

# S A C T I O N S — 1986

1st Sept — 30 Sept.

# Sullivan threatens to call a business pull-out

NEW YORK — The Rev Leon Sullivan warned at the weekend that, if SA did not abolish apartheid by the middle of next year, he would call on all US corporations doing business in the country to pull out.

He was speaking to about 100 business leaders at a seminar at Dartmouth College's business school in Hanover, New Hampshire.

The Baptist black clergyman is the creator of the Sullivan Principles, a corporate code of ethics aimed at ending apartheid.

"If by May 31, 1987, apartheid is not abolished and blacks do not have the right to vote, I will call on all US companies to leave, and I will call for a total American embargo against SA no matter what the President or Congress says.

"The SA government has become more intransigent. Every force must be brought to bear on the government to bring about change before the dam bursts," Sullivan said.

Developed in 1977 and expanded since, his principles suggest methods that US corporations with investments in SA can improve the economic and social conditions of SA workers.

Among the recommendations are that US companies pay blacks and whites equally for equal work, place more blacks in management, and develop job-training programmes.

Sullivan conceded many US corporations could be doing more for black SA workers.

"US businesses who follow the Sullivan Principles are doing more to bring about social, economic and political change than all other companies and institutions in SA at this time," he said.

"The problem is that too many companies, as well as governments, are doing little more than paying lip service to change in SA.

"They're using things like the principles as a camouflage."

SA would reach a crossroads next year, Sullivan said.

One road, he said, would lead toward a "bloody civil war in which millions of people will die".

The other would lead toward a peaceful solution to the growing civil unrest.

The key to preventing a civil war, Sullivan said, was for foreign companies in SA to put pressure government to end apartheid. — Sapa-AP.



## Disinvestment move at NEI

By Peter Farley

In a major disinvestment move NEI's UK parent is substantially reducing its shareholding in NEI Africa through the listing of the local holding company.

NEI UK is set to reduce its stake in NEI Holdings, which controls 56 percent of the already listed NEI Africa, from 100 percent to 56 percent.

By way of the listing NEI UK is renouncing almost 44 percent of its stake in NEI Holdings, to existing shareholders in NEI Africa — apart from NEI Holdings.

Though the exact terms of the deal have yet to be released, NEI Africa is currently capitalised at R242 million.

This means NEI UK could realise some R60 million as a result of the listing.

SAP 1/9/86

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# Buthelezi hits out at sanctions 'charlatans'

ULUNDI — Sanctions were already a life and death issue in South Africa and nearly a million people were now being fed through Operation Hunger, Chief Mangosuthu Buthelezi said in Ulundi at the weekend.

The kwaZulu Chief Minister and Inkatha president hit out at "charlatans" who deceived the international community into believing that most black South Africans wanted sanctions.

He told the Inkatha Youth Brigade's annual conference that there were even "suspect surveys" which were financed abroad and used to give respectability to such claims.

The fact was that economic recession had already meant a loss of jobs for thousands. Sanctions meant more young people would have no jobs at all.

He told delegates they would be free in their lifetime.

Inkatha saw that apartheid was crumbling and was therefore committed to the "absolute priority" of educating black youngsters to take their place in a free South Africa.

He described the call, "Liberation Now, Education Later", as

an insane slogan coined by the ANC Mission in Exile.

It came from people who had not had to abandon their own education and those whose own children were being educated in white schools abroad.

It was tragic that some schools had been closed in the Cape and Transvaal. Blacks needed to seize every opportunity for education.

Yet, he told the Youth Brigade, there were educated people here and abroad who were planning "to make you a generation of illiterates." The eradication of apartheid was only the first phase.

## NEW TYRANTS

If black suffering here appeared to have lasted longer than elsewhere in Africa, it should be remembered that many others had struggled to overthrow oppression of one kind only to find that they suffered under a new kind. The freedom might be no more than an exchange of tyrants.

The very people who talked the more glibly of a just revolution were those now perpetrating the most horrible deeds.

When asked about indiscriminate bomb attacks on civilians, the ANC Mission in Exile had said that they could not always control the behaviour of those they sent into South Africa.

He asked what the ANC was doing — other than placing bombs on street corners, in hotels and supermarkets and on roads in farm areas.

Every time these exploded it was blacks who died. Having failed over the years to hit any targets like army camps, railway and power lines or electricity pylons, the exile organisation had turned to soft black and white civilian targets.

These were not acts of courage but of cowardice by callous people who had become dehumanised and did not know what the struggle was all about.

Chief Buthelezi said it was tragic that the State President, Mr P W Botha, who had had the courage to slaughter so many of apartheid's holy cows, still lived among the carcasses.

"Why cannot he take the next bold step forward and bring our country to the point of real negotiation between black and white?" he asked. — Sapa

Non-Aligned Movement will press UN for sanctions

# 'Evils of apartheid' top summit talks

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11/9/86 SPAR

By John D'Oliveira,  
The Star's Africa News Service

**HARARE** — The evils of apartheid and the South African Government's regional aggression will dominate the rhetoric of the eighth Non-Aligned Movement summit which opens in Harare today.

The "situation in Southern Africa" takes up 22 pages of the 112-page draft political declaration which will be one of the two main documents to be considered by the Non-Aligned Movement (NAM) during the week-long summit.

In contrast, only two short paragraphs are devoted to the six-year-old war between NAM members Iraq and Iran — despite the fact that more than 250 000 have died in the conflict.

Discussion at the conference will be structured around two declarations: one political, the other economic.

Preliminary versions of both declarations were hammered out last week, first by officials and then by NAM Foreign Ministers.

The resulting draft versions will be placed before the NAM heads of state, heads of government or their representatives this week.

In addition, a special declaration on South Africa has been prepared which will be presented to the summit this afternoon at a special ceremony to mark the 25th anniversary of the founding of the movement in Belgrade, Yugoslavia, in 1961.

## What NAM nations want from SA

The Star's Africa News Service

**HARARE** — What would the South African Government have to do to satisfy the Non-Aligned Movement (NAM), now holding its eighth summit here?

The details are spelt out in a draft declaration which will be considered by almost 100 nations this week. They involve the:

- Immediate and unconditional release of all political prisoners, including Nelson Mandela and Zaphania Mothopeng.

- Lifting of the ban on the African National Congress, the Pan-African Congress and all other

political parties.

- Repeal of the Internal Security Act and all other "draconian measures".

- Removal of the "racist troops" from townships.

- Unimpeded return of all political exiles and freedom fighters "in order to establish a climate conducive to a meaningful dialogue between the regime and the authentic leaders of the oppressed people".

- Beginning of negotiations with the "genuine representatives of the oppressed people for the purposes of establishing a democratic basis for the governance of the country".

The draft special declaration on Southern Africa, which was endorsed "by acclamation" on Friday evening, proposed an anti-South African sanctions package and the establishment of a special "Solidarity Fund for Southern Africa".

The aim of the fund is to alleviate the hardships the Frontline states would face when they implemented sanctions on South Africa, and increased aid for the "liberation movements".

It also urged the United Nations to impose comprehensive and mandatory sanctions on South Africa in accordance with Chapter 7 of the UN Charter as the only peaceful option that might compel the "racist Pretoria regime" to abandon apartheid.

The main summit discussion on Southern Africa will take place within the framework of total condemnation of apartheid, which the draft declaration said was the root cause of the conflict in the region.

### 'Obnoxious system'

It said this conflict had already jeopardised the peace and security of the sub-continent and now posed a grave threat to international peace and security.

The draft declaration said: "The perpetration of genocide at home and the practice of aggression and terrorism abroad are inherent in the system of apartheid. There can be no peace, stability or security in Southern Africa until the obnoxious system is completely eradicated."

It called for comprehensive mandatory UN sanctions to prevent the escalation of the conflict in South Africa and welcomed the "intensification of the armed struggle by the heroic people of South Africa".

It is clear that the Frontline states and the "liberation movements" are determined to use the conference to get as much material assistance as possible from the NAM nations, and to use the decisions taken at the conference to increase international sanctions pressure on South Africa.



CAPE TIMES 1/9/86

## Disinvestment call to 'bankrupt' Reagan

NEW YORK. — The New York Times has called on President Ronald Reagan to abandon what it called his "bankrupt approach to apartheid" and noted how disinvestment from companies doing business in South Africa is spreading in the United States.

"Divestiture measures have now been approved by 19 states and 65 cities," it said. "The Democratic House (of Representatives) calls for a total embargo on US investment. The Republican Senate calls for the wisest course — targeted sanctions."

"But there can be no

doubt why so many wish to go further, faster. Here, as in South Africa, Mr Reagan is perceived as Pretoria's defender, unwilling to show where America stands.

"Divestment is less a punitive policy than a way to express disgust. That so many states feel disgusted indicates how far America is ahead of its president."

● In a leading article in the London Sunday Telegraph yesterday, the editor, Mr Peregrine Worsthorne, compared the attitude of the liberal West to Libya and South Africa.

— Sapa-Reuter-AP

Non-aligned states hone anti-SA knife

# NAM accepts new sanctions package

By John D'Oliveira,  
The Star's Africa News Service

**Harare**  
The Non-Aligned Movement (NAM) celebrated its 25th anniversary in Harare yesterday by committing itself to an extended anti-South African sanctions package.

Delegates representing the 99 non-aligned nations, Swapo and the Palestine Liberation Organisation, accepted without change the sanctions recommended last week by NAM's Foreign Ministers.

The package, which included the sanctions adopted by the Commonwealth mini-summit in London last month, will:

- Ban air and shipping links with South Africa
- Ban imports of South African fruit and vegetables, coal, uranium, iron and steel
- Halt further investment in South Africa, as well as government credit guarantees for imports from or exports to South Africa.
- Prohibit the transfer of technology to South Africa.
- Stop the export, sale or transport to South Africa of oil and oil products, and ban any co-operation with the South African oil industry

## Visa facilities

- End all promotion of or support for trade with South Africa, including governmental assistance to trade missions.
- Ban the sale of Kruggerands and any other coins minted in South Africa.
- Terminate any visa-free entry facilities for South Africans.
- End the promotion of tourism to South Africa.
- Terminate all academic, cultural, scientific and sports relations with South Africa, as well as relations with individuals, institutions and other bodies endorsing or based on apartheid.
- Suspend or abrogate agreements with South Africa, such as agreements on cultural and scientific co-operation.
- Terminate double taxation agreements with South Africa.
- Ban government contracts with companies which have a majority of South African shareholders.
- See the introduction of legislation in all NAM member states ensuring the adoption of the United Nations' decree on the protection of Namibia's natural resources.

## Financial aid

The summit also urged all states to increase material and financial aid to liberation movements.

Recognising the urgent need for concerted international action to help Frontline and other states withstand the effects of retaliatory sanctions by Pretoria, the summit agreed to establish a Solidarity Fund for Southern Africa to which member states would contribute "generously".

After expressing grave concern at the lack of progress on Namibia, the summit renewed NAM call to the UN to impose mandatory sanctions on South Africa in order to compel it to implement the settlement proposals set out in UN Resolution 435.

● See Pages 3 and 13.



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# US farmers urged to oppose sanctions

PRETORIA — The president of the South African Agricultural Union, Mr Kobus Jooste, yesterday earnestly appealed to farmers in the United States to take a strong stand against the imposition of sanctions against South African agricultural products.

Opening Ford SA's new tractor plant in Pretoria, Mr Jooste said that US farmers, like farmers in South Africa, were in dire financial straits.

"It is not in our interest as farmers here or in the United States that reciprocal trade in agricultural produce between our countries becomes an issue," he said.

"If South Africa cannot export its agricul-

tural products, it would hardly be able to continue importing, when necessary, certain agricultural products such as maize and wheat, or importing on an ongoing basis important inputs such as tractors and machinery, chemicals and fertilisers.

"This hard economic fact could furthermore harden the attitude of South African farmers against certain imports. It is clear that the farmers of the world and their workers will eventually have to pay the price for ill-conceived decisions made by politicians — decisions farmers in South Africa or in the US can ill afford."

Mr Jooste said that the maintaining of open trading channels was of

great importance to businessmen all over the world, irrespective of the industry they were involved in

"If the principle of free trade is violated by the imposition of sanctions, it must be accepted that parties on both sides will be affected and not only those on the receiving end

"It is therefore in everybody's interest that the international business community make a stand and do everything in their power to prevent such developments," Mr Jooste said.

He stressed that the South African agricultural industry was dependent upon export markets for its healthy existence.

"I am especially concerned about the possibility of sanctions by the US against South African agricultural products. For certain of our commodities and for certain regions, it is absolutely vital.

"Sanctions could threaten the livelihood of many farmers as well as that of more than one million workers and their approximately five and a half million dependents," he said.

Mr Jooste said the union would today meet with the Minister of Agricultural Economics and of Water Affairs, Mr J. J. G. Wentzel, to discuss the issue.

"The union will consider further action after the meeting," Mr Jooste said. — Sapa

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MR BOTHA

## Sanctions: Japanese warning expected

TOKYO — A severe warning that Japan may increase sanctions against South Africa will be given to this country's Minister of Foreign Affairs, Mr P. W. Botha, when he meets his counterpart here this week.

Mr Botha arrives here tomorrow for an unofficial five-day stay.

He will meet the Japa-

nese Foreign Minister, Mr Tadashi Kuranari, to seek an understanding of Pretoria's reform programme but can expect a cool reception.

Japan is increasingly embarrassed by its extensive trade and other links with South Africa.

It is the second largest trading partner to South Africa after the United States, importing goods

and services last year worth \$1 884 million against exports to South Africa worth about \$1 020 million.

Japan already prohibits direct new investment in South Africa as well as the export of some high-technology computers, and has halted the import of Krugerrands and citrus fruit.

Increasingly impatient with Pretoria, the Japanese Government is now reported to be considering further sanctions — particularly a ban on the import of coal and iron ore of which Japan takes about 20 per cent of South Africa's output.

However, it is widely believed that the Tokyo government is reluctant to take a lead in applying new sanctions and would prefer to introduce them in co-operation with the United States and Common Market countries — Sapa-AP.

SA minerals are still in demand

# Sanctions no threat yet to mineral trade

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BUSDAY 29/86

ALAN SENDZUL

A MONTHLY increase of 16,3% in the export of minerals for July indicates that sanctions have not yet affected strategic exports.

Trade figures released by the Customs and Excise Department show that SA's mineral exports, particularly coal, are still in demand even though they may not be headed for traditional markets.

Mineral exports increased by R392m in July to a cumulative total of R2,802bn (R2,410bn).

There is a strong probability that the volume of mineral exports also rose because the exchange rate against the dollar were similar in June and July.

But the surplus on the trade account narrowed in July to R994m (R1,21bn) because of exceptional increases in the big import categories.

Among these is a 28% increase for transport equipment, which contains

vehicles and aircraft. These imports rose to R1,6781bn (R1,3022bn).

Big consumers of foreign exchange were importers of machinery, mechanical appliances and electrical equipment. This import category had a 24% rise to R3,9707bn (R3,1991bn).

A possible explanation for the increase in machinery is that the SA mining sector is still buoyant.

In the chemical sector, imports from Europe rose by 24,3% to R1,6893bn (R1,3594bn).

Chemical exports showed a lesser increase of 17,3% to R654,1m (R557,8m). These exports are mainly bound for neighbouring states like Zaire and Zambia for use in copper mining.

Imports of chemicals products like artificial resins, plastic materials and artificial rubber rose by 23% in July to R667,6m (R542,8m).

to wait and see what  
were seriously consid-

Turnover rose from R3,394bn to R3,397bn  
R1,040bn to R1,327bn  
R3,746bn, net operating  
fits from R502,9

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son concerning the issue of such certificates in the case of criminal proceedings in South West Africa; if so, what was (i) the nature of the communications and (ii) his response thereto?

The STATE PRESIDENT:

(1) (a) No.

(b) Yes.

(i) May 16, 1986.

(ii) The Cabinet for the Territory of South West Africa.

(iii) The Magistrate's Court Ondangwa.

(iv) Murder.

(v) The Attorney-General of South West Africa.

(vi) Since, after having considered a report as contemplated in section 103ter(5) of the Defence Act, No. 44 of 1957, which was submitted to me by the Minister of Defence, I was of the opinion that the criminal proceedings in question were instituted by reason of acts done in good faith by the South African Defence Force members concerned, for the purposes of the prevention and suppression of terrorism in an operational area, and that it was in the national interest that the proceedings not be continued.

(vii) D F Esselen, J Fernando, C J Harnse and F J Herps.

(2) Yes.

(a) Two senior officers of the legal sections of the South African Defence Force and the South West Africa Territorial Force.

(b) (i) To request him to consider not to continue the proceedings, in view of the provisions of section 103ter(2) of the Defence Act.

(ii) The Attorney-General did not comply with the request.

(3) (a) Yes.

(b) Yes.

(c) No.

(i) The Cabinet for the Territory has directed a request via the Administrator-General that the relevant legal provisions be amended so that authority to issue such a certificate would in future no longer be granted to the Cabinet, but to another functionary, inter alia because the powers relating to the operational activities of the South African Defence Force do not vest in that Cabinet.

(ii) The request is under consideration

Mr P H P GASTROW: Mr Chairman, arising out of the State President's reply, could he tell us whether or not the newspapers were correct in reporting that the deceased died as a result of injuries sustained from being kicked by the four accused? Furthermore, did he regard it in the interests of justice generally, and not only in South West Africa, to issue the authority which he did issue? [Interjections.]

†The STATE PRESIDENT: In the first place, Mr Chairman, the hon member must learn not to base his opinions on newspaper reports.

In the second place I want to point out to the hon member that soldiers in the operational area act in good faith in fighting ter-

ronism, actions which also guarantee his safety.

In the third place it is a fact that the Defence Force itself has the means to determine how to deal with people who do not act according to the instructions which they receive.

†Mr S S VAN DER MERWE: Mr Chairman, further arising out of the State President's reply, could he inform us whether such steps were taken departmentally against the persons concerned by the Defence Force, and if not, whether such steps are envisaged?

†The STATE PRESIDENT: Mr Chairman, as I am not the Minister of Defence I would be pleased if the hon member would place his question on the Question Paper, and then it can be replied to adequately.

Mr P G SOAL: We will not be here next week!

Ministers:

Sanctions

\*1. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Foreign Affairs:

(1) Whether the South African Government intends re-evaluating its attitude towards the Nkomati Accord in the light of moves to impose sanctions against South Africa, if so, (a) what factors will be taken into consideration in this re-evaluation and (b) when is it anticipated that a decision will be taken in this regard;

(2) whether the South African Government (a) has considered and/or (b) is considering any direct communications with the Mozambican Government regarding the possible effect on the Nkomati Accord of the imposition of sanctions against South Africa; if not, why not, in each case; if so,

(3) whether any such communications

have taken place; if not, why not; if so,

(4) whether he will furnish this House with information on these communications; if not, why not; if so, (a) what is the nature of these communications, (b) what are the relevant dates and (c) what results have been achieved to date?

†The DEPUTY MINISTER OF FOREIGN AFFAIRS:

(1) No, (a) and (b) fall away.

(2) (a) and (b) Yes, but I would point out that sanctions as such need not necessarily jeopardise the continuation of the Accord itself.

(3) Yes, subject to the qualifications I have just mentioned.

(4) (a), (b) and (c). In view of prevailing circumstances details of these communications cannot be made public. However, I would like to inform the House that the negative effects which sanctions may have on both South Africa and Mozambique, as well as on the Southern African region are being continually stressed in bilateral discussions.

\*2. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of Foreign Affairs:

Whether the South African Government still intends seeking an international-ly recognised solution to the question of independence for Namibia in terms of United Nations Resolution 435; if not, (a) why not and (b) what steps are to be taken with regard to the independence of Namibia; if so, what steps are being taken to bring about such a solution?

†The DEPUTY MINISTER OF FOREIGN AFFAIRS:

(a) The South African Government has

# Zambians 'are still keen on sanctions'

By Robin Drew,  
The Star's Africa  
News Service

HARARE — Zambia has denied British Press reports that it is not as keen as Zimbabwe to apply sanctions against South Africa.

President Kaunda's Foreign Minister, Mr Luke Mwananshiku, told the *Herald* there had been no disagreement.

"The leaders see the issue in the same way," he said.

"They remain united in their call for sanctions as well as in their support of the liberation movements."

He emphasised that Zambia would not bow to pressure from Pretoria and close down the ANC's Lusaka headquarters.

Mr Mwananshiku said he hoped countries of the Non-Aligned Movement would help countries in Southern Africa to defend themselves and to withstand economic counter-measures imposed by Pretoria.

He said the Tazara railway between Zambia and the Tanzanian port of Dar es Salaam needed more rolling stock.

Port facilities also needed improving.

D 107 000



# '19 000 SOVEREIGN jobs in 19/86 22/86 danger

ABOUT 19 000 members of the Black Allied Mining and Construction Workers' Union face repatriation if the Government carried out its threat to send "aliens" home in retaliation for economic sanctions against this country.

This threat came under the spotlight at the union's congress held in Johannesburg at the weekend where about 700 delegates condemned the move as "being politically naive" and resolved to resist it.

The 74 000-member Bamcwu also resolved to liaise with other trade unions and community organisations in its fight against the tit-for-tat Government threat.

"The affected workers have an equal stake like all others in the wealth of this country as they have dedicated innumerable hours to its development," the resolution read.

Bamcwu is to give momentum to its asbestos campaign, co-ordinated to expose the dangers of working in the asbestos industry.

In his presidential address, Mr Letsatsi Mosala urged the congress to resist "imposed solutions to the current socio-economic and political situation in the country unless black workers are involved at the leadership of such solutions or settlements".

CM-TRIB 3/9/86

# Mayor hits at 'moral idiocy of sanctions' 280

By PETER DENNEHY  
Municipal Reporter

SOUTH AFRICA was "tragically polarizing further with each foreign sanction and every icy banker's stare", the Mayor, Mr Leon Markovitz, said yesterday.

In a strong anti-sanctions and anti-apartheid address after he was unanimously re-elected into office for a second year, Mr Markovitz said the role of the City Council in South Africa's "volatile political dynamic" would not be an easy one in the year ahead.

"Regrettably, I have heard that we are described as 'uncommitted liberals' in certain black circles. Nothing could be farther from the truth.

The "present dispensation" was inadequate even as a stepping stone, to a future, more equitable one.

Mr Markovitz said the European Economic Community sanctions



The Mayor, Mr Leon Markovitz.

plans "could be extremely harmful to the City"

The Western Cape regional economy was especially vulnerable, as a quarter-of-a-million people, 95 percent of whom were not white, were employed in the fruit industry.

"These workers support approximately one-and-a-quarter million

people. Since the EEC consumes 85 percent of all Western Cape fruit exports, the proposed fruit sanctions seriously threaten the livelihood of a large community," Mr Markovitz said.

The "moral idiocy" in the sanctions movement could not be justified by the "moral bankruptcy of the apartheid ideology it seeks to destroy", he said.

Foundation head  
on UK TV  
Business in.

# SA told not to be too confident

29/86

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SPM

The Star Bureau

LONDON — South African businessmen have been cautioned against being over-confident in the country's ability to bust sanctions.

As the US, the EEC and Japan prepare to consider what new economic measures to impose on South Africa, director of the South Africa Foundation in London, Mr David Willers, warned on television that "we cannot afford to be sanguine" about the costs of sanctions.

Mr Willers' warning came after a BBC Newsnight interviewer had remarked that his attitude was considerably more "downbeat" than other South Africans who had been more optimistic about the country's capacity to overcome trade restrictions.

He was speaking on the eve of talks between South African Foreign Minister Mr Pik Botha and his counterpart in Japan.

## South Africa needs Japan

Mr Willers said: "I don't think we are going to run out of beer in the pubs, but when it comes to the range of commodities that are being considered for embargoes, particularly coal, it is difficult to off-load 40 million tons of coal which is readily identifiable — and since Japan takes 6,2 million tons of that, we cannot afford to be sanguine about the costs of a coal embargo."

British viewers were told that South Africa needed Japan's business more than Japan needed South Africa's.

Mr James Bartholomew of the *Far Eastern Economic Review* said exports from South Africa to Japan represented eight percent of total exports and imports 10 percent, but the corresponding figures for Japan were both under one-and-a-half percent.

He said if Japan imposed a coal ban, South Africa would lose a market for 20 percent of its coal exports.

## Britons back sanctions

The Star Bureau

LONDON — Most British voters are in favour of comprehensive or selective sanctions against South Africa, according to an independent random street ballot.

The ballot, organised by the United Nations Association, was carried out in 22 centres and showed 56,36 percent in favour of comprehensive sanctions and 23,71 percent in favour of selective measures. Only about 16 percent were against any kind of action.

A large number of people failed to vote for fear that sanctions would hurt black people, but said they would otherwise have liked to see some kind of action taken.



# Pik's visit to Japan puts spotlight on sanctions 280

SM By Carla Rapoport

TOKYO — Japan's anxiety about imposing economic sanctions against South Africa is likely to be heightened this week as South African Foreign Minister Mr Pik Botha starts a five-day visit today.

The visit, say SA officials in Tokyo and the Japanese, is a "purely private trip". Nonetheless, he expects to meet Japan's new Foreign Minister, Mr Tada-shi Kuranari, tomorrow.

Japan and SA do not maintain full diplomatic relations.

Japanese officials said yesterday that such a meeting would be a prefatory one in which Japan would emphasise its continued opposition to apartheid.

Mr Botha is expected to urge Japan not to go along with any plan by Western countries to impose tough economic sanctions against South Africa.

## LOW PROFILE

Japan has maintained limited sanctions against SA for some years, including a ban on direct investments. Even so, Japan ranks as SA's second largest trading partner after the US.

Trade between the two countries this year is expected to be about \$4.2 billion, with imports outweighing exports by a factor of about two to one, according to Japanese trade statistics.

Last month, Foreign Ministry officials disclosed that Japan was considering further moderate sanctions against SA, including restrictions on granting entry visas to SA and a ban on imports of SA iron ore and coal.

Japan has consistently maintained a low profile on sanctions and apartheid, and most Japanese are indifferent about the domestic problems of distant country.

Even so, top Japanese politicians say Japan will fall in line with full economic sanctions if they are agreed between European, American and/or Commonwealth countries.

Japan also imports SA chromium, platinum and vanadium. The Ministry of International Trade and Industry has begun increasing Japan's stockpiles of these metals, but currently has less than one month's supply. — *Financial Times*.

# AAM 'has put shutters on SA photography'

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Post Correspondent

LONDON — The Anti-Apartheid Movement claimed here yesterday that it had succeeded in reducing the pending conference on high-speed photography in Pretoria to being a "totally unrepresentative" gathering.

It claims that South Africa spent almost R4-million on the conference, which was meant to be a prestige event but which "backfired".

The AAM also claimed that the sole British representative who had intended attending another conference in Cape Town next week — on the management of radioactive waste — had withdrawn.

He is Professor David Williams, head of the Department of Applied Chemistry at the University of Wales Institute of Science and Technology.

The AAM believes its assault on the Pretoria conference, which is being held under the auspices of the Human Sciences Research Council, will discourage the holding of other international conferences in SA.

(TW)



# Heunis warns farmers on pains of sanctions

SANCTIONS must be accepted as a fact, Constitutional Development and Planning Minister Chris Heunis said last night.

He told the annual congress of the Transvaal Agricultural Union (TAU) in Pretoria farming would be in the forefront of the onslaught.

On urbanisation, he said farms and their surrounding platteland were primary start-

GERALD REILLY

ing points of the process.

Larger farms and mechanisation meant a smaller demand for labour. Government could not reverse the process, but recognised its responsibility to soften the impact.

The land consolidation phantom was still haunting farmers in the Transvaal, TAU

president N J Kotze told the congress. He said there was great dissatisfaction among farmers in most of the affected areas.

"Our fear is that agriculture will have to make an excessive and unjustified contribution to services which farmers possibly will not share and in which they will have little say."

# EC Ministers set to agree on sanctions

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SPK 4/9/86

LONDON — European Community (EC) Foreign Ministers, meeting in private this weekend, are expected to agree to implement economic sanctions against South Africa, Western diplomatic sources said today.

Officials from EC member states met yesterday and today to prepare for this weekend's informal talks at Brompton Hall, just north of London.

EC leaders meeting in The Hague in June agreed on a list of economic measures but decided to hold off until the British

Foreign Secretary, Sir Geoffrey Howe, completed a peace shuttle to Southern Africa. But it failed to bring about any significant improvement.

The EC package included a ban on new investment in South Africa and on imports of coal, iron, steel, and gold coins if Pretoria failed to respond significantly to international pressure to end apartheid.

A senior US Administration official has said in London he doubts whether Washington would "bail out" black African

states hit by possible retaliatory sanctions by South Africa.

Several Frontline states have called for comprehensive economic sanctions, and Pretoria has threatened retaliation.

Asked if the United States was willing or able to help these states, the official, who would not be identified, said: "I don't sense a great upswelling of enthusiasm from the American elected representatives or the American taxpayer to bail out an entire region for the folly of economic measures that region

has called for upon itself."

But in Tokyo today the Japanese Transport Ministry said a study would be made of the possibility of helping black African states expand their transport system to trade with non-African nations without relying on South African transport links. This would exclude expansion of Mozambique's Beira port and the building of railways into Beira from Botswana, Angola, Zambia, Tanzania and Zimbabwe — Sapa-Reuter-Associated Press.

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## US shirking responsibility by sanctions — Buthelezi

Own Correspondent

DURBAN — The United States is shirking its responsibility as the world's leading democracy by moving increasingly towards punitive sanctions against South Africa, Chief Mangosuthu Buthelezi has told a group of Americans.

The kwaZulu Chief Minister was speaking in Ulundi yesterday to American visitors including Republican Senator Orrin Hatch of Utah, who has served in the US Senate since 1976.

Chief Buthelezi appealed to Senator Hatch to re-double his efforts to thwart the imposition of sanctions.

The message the senator should take back to his country was that of all the countries in the world, the United States should be the most supportive of black forces employing non-violent strategies for change.

"It would appear to me ... the United States is now abrogating its responsibility as the world's leading democracy by moving ever-increasingly towards the adoption of sanctions against South Africa, and this is included in the strategy of those who want to destroy the prospects of democracy here."

Any vote for punitive economic sanctions was a vote for a violent solution.

Chief Buthelezi said President Reagan had shown himself to be "courageous" in his opposition to sanctions. But apartheid had become "a party political football which President Reagan has to play with as it is bounced".

## Sanctions committee

Own Correspondent

IN WHAT is being seen as yet another concession in the wake of the recent parliamentary crisis, government yesterday agreed to appoint a joint select committee to investigate sanctions.

At the start of proceedings yesterday, Progressive Federal Party (PFP) finance spokesman Harry Schwarz proposed the committee investigate:

- ☐ The implications for the economy of already existing and possible future sanctions and boycotts;
- ☐ The adequacy or otherwise of any steps taken to deal with such sanctions and boycotts;
- ☐ More steps to be taken to deal with the same.



# US won't save Africa in any sanctions war

Call Time 4/9/86  
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From STANLEY UYS  
LONDON. — The US will not rescue the frontline states economically if they become embroiled in a sanctions war with South Africa, a senior US official said here yesterday.

"There is no great upswelling in the United States to bail out the frontline states from the folly of sanctions," he said.

The official said that while the world should co-ordinate the timing on selective sanctions and present a "joint analysis", there would not necessarily be common action.

The requirement was for a "harmony of approach".

The official seemed to be signalling that the US might not necessarily implement the same sanctions as the European Economic Community.

The official made it clear that as far as the Reagan administration was concerned, the Senate's tough sanctions resolution was unacceptable.

Although the US administration would not mount a rescue operation for the frontline states, the official said, it would nevertheless continue to give long-term aid so as to re-

duce the existing "unnatural distorted dependence" on South Africa.

Sapa-Reuter reports that European Community foreign ministers meeting in private this weekend are expected to agree to implement economic sanctions.

Western diplomatic sources said yesterday that officials from EC member states met on Tuesday and yesterday to prepare for this weekend's ministerial talks.

## Sir Geoffrey

EC leaders meeting in The Hague in June agreed on a list of economic measures but decided to hold off until the British Foreign Secretary, Sir Geoffrey Howe, had completed a peace shuttle to Southern Africa.

His visits failed to bring about any significant improvement and at a meeting of senior Commonwealth leaders last month the Prime Minister, Mrs Margaret Thatcher, previously opposed to sanctions, said she would accept any EC decision.

The EC package includes a ban on new investment and on imports of coal, iron, steel and gold coins if Pretoria fails to respond to pressure to end apartheid.



## Parliament and Politics

# Govt agrees to sanctions investigation

Political Staff

**HOUSE OF ASSEMBLY.** — The government has agreed to a PFP call for a parliamentary select committee to investigate South Africa's preparedness for sanctions.

The surprise move comes only days after a request by chief PFP finance spokesman Mr Harry Schwarz for a special debate on sanctions was turned down.

But the government surprisingly accepted his call yesterday for the select committee as an "unopposed motion", which seems to indicate that it was part of the agreement to restore normality to parliamentary proceedings and co-operation between the government and opposition whips.

In his motion Mr Schwarz said sanctions and boycotts were not in the interests of South Africa nor conducive to peaceful processes which would help to ensure the country's place in the Free World.

He called on "the governments and peoples" of democratic free nations to reconsider their stand on sanctions.

The select committee will inquire and report on:

- The implications for the South African economy of already existing and possible future sanctions and boycotts.

- The adequacy or otherwise of any steps taken to deal with such sanctions and boycotts.

Further steps to be taken to deal with them.

In a statement later Mr Schwarz said: "What needs to be clearly conveyed to the Western world is that being against sanctions does not mean being in favour of apartheid."

It was because the PFP opposed apartheid that it opposed sanctions.

"We want South Africa to have a democratic government and we want all laws which discriminate on the grounds of race or colour repealed," he said.

But, being free also involved being free from poverty and degradation and South Africa needed political as well as economic reform.

"To create more unemployment and more deprivation solves nothing," said Mr Schwarz.

"On the contrary, it lays the rod on the wrong back.

"An increase in the jobless will encourage revolutionary as opposed to peaceful negotiating processes."

History showed that economic advancement made political change easier.

"At this late stage, therefore, we appeal for further thought on the question of sanctions," said Mr Schwarz.

SANCTIONS

# EEC's uncertainty

It is by no means a foregone conclusion that European Economic Community (EEC) foreign ministers will decide to confirm a boycott of South African exports of iron, coal and steel at their crucial meeting on September 15-16.

A concerted boycott could still be averted if State President P W Botha were to announce, say, the repeal of the Group Areas Act, or some other major change to apartheid policies.

Optimists in the EEC are looking to Pretoria to save the day. Pessimists, however, have written off all hope of Botha making any dramatic moves.

A deeply divided EEC issued a vaguely worded statement at the end of June saying it would apply the above sanctions if there was no response from Pretoria to its demands for the release of political prisoners, the unbanning of the African National Congress, and the opening of negotiations with the black opposition.

The conclusion of most British commentators was that there was nothing automatic about the sanctions or their implementation, and inquiries at Whitehall this week confirmed this view. The sources indicated that even if Botha did not meet the EEC's specific demands as stated in the June communiqué, an announcement of some other major concession might let the EEC off the sanctions hook.

PM Margaret Thatcher's position is that Britain will "accept and implement any EEC decision to ban the import of coal, iron and steel and of gold coins from SA." But if the EEC as a body does not come to such a decision, Britain will no longer be committed.

## Unilateral sanctions

Of the 12 EEC countries, five are lined up solidly in favour of sanctions: Denmark, Netherlands, Eire, Greece and Spain. All or some of them almost certainly will embark on unilateral sanctions against SA if the EEC does not make a collective move.

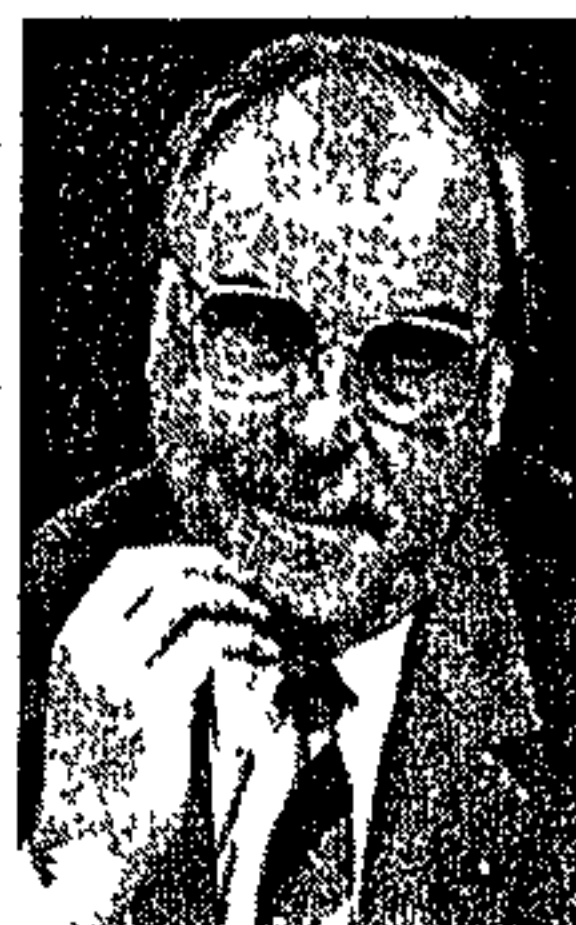
Belgium is thought to favour sanctions because its own steel industry is in trouble and it would benefit from a ban on South African steel.

France and Italy are ambivalent, but could be induced to support sanctions. Luxembourg is a small and unimportant member of the EEC.

The main resistance to sanctions would come from Portugal, and particularly from Britain and West Germany. Chancellor Helmut Kohl said recently: "The West German government has fundamental doubts about economic sanctions. They are not an appro-



Thatcher



Kohl

priate method of achieving the desired political goals."

The anti-sanctions view in the EEC has been strengthened by the disarray among the Frontline States at their meeting in Luanda over sanctions, and by the disclosure that Zimbabwe signed a new trade agreement with SA when its PM, Robert Mugabe, was vociferously demanding sanctions at the Commonwealth meeting in London recently.

Hopes that West Germany will take the lead at the EEC foreign ministers' meeting on September 15-16 in opposing sanctions are tempered, however, by acceptance that the news from SA is not encouraging.

The realisation that Botha is not likely to announce any important changes has dashed the hopes of most EEC members. Over and above this, the news of the Soweto shootings has cast a pall of gloom over SA's sympathisers.

The decision the anti-sanctions group in

the EEC will have to make is whether, in spite of what is happening in SA, they can risk taking a determined stand against an iron, coal and steel boycott on the grounds that it is still worthwhile pursuing dialogue with Pretoria.

□ The programme of EEC meetings is as follows: September 5-6 — EEC foreign ministers meet informally in London. No communiqué will be issued after the meeting. September 15-16: formal meeting of foreign ministers with agenda. Communiqué on decisions to be issued. September 30: expiry of Sir Geoffrey Howe's EEC mission to SA. EEC to decide whether further formal meeting should be held on October 1.

## US ECONOMY

### Deficit shocker

Last week's surprising trade deficit numbers ran roughshod over the Reagan administration's hope for revived second-quarter growth. At least that was the opinion of many economists on Wall Street, who viewed the \$18.4 billion July trade shortfall as the anchor likely to sink the US economy in the third quarter. Most had projected 2%-3% growth during the July-September period but after Friday's trade shocker, the consensus estimate dropped below 1%.

The president's advisers are not likely to give up hope just because Wall Street has done so. Indeed, Reagan would probably be

## CHERNOBYL REVISITED

The International Atomic Energy Agency's (IAEA) attempts to discover what went wrong at Chernobyl are not being particularly assisted by the Soviets.

At the IAEA's week-long "post-mortem" in Vienna last week — attended by 547 nuclear specialists from 45 countries — the Soviet delegation was cagey. Even during the social exchanges they appeared to be watching each other to see they did not let any secrets out.

Understandably, Western experts are not accepting the Soviet figures of casualties. The Soviets have given no precise figures, but they seem to suggest 6 500 could die from radiation. A US cancer expert believes deaths could reach 45 000; other international experts think the figure could be 24 000.

All this is guesswork, because it will

take years to discover how many of the 135 000 people evacuated from the area were exposed to harmful radiation.

The deeper experts probe into the disaster, the more alarmed they become. It is clear now that the accident was a chapter of unbelievable mistakes; the repair operation was botched, and then there was an official cover-up. Heads have rolled, but the cover-up continues. Meanwhile, about half of the Soviet Union's 27 Chernobyl-type reactors have been shut down for modification.

The full extent of radiation damage caused to crops and livestock in northern Europe is emerging piecemeal. The Soviets seemed at first to be ready to pay compensation, but they have since backed off, probably because of the size of the claims that would pour in.



# Tutu — the man behind the legend

It is July 1983, the middle of the night, half-way round in the world at Vancouver, British Columbia's airport, and I hail a taxi.

In broken English the taxi driver informs me he is from Korea, and asks me where I am from.

"South Africa," I say.

"Oh," he says, "Tutu."

That just about sums it up: Bishop Desmond Mpilo Tutu, the man who has become a phenomenon, if not a legend, around the world.

On Sunday he is to become the Archbishop of Cape Town and Metropolitan of the Church of the Province of South Africa, a month short of his 55th birthday.

It is just possible that he is more widely known than the Archbishop of Canterbury, Dr Robert Runcie.

The incident in Vancouver happened before. Bishop Tutu was awarded the Nobel Peace Prize and before he became the controversial choice as bishop of the diocese of Johannesburg in 1984.

But he was already a man around whom there had long been controversy, whom people loved — or loved to hate — and an outspoken critic of apartheid against whom the Government on several occasions acted by denying him a passport.

Born in Klerksdorp in October 1931, Bishop Tutu had a poverty-stricken childhood, but he was encouraged to study — at mission schools and by candlelight. He trained as a teacher, but started his studies for a BA degree at the same time before entering St Peter's Theological College to train as a priest.

Somewhere at this time in his life he met and was fired by Father Trevor Huddleston (now a bishop in Britain) who was later deported from South Africa.

Bishop Tutu went to the United Kingdom to study, returning first to lecture and, later, as Bishop of Lesotho.

At that stage he married Leah Nomalizo Shunxani. They have four children. Mrs Leah Tutu is as energetic a person as her husband. He jogs in the morning before reading Afrikaans, English and black newspapers and either tuning in to Radio Today or listening to Beethoven. Mrs Tutu is one of the leading forces in Dweep (Domestic Workers Education Project).

Bishop Tutu became the general secretary of the South African Council of Churches (SACC) in 1978 and within a short time became a household word locally and, eventually, from Canada and the US in the West to China and Japan in the East.

Ironically it was action by the Government against their outspoken ecclesiastical critic that served to make him so well known and maybe even better loved abroad than in South Africa — not to



Bishop Desmond Mpilo Tutu . . on Sunday becomes Metropolitan of Anglicans in South Africa.

say that he does not have a multitude of friends in South Africa. Most notably it was the Government-instituted Eloff Commission of Inquiry into the SACC, which started its work in late 1982, and the denial of a passport that put not only the Bishop, but also his SACC, on the map internationally — and therefore also South Africa by extension, considering Bishop Tutu's gift of the gab. It is unlikely that my taxi driver would have known about the bishop if it had not been for his lack of passport or travelling papers which denied him — initially — the opportunity to attend the seven-yearly assembly of the World Council of Churches.

## Darling of the meeting

This attracted attention worldwide, was constant news and a topic in speeches at the assembly and was attended by churches from over 100 countries. When belatedly given travel papers in the wake of news headlines, he was the darling of the meeting.

It was a sight to behold, the short bishop in flowing robes striding among the maple trees, trailed by people trying to get his attention, stopped by Anglican adherents kissing his ring — and the first subject of a news conference I had ever seen to be given a standing ovation by the Press corps of nearly 900 men and women.

But the bishop also has his enemies. In his time as general secretary of the SACC he had already made opponents and enemies by his outspokenness and actions. His appointment as bishop of Johannesburg drove these sentiments to a pitch and newspaper headlines and threats of a split in the Anglican Church.

Some did leave the church, but others joined. Some, still members, have not changed their attitudes. Some of his biggest enemies — "Tutu-bashers" as he calls them — are not members of his church.

The story is told of Afrikaans-speaking Anglicans who were last

## Jackson told to drop rhetoric to help SA

SMC By Alan Dunn, The Star Bureau

WASHINGTON — Black American civil rights activist the Rev Jesse Jackson has been told to drop his harsh anti-South Africa rhetoric if he wants to play a role in Southern Africa.

This was spelt out to him in Washington yesterday during a 105-minute meeting at the South African Embassy with Ambassador Mr Herbert Beukes.

He saw Mr Beukes to discuss restrictions attached to a visa granted to him to visit South Africa for Bishop Tutu's enthronement as Archbishop in Cape Town on Sunday. Mr Jackson had decided not to go.

Officials at the meeting said Mr Jackson was eager to play a role in settling Southern Africa's disputes. Mr Beukes said this was unlikely as he was clearly associated with the African National Congress, had shown strong partiality and had compared South Africa with Nazi Germany.

When Mr Jackson emerged he called South Africa the "evil empire" and referred to recent violence in Soweto as "more Nazism".

He said Mr Beukes confirmed his visa limited him to 36 hours in South Africa, forbade meetings with Mrs Winnie Mandela and barred him from anti-Government rallies or public addresses.

The ambassador had indicated Mr Jackson's anti-apartheid activities had created a belief that he could stir trouble in South Africa and "create a circumstance that perhaps they could not control".

Mr Jackson said "I cannot go — to go under those conditions would allow us to be used to put a false face on apartheid." If the world would see a ceremony on Sunday with no focus on clergy detained without trial.

year due to have their first baby christened in St Mary's Cathedral by Bishop Tutu. On June 16.

They prepared for the day in dread, expressed in no uncertain terms to all. They went, they saw — and came away conquering. "They became a bore on the topic," a friend says. But he also came close to being a bore — after he met Bishop Desmond himself.

The secret of the man's charisma probably lies in his joyous sense of celebration of life, in both the best and the worst of situations. His own staff say of him, "Which other boss would send all female workers a St Valentine Day's card?"

For Desmond Tutu is nothing if not joyful and hopeful. He calls himself a "prisoner of hope" — and that he must surely be when steps in to save the life of an alleged informer as comrades prepared to torch him in Duda in July last year, when he risks credibility among young radical blacks by speaking to government officials and the State President, Mr P W Botha.

He refuses, he said recently, to pander to others for the sake of his own credibility — neither to blacks on the issue of violence, nor to whites on the issue of sanctions.

"Why," he said, "if I damned sanctions I would be the white man's blue-eyed boy."

A determined opponent of violence from all sides, he is nevertheless often seen locally as a proponent of violence, probably due to his graphic prophecies of doom should the political policies South Africa not change.

He is virtually the "father" of the current campaign for sanctions — a prickly issue for many of his admirers and the whipstick for his opponents. It is, in his view, a non-violent tool of opposition to apartheid.

His stance on this view remains problematical to many, both within and outside the church.

As Archbishop his responsibility towards the church becomes bigger — but Desmond Tutu will still be Desmond Tutu — Sapa



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## Germans agree to move against SA

MUNICH — The West German cabinet has agreed on measures to be taken against the South African Government, a West German newspaper reported yesterday.

The respected Sueddeutsche Zeitung daily of Munich said government sources had declined to specify the measures and had refused to describe them as economic sanctions.

The unspecified measures were to be discussed yesterday by the Foreign Minister, Mr Hans-Dietrich Genscher, and the British Foreign Secretary, Sir Geoffrey Howe.

Mr Genscher and Sir Geoffrey were meeting at the Farnborough Air Show in England.

The newspaper also said foreign ministers of the 12-nation Common Market would meet informally in London over the weekend to discuss economic measures to be taken against South Africa. The measures are designed to pressure the Pretoria government into lifting racial discrimination.

Following the weekend meeting, Sir Geoffrey is expected to fly to Washington in an attempt to find a common position on sanctions between the Common Market and the US administration.

West Germany has previously declined to impose economic sanctions against South Africa, saying such measures do not achieve their political goals in most cases. — Sapa-AP

8/9/80

## Cape Verde refuses to ban SAA

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The Star's Africa  
News Service

Cape Verde has rejected calls to ban South African Airways from landing at Ilha do Sal, informed sources said yesterday.

President Aristides Pereira reportedly informed members of the Organisation of Africa Unity that banning SAA from landing at Ilha do Sal would have "serious, if not destabilising effects" on his country.

He told them it would be wrong to ban SAA without making any study of the "global and individual consequences" the ban would have.

During the recent OAU meeting at Addis Ababa there were calls for African countries to ban SAA.

Ilha do Sal, one of the islands in the Cape Verde archipelago, is used as a refuelling and crew changing stop by SAA.

## Sanctions would have three-prong effect on SA

Lowveld Bureau

NELSPRUIT — Sanctions, if imposed against South Africa, will have a three-pronged effect, said Sanlam's chairman, Dr Fred du Plessis, at a meeting in Nelspruit.

Dr du Plessis said full sanctions would firstly disorganise the country.

"In the medium term however, sanctions would benefit us in that our economy would be stimulated, jobs would be created and, overall, the population would gain," he said.

But, in the long term, they could hurt.

"Our cost structure is such that, once sanctions were lifted we could find ourselves — ready and rearing to go — more expensive than our overseas competitors," Dr du Plessis warned.

Sanctions, if fully imposed, would result in all foreign companies having to withdraw.

Certain areas in the motor industry would be affected adversely, but provision had been made.

A 100 percent South African motor manufacturing company was able to provide all the components required.

Despite a recession and spiralling inflation, South Africans were assured of value for their money in insurance investments.

### JOB FOR 100 000

In addition to caring for the interests of policy holders, Sanlam had, in the past few years, provided job opportunities for more than 100 000 people.

Action to be taken in the event of sanctions being imposed were "a general increase in productivity, careful research and development in the country's overall requirements".



FIN MAIL 5/9/86  
TRANS-NATAL (280)

## Wait and see

The next few months will be an anxious period for South African coal exporters and potential investors in coal shares until the situation regarding sanctions is spelt out. That's why Trans-Natal Coal (TNC) MD Graham Thompson is making no forecasts at

Continued on page 95

present on the current financial year, despite record coal sales of 31,6 Mt for the year to end-June and the 68% jump in eps.

"It's impossible to say what is going to happen at this stage on the export markets and, given the generally unchanged outlook for local coal sales, exports will be the key factor in TNC's performance this year," he says. "Contract negotiations with consumers on volumes and prices for 1987 generally start from about now and are completed by November-December for customers in Europe. Negotiations with Far East customers start early in the new year and are normally completed by about March. The European traders are stalling on negotiations until the outcome of the European Community decision on sanctions is known as well as the outcome of US moves.

"The next three months will tell us a lot. All I can say now is that I believe TNC is the least exposed of local coal exporters to sanctions because our European sales go to less sensitive countries and most of our customers are in the Far East," Thompson says.

Despite uncertainties, in the past 18 months TNC has built up a significant stake in the small end of the export trade through acquisitions of the coal interests of the Severin group, Alfred McAlpine and Darling & Hodgson Coal. This has given it extra export tonnages and, more importantly, extra official port export allocations, through Durban and Maputo. That process may not be over.

Escom is juggling with schedules for completion of planned power stations and also with plans for increasing coal stockpiles. This too could affect TNC's coal sales but, in the year ahead, Thompson sees little material impact on TNC's sales to Escom.

The one domestic area for a possible large expansion in the group's business lies in synfuels, where there has again been speculation of a private sector synfuels project getting approval. Also, some developments are taking place concerning the group's torbanite deposit. Thompson says the group is currently mining a bulk sample of the material which will be used to test the retorting techniques needed to recover the oil while, at the same time, TNC will carry out a second-stage feasibility study on the project which would cost in the region of R600m.

At 765c, TNC offers an attractive 11,8% yield, but perhaps the best policy for a potential investor is to adopt the wait-and-see approach of the coal executives themselves over the next three months. *Brendan Ryan*

## PRUDENTIAL

### Shares running

Almost since the Prudential (Pru) was listed,

It has long been suggested the British mother company would like to sell. Pru MD Dorian Wharton-Hood could not be reached for comment. Dealers and analysts suggest there are a limited number of companies, or rather financial groups, which could buy the Pru, but most suggested purchasers deny involvement. Liberty Life chairman Donald Gordon is adamant Liberty is not involved in a takeover of the Pru; Chris Cunningham, senior GM operations of Lifegro states no approach has been made that senior management is aware of; and Ron Cuthbert, MD of Allianz Life, when asked if his company was stalking the Pru, said "definitely not." Allianz is relatively small in SA, but has a powerful parent in Germany, which is known to be an aggressive acquisition artist.

But with rumours as hot as those currently circulating, the market is not accepting denials at face value. As a dealer puts it: "They all have to say it's not them. It could be Liberty is doing it through United, or Rembrandt may be doing it directly and not through Lifegro."

One broker has mooted Rembrandt as a likely predator as it has made a number of expansionary moves in the local banking and financial sector, and now has strategic stakes in Lifegro, Sage Life and Momentum Life. Liberty has recently swung attention to the international arena, although it has still to reveal how it intends to use funds raised in its R250m rights issue.

Whatever the reason and whoever is buying, investors — or speculators — have pushed the price from 390c at end-1984 and 610c at end-1985 to touch a high of 1 000c this week. Even a year ago, the price ratio was 20, higher than any other insurance company except Liberty. By Monday, it had shot past the Liberty companies to a surely unrealistic ratio of 36 (Liberty Life is on 32).

The Pru, of course, is tightly held. The British mother company has 64,4% and another 12,7% is held by Hansmax Nominees. With an issued share capital of 133m shares, monthly trade in the past year has only averaged 147 000 shares and in July it was even lower at 108 000 — though on Monday the one-day volumes rose to 15 600. Perhaps, if a deal is really on the boil, it is the Pru itself which has initiated a deal with another, possibly smaller firm. This could offer some justification for the price. *Pat Kenney*

## SAGE

### Paying the price

After reporting a 6,4% fall in interim eps, Sage chairman Louis Shill cautions that "it is possible the group will be unable to meet its target of maintained earnings this year." That short-term earnings should have come

slightly to R6, line figure slipped some 2m new in Rand Merc increased to 30% for the dilution strong profits dilution follow capital the p... in Ned Equit, increased to 7

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## AVI

### Going

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Robbertze ing company, borrow money, disallowed for liquidity in the opportunities

# Japan to <sup>5/18/86</sup> prepare new <sup>STR</sup> measures <sup>280</sup> against S.A.

TOKYO — South Africa's attempts to discourage Japan from applying fresh economic sanctions against it appeared to have failed yesterday when the Foreign Minister, Mr. Pik Botha, was told additional measures were being prepared.

Tokyo's new attitude to South Africa was conveyed to Mr. Botha during a one-hour meeting with his Japanese counterpart, Mr. Tadashi Kuranari.

Japanese officials would not say what measures were being considered, only that decisions would be reached soon together with other countries.

## IMPORTS

Japan's most important imports from South Africa are coal, iron ore and precious metals. Japan's steelmakers buy about 10 percent of their coking coal from South Africa.

Mr. Botha is due to meet several prominent businessmen and politicians during his visit but leading steel producers Nippon Steel and Kawasaki Steel said they had not planned any meetings with him.

In Taipei, which Mr. Botha will visit next week, agreement was announced for Taiwan to increase its imports of maize, wool and citrus products from South Africa. — Financial Times News Service.

● See Page 4.





Foreign Minister Pik Botha shakes hands with his Japanese counterpart, Mr Tadashi Kuranari, at the Foreign Ministry in Tokyo after arriving for a five-day unofficial visit.

## Japan aligns with West against SA

The Star's Foreign  
News Service

TOKYO — On the eve of key Western alliance sanctions talks, Japan has said it will take further measures against South Africa if there is no progress towards the removal of apartheid.

The Japanese Government has yet to decide on the nature of new measures — which will not necessarily be economic —

and when to impose them.

But a Foreign Ministry spokesman said they could come as soon as the end of this month, probably in concert with whatever action the European Community (EC) adopts.

EC foreign ministers are expected to clear the way for new measures when they meet informally in Britain this weekend. Britain has declared it will not

stand in the way of the new package and the only other major European opponent of sanctions, West Germany, is also now apparently willing to go along with the measures.

In Tokyo, a Foreign Ministry official outlined Japan's latest position after talks between visiting Foreign Minister Mr Pik Botha and his Japanese counterpart, Mr Tadashi Kuranari.

Clearly aligning Japan with the West's stance, Mr Kuranari called for the release of Nelson Mandela and the removal of restrictions on the ANC.

It is understood Mr Botha did not appeal directly to the Japanese Government not to extend sanctions, but he outlined South Africa's plans and presented a 10-page paper on the effect of sanctions on the rest of Africa.

Mr Botha will meet Japanese businessmen before leaving for Taiwan on Sunday.



## Parliament and Politics



The Minister of Foreign Affairs, Mr Pik Botha (left), pictured in Tokyo with his Japanese counterpart, Mr Tadashi Kuranari (right foreground).

# Japan warns SA of more sanctions

*Call Times 5/9/86 280*

TOKYO. — Japan told visiting South African Foreign Minister Mr Pik Botha yesterday that harsher economic sanctions against Pretoria were unavoidable unless it showed "concrete" evidence of its will to end apartheid.

Foreign Minister Mr Tadashi Kuranari delivered the warning to Mr Botha in an hour-long meeting.

A Japanese Foreign Ministry official said Mr Botha told his Japanese counterpart the move would have a "detrimental influence" in Southern Africa.

Japan, South Africa's second-largest trading partner following the United States, banned exports of computers to some South African Government agencies and halted imports of Kruger rand gold coins last October.

The ministry official reported that Mr Kuranari said that if South Africa was seriously considering dismantling apartheid "it should show by concrete examples to the international community the scenario of abolishing apartheid".

He told Mr Botha it was "imperative" for his government to create a climate "conducive" to talks with black leaders.

Japan is now considering an import ban on coal and iron ore and tightening tourism restrictions. American, British and Japanese officials met in London this week to discuss further measures.

The Japanese Foreign Minister also told Mr

Botha it was "imperative" that South Africa free black leader Mr Nelson Mandela and end the ban on the ANC.

Mr Botha told his Japanese counterpart that the key to South Africa's future progress was a commitment on the part of the ANC to abandon violence.

In a statement released in Cape Town Mr Botha said: "The government could not accept a mere 'suspension' of violence on the part of the ANC and others. Yet it is constantly being asked to release persons and unban and negotiate with organizations still committed to violence, without any commitment from them at all to abandon violence."

"The South African Government cannot accept that these parties should be given the right to resume violence if negotiations should not be going their way, a right implied in the concept of 'suspension' in the EPG (Commonwealth Eminent Persons Group) formula."

● Anthony Johnson reports that a spokeswoman for the Department of Foreign Affairs confirmed in Cape Town that Mr Botha met former US Secretary of State Dr Henry Kissinger in Tokyo yesterday. She could not say what topics were covered during the talks.

● In Taipei, Dr Dawie de Villiers, Minister of Trade and Industry, signed an agreement to expand trade with Taiwan. — Sapa-AP and UPI

New PFP MPs sworn in



ANGLICAN Archbishop-elect Desmond Mpilo Tutu could — under specific conditions — give his support to a call for a "just war" against the South African government.

"My position has an inner consistency. I am not a pacifist. I have always made it clear that I believe there can come a time when it will be justifiable to use violence. That position will not change," he said during a pre-enthronement interview last week.

"You have two evils: violence and an unjust system. Sometimes you have to decide which is the lesser evil. There are times when, say, reactive violence, or violence to overthrow an unjust system can be justified under specific conditions".

Are we getting any closer to these conditions?

If we do not get sanctions, or if they do not work, I don't see what else is left?" he said.

But almost in the same breath as his talk of a "just war", Tutu spoke positively about his meeting with the State President, PW Botha, last month.

He believes the value of the extraordinary meeting lay in the eye-contact, the gestures and the opportunity to see each others' facial expressions.

"I'm a religious person — and I don't mean a silly person — who takes seriously the notion that this is God's world and he does operate in a way that appears to us to be mysterious.

That is why I have wanted a one-to-one, face-to-face meeting with the State President. Because often what matters is not what you say, but a glance, a gesture, a rapport that neither of you might have expected."

Tutu's view is not likely to be easily accepted by the less devout or by those "comrades" for whom the primary symbol of authority is the balaclava, designed to hide all facial expressions and glances.

But it is difficult to ignore because it comes from Tutu, a man whose special skill is winning people over and defusing anger with a combination of wit and warmth.

The interview itself was evidence of this. It took one Tutuism to destroy the anger that had built up over months of my trying in vain to get past the endless queues of foreign television crews demanding quotes from him.

I had decided to arrive unexpectedly at his office and simply wait outside till I saw him. Within five minutes he called me into his office.

"You're whitemailing me," he said.

One can see why the government has kept this man off our television screens and relied on press sniping against him. Whatever one thinks of his politics, he has an extraordinary ability to win people over in direct contact.

If anyone else had taken out a small brush and a tin of polish and shined his shoes during an interview, one would have been taken aback. But Tutu, with a wisecrack or two, turned it into a gesture of informality.

So one thinks twice about his confidence in the power of direct contact. But was that really all one could hope for from such an important meeting with the State President?

"I know you would say what did it accomplish in tangible results? It accomplished the fact that

# 'You have two evils: violence and an unjust system. Sometimes you have to decide which is the lesser evil'

In the week of his enthronement as Archbishop, Desmond Tutu talks to ANTON HARBER about sanctions, violence and why he met with President PW Botha



it showed that we are still willing to take any chance we have to talk. It achieves the consequence that, whatever most white people say and think about me, the truth of the matter is that one has tried (to talk).

"And they can see one is not the fire-eating, rabid extremist that people write about," he said.

Maybe it showed whites a thing or two, but did it go down well in the black community?

"I was sure I would be criticised. We were criticised when we met the State President in 1980, in fact, it was much more vociferous then.

"But I was not going to represent anyone, except basically the Church."

Tutu believes it was more useful to enter such meetings without a mandate because he was a "free agent".

The fact that he did not consult any organisation other than his diocesan committee before or after the meeting is a frequent source of criticism. But he believes firmly that he can achieve more by acting without answerability to anyone except, broadly speaking, the Church.

"There is merit in talking to people, but what is the purpose of going to see someone to say your line is not one I can ever take? It is far better if I am not seen as a front for anyone.

"I would say that being black on the whole makes one know what things should be taken up. If people ask me what did I say, I say there are standard positions that none of them would disagree with."

What are these positions? "Basically I was trying to get acceptance of the idea that we won't get anywhere until he talks to the acknowledged, genuine representatives of the people and that won't happen without lifting the

State of Emergency, removal of troops, the release of detainees and political prisoners, the return of exiles, the unbanning of organisations."

Tutu would not go on the record with any details of how the State President responded. But judging from his off-the-record remarks, it was surprising that he emerged from the meeting with any optimism at all.

Surely then he has a duty to tell his constituency what was said?

"What do we exist for as a Church? I am not going to give people false hope. And can you imagine what is likely to happen if I tell people there is no hope?"

"You can ask what I am doing for the country if I keep quiet. But what am I doing for the country if I speak out? They are going great guns for me at the moment and I don't want to appear to be getting my own back," he said.

But he was willing to talk about the encounter in generalisations. "In many ways, it was like all other meetings. He didn't lose his temper. Maybe one was scrambling around for positive things to say, but we laughed together."

Tutu will release further details of the meeting when he thinks the time is right.

Questions about sanctions made Tutu sit straight up in his chair, putting aside his shoe-shine brush. He made the routine disclaimer: "Nobody in their right mind wants sanctions. I don't."

"If the government were to do the things we are asking for — this is what I said in 1985 — if there were evidence that apartheid was being

dismantled, then I would oppose sanctions."

Part of the routine disclaimer is a put-down of those who oppose sanctions. "I think it is well and good for white people especially to say no to sanctions. Can they suggest what should happen if we do not have sanctions?"

But, I asked, surely this was not enough of an answer to the important questions raised about those who would lose their jobs and who would suffer as a result of sanctions?

"People have lost their jobs long before sanctions. You know about the structural unemployment and the suffering there has been because of apartheid."

"Suddenly they (opponents of sanctions) are talking to us about possible future suffering and they have not raised a whimper about suffering in the past."

Surely Tutu had given careful thought to who would suffer as a result of sanctions?

"All I'm saying is that if not sanctions, then what? What other method is there that we have not yet tried to bring about change?"

"I think the onus is on them (those who oppose sanctions) to say what there is that we have not tried."

And will sanctions work?

"The right kind — yes, such as the simple one we asked the banks for in February not to renew the country's loans. You remember what the action of one bank did to the rand last year and how that concentrated the minds of the private sector."

Tutu also spoke briefly about the prospect of being an Archbishop. He expressed bewilderment at the fuss over the invitation list to his enthronement on Sunday. "It is very silly," he said. "The vast majority of those invited are church people. You can count on the fingers of one hand those who are political animals — and they are people I know well."

Tutu wants to be a symbol of unity as a church leader. But he expresses deep concern about attacks on him in the media.

"A lot of things are happening to me at the present time. I am meant as a bishop to be a focus of unity."

"There is maybe a certain kind of unity. South Africa is always as a country, more especially in the white community, looking for scapegoats. I fit the bill perfectly at the moment," he said.

And on the eve of the great razzmatazz enthronement of them all, Tutu was adamant that he did not play to a gallery: "That day in Brakpan when I said if you don't stop the killing, I would leave South Africa — that was unpremeditated. I wouldn't leave South Africa. I need never have come back."

"Constantly harping on these issues does annoy many of these youngsters who want to be given free reign. I don't think they are waiting for my approval, but one does seem to be standing up against a popular tide. That is what I mean when I say I do not play to a gallery."

Tutu will be in front of his biggest gallery ever on Sunday. Oddly enough, though, there are a great deal of people — not least of all the young "comrades" — who will agree that he is standing up against a popular tide and will not take so kindly to his position as a "free agent".



## Swedes slow to cut ties with SA

STOCKHOLM — Voluntary restrictions on Swedish trade with SA have not had as much impact as expected.

The A-Pressen news agency, affiliated to the ruling Social Democratic party, said official figures due to be released shortly showed a 29% drop in exports to SA in the first six months compared with the same 1985 period.

It said this compared with a 40% decline in Norwegian exports to SA.

Sweden's Central Bureau of Statistics declined comment.

Swedish government officials have in recent months expressed confidence that curbs introduced last winter, including the licensing of all exports and imports, would help cut trade with Pretoria by 50%.

A-Pressen said the figures could increase pressure on Prime Minister Ingvar Carlsson's government to join Norway and Denmark in announcing an all-out ban on commercial ties with SA. — Sapa-Reuter.



... of the tenants. (Reuters)

# SA signs new trade deal with Taipei

TAIPEI — South Africa and the Republic of China have agreed to expand economic co-operation as Pretoria looks to its only political friend in Asia to help it bypass impending trade sanctions.

The agreement, signed yesterday after four days of talks, covers

banking, health, fishing, forestry, shipping, energy, biotechnology and solar energy.

A senior Republic of China trade official said he believed the talks were part of efforts by Pretoria to boost ties with Asian trading partners to counter any sanctions imposed by Western Europe and the United States to force change in South Africa.

A joint press statement said South Africa and the Republic of China would work towards removing tariffs and other barriers to increase trade with each other, which fell to \$356 million in 1985 from \$478 million in 1984.

The Minister of Trade and Industry, Dr Dawie de Villiers, said in an interview: "There is still much room and potential to expand economic co-operation and trade so that both sides could

reap mutual benefits."

The economies of the two countries were complementary, with South Africa rich in raw materials and primary products and Taiwan strong in manufacturing.

Dr De Villiers said his country welcomed Chinese investment in textiles, electronics, machinery, minerals and chemicals.

The Republic of China's Economic Minister, Mr Lee Ta-hai, said the talks would "produce far-reaching benefits to our economies once they are carried out".

South Africa's Minister of Foreign Affairs, Mr Pik Botha, is currently in Japan as part of an Asian tour.

Western diplomats in Tokyo said they believed Mr Botha's trip was also part of an effort to counter sanctions. — Sapa-RNS

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# Jackson: states need aid to stay sanctions

WASHINGTON — While the United States has indicated it will not bail out Frontline states which become embroiled in a sanctions war with South Africa, a veteran anti-apartheid campaigner, the Reverend Jesse Jackson, has said punitive steps would be counterproductive without aid to countries which are economically dependent on Pretoria.

"If all they (Congress) did was impose sanctions, it could be quite sinister because South African retaliation is predictable," Mr Jackson said.

"They (South Africa) could withstand just sanctions longer than the Frontline states could in isolation."

A US Government official said there was "no great upswelling... to bail out the Frontline states from the folly of sanctions".

While the international community should co-ordinate its timing on selective sanctions and present a "joint analysis", there would not necessarily be common action by individual countries.

A "harmony of approach" was needed.

The official seemed to be signalling that the US might not necessarily take the same action on sanctions against South Africa as the European Economic Community.

He made it clear that as far as the Reagan administration was concerned, the Senate's



MR JACKSON

tough sanctions resolution was unacceptable.

Although the US administration would not mount a rescue operation for the Frontline states, the official said, it would continue to give long-term aid to reduce the existing "unnatural distorted dependence" of the Frontline states on South Africa — for example, in the field of transport.

Mr Jackson said sanctions should be a major part of a revamped US policy that would include long-term development aid, most-favoured nation trading status and military aid to Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

"All of the focus on South Africa without focusing on Southern Africa is a fundamental mistake," Mr Jackson said.

He called South

Africa "an octopus with legs in all the Frontline states" and said its apartheid system could be toppled only through a regional strategy with sanctions as just one tactic.

He condemned an administration decision to halt US aid to Zimbabwe because of a July 4 incident in which a Zimbabwean official condemned American policy at a US Independence Day celebration at the US embassy.

A former president, Mr Jimmy Carter, who was visiting Zimbabwe, walked out in protest at the remarks.

"Somehow we are capable of becoming insulted rather quickly and respond rather harshly to Frontline states of Southern Africa, but maintain a constant toleration of and partnership with South Africa," Mr Jackson said.

Washington should make the same commitment to freedom for Africans that it had towards its European allies.

Mr Jackson also scoffed at administration efforts to find a black American to serve as ambassador to Pretoria.

Asking a black person to be envoy to Pretoria was comparable to appointing a Jewish ambassador to Nazi Germany.

"We need a new message, not a new messenger," he said. — SAPA-RNS



# UK trade unions back tough line against SA

The Star Bureau

LONDON — British trade unions have put their weight behind tough sanctions on South Africa in a highly charged debate in Brighton.

Under the backdrop of two huge gagged black figures and the slogan "Don't Buy Time for Apartheid", speakers drove the trade union movement's message home ... do not buy South African goods, do not handle South African goods, and go out and help win the political argument against apartheid.

Three black South African trade unionists were given a rousing welcome from a packed chamber that later unanimously endorsed the Commonwealth's Eminent Persons Group call for increased economic pressure on Pretoria.

The congress asked the labour movement to strengthen the boycott against South African goods and to help achieve a complete embargo on all trade and all commercial, financial, cultural and sporting activities.

It also demanded the immediate unconditional release of all union and political prisoners, particularly Nelson Mandela, and urged all unions to ensure that their pension funds were not invested in South Africa or in British companies with South African connections.

Apartheid was the target in the long, impassioned debate, but delegates also poured derision on British Prime Minister Mrs Margaret Thatcher and her Ministers for their opposition to sanctions.

## 'Not impressed'

The leader of Britain's largest union, Mr Ron Todd of the Transport and General Workers' Union, opened the debate with an attack on Mrs Thatcher's claim that sanctions were immoral.

He said that on his recent visit to South Africa, blacks were not impressed by this argument.

"I want to make it clear that every black person we spoke to unreservedly wanted the British Government to apply economic sanctions. The more hard-hitting and quick-acting the better. They were not impressed with appeals to morality."

The general secretary of the Union of Communication Workers, Mr Alan Tuffin, said sanctions were the most powerful weapon to use against South Africa, but Mrs Thatcher was almost alone in opposing them.

He suggested the reason was the extensive connections between the Conservative Party and South African business interests. Five major British companies had contributed nearly a R1 000 000 to Tory party funds. A further 73 companies with South African interests had contributed about R3.6 million to party funds, and 71 Tory MPs were either directors or advisers to 85 companies with South African links.

## French in

PARIS — France's Prime Minister Chirac, held an emergency meeting and police yesterday after a narrowly missed causing carnage Paris underground train, officials

The bomb, containing 13 strips sive, caused a small blast, but failed completely because of a faulty fuse

Police investigating the incident transit RER suburban rail system hidden under a seat, would probably numerous casualties had it exploded

Attending the emergency session Chirac were the Interior Minister Pasqua, the Security Minister, Fraud, and senior police chiefs.



Mr Ron Todd, leader of Britain's largest union, the Transport and General Workers' Union, speaks against an emotive backdrop during yesterday's debate on South Africa at the annual Trades Union Congress conference in Brighton. Listening (left) is TUC general secretary Mr Norman Willis.



yesterday, — Sapa.

them to move.

evader. — Sapa.

## 'Sanctions are not conducive to peace'

A motion was unanimously adopted yesterday in the House of Representatives to appoint a Select Committee as part of a Joint Committee to investigate the implications of boycotts and sanctions on the South African economy.

Moving the motion, the Chairman of the Minister's Council, the Rev Allan Hendrickse, said the committee should also investigate the adequacy or otherwise of steps taken to deal with such sanctions, and advise on any further steps

to be taken. The motion was similar to one unanimously accepted in the House of Assembly yesterday moved by Progressive Federal Party spokesman on finance Mr Harry Schwarz.

Mr Hendrickse said the sanctions and boycotts on South Africa were not conducive to peaceful processes.

South Africa had become a crutch for the world to lean on so that they could turn attention away from their own economic and social prob-



Mr Hendrickse ... world using SA to avoid own problems.

lems.

To impose sanctions on South Africa at this time would be an act of violence and he could not understand how people committed to peace and Christian concepts could advocate them.

Sanctions would increase poverty, discontent and hunger. Advocates of sanctions wanted to incite unrest. — Sapa.

not setting up programmes to prevent coloureds, Indians and blacks from committing crime?" he asked.

The care of white victims of crime, and the exclusion of other races would be seen as nothing but discrimination.

Matters related to criminal justice were a general affair. "This is not a whites-only problem," said Mr Burrows.

Dr Rina Venter (NP, Nominated) said the Bill provided whites-only care, but that this was not the primary motivation for the legislation, which was intended to improve the quality of existing services.

Corresponding services for blacks, coloureds and Indians would develop in time. — Sapa.

September 5, 1986

STAR

# Reagan extends sanctions order

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By Neil Lurssen,  
The Star Bureau

WASHINGTON — Declaring that the situation in South Africa is still a national emergency for the United States, President Ronald Reagan has extended his year-old sanctions order for a second year and held open the possibility of further steps against Pretoria.

But his move is certain to leave the US Congress dissatisfied and it is now inevitable that there will be a clash between the White House and Congress over South Africa.

Republican leaders had hoped that President Reagan would renew the sanctions order with much tougher measures that would allow him to head off the severe economic sanctions demanded by Congress.

Congressman Bill Gray, who has played a leading role in the sanctions drive, said: "Constructive engagement is dead, something that Ronald Reagan does

not want to admit. And the move yesterday is tantamount to hooking up an artificial respirator to a corpse."

The renewal order extends US bans on the sale of Krugerrands, bank loans to the SA Government and computers to SA Government agencies.

It also forbids the export of nuclear technology to South Africa except for health and safety purposes.

White House spokesman Mr Larry Speakes admitted to reporters that the President's sanctions had not achieved the intended results.

## PROGRESS

"They have made some progress, but not nearly enough."

Mr Speakes said that the US had expressed this view repeatedly to the SA Government.

Speculation here is that, in an effort to mollify his critics, President Reagan may strengthen his sanctions pack-

age next week by announcing a ban on SAA landing rights and possibly curbing further SA access to US banks.

He is also said to have chosen Mr Edward Perkins, a black career diplomat currently serving as ambassador to Liberia, as the next US ambassador to Pretoria in the hope that this will demonstrate his commitment to ending apartheid.

But sources in the White House say that President Reagan is so firmly opposed to putting more economic pressure on South Africa that he may not add extra sanctions to his order ... even if it means that he will suffer a defeat in Congress.

Analysts here believe that the renewed violence in Soweto and the severe Press curbs will strengthen the resolve of Congress to act tough.

Both the White House and the State Department yesterday decried the ban on the mass funeral at Soweto as a "violation of freedom of assembly."

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## Mugabe toughens up

Zimbabwe's threat to scrap the preferential trade agreement with SA only weeks after signing an indefinite extension of the pact is no surprise. On his return from the London mini-summit last month, Prime Minister Robert Mugabe made it clear that he would implement the full Commonwealth sanctions package. He threatened to go even further by banning remittances to SA, such as profits, dividends and pensions.

He has since toughened his stance with the promise to abandon the trade agreement and implement the full Non-Aligned Movement (NAM) sanctions resolution, which is expected to demand comprehensive mandatory sanctions against Pretoria.

In a move that seemed designed to embarrass Mugabe ahead of the NAM conference, Pretoria announced recently that it would publish the trade agreement. It had not done so at the time of going to press.

Mugabe says SA will suffer more than

Zimbabwe when the agreement is abolished because last year SA had a surplus of almost Z\$100m (about US\$56m) in its trade with Zimbabwe. In 1985, Zimbabwe's exports to SA fell 23% to Z\$179m (US\$106m), while South African exports to Zimbabwe were up 19% to Z\$275m (US\$162m).

More than a third of Zimbabwe's exports of manufactured goods are sold in SA. If the agreement, which gives both countries preferential entry into each others' markets, is scrapped some industrialists will be hard hit. Already, Zimbabwean exporters are finding it difficult to compete in the SA market because of the weak rand.

The loss of preferential entry is likely to be the final nail in the export coffin. Scope for penetrating new export markets would seem to be limited, but Harare industrialists believe that they may supplant South African exporters to some extent in Zambia, Malawi and Botswana.

Businessmen expect action by the Harare government in the next two months. The Zimbabwe Cabinet is expected to consider its sanctions policy after this week's NAM summit, and again after the EEC has decided how far it will go in imposing economic measures on Pretoria (see World). At this juncture, it seems that Zimbabwe is heading for the toughest sanctions package in the region embracing trade, air links and tourist promotion. ■



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BUS DAY

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BRUSSELS — The European Community (EC) is set to agree to limited economic sanctions against SA this weekend that are likely to be dubbed "too little, too late" but could pave the way for similar action by Washington, diplomats said yesterday.

Britain finally dropped its objections to the imposition of sanctions against Pretoria at a meeting of EC representatives in London on Wednesday, clearing the way for approval of the sanctions at an informal meeting of EC foreign ministers this weekend, they added.

The British move will be welcomed by a majority of the EC's 12 states. They have for several months been pushing for concerted EC action in response to widespread calls for punitive measures against Pretoria for its failure to abandon racial policies and its crackdown on opponents of apartheid.

The diplomats said the proposed EC ban on new investment in SA and on imports worth some \$1.8bn a year of SA coal, iron, steel and gold coins had already been found inadequate by most of SA's critics.

The majority of both white and black members of the Commonwealth and the Non-Aligned movement want wider action, such as a total trade ban, which would be more likely to hurt the white-dominated economy.

The diplomats said that however inadequate the EC move might seem to hardline opponents of apartheid, it was likely to lead to rapid action in Washington, where President Reagan is under heavy pressure from Congress for action against Pretoria. Action by both the US and the EC would virtually isolate SA from its previous Western backers, they said.

# EC meet for SA sanctions vote



□ HOWE ... left SA empty-handed

EC and US diplomats have been closely co-ordinating their moves on sanctions, but this did not mean that any US measures would be identical to those likely to be agreed by the EC ministers, they added.

British PM Margaret Thatcher, backed by West Germany and Portugal, held out against sanctions at the EC's June summit in The Hague, arguing they would hurt the black population, SA's black neighbours and jobs in states, such as Britain, which have close economic links with Pretoria.

But the summit agreed to consider the tortuously-negotiated list of measures if

Pretoria failed by the end of September to respond to EC entreaties for an early end to apartheid. The stage was set for British approval when British Foreign Secretary Sir Geoffrey Howe returned empty-handed from an EC peace mission to SA in July.

Sir Geoffrey, current president of the EC Council of Ministers, will report on his mission to the 11 other EC foreign ministers at private talks in a secluded English country house north of London this weekend.

The diplomats said there was no chance of widening the EC measures to include a severing of air links and embargoes on imports of SA uranium and farm produce, as agreed by the Commonwealth nations.

The EC measures will affect some 20% of \$9bn worth of imports from SA but will not touch exports, worth some \$5bn to \$7bn a year. The diplomats said although no figures were available, the flow of EC investment to SA was believed to have slowed to a trickle in recent months but should now come to a complete halt. Investments had previously been flowing at the rate of R1bn a year, of which more than half came through Britain. — Sapa-Reuter.

## NON-ALIGNED SUMMIT

## A little more than rhetoric

The arrival at the Non-Aligned Movement's (NAM) Harare summit of Libyan President Muammar Gaddafi and Argentina's President Alfonsín on Monday diverted at least some attention away from SA, though apartheid has clearly been the summit's dominant topic.

Gaddafi's call for strident condemnation of the US was acceptable to most of the 101 delegations attending the meeting which had other reasons for wanting to criticise the US — nuclear disarmament, Israel, Nicaragua and, of course, SA. Alfonsín's participation seems likely to strengthen the summit's final stance on Third World debt, which will also divert some attention from SA.

The summit, described sardonically by Britain's *Guardian* newspaper as "a talking shop of the world's have-nots," is bound to adopt strongly condemnatory resolutions about Pretoria. Just what teeth these will have is another matter.

Relatively few of the NAM countries — with the important exceptions of the Frontline States — have meaningful economic relations with SA. Accordingly, the commitment to comprehensive mandatory economic sanctions against SA is unlikely to mean very much, given the inability of some of the



Mugabe



Gandhi

Frontliners to implement such resolutions

On the economic sanctions front, the best the summit can hope to achieve is a "demonstration effect" designed to shame the West into taking effective economic measures.

The Indian proposal for NAM to establish a military force to defend the Frontline States against South African incursions could have more substantial effect, though there would seem to be enormous financial and logistical obstacles.

Understandably, the NAM delegations were anxious to disguise their many internal disagreements. Even as delegates got down to serious business behind closed doors this

week, Iran was stepping up its naval offensive against Iraq in the Gulf war, while the relatively poor turnout of top Arab leaders — Gaddafi and Yassar Arafat excluded — suggests that Middle East leaders have more pressing concerns on their minds: the Gulf war, the oil market, Israel and the Lebanon.

Outgoing chairman Rajiv Gandhi's statement that the success of the eighth NAM summit will be judged by the extent to which it hastens South African liberation was a sharp reminder to delegates of the danger of allowing rhetoric to dominate the meeting.

While the movement may not have much contribution to make in solving SA's problems, or indeed those of nuclear disarmament, it will be judged as a failure if no concrete and realistic proposals are forthcoming to end the Gulf war or revive the economies of the Non-Aligned States.

Yet there is little evidence of economic realism. The industrialised countries and the international banks are blamed for the debt crisis. The World Bank-IMF view, that domestic economic policy adjustments are required to revitalise Third World economies, is largely rejected in the draft economic declaration.

In its place are calls for a new international economic order. The NAM countries are seemingly oblivious of the fact that the growing dominance of the Pacific Basin countries is, in fact, the real new economic order as far as developing economies are concerned. ■

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# Forex may be rationed

By Sven Linsche

Sanctions will force the authorities to rationalise foreign exchange so imports will consequently have to be limited according to the available forex reserves.

In their monthly publication *Economic Focus*, Volkskas writes that extensive fluctuations in net reserves will hence be limited. "This could stabilise the external value of the rand and possibly also have a stabilising impact on the domestic interest rate pattern."

The allocation of the scarce resource of hard currency will make a priority ranking essential and the publication envisages a cut in crude oil imports, despite the current stockpiling.

The publication also outlines the advantages and disadvantages for various industries if a broad package of sanctions was imposed.

The economy could be given a relatively strong boost in the short and medium term by the imposition of sanctions, but the

real problems will only emerge in the long-term.

The publication describes the substitution of highly advanced machinery and equipment, the disadvantages of the lack of international competition and problems facing the mining industry when the world develops alternative mineral resources as the most serious problems which could result in the long-term if effective sanctions are imposed.

"The greatest 'advantage' will be that the South African economy and its people will gain and develop a great deal of expertise in the process — even in the fields where we have only skimmed the surface to date," the publication states.

Agriculture will be one of the areas worst affected by economic sanctions, as South Africa is on balance a net exporter of agricultural products.

Moreover, agriculture obtains many of its inputs from overseas and producing these locally could therefore increase costs

and Volkskas suggests that surplus production will be essential in order to overcome the possible consequences of crop failures.

"Such supplies will have to be stored and financed and will impose further cost restraints on the agricultural sector."

The mining sector is on balance in a more favourable position: "The sales of gold, diamonds and platinum should not pose any major problem — in fact this applies to products of high value and low mass."

Coal mines and iron ore mines are, however, typical examples of mining sectors that stand to lose under economic sanctions, as has already been verified by the fact that these products have been included in many imposed and envisaged sanctions packages.

One of the more positive developments which could emerge from sanctions is the considerable opportunities for more import substitution. Volkskas mentions the following sectors: tex-

tiles, processed leather products, chemicals, machinery and electrical machinery.

"This possibility also exists in the motor manufacturing industry, but in the long run it will also be adversely affected by sanctions and the man in the street will find it increasingly difficult to afford a car."

"The motor industry will most certainly not be the top priority in the allocation of scarce foreign exchange and the prices of motor vehicles will inevitably soar," Volkskas writes.

The effect of sanctions will also be felt differently in the different regions of the country.

"The regions that could be adversely affected are the Eastern Cape as a result of the concentration of motor vehicle manufacturers and wool producers and the Western Cape, owing to the production of deciduous fruit, the fishing industry and ship building and repairs."

The mining areas of the PWV and northern Free State, would probably not suffer unduly.

# Law firm's bulletin advises on sanctions

Glenda Spiro.

To prepare clients for proposed worldwide sanctions measures on South Africa, a Johannesburg legal firm, Deneys Reitz, issued its first "Information Bulletin" on sanctions this week.

One of the partners, Mr Peter Simkins, said the bulletins would provide factual information on sanctions, explain the legislative procedures, and highlight the ramifications of sanctions on business transactions.

Mr Simkins said there may possibly be ways to structure trade routes legally. He would not elaborate on these methods of combating sanctions. He denied it was a form of sanction-busting — which was illegal, he said. "If all areas of sanctions are imposed, it becomes illegal to circumvent them."

The bulletins offer an advisory service, because "a lack of awareness on the full-reaching effect of sanctions has emerged". Problems brought to the firm's attention are of common interest to other clients and are discussed in the bulletins. The first deals with contracts impossible to perform because of sanctions.

Payment or delivery might be prevented, guarantees can become unenforceable and the contract discharged. A way to safeguard this is to add appropriate clauses in the contract which would preserve rights of action.

It is remarkable how naive some people are on how sanctions will affect them, Mr Simkins said.

"There seems to be apathy and a wait-and-see attitude. We don't think a lot of people have taken steps to guard against sanctions."

This week President Reagan renewed the 1985 executive order which imposed limited sanctions. They include a ban on Krugerrands and the sale of computers to South African security



Mr Peter Simkins

agencies. He will consider more measures after consultations with United States allies.

The bulletin details proposed measures in the US, and those under consideration in various parts of the world. The Bill, which goes to the House of Representatives on Monday, has already been adopted by the Senate with more than the two-thirds majority needed to override a presidential veto. If the House approves the Bill, it will be sent to President Reagan for his approval.

The measures include:

- The termination of landing rights for South African aircraft.
- Prohibition of new investment in South Africa.
- Prohibition of loans to the South African Government.
- Prohibition of imports — coal, uranium, textiles, Krugerrands and anything grown, manufactured and marketed by organisations which are subsidised or owned by the South African Government.
- Prohibition of the exports of several goods to South Africa.



# Sanctions go ahead

28  
7/19/85  
SUNBURY

THE 12 European Common Market countries are expected to signal their broad acceptance of a package of economic sanctions against South Africa this week.

At an informal meeting at Brocket Hall, Hertfordshire, British Foreign Secretary Sir Geoffrey

Howe will have his first opportunity to brief his EEC counterparts on his fruitless mission to South Africa in July.

The mission was set up by the EEC at its June summit in a last-ditch effort to win concessions from Pretoria and thus avert the need for sanctions.

Britain, West Germany and Portugal took the strongest line in arguing against sanctions in June, but the failure of the Howe mission now seems to have left them with little alternative but to bow to the majority EEC view.

It is possible that Sir Geoffrey will continue a rearguard action to block

Europe ready to bar iron, steel, coal as Ministers are briefed on Howe flop

## Sunday Times Reporters

or limit moves against Pretoria, though time is running out.

The deadline set for action is the end of September.

## Package

Mrs Thatcher has already indicated that Britain would not block a community decision to apply sanctions.

The EEC package involves a halt to new investment in South Africa and a ban on imports of Krugers, coal, iron and steel. Sir Geoffrey, as president of the EEC Council,

will visit Washington next week to brief the United States administration.

From Washington, meanwhile, it is reported that President Reagan's extension of the limited sanctions he imposed a year ago will do little to halt congressional determination to impose harsher measures of its own.

That was the message sent to the White House on Friday by Republican senator Richard Lugar, chairman of the Senate Foreign Relations Committee and author of the sanctions Bill passed overwhelmingly last month.

## Exports

The executive order bars all computer exports to security forces and government agencies enforcing apartheid, bans the export of nuclear technology and supplies to South Africa, ends the import of Krugers to the US, stops US bank loans to Pretoria and its parastatals and bans the import of SA arms and ammunition.

## Shocked

Administration sources indicated that Mr Reagan would make his next move after the House of Representatives and the Senate have agreed on a final sanctions Bill.

From Tokyo came reports that South Africa's Foreign Minister, Mr Pik Botha, was taken aback by Japan's strong stance on sanctions, especially since that country buys about 20 percent of the Republic's annual coal exports.

# U.S. study warns of violence

By PATRICIA CHENEY

THE continued presence of US firms in South Africa — or their withdrawal — would do little to bring about a transition to majority rule, according to a new study published by a Washington research group.

But a complete American pullout would result in increased black-white polarisation, with more violence among black youths, said the study, published by the Investor Responsibility Research Centre (IRRC).

"Uncoordinated violence by black youths would be more likely as a US withdrawal would enhance the belief that revolutionary change was imminent, and as the economic slowdown accompanying withdrawal increased so would the number of young blacks unable to find jobs," Mr David Hauck, author of the study and IRRC director, said.

## Controversy

He undertook the research at the request of institutional investors — the principle subscribers to the IRRC's South Africa review service — who wanted an independent analysis of what a full American business withdrawal would mean.

Mr Hauck is a longtime observer of American corporate dealings in South Africa. Since its release last week, the study has caused a small storm of controversy because State Department officials began touting it as a weapon against pro-sanctions advocates.

A copy was apparently forwarded to the Secretary of State's Advisory Committee with a covering letter saying

it proved that sanctions do not work.

"The report does not say that," Mr Hauck said. "What it says is that the presence or absence of US firms has less effect than what most people think."

The study concludes that as a result of such a pull-out

- Whites would be drawn into a siege mentality

- Support for the ANC and Azapo would increase because a US pull-out would be

seen as a victory for liberation movements.

- Black-white polarisation would increase because whites would see blacks as "disloyal to South Africa" and blacks would "view white reaction as further proof that they are more interested in maintaining their standard of living than in working for black political rights"

- The PFP and Inkatha would lose support as blacks moved to the left and whites to the right



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SUNDAY TIMES  
Who's sanctions - busti

\* SUNDAY TIMES, Se

AUSTRALIAN Prime Minister Bob Hawke's first sanctions against South Africa are already being busted — by a Labour Party state government.

The federal government has been seriously embarrassed by revelations in Australia this week that the state government in Victoria has business links with South Africa through the Aussie-based engineering company, Comeng.

By MICHAEL OUDSHOORN in Sydney and CAS STIEGER in Johannesburg

HAWKE'S MEN  
HAVE BUSINESS  
LINKS WITH SA

The Labour state government is involved in a joint R285-million deal with Comeng Holdings, which owns nearly half of South Africa's biggest rolling stock manufacturer Union Carriage and Wagon Company through its holding company, Australia National Industries.

Although official Labour Party policy forbids any government assistance to companies trading with South Africa, the Victorian state government and Comeng have signed the R285-million agreement to join forces in manufacturing and selling trams to Hong Kong.

An embarrassed Victorian Transport Minister Mr Tom Roper admitted the deal this week.

Stunned

The revelations have caused red faces in the Victorian and federal governments and have angered many members of the Labour Party, particularly the leftwing and anti-apartheid groups.

Yet despite this, the Victorian government, through the Melbourne Metropolitan Transit Authority, joined forces with Comeng and jointly signed the multi-million dollar agreement in August to construct a 34 km

tram system for Hong Kong. Comeng, Australia's largest rail equipment manufacturer, is far from being a mere passive shareholder in South Africa's Union Carriage and Wagon.

Its holding company, ANI, owns 42 percent of Union Carriage and regularly sends engineers from Australia to South Africa to assist in design and to provide other technical expertise.

Links

In announcing the joint Hong Kong deal, Transport Minister Mr Roper made no mention of Comeng's extensive links with South Africa. Comeng refused this week to disclose any details of its South African operations, beyond confirming the 42 percent shareholding.

However, Comeng annual reports have shown an annual profit for some years of the equivalent of more than R2.85-million from the operation of Union Carriage and Wagon.

Union Carriage's assistant managing director, Mr Herman Human, said the company was set up in South Africa by Comeng in 1958. Comeng had tendered for a contract, indicating it would construct a factory if it was awarded the contract. On receiving the successful tender, Union Carriage's Nigel factory was built.

The South African company had no links with the Hong Kong tram deal, Mr Human said. He said Comeng's 42 percent South African shareholding was taken over by its holding company, ANI — with Australian directors Mr N R Jones and D H Gray on Union's board — but the controlling holding was in local hands.

Anglo American and Gencor have a joint 47 percent stake in Union Carriage — an unlisted company — through Mainstraat Beleggings in which Anglo has a 30 percent interest and Gencor 50 percent.

In the stockbroking world, informed sources say that should the Australian connection be forced to sell its South African shares, Anglo would be likely to pick them up owing to the strategic nature of Union Carriage as an investment.

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Equipment for the mines promised

# Minetec squares up for sanctions profit

7/9/86.  
SUN TIMES  
(240) (280)

By Ruth Golembo

MINETEC, a mining-equipment manufacturer, importer and distributor, has applied for a listing on the Development Capital Market of the JSE.

It claims its strength is its ability to manufacture goods threatened by sanctions.

Minetec is the holding company of the 40-year-old Licence Mining, which specialises in equipment for coal mines and is ready to expand into the gold-mining equipment industry.

Licence Mining in its various guises has produced face drills, feeder breakers, water and hydraulic pumps as well as spare parts for coal mines.

## Private placing

The issue will raise R1,12-million through a private placing of 4,48-million shares at 25c each.

This represents 40% of the issued share capital after the issue, the remainder being held by directors Allan Hodgson, Jimmy Martin and Bryan Roberts.

The issue will provide funds for Minetec to buy the 49% ordinary shares and redeem the R1,005-million preference shares in Licence Mining previously held by Delta SA.

Mr Hodgson, a mining engineer, and Mr Martin, a former stockbroker, worked for Delta which was listed recently.

The directors took control of Delta last year in a buy-out with equity capital from

Delta. In return, Delta received 49% of the ordinary shares and the prefs.

In the year to December 1984 sales were R4,75-million and pre-tax income R473 000. Turnover rose to R5,48-million and pre-tax income to R381 000 in 1985, 77% of the profit coming in the five months after the buy-out.

In the six months to June 1986 turnover was R3,8-million and pre-tax income R306 000.

## Takeovers

The forecast is for earnings of 3,125c a share and a dividend of 1,25c for the year to December. The prospective price earnings ratio is 8 and the dividend yield 6,4%.

Mr Hodgson says the listing will wipe out Minetec's debts and leave it with sufficient working capital for takeovers and expansion.

"The banks regard the prefs as debt so our ability to borrow is restricted. The company is in good shape and we intend to keep strict controls.

"Many mining companies rely on imported equipment. We have acquired licence rights from foreign principals to manufacture most of the imported equipment if the need be.

"We foresee sanctions putting pressure on multinationals to quit SA and we are well set to take advantage of the situation.

"A 60% reduction in exports would mean only a 10% drop in our business."



SA Government keeps mum

# Sanctions offer by Tutu is ignored

SM 8/9/88 280

By David Braun, Political Correspondent

Cape Town

The Government has not reacted to the offer yesterday by Archbishop Desmond Tutu to call on the world to halt sanctions against South Africa if certain conditions are met.

President Botha's Office said today: "The State President never comments on newspaper reports." Archbishop Tutu, in his sermon at his enthronement in Cape Town, said he would call on the world not to impose sanctions on South Africa if the Government lifted the state of emergency, removed troops from the townships, released political prisoners and detainees, unbanned political organisations and negotiated a new constitution for an undivided South Africa with the authentic representatives of all sections of the community.

The SABC has come under fire again for distortion and manipulation of the news — this time because of its coverage of Archbishop Tutu's enthronement.

Mr Peter Soal, the Progressive Federal Party spokesman on information, and one of two of the party's MPs to be invited to the enthronement, said the SABC had once again done a hatchet job on an opponent of the Government.

SABC radio services totally ignored yesterday's event, while TV gave prominence to some women who tried to hand over a wreath in protest at the archbishop's political stance.

Mr Soal said the archbishop's sermon, which was handed to the media, was ignored by the SABC. "There should have been a live crossing on radio and TV because the event was of major interest and significance to millions of South Africans."

"The passing reference given the event was typical of the way the SABC normally distorts and manipulates the news."

The Star's Cape Town correspondent reports that an impassioned call for negotiation and non-violent change in South Africa was made by Dr Robert Runcie, the Archbishop of Canterbury.

In his sermon at Archbishop Tutu's enthronement he said: "As I stand here on the tip of Africa, I cannot escape the sense of history unfolding — the sense that here on what was once the Dark Continent there is the threat of greater darkness."

He called on "those who hold power in this world" to be ready to renounce it ... and those who sought power to be ready, even after all they had suffered, "to make room for the claims of people they see as oppressors".

● See Page 13.



Archbishop Desmond Tutu blesses the city of Cape Town after his enthronement as head of South Africa's three million Anglicans at St George's Cathedral yesterday.



# Tutu: I don't want sanctions

By ROGER WILLIAMS  
Chief Reporter

**THE new Archbishop of Cape Town, the Most Rev Desmond Tutu, was applauded yesterday when he said the onus was on those who did not want sanctions "to provide us with a viable non-violent strategy to force the dismantling of apartheid".**

"I do not want sanctions," he said in his enthronement Charge (sermon) in St George's Cathedral. "I know that those who advocate sanctions don't want them either."

"I told the State President as much."

"I said if you were to lift the state of emergency, remove the troops from our townships, release political prisoners and all detainees, unban our political organizations and then sit down with the authentic representatives of every section of our community to negotiate a new constitution for one undivided South Africa, then for what it is worth, I would say to the world 'put your sanctions plans on hold'," the archbishop said.

Before ascending the pulpit to deliver his Charge, the archbishop offered a Bidding Prayer, in which he prayed among other things for "the State President and those in authority under him", and in his Charge, in the context of "the Church as family", he said:

"Whether I like it or not, whether he likes it

or not, as I have said before, P W Botha is my brother and I must demonstrate and pray for the best for him."

His enthronement as the 11th Archbishop of Cape Town was amid age-old pageantry and in a colourful and harmonious blending of African and Western liturgical

● More reports, picture, page 2

● Extracts from Archbishop's Charge, page 6

● Colour pictures of the enthronement, page 7

● Protesters lose wreath, page 7

worship.

There were 150 bishops among the 1350 people who filled the cathedral to capacity — including the Archbishop of Canterbury, Dr Robert Runcie, and a number of other primates from other parts of the world. There was also a wide representation from other churches

After he had knelt three times on the north-west door of the cathedral with his pastoral staff, and been admitted by the Dean and Chapter, the new archbishop walked in procession up the nave, to the singing by the choir of Sir Herbert Parry's "I was glad".

He was met at the high altar by the Bishop of Grahamstown, the Right Rev Kenneth Oram who as Dean of the Province of Southern Africa called on him to make a solemn declaration on the Holy Gospels.

Bishop Oram then conducted the archbishop to the throne and presented him with the primatial cross — symbol of authority of the Archbishop of Cape Town and Metropolitan of the Church of the Province of Southern Africa.

Archbishop Tutu's immediate predecessor the Right Rev Philip Russell then symbolically placed the diamond studded Kimberley Cross around the new archbishop's neck.

When the Dean of Cape Town the Very Rev E. L. King, led the archbishop to the chancel steps to present him to the people of the diocese, there was a loud responsive roar from the congregation. "We welcome you in the name of the Lord".

The colourful robes and mitres of the bishops from all over the world — one of the African bishops wore a leopard skin mitre — were a feature of the enthronement, as was the singing of the cathedral choirs under Barry Smith, and the Imilonji ka Ntu choir from Soweto.

those who attended his enthronement — and he spoke in Afrikaans when thanking the Afrikaans-speaking clergy who were there.

Archbishop Tutu's wife Leah and Mrs Corretta King, widow of American civil-rights leader Dr Martin Luther King, had front-row seats in the huge congregation.

The government, said the archbishop, had rejected gentle persuasion.

## 'Amicably'

"The ball is still in the court of the government and the white community. We want to live amicably with you."

"We want one united South Africa where everyone matters, because each of us is created in God's image."

Archbishop Tutu said he abhorred violence, and he condemned the violence of an unjust system such as apartheid, and also that of those who wanted to overthrow it.

"It is important when talking about violence to note that the primary violence in this country, is the violence of apartheid."

## 'Flames'

"Our people are peace-loving to a fault. The miracle of our land is that it has not gone up in flames."

"Would white people still be talking about non-violent change as some of us do if what they have done to us and they continue to do to us had been done to them?"

"I am not sure the government wants real change which would mean an entirely new dispensation, with a new disposition of political power and a greater sharing of the good things so abundant in South Africa — land, wealth and other resources."

"In this they are not different from politicians everywhere who want to gain power and hold on to it for as long as possible," Archbishop Tutu said.

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From page 1



## Dispatch Correspondent

**CAPE TOWN — Archbishop Desmond Tutu says he will call on the world not to impose sanctions on South Africa if the government lifts the state of emergency and meets other conditions for "an undivided South Africa".**

"I do not want sanctions," he said during his enthronement Charge here yesterday. "I know that those who advocate sanctions don't want them either."

"I told the State President as much."

"I said if you were to lift the state of emergency, remove the troops from our townships, release political prisoners and all detainees, urban our political organisations and then sit down with the authentic representatives of every section of our community to negotiate a new constitution for one undivided South Africa, then for what it is worth, I would say to the world 'put your sanctions plans on hold'."

"I mean that."

The government, said the archbishop, had rejected gentle persuasion.

"The ball is still in the court of the government and the white community. We want to live amicably with you."

"We want one, united South Africa where everyone matters, because each of us is created in God's image."

Archbishop Tutu said he abhorred violence,

and he condemned the violence of an unjust system such as apartheid, and also that of those who wanted to overthrow it.

"It is important when talking about violence to note that the primary violence in this country is the violence of apartheid."

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"In this they are not different from politicians everywhere who want to gain power and hold on to it for as long as possible."

The archbishop said he had often commended the State Presi-

dent, Mr P. W. Botha, for his courage — "but he has always stopped just disastrously short of providing the solution we all want."

"The world will believe that this is so when we the victims of this vicious evil declare that it is indeed changing."

Before ascending the pulpit to deliver his Charge, the archbishop offered a Bidding Prayer, in which he prayed among other matters for "the State President and those in authority under him", and in his Charge, in the context of "the Church as family", he said:

"Whether I like it or not, whether he likes it or not, as I have said before, P. W. Botha is my brother and I must desire and pray for the best for him."

He said Anglicans were not expected to agree with their archbishop on every issue. He added:

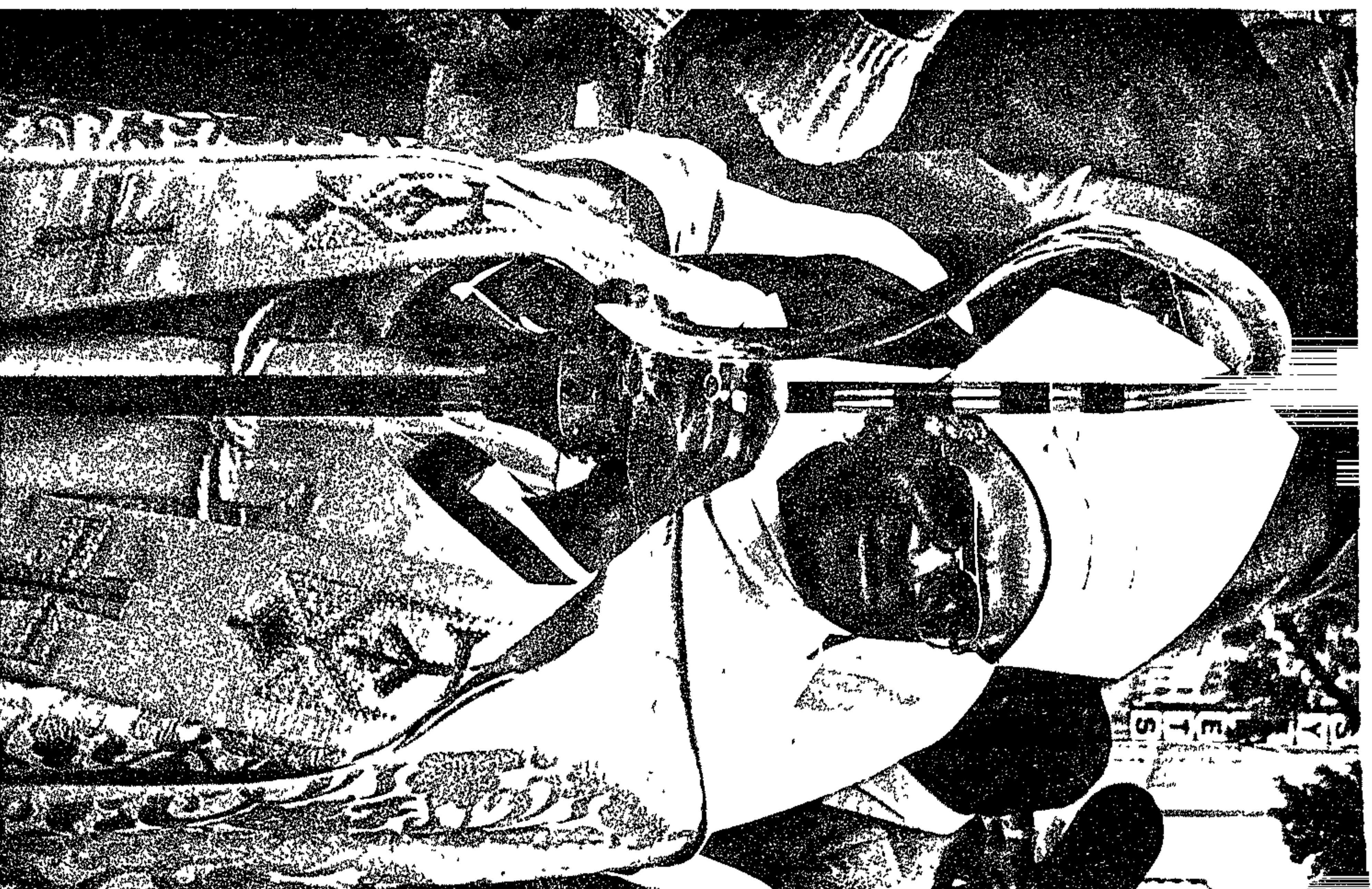
"We have a wonderful country. Many whites are fearful that blacks, come liberation, would treat them as they have treated us."

"And yet our people are not like that."

"Why can't we be human together in South Africa?"

● Sapa-Reuter reports that the 12-nation European Community will decide in eight days whether to go ahead with sanctions against South Africa.

More reports page 9



Archbishop Desmond Tutu outside St George's Cathedral where he was enthroned as Archbishop of Cape Town yesterday.



# Sanctions bail in govt's court — Tutu

28

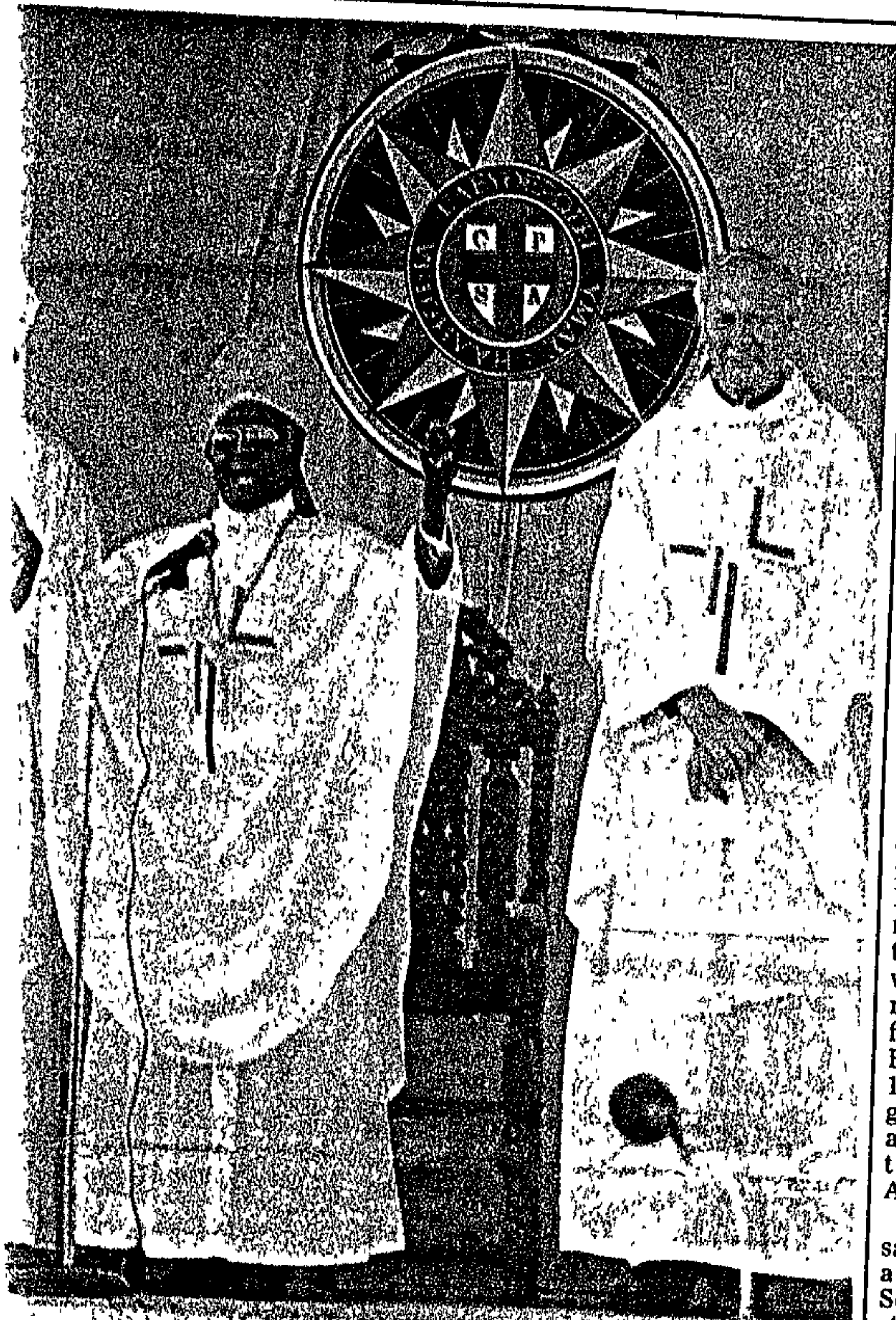
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# Sanctions: Britain 'willing'

APR 7 1986  
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Town, the Most Rev Desmond Tutu, second from right, gives celebration eucharist at the Cape Showgrounds, Goodwood, where a million erected for the occasion are, from left, Bishop Ichiro Ntshongweni, the Archbishop of Canterbury, Dr Robert Runcie, Bishop Desmond Tutu, the Very Rev E L King.

Picture: Alan Taylor

LONDON — The British Foreign Secretary, Sir Geoffrey Howe, yesterday re-affirmed Britain's willingness to impose economic sanctions against South Africa if these are agreed to by the European Community.

Speaking at a news conference after chairing an informal meeting of community foreign ministers at Broomfield Hall, a country house north of London, he said the 12-nation community would decide at the next regular meeting of foreign ministers in Brussels on September 15-16 whether finally to go ahead with long-awaited economic sanctions against South Africa.

Diplomatic sources say these would involve a ban on importing South African coal, iron, steel and Krugger rands.

New investment may be halted and moves made to discourage tourism.

Community diplomats said earlier the ministers had agreed at the

June summit in The Hague the group had no option but to go ahead with the sanctions agreed in principle.

Yesterday one of the foreign ministers, Denmark's Mr Uffe Ellmann-Jensen, confirmed that the recommended bans covered coal, iron and steel. But he, personally, felt these did not go far enough.

"We would like to go further," he said. "Denmark unilaterally has gone further. We are now introducing a total trade ban on South Africa."

"Some of the other Nordic countries have made it clear that they are going to follow our example. Norway is going to do so, and I'm sure Sweden will follow us in due course."

He said they were not criticizing partners who were "a little less radical" in their attitude to sanctions.

He admitted that some nations were "still a little doubtful" but said the pressure was clearly growing.



# Summit team to press for sanctions

HARARE—The eighth summit of the Non-Aligned Movement (NAM) finally concluded at the weekend when delegates agreed to end their long wrangle over the choice of venue for their next ministerial meeting, settling for Cyprus.

The one issue on which NAM members had no difficulty in finding complete consensus throughout the two-week summit was South Africa which, as the new NAM leader, Mr Robert Mugabe, noted with satisfaction, was denounced by every speaker.

The summit agreed to send a team of foreign ministers from Algeria, Argentina, Congo, India, Nigeria, Peru, Yugoslavia and Zimbabwe to canvass support for comprehensive sanctions against South Africa among its four major trading partners — Britain, the United States, West Germany and Japan.

A special fund was established not only to help the front-line states overcome the effects of sanctions, and improve regional communications, but also to help Swapo, the African National Congress and the Pan Africanist Congress wage their 'armed struggle'.

Attending the summit as observers were the ANC president, Mr Oliver Tambo, and Mr Joe Modise, commander of the ANC's military wing, Umkhonto we Sizwe, as well as Swapo president Mr Sam Nujoma and the chairman of the Pan Africanist Congress, Mr Johnson Mlambo.

In spite of minor hitches and traffic con-

gestion, the biggest international gathering held in the Zimbabwean capital passed off remarkably well.

One problem that did arouse the ire of Mr Mugabe was profiteering by some local businessmen who calculated — wrongly — that the city would be flooded with spend-thrift visitors.

With the five top hotels closed to the public, one minor establishment suddenly trebled its tariff to over R200 a night.

Some pirate taxi drivers tried to charge R1.50 for rides that previously cost 35c.

Officials hoped Zimbabwe might show a profit on the proceedings, which it is thought may cost R60 million. The host country's share of the bill is supposed to be only 10%, the rest being paid by the Non-Aligned Movement.

The summit issued two mammoth documents, to be known as 'The Harare Declarations' on world political and economic problems.

Among the recommendations were:

The summit called for action to remedy the Third World debt crisis.

The United States was denounced for 'state terrorism' towards Libya.

NAM members refused to condemn Iraq as the aggressor in the Gulf war.

The summit called for the withdrawal of foreign forces from Afghanistan without naming the Soviet Union.

NAM members demanded an end to U S intervention in Central America. — (Sapa)



# Sanctions timebomb ticks in Congress

The Star Bureau

WASHINGTON — The three-cornered American political fight over South African sanctions enters its final stage this week — possibly today.

The three factions are:

- The Senate, which has passed a Bill to squeeze South Africa but not so tight as to throw hundreds of thousands out of work.
- The House of Representatives, whose Bill seeks to cut South Africa right out of the US economy.
- President Reagan, who opposes sanctions that will hurt and wants to co-ordinate further pressure with the West and Japan.

How they resolve their differences will depend much on political dealing and arm-twisting, but the spectre is the November congressional elections. Congress must wind up its affairs by October 3 so members can campaign and if the SA dispute is not concluded it may go on ice for a year.

Republican Senator Richard Lugar says there must be sanctions this year and that they must be the Senate's relatively moderate measures — such as a ban on SAA and the denial of US banking facilities.

There were reports that the Lugar Bill would prevail so Congress could get on with its work but congressional sources now say the House will not go "belly up" to the Senate over the issue.

## COMPROMISE

Likely to lead fierce resistance to the Senate's strong-arm tactics are liberal congressmen Mr Howard Wolpe, chairman of its Africa sub-committee, and Mr Ron Delums, a left-leaning black Democrat who drafted the House Bill.

The Senate and House leadership will probably meet today or tomorrow to see if a deal can be made to avoid a time-consuming compromise conference. If there is no deal, conferees will be appointed and the struggle will be on to draft the final Bill, on which both chambers must vote.

However, Senator Lugar has a powerful card up his sleeve. The Senate was the last to deal with sanctions, so he must be first to appoint conferees. He can delay the appointment to put further time pressure on the House.

The issue must be resolved by September 22 or sanctions will die.

The president has 10 working days to sign a Bill. If the sanctions Bill reaches him after September 22 he will have fewer than 10 days before Congress rises on October 3 and the session over, the Bill will expire.

President Reagan is hoping for this but aides say he may veto the Bill anyway. As things stand, he will have insufficient votes in Congress to sustain his veto and could suffer a major political defeat.

# Namibia plea to be sanctions-exempt

The Star's Africa News Service

WINDHOEK — Namibia's Chamber of Commerce has appealed to the international community to exclude the Territory from any sanctions imposed on South Africa.

In a document to be sent around the world, the chamber claims the territory is moving towards independence and that sanctions would delay that progress.

The statement says apartheid has been abolished, that free enterprise principles have been adopted, that self-government has been instituted and that political and judicial freedom have been established.

The fragile economy of Namibia could easily be ruined by the imposition of sanctions on South Africa, the chamber points out.

The chamber comments that, in any case, sanctions would only force concentration on survival and not on independence.

Sanctions would also polarise the opposing radical elements and create desperation, says the chamber.

It calls for the international community to help financially and in other ways to "uplift the backward masses of our population".

The document was prepared by well-known businessman Mr Harold Pupkewitz and reflects a common feeling among many businessmen that Namibia will be unfairly punished.



# Britain still willing on sanctions, says Howe

28/9/87  
DD  
280  
LONDON — Britain's Foreign Secretary, Sir Geoffrey Howe, yesterday reaffirmed his country's willingness to impose economic sanctions against South Africa if agreed on by the European Community.

He said the 12-nation community would decide in eight days whether to go ahead with long-awaited sanctions against South Africa.

At a news conference after chairing an informal meeting of community foreign ministers at Bocket Hall, a country house north of London, Sir Geoffrey said the private talks were not the right forum for taking such a decision.

Sir Geoffrey said that in his capacity as current president of the community's Council of Ministers, he would have talks in Washington this week to try to co-ordinate Western sanctions.

Asked whether the ministers had reached consensus on sanctions, he said they had not been seeking a unanimous conclusion at the informal meeting. They were exchanging views that would help them reach decisions in Brussels, he added.

He refused to say whether sanctions were now a foregone conclusion after the failure of his South African peace mission on behalf of the community in July.

Meanwhile, Canada is to close the South African tourist office in Toronto.

The External Affairs Minister, Mr Joe Clark, said a South African Tourism Board advertisement violated an official request to the board, made in protest at apartheid, that it should not promote visits to South Africa.

"It is very clear why the ad was run," Mr Clark said. "It was run to

defy Canadian policy and our response to that act of defiance is to terminate the privileges of the South African tourism bureau here."

A half-page advertisement in Saturday's Toronto Globe and Mail invited Canadians to "come and see for yourself. You'll have opportunities to freely converse with all racial groups — white, black, Asians and other racial minority groups".

● Washington State University's Board of Regents has voted to sell \$2 million worth of stocks in companies that do business with South Africa in protest against apartheid.

Stocks will be sold from July 1987. Total divestiture will be completed by June 1988.

The regents also voted that no more investments be made in companies doing business in South Africa after October 11. — Sapa-RNS-AP

Bans on investment, some imports

# EC agrees to limited SA sanctions

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BUS DAY  
8/9/86

APPROVAL for a package of limited sanctions against SA was reached at the end of a two-day informal meeting near London by the European Community's (EC) 12 Foreign Ministers yesterