expressed their opposition to sanctions against SA.

The signatories to a statement setting out their opposition include some of Britain's biggest and most influential companies such as Consolidated Goldfields, Hill Samuel, ICI, Rio Tinto-Zinc, Unilever, BP, Hanson Trust Shell and Unilever.

While condemning apartheid, the British Industry Committee on SA (BICSA) said: "Any measure aimed at damaging or undermining the SA economy would be counter-productive and likely to lead to an increased polarization of attitude and the removal of all possibility of peaceful change."

EC threat to uranium exports not a problem

The Star Bureau

LONDON — The possibility of a European Community ban on imports of South African uranium in a package of economic sanctions is not likely to cause President Botha to lose much sleep, it is said in London.

Stefan Wagstyl of the *Financial Times* points out today that uranium accounts for only a small proportion of the Republic's total exports of $16 billion last year.

Moreover, he says, any ban would take years to bite, since it would most probably affect only new contracts in an industry in which producers and their consumers (electricity concerns) are locked together in long-term agreements, running for five or 10 years.

South African production has in any case been falling in recent years in response to a steep decline in prices in the 1980s from a peak of more than $40 a pound for uranium oxide in the spot market to a low last year of $14,25. It is now trading at $17,25 a pound.

However, the reduction in prices and output has hardly been catastrophic because South Africa's uranium is a by-product of gold mining, argues Wagstyl.

"It follows then that these companies could easily cope with the complete loss of their export markets, although one or two marginal mines would find their profits uncomfortably squeezed."

Rossing, the Rio Tinto mine in Namibia, would be hit much harder, assuming the sanctions also applied to that territory.

However, given time, the producers could almost certainly find alternative markets for the uranium now sold in Europe. One possibility would be to sell more to Japan.

ARGUS 27/6/86

(280)

Sanctions guarantee revolution, says Relly



The chief matron of Groot Schuur hospital, Miss June du Preez, left, presents Dr Hannah-Reeve Sanders with a Persian carpet as a farewell gift.

Groote Schuur's chief leaves

Staff Reporter

Dr Hannah-Reeve Sanders, chief medical superintendent of Groote Schuur Hospital for the past 10 years, has left to take up a new post as senior deputy director of hospital services in the Cape Province

Dr Sanders said farewell to her colleagues at a gathering yesterday She assumes her new position at the beginning of July

Dr Sanders, who obtained her MB ChB in 1952, has also published works on a variety of subjects

In a farewell address Professor G Dall, dean of the faculty of medicine of the University of Cape Town, said that Dr Sanders's love for people explained her choice of a career in which she had excelled

He said she had an enthusiasm for all aspects of life, especially her work

Dr Sanders said it was the fourth time she would be leaving the hospital She left it in 1953, in 1957 to marry and in 1972 to take up a post at Hospital Services.

"Malcolm Muggeridge said that few men of action, and I am sure he meant women, can make an exit at the right time gracefully, but I am trying," she said

"Human affairs have no finite solutions but as long as we are true to our motto — Servamus — so long will this institution live

World wave-riders zip into city for R36 000 Surfabout

By ROBIN de KOCK
Surfing Correspondent

TWENTY-SIX international surfers are in Cape Town to compete in next week's R36 000 world-circuit Spur Surfabout

Among them are third-seeded Hawaiian Hans Hedeman, former amateur world champion Scott Farnsworth of California and Brad Gerlach, second in the Gotcha Pro in Hawaii a fortnight ago

Also in the contingent who arrived last night is tour representative Al Hunt who, with international judges Mike Martin and Dave Reed of the United States and Steve Fooks of Australia, will officiate

More competitors are expected to arrive today and tomorrow but Australia's world championship runner-up Barton Lynch has decided, under pressure, to withdraw

Other Australians who cancelled arrangements are Gary Elkerton, Bryce Ellis, Kingsley Looker and four-times world champion Mark Richards

But pressure from the group who tried this week to have the South African leg of the world surfing tour cancelled has not stopped the flamboyant and popular young Australian Mark Occhilupo from making the trip

The Argus Foreign Service

LONDON. — Mr Gavin Relly, chairman of the Anglo American Corporation, says effective sanctions against South Africa "will in the long run guarantee that we have revolution".

In a letter to the Financial Times on Friday he said "Gesture sanctions, while they may assuage all sorts of feelings of rage and frustration or intend admonishment or retribution, will take the international community on to a slippery slope of action which may not be controllable and which will certainly contribute to the greater impoverishment of Southern Africa as a whole"

Negotiation

Mr Relly said that with South Africa's highly complex agglomeration of existing and emerging power blocks, proper negotiation towards a new society and the constitutional structure which will allow it to operate would take several years

Simple "quick fix" solutions were unlikely to be effective, permanent or democratic and he doubted that the international community, for all its urge for speed, really wanted that

"No process of negotiation can take place successfully against a backdrop of diminishing wealth and as it is we are severely constrained by our international debt problems."

Ackerman

● Mr Raymond Ackerman, chairman of Pick'n Pay, has warned Britons that sanctions could turn South Africa into a second Ethiopia.

"Is this what the world wants?" he asked in a BBC radio interview on Thursday.

Sanctions would devastate South Africa They meant more unemployment and more and more violence Unemployment was already terrible Port Elizabeth had an unemployment rate of 45 percent.

At least 90 percent of South African businessmen wanted apartheid to go, detainees to be released and the real leaders to get around a table and sort out power-sharing

A new constitution was needed, but sanctions would not bring this about

"The average black man — not leaders with comfortable and secure jobs, but the man struggling to get work — does not want sanctions."

Seeking work

Mr Ackerman said he had seen thousands of people outside the gates of his stores in the Western Cape looking for jobs because sanctions were already taking effect

"Is this right, is it moral, can it be correct? It cannot be It cannot be the right way to solve our problems"

South Africans did not need to be told what a serious situation they were in.

"We don't need the world to whip us and thrash us What we need is a few carrots."

Yale delegates visit local firms

A delegation from Yale University, led by former US Secretary of State Mr Cyrus Vance, yesterday visited several local companies in which Yale holds investments.

Mr Vance told *The Star* the 10-man delegation was visiting companies in the Yale endowment portfolio to establish whether they were meeting the university's guidelines.

PRESSURE

He has confirmed that pressure on American universities to disinvest was one reason for the visit.

On Wednesday the group visited Wits University as part of its investigation into ways of improving black education.

The delegation visits Soweto today and will spend two days in the Cape before leaving South Africa.

Heat on Maggie over sanctions

W/- ARGUS 28/6/86

280

Weekend Argus Foreign Service

LONDON. — The heat is now hot on Mrs Thatcher over South Africa.

The British Prime Minister has come away from the European Economic Community summit having bought time in the battle over sanctions against South Africa — but the agreement at The Hague has been met with scorn and suspicion in Britain and in Africa.

The Iron Lady skilfully avoided any commitment to punitive economic sanctions and won a three-month breathing space with a fudged EEC ultimatum which demands:

- The release of Nelson Mandela and other political prisoners;
- The lifting of the ban on the African National Congress and other political parties;
- The start of a national dialogue between the South African Government and the authentic leaders of the black population.

If not, the EEC will consider a ban on new investment and on imports of coal, iron, steel and Krugerrands from South Africa.

Sir Geoffrey Howe, British Foreign Secretary, is off to Pretoria next month on a solo peace mission in an attempt to start the dialogue the EEC wants.

Torrent of criticism

The torrent of criticism of the EEC agreement has come from:

Zambia's President Kenneth Kaunda — "Mrs Thatcher is leading Europe by the nose. She is putting off the day of reckoning."

Labour Party leader Mr Neil Kinnock — "The decision is spinelessly weak. It will have the Pretoria Government dancing in the streets."

Social Democratic Party leader Mr David Owen — "The Commonwealth meeting in August will now be much more fraught and Britain may face retaliatory actions from the other members."

Bishop Desmond Tutu — "We're tired of all these fact-finding missions. If Sir Geoffrey comes I will certainly not be interested in talking to him."

But Mr Raymond Ackerman of Pick'n Pay appealed on BBC television to South Africa's black leaders to talk to Sir Geoffrey.

The Hague compromise was interpreted in different ways even by the EEC leaders.

No ultimatum

Mrs Thatcher and Mr Helmut Kohl, the West German Chancellor, emphasised that no ultimatum was being served on South Africa.

But Mr Ruud Lubbers, the Dutch Prime Minister and chairman of the summit, said, on the contrary, that all leaders had agreed that no member state would "rule out economic measures" if South Africa refused to move towards genuine dialogue.

Mr Uffe Ellemann-Jensen, the Foreign Minister of Denmark, which plans to impose its own total trade ban on South Africa, said: "The 12 are now committed politically to introducing sanctions if the Howe mission is a failure."

The exercise did not, however, appear to have really shifted the position of Britain, West Germany or Portugal.

Economic threat 'could boomerang'

W/L News 28/6/86 280

From JOHN D'OLIVEIRA
Argus Africa News Service

JOHANNESBURG. — If South Africa implements its threat to send home workers from neighbouring states and to deny its neighbours partial or complete access to its infrastructure, the negative effect on the regional economy will be dramatic.

The economic interdependencies in Southern Africa are such that punitive action against its neighbours could boomerang with devastating effect on the troubled South African economy.

The threat was made in a statement read yesterday on behalf of the South African Minister of Foreign Affairs, Mr Pik Botha.

It warned the world that the imposition of further punitive sanctions on South Africa would force the country to send home migrant workers and to curtail, or end, access to the South African infrastructure.

More than 350 000 foreign black workers are legally employed in South Africa and they sent home an estimated R677,8-million in 1983.

However, most observers believe that the number of migrants is double — or even treble — this figure and that the amount of money sent home probably exceeds R1 500-million.

In 1984, 138 443 of the legally employed migrants came from Lesotho, 60 407 from Mozambique, 29 268 from Malawi, 26 433 from Botswana, 16 823 from Swaziland, 7 492 from Zimbabwe and the rest came from other countries, including SWA/Namibia.

In 1984 South Africa provided Botswana with about 50 percent of its electricity, Lesotho with all its electricity, Maputo with about 90 percent and Swaziland with 79 percent.

Interdependency is greatest in the transportation field, with most of the region's foreign trade moving over South African railway lines and through South African ports.

All Lesotho's foreign trade moves through South Africa, as does most of Botswana's and Swaziland's. It is estimated that at least 80 percent of Zimbabwe's foreign trade goes through South Africa as does 70 percent of Zambia's imports and 40 percent of its exports, 60 percent of Malwai's exports and 50 percent of its imports, 60 percent of Zaire's imports and a much of its exports.

This foreign traffic earns South Africa's transport services about R200-million a year.

Cut trade

South Africa is the major trading partner for most of the countries in the region and any action (either sanctions or South Africa's reaction to sanctions) which cut this trade would add to economic, social and political pressures in South Africa.

An American expert wrote earlier this year that South Africa's favourable balance of trade with the nine Southern African Development Co-ordinating Conference states was almost R4-billion.

If invisibles like transportation, insurance, tourism and other services were taken into account this figure would increase to more than R6-billion.

Howe in lone peace mission to SA in July

(16) 280

Carl Smith 28/6/86

From JOHN BATTERSBY

THE HAGUE. — British Foreign Secretary Sir Geoffrey Howe will travel to South Africa on a lone EEC peace mission next month in a last-ditch bid to initiate a black/white dialogue.

This is the key element of a dramatic European package on South Africa adopted at the 12-nation EEC summit after two days of wrangling over sanctions

The package shelves a final decision on further sanctions for three months and pledges financial aid to "victims of apartheid"

But Sir Geoffrey will go armed with a list of further economic measures which EEC leaders are agreed "might be needed" if his mission fails

The further possible measures agreed on by EEC leaders are a ban on new investment and a ban on the import of South African coal, steel, iron and gold coins

But there was no mention of a ban on the import of South African wine and fruit or the cutting of air links.

And in Cape Town Mr Pik Botha, Minister of Foreign Affairs, reiterated warnings that South Africa would be forced to send home workers from the neighbouring states in the event of further punitive sanctions against South Africa

Reacting to the ECC statement last night Mr Botha said in a statement to Sapa that the Republic would welcome the mooted visit by Sir Geoffrey provided he came to gain first hand knowledge on the "facts and realities" and to make a contribution to end violence

Sir Geoffrey will come to South Africa with an EEC mandate to secure the release of jailed ANC leader Mr Nelson Mandela and other political prisoners and the lifting of the 26-year ban on the ANC and the PAC with a view to initiating a dialogue and a suspension of violence

The package was seen as a resounding triumph for British Prime Minister Margaret Thatcher and her well-known brand of daring brinkmanship

Flanked by a grim and tense looking Sir Geoffrey, Mrs Thatcher insisted that her foreign secretary could pull off what the Commonwealth's Eminent Persons Group (EPG) had failed to do

But Mrs Thatcher praised the work of the EPG and insisted that it could have succeeded if it's work had not been cut off by the SADF raids into three Commonwealth countries

While Mrs Thatcher conceded that further measures against South Africa "are not excluded" — and would be considered in consultation with other industrialised countries over the next three months — she stressed that they would not be imposed automatically.

"There is no ultimatum," Mrs Thatcher said.

"It is very easy in life to keep hitting out. It is much more worthwhile to take measured steps"

The outgoing Dutch President of the EEC, Mr Ruud Lubbers, described the outcome as a "compromise" on the sanctions issue but the consensus amongst observers was that Mrs Thatcher had pulled off another astonishing coup by turning — in 86 hours — a 9-3 majority for limited sanctions into an uncomfortable consensus for another dialogue-and-peace mission

Denmark, Greece, Ireland and Spain — who had been demanding a tougher line — were clearly uneasy about the outcome

Expatriates

Italy, France and Belgium — who had set European unity as the top priority — expressed satisfaction with the result

Mrs Thatcher was strongly supported by Chancellor Kohl of West Germany, South Africa's other major European trading partner, and by Portugal which — while not opposed to sanctions in principle — is heavily under the influence of a 600 000-strong expatriate community in South Africa

Britain, West Germany and Portugal succeeded in trading off the fruit ban for a ban on new investments — a financial sanction which would merely endorse the status quo

● Black people will be disgusted by the EEC decision, said British Labour Party shadow foreign secretary Mr Dennis Healey at a press conference at Jan Smuts airport.

Throughout the conference, Healey made serious allegations of arrests, detentions and security police shootings.

But these cannot be printed in terms of the emergency regulations.



Football mania has grip Germany and Argentina Mulligan's, left, togged Topmod, in the official V



Cape Times reports

NEWS reports and comment in the Cape Times, particularly concerning unrest, are subject to restrictions imposed by the emergency regulations. Reports on actions by the security forces now require official sanction.

Death toll

ACCORDING to the Bureau for Information, seven people died in unrest incidents during the 24 hours until 6am yesterday. This brings the official death toll since the state of emergency was declared 16 days ago to 73.

BUSINESS BRIEF

Gold (close)	$344,05
Rand	$0,4000/10
FT index (close)	1354,40
BD 100	1290,40

Sanctions would help industry — Boland Bank MD

By AUDREY D'ANGELO

ALTHOUGH sanctions against SA would hit Western Cape fruit farmers they would benefit industry — in the short term at least — the MD of Boland Bank, G Z "Gert" Liebenberg, said in an interview yesterday.

"Industrial capacity is seriously under-utilized and although exporters would be hit by sanctions, the opportunities



Gert Liebenberg

for import replacement would give many manufacturers a shot in the arm and enable them to provide more jobs."

Liebenberg said this would help to cushion the bank against the effect of sanctions because it had a wide customer base in industrial as well as rural areas.

He has travelled widely in connection with the setting up of the Boland Bank's own international service in the past financial year and said overseas banks' unwillingness to invest in this country was due more to uncertainty about its future than to political pressures.

"I have talked frankly to bankers in the US and other countries, with whom I have made friends, and they believe that we have bombs going off on every street corner and are worried about what sort of government we may have.

"It is this rather than political considerations which makes them unwilling to invest in SA."

In the annual report of the bank, released yesterday, chairman Pietman Hugo said: "The total assets of the Boland Bank group — the sixth largest in SA — have grown every year since 1945.

"Net income has grown every year, an exceptional achievement in SA banking."

In the year to March, the group increased its assets by 13,5% to R1 249m from R1 100,6m, earnings rose to 115c (110c) a share and the total dividend to 37c (36c) a share.

The chairman said these results were "satisfactory" in the light of prevailing economic circumstances.

Among factors which helped were the expansion of commercial banking services at all branches and the commission income from the group's varied non-banking activities.

Discussing the new international service, he said the bank had contracted correspondent banks in the US and Europe and now offered a wide range of foreign exchange services.

Europe forges

es fragile formula over sanctions

nge threat by SA

28/6/88 STAR

280

By David Braun, Bruce Cameron, Sue Pleming Sue Leeman and Sapa-Reuter

The Government last night warned the world that, if sanctions were applied, it would hit back at neighbouring states.

A tough statement issued on behalf of the Foreign Minister, Mr Pik Botha, warned that not only would foreign workers be expelled but neighbouring states would also be denied access to South Africa's infrastructure, partially or totally.

But in a simultaneous placatory message to Britain, which has opposed sanctions, Mr Botha said the British Foreign Minister, Sir Geoffrey Howe, was welcome to visit South Africa if he sought first-hand knowledge and wanted to make a contribution towards ending the violence.

Earlier at The Hague, the European Community (EC) agreed with great difficulty to a common reaction to the South African emergency. It fell far short of calls within the group for economic sanctions.

Heads of government of the 12-nation group argued for two days over the sanctions question, described by Dutch Foreign Minister, Mr Hans van den Broek, as a "hot potato".

The majority in favour of immediate action was unable to bend the will of the two leaders.

All they obtained was a promise that in three months' time, and after consultations with other major industrialised states, the EC may impose a ban on new investments in South Africa and on imports of South African coal, iron, steel and gold coins.

Told to lift ANC ban

To prevent sanctions the South African Government has been told to free jailed African National Congress (ANC) leader Nelson Mandela and other political prisoners, and to lift its ban on the ANC.

Mr Pik Botha's statement emphasised the Goverment was not prepared to permit foreigners to prescribe how the problems of the country would be solved.

Mr Botha found it surprising Western governments had so much time to keep themselves busy in such a single-minded manner in discussions about South Africa instead of giving attention to their needs.

He said it was also surprising that European governments did not concentrate their attention on the economic depression and misery increasing in many countries of the world.

Reacting to the sanctions threat, Dr Johan van Zyl, chief executive of the South African Federated Chamber of Industries, said he was pleased that "no precipitate action had been taken" because South Africa could now "keep its options open".

He added that South Africa's best interests did not lie in being isolated from the rest of the world.

"We believe that the Government understands this and is sincere in its reformist intentions. The FCI calls on the Government to create the conditions for meaningful dialogue among all South Africans."

The general manager of the Johannesburg Chamber of Commerce, Mr Marius de Jager, said holding back on sanctions meant that "good sense had prevailed".

Mr de Jager said he believed it was unrealistic to attach a time scale to demands laid down by the EC. "This will achieve nothing. We need time to put our house in order without ultimatums from outside," he said.

At The Hague Greek European Affairs Minister Mr Odore Pangalos said:

We are disturbed because we make our agreement

● To Page 2, Col 1 ☛

S. Times 29/6/86

SA chrome laughs at sanctions

280

By Don Robertson

SOUTH Africa's R1-billion a year ferrochrome industry is virtually sanction-proof because of its dominant position in the world supply picture.

SA is the major source of chrome for Japan, America and much of Europe and any interruption in supplies would cause chaos in their stainless-steel industries and a huge loss of jobs.

Deon Toerien, senior marketing manager of Samancor's chrome division, says: "Foreign stainless-steel industries would have to close if they were forced to stop importing from South Africa. Scandinavian countries, which are mostly self-sufficient, would be the only ones able to maintain production in the event of supply problems."

If sanctions were imposed they would have to be selective and exclude ferrochrome, he says.

Capacity

However, revenue from ferrochrome exports is expected to fall by about 5% this year because of an increase in world supply.

Production facilities which came into operation last year, particularly the 100 000-ton a year Outokumpo plant in Finland, have resulted in a modest decline in prices, although the supply/demand balance has not been drastically upset.

Prices received by SA producers have fallen from 44 US cents a pound in the first quarter of 1985 to 40c. But, says Mr Toerien, "they appear to have stabilised and will probably remain there for the rest of the year".

"It has suited us to follow prices down in an effort to keep out new production and prevent producers of ferromanganese from switching their furnaces to ferrochrome.

"At current prices I believe most international producers are running at a loss. Because of the weak rand, we continue to operate profitably."

SA supplies about 50% of world ferrochrome production of 1,9-million tons. Estimated offtake this year is about 1,85-million tons.

Ferrometals, the chrome producer in the Samancor group, has capacity of 300 000 tons and has a 49% interest in the Tubatse ferrochrome project in the North-Eastern Transvaal which produces 140 000 tons, giving the combined operation about 25% of world output.

Ferrometals position in the market will be strengthened by the commissioning in August of an intermediate carbon charge-chrome furnace at a cost of R14-million.

Backlash over UK sanctions stand

JOHN BATTERSBY

LONDON — British Prime Minister Margaret Thatcher's leading role in shelving European sanctions against South Africa is threatening to blow apart the Commonwealth and provoke retaliation against Britain.

And the planned peace mission to South Africa by British Foreign Secretary Sir Geoffrey Howe is being seen as "mission impossible" in UK political circles.

Foreign Office sources described as speculation reports that Sir Geoffrey was seeking specific assurances from President P W Botha that he would be allowed to meet Nelson Mandela and that his trip would be accepted as the opening of serious negotiations.

Sir Geoffrey yesterday dismissed reports that he would be travelling reluctantly to South Africa after sharp differences with Thatcher over the desirability of the mission.

"I hope to secure the reality of Nelson Mandela's release and to create the conditions in which dialogue can actually commence.

"It is a difficult mission to describe and define but that's the general purpose," Sir Geoffrey said.

He said he hoped that, in spite of indications to the contrary, black leaders would meet him. And he indicated that he hoped to meet the ANC leadership as well as leaders of the Frontline states.

In an attempt to prevent a disintegration of the 49-nation Commonwealth, key African countries are preparing to retaliate with their own package of diplomatic and economic sanctions against Britain.

Thatcher's role in the anti-sanctions position of the European Community (EC), which Britain leads for six months from tomorrow, has raised African and Third World hostility towards Britain to unprecedented levels.

It has ensured that the crucial Commonwealth mini-summit in London on August 3 will be one of the most heated and potentially divisive in Commonwealth history.

The Commonwealth sanctions campaign against Britain, which is being spearheaded by Zambia's President Kenneth Kaunda, is actively supported by Commonwealth secretary-general Sir Shridath Ramphal.

Measures being proposed include:

● To Page 2

Thatcher under pressure

● From Page 1

- ☐ Breaking off diplomatic relations with Britain;
- ☐ Expelling British diplomatic staff;
- ☐ Ending preferential trade contracts for British firms and withholding commercial links with Britain.

African Commonwealth nations appear to be reserving the option of denying overflying rights to British Airways — a move that would have more economic impact than the other more symbolic measures.

Sir Shridath had talks this week with the Queen who, as head of the Commonwealth, has already made her concern about any threat to Commonwealth unity known.

It is understood Sir Shridath told the Queen about the concern by several Commonwealth leaders over Thatcher's reluctance to impose sanctions but reassured her, after a meeting with Kaunda, that Commonwealth countries would not withdraw their membership over the sanctions issue.

Thatcher's stand at The Hague has pacified right-wing Tory backbenchers but has raised the prospect of a far more damaging rift in the Commonwealth at a potentially explosive seven-nation summit on August 3.

Sanctions threat to Britain

CNA Times 30/6/86

280

From JOHN BATTERSBY

LONDON. — British Prime Minister Mrs Margaret Thatcher's leading role in shelving European sanctions against South Africa is threatening Commonwealth unity and may provoke retaliatory sanctions by African countries against Britain.

The planned peace mission to South Africa by the British Foreign Secretary, Sir Geoffrey Howe, is being seen as the "mission impossible" in political circles here.

Foreign Office sources described as "speculation" reports that Sir Geoffrey was seeking specific assurances from President P W Botha that he would be allowed to meet Mr Nelson Mandela and that his trip would be accepted as the opening of "serious negotiations".

Sir Geoffrey yesterday dismissed reports that he would be travelling to South Africa reluctantly following sharp differences with Mrs Thatcher over the desirability of the mission.

"I hope to secure the reality of Mr Nelson Mandela's release and to create conditions in which dailogue can actually commence, Sir Geoffrey said.

EPG

He said he hoped to meet black leaders as well as the ANC leadership and leaders of the frontline states

Sir Geoffrey said that the South African Government had to recognize the extent to which opinion around the world was moving against-them.

However, he added. "We recognize how foolish it would be to drive them (the South African Government) into a laager in which dialogue ceased to be possible or desirable"

Speaking on the main BBC radio news bulletin yesterday, Sir Geoffrey said that the object of the exercise would be to do what was possible to end apartheid.

He was asked why the European Community felt that Sir Geoffrey could succeed when the Commonwealth's Eminent Persons Group (EPG) had failed

He replied that his trip should be seen as an additional effort — backed by the 12 member states of the European Community — to persuade the South African Government to accept the EPG's recommendations.

Key African countries, upset over the decision taken at The Hague, are preparing to retaliate with their own package of diplomatic and economic sanctions against Britain.

Hostility

Mrs Thatcher's role in the anti-sanctions position of the European Economic Community (EEC), which Britain leads for six months from tomorrow, has raised African and third world hostility towards Britain to unprecedented levels.

It has ensured that the crucial Commonwealth mini-summit in London on August 3 will be one of the most heated and potentially divisive in Commonwealth history.

The Commonwealth sanctions campaign against Britain, which is being spearheaded by Zambia's President Kenneth Kaunda, is actively supported by the Commonwealth Secretary-General, Sir Shridath Ramphal.

Measures being proposed include:

- Breaking off diplomatic relations with Britain.
- Expelling British diplomatic staff.
- Ending preferential trade contracts for British firms, and withholding commercial links with Britain.

Symbolic

African Commonwealth nations appear to be reserving the option of denying overflying rights to British Airways — a move that would have more economic impact than the other more symbolic measures.

Dr Kaunda, one of Africa's foremost proponents of sanctions, told the Labour shadow foreign minister, Mr Dennis Healey, at the weekend that Mrs Thatcher's opposition to such measures had led to "extremely serious problems between our two governments".

● US may strengthen ANC ties, page 4

280

Pik's warning angers NUM

BUSDAY 30/6/87

Business Day Reporter

THE National Union of Mineworkers reacted angrily to a warning by Foreign Minister Pik Botha that workers from neighbouring states could be repatriated in the event of further punitive sanctions against SA.

"Any attempt to repatriate the NUM's foreign workers would result in a national strike," said NUM spokesman Marcel Golding yesterday.

He said: "A resolution to this effect was adopted in August and re-confirmed at the NUM's conference four months ago."

The Council of SA Trade Unions (Cosatu) has also threatened a national strike in the event of mass repatriations of foreign workers.

Golding said he was not sure whether Botha's apparent bid to relieve overseas sanctions pressure was a hollow threat.

Reacting to a statement issued at the end of the European Community summit in The Hague on Friday, Botha said further sanctions could force government to curtail — or even end — important services and co-operation to neighbouring states.

Healey to twist Thatcher's arm on SA



Mr Denis Healey ... pledging support for the ANC — and sanctions against South Africa.

LUSAKA — British opposition politician Mr Denis Healey has completed a two-day visit to Zambia with a pledge to intensify pressure on Prime Minister Mrs Margaret Thatcher to impose economic sanctions against South Africa and an expression of strong support for the African National Congress.

Mr Healey, who arrived in Lusaka on Friday from South Africa, said comprehensive sanctions should be imposed as a matter of urgency, adding this was the only way to avoid a bloodbath in the country.

He said after talks with ANC president Mr Oliver Tambo on Saturday he agreed with him that there was no alternative to violence in the struggle against apartheid as the system was itself violent.

Mr Healey, who is the opposition Labour Party's chief foreign affairs spokesman, said "the ANC has tried to restrict its use of violence in response to an absolute minimum", unlike the South African Government which he said was responsible for almost 2 000 deaths in the last two years.

RACISM

Mr Healey was the most prominent foreign politician to visit South Africa since a national state of emergency was declared on June 12.

He said a planned visit to South Africa by British Foreign Secretary Sir Geoffrey Howe would be fruitless because of what he called black leaders' disgust with Mrs Thatcher. They would refuse to speak to him because of her continued opposition to sanctions, he said.

Mr Healey told Zambian President Kenneth Kaunda that Sir Geoffrey's planned visit was simply a ploy to avoid imposing sanctions. "I believe that unremitting pressure from those who agree with you in Britian ... and above all from the Commonwealth, may produce a change there."

President Kaunda has threatened to pull Zambia out of the Commonwealth if Mrs Thatcher does not agree to sanctions at a Commomwealth mini-summit in London in early August.

He told Mr Healey on Saturday he was beginning to suspect that the opposition of some Western leaders including Mrs Thatcher and President Reagan to sanctions stemmed from racism.

But Mr Healey said he disagreed, and that Mrs Thatcher "is just as insensitive to the sufferings of the white unemployed in Britain as she is to those of the black South Africans in the townships".

● In Ifafa on the Natal South Coast, the National Executive Committee (NEC) of the Labour Party of South Africa has rejected "with utter contempt" the allegation by the Mr Healey that Inkatha is part of the apartheid system.

Mr Peter Hendrickse, Press officer for the Labour Party of South Africa, said yesterday the resolution stated that Mr Healey's allegation was an example "of the ignorance and over-simplification of the South African situation".

"We regard Inkatha as a major constituency seeking peaceful solutions through dialogue, as is proved by the Natal/kwaZulu Indaba," the resolution said. — Sapa-Reuter.

CM+ Times 30/6/86 280

SA sanctions an emotional issue

By ROBIN HALLETT
historian and writer on world affairs who lives in England



YOU would see, I believe, to go back more than 80 years to the time of the Anglo-Boer War to find an occasion when the affairs of South Africa have presented an issue of such emotional concern to Britain's "political nation" — to all those involved in or concerned about political issues — as they have done in June 1986.

The most striking evidence of this concern was the six-hour debate on South Africa in the House of Commons on June 17, a debate given the unusual publicity of being broadcast live by the BBC.

The debate was prompted by the opposition Labour Party putting forward a motion "calling on the government, in view of the worsening situation in South Africa and the report of the Commonwealth Eminent Persons Group, to work actively with the European Community, the Commonwealth and the United Nations for the imposition of effective economic measures against the government of South Africa".

To this the government tabled an amendment which spoke only of "effective measures which would help achieve a peaceful solution in South Africa based on negotiation and a suspension of violence on all sides".

End apartheid

The difference between motion and amendment may seem slight. In fact between the two approaches lay a deep emotional divide Here, an objective observer might have remarked, as yet another manifestation of the perennial argument between sense and sensibility. And already in Prime Minister's question time before the start of the main debate, Mrs Thatcher and Mr Neil Kinnock, the leader of the opposition, had defined their differences.

"Our view," the Prime Minister reiterated, "is that the important thing is to try and end apartheid by negotiation and to try and get the cessation of violence on all sides."

But that was an approach, Mr Kinnock retorted, that "Mr Botha's regime will continue to mock". "Negotiation," he asserted, "can only come through pressure and economic sanctions are vital to pressure"

No, said Mrs Thatcher, drawing on Mrs Helen Suzman to back her case, sanctions would be counter-productive and they would add to unemployment in Britain

At which point Mr David Steel, leader of the Liberal



Sir Geoffrey Howe

Party, intervened to say that "most of us find it humiliating that Britain has to be dragged along to inevitable action to bring pressure to bear on South Africa for positive change. Should we not give leadership?"

This point — that Britain should be taking a lead in action against South Africa — was stressed once the debate was under way by a former Conservative Foreign Secretary, Mr Francis Pym

"There is," he said, "something like a universal feeling that it is no longer adequate to look on, wring one's hands and do nothing. The feeling is that inaction in this case is immoral. We have to bring South Africa back into the fold of our civilized democracies. That, aside from the great disarmament issue, is the greatest challenge facing the world today. We look to the British government to meet that challenge."

Yet a clear lead from Mr Pym's successor at the Foreign Office, Sir Geoffrey Howe, the main government spokesman in the debate, was clearly not forthcoming.

Sir Geoffrey added to the familiar government lament that sanctions might lead to the loss of 120 000 jobs in Britain, the alarming possibility that if the future of South Africa was to be dominated by "economic stagnation and racial conflict", then the government could not ignore the fact that there could be "at least two million people of British descent in South Africa", 800 000 of whom "might have a right to abode in this country".

As to "effective measures", Sir Geoffrey saw the release of Mr Nelson Mandela as "the key to the commencement of dialogue" but the measures taken must be "designed to encourage the South African government to press ahead with the agenda for reform"

Read in cold print Sir Geoffrey's suggestions look singularly vapid, but in the eyes of Mr Julian Amery, elder statesman to the extreme right wing of the Conservative Party, they came "close to anti-South African policy" and that, Mr Amery feared, could divide the party and divide the nation.

But some younger Conservatives thought very differently South African-born Mr Robert Jackson spoke in favour of sanctions and Mr Robin Maxwell-Hyslop asked "If South Africa exerts military pressure against its neighbours, should we not warn South Africa that it is an act of war which will be met accordingly?"

As for the opposition, their fire was directed as much against Mrs Thatcher as against Pretoria

Mr Denis Healey, who opened the debate for Labour, spoke of the Prime Minister's "chilly indifference to human suffering — her armour-plated complacency on issues where her ignorance is total".

Mr David Owen, leader of the Social Democratic Party, put the matter more tersely, when he ringingly declared. "I say to the Prime Minister that on this issue above all more genuine moral indignation about what is going on in South Africa would not come amiss. There is a desperate need for this country to show that it is prepared to pay a price to live up to its feelings of moral repugnance."

He spelt out in precise terms the measures he favoured: a ban on new investment, a ban on direct air travel to South Africa and an embargo on the import of South African fruit and vegetables — a measure that would have some impact on Afrikaner farmers. But of course the built-in Conservative majority insured that the innocuous government amendment carried the day.

Powerful arguments

Watchers in Pretoria might well have felt satisfied at the outcome of the debate. Anyone who takes the trouble to think objectively about sanctions will recognize the Catch-22 element in the whole debate.

What is the point of introducing sanctions if you cannot be sure that they will be effective in ending apartheid? But how can you ever make sure that they will achieve that end, that they won't make the situation worse than it is already? The men and women of sense have powerful arguments on their side when they oppose sanctions.

But politics is never entirely a matter of sense, of superior "rationality". It is fuelled on occasion by passion and anger and an intense fellow-feeling for those who suffer oppression.

As never before in its history — or at least not since the Anglo-Boer War — South Africa has become a magnet for the profound emotion of many who have never set foot in the country. That is a highly uncomfortable position for any country to occupy, yet in compensation the struggle of thousands of "ordinary" South Africans for basic human rights has served to invest "the beloved country" with universal significance.

"Hope," said C K Chesterton, "is the power of being cheerful in circumstances we know to be desperate" This, I suspect, is another of the lessons that South Africans will be teaching the rest of us over the next few months as politicians here and in many other countries grapple more seriously than they have ever done with a system that the Eminent Persons Group described in its report as "awesome in its cruelty".

'No big stick' against S Africa, says Sir Geoffrey

The Argus Foreign Service

LONDON. — Sir Geoffrey Howe won't be "armed with a big stick" on his solo peace mission to South Africa, he insists

Instead he would be "armed with the strongest weapon in the world – commonsense and the sense of moral justice that apartheid must be brought to an end"

In an interview yesterday on BBC Radio 4, Sir Geoffrey said he hoped the black leaders who have refused to meet him will change their minds

He said of the South African Government "We recognize how foolish it would be to drive them in to a laager where dialogue would be impossible

"We are deliberately not going armed with a threat, a big stick, a weapon of that kind because it is the judgment of the European Economic Community that the South African Government is not best calculated to respond to that kind of approach"

PRESIDENT

In a thinly-veiled reference to sanctions, he said "We don't want to go down that road because it is our conviction that it will make change less likely

'I am going to South Africa armed with the strongest weapon in the world – the overwhelming weight of commonsense, the sense of moral justice, which the whole world feels that apartheid must be brought to an end"

Sir Geoffrey, who is to visit South Africa in his new capacity as president of the Common Market Foreign Ministers, denied that Britain was "on the hook' over sanctions

"A CHANCE"

He said the British Government was working with various world organisations to bring about concerted action for change

Sir Geoffrey said his mission would provide one further chance an additional effort backed by the entire authority of the 12 members of the EEC, to persuade the South African Government to go down the road which the Eminent Persons Group so much wanted them to do"

'They must recognise the extent to which opinion around the world is moving more and more solidly against them"

Although black leaders in South Africa have said they will refuse to see him, Sir Geoffrey said he believed that when they reflected on his mission they would "engage in discussion of the kind the whole world is asking for

● US reviews policy towards SA — Page 3

UK faces reprisals for stalling on sanctions

The Argus Foreign Service

LONDON. — Black Commonwealth states are threatening diplomatic and economic reprisals against Britain because of her reluctance to impose sanctions against South Africa.

Sir Shridath Ramphal, Secretary General of the Commonwealth, attacked the European Economic Community's acceptance of a three-month breathing space which Mrs Thatcher won for the South African Government at last week's summit in The Hague.

The Commonwealth would have no part of the EEC's equivocation over apartheid, he said. Last week he met the Queen in a routine briefing and warned her of the worries of member nations and the danger to the unity of the Commonwealth

PULL OUT

He is said to have emphasised the possibility of retaliatory measures against Britain

In Zambia, President Kaunda said he suspected that some Western leaders were motivated by racism

He has said in the past that he would pull Zambia out of the Commonwealth if the British Government did not agree to sanctions

Contributio

Staff Reporter

CONTRIBUTIONS to welfare org sations working in the Crossro area have dwindled as the relief o ation enters its seventh week

Shawco warden Mr Derek Live said today the organisation was " managing", but the exercise had come routine because of the "st mate" situation

He said Shawco was still spen an average of R3 000 a day in spit gifts — particularly in kind — hav almost dried up

Mr Livesey emphasised the n for staple foods like samp and me meal

He said Appleiser had contrib

Mozambique says it is bracing itself for the impact which sanctions against South Africa would have, but for ordinary Mozambicans reports JOHN D'OLIVEIRA of The Argus Africa News Service, little would change

Hitting the bottom

Argus 30/6/86 280

MOZAMBIQUE'S Foreign Minister, Mr Joaquim Chissano, told the five-day Paris conference on sanctions against South Africa recently that his country was ready for the sacrifices that would have to be made if sanctions were imposed and South Africa retaliated against her neighbours.

However, for almost all of Mozambique's 15-million people, sanctions would make hardly any difference at all to their already distressing economic situation.

And the price that Mozambique would pay for supporting and implementing a sanctions campaign will not be nearly as high as the economic price it has already paid since Frelimo took over from the Portuguese in 1975.

Reliable statistics are difficult to come by, but Professor Andre Thomashausen, Director of the Institute of Foreign and Comparative Law at the University of South Africa, gave some of them when he addressed a South African Institute of International Relations conference in Johannesburg earlier this year.

Tourists: 291 574 in 1972, 1 000 in 1985.

Cashew Nuts · 216 000 tons in 1973, 5 800 tons in 1983.

Sugar: 285 581 tons in 1974, 120 000 tons in 1982.

Maize: 400 000 tons in 1972, 200 000 tons in 1983.

Rice: 111 000 tons in 1972, 30 000 tons in 1983

Bananas: 280 000 tons in 1972, 65 000 tons in 1983.

Fish and shrimps: 32 000 tons in 1980, 7 965 tons in 1983

Cotton. 280 000 tons in 1972, 73 000 tons in 1981.

Coal 574 800 tons in 1975, 100 000 tons in 1984.

Copper 3 446 tons in 1975, nothing in 1980/81.

Cement· 611 000 tons in 1973, 261 000 in 1981.

Number of goats· 600 000 in 1972, 350 000 in 1983

Number of pigs 220 000 in 1972, 135 000 in 1983.

In most of the country, what little economic activity there was has virtually come to a standstill because the MNR concentrates on "economic" targets and has almost destroyed Mozambique's flimsy internal transport and communications infrastructure

For the vast majority of Mozambique's 15-million people, this means that they have been thrown on their own resources and must live (or die) without help from the central government or its agencies.

Government, in effect, is confined to the bigger towns and to the capital of Maputo

In these centres, life for most people is already tough because of shortages of both domestically- and externally-produced goods.

At present, South Africa's most important contribution to the Mozambican economy comes from the money (officially estimated at R116,8-million in 1983) sent home by the more than 60 000 Mozambicans who officially work in South Africa and from the 1,6-million tons (1984/85) South Africa ships through Maputo harbour.

Most observers believe there are many more than 60 000 Mozambicans working in South Africa, but, even double the number would inject only R230-million into the Mozambican economy.

Many millions more might have been pumped into the Mozambican economy had electricity from Cahora Bassa flowed into South Africa. However, the rebels have cut the power lines so often and in so many places that Cahora Bassa will remain a white elephant for many years to come.

The development projects that might have gone to Mozambique as a consequence of the Nkomati Accord have been few and small for a number of reasons, mainly the current economic depression in South Africa.

So, as things stand today, a complete break with South Africa will add to Mozambique's already heavy economic burdens — but it will make hardly any difference to the average Mozambican.

For the people in the towns and the cities, the shortages might become even more severe.

But the "suffering" that sanctions will bring cannot approach the suffering already imposed by the unresolved civil war in the country.

Nor will rebellion cease if and when apartheid is destroyed.

Whatever help the South Africans may or may not have given the MNR, it is clear that the MNR today is capable of enormous disruption in Mozambique without any help from anybody.

While it may not be in a position to defeat Frelimo and take over Mozambique, the Government's forces are clearly unable to defeat the MNR or even to keep vital lines of communication open

And, while the MNR may exaggerate its own support in Mozambique, it could not operate as widely and as effectively as it now operates without taking advantage of government incompetence on one hand and fairly widespread support on the other hand.

SA sanctions row imperils unity of Commonwealth

STAR
30/6/86
280

The Star Bureau

LONDON — Black Commonwealth states are threatening diplomatic and economic reprisals against Britain because of its reluctance to impose sanctions against South Africa.

And Sir Geoffrey Howe's soft line on sanctions yesterday will only have fuelled the irritation of Commonwealth leaders.

Several leaders, including Sir Shridath Ramphal, secretary-general of the Commonwealth, have revealed an increasing lack of patience with the British position.

Sir Shridath attacked the three-month breathing space which Mrs Thatcher won for the South African Government at last week's summit in The Hague.

The Commonwealth would have no part of the European Community's equivocation over apartheid, he said.

It is known that, last week, the Commonwealth secretary met the Queen in a routine pre-summit briefing and warned her of the worries of member nations and the danger to the unity of the Commonwealth over the position of the Thatcher Government.

He is said to have emphasised the possibility of retaliatory measures against Britain.

SYMPATHY FROM THE QUEEN

Some reports maintain that he requested the Queen to intervene and ask Mrs Thatcher to think again and that the Queen responded with some sympathy.

In Zambia, President Kaunda said he was beginning to suspect that some Western leaders were refusing to impose sanctions because they were motivated by racism.

But Sir Geoffrey said in a radio interview that he could give the President of Zambia "an absolute assurance that the British Government, not a single one of us, is motivated by racism.

"We all share his deeply held sense of affront at the state of affairs in South Africa, we all share his passionate conviction to see that change. Our differences are over the best way to do it."

Mr Kaunda has said in the past that he would pull Zambia out of the Commonwealth if the British Government did not agree to sanctions at the next meeting of the Commonwealth states in London in August.

Ramphal angry with EC

BRIDGETOWN Commonwealth secretary-general Sir Shridath Ramphal said in Barbados on Saturday the European Community's decision to postpone a decision on imposing sanctions against SA would be opposed by the Commonwealth

The Commonwealth would have no part of the EC's equivocation over apartheid Ramphal said en route to Guyana to attend a Carib-

be in heads of government meeting

An EC summit has deferred a decision on imposing economic sanctions, giving SA three months to meet a number of requirements towards dismantling apartheid.

"The community s decision was both misguided and contradictory and the world, including many Europeans, will not acquiesce in it." Ramphal said — Sapa-Reuter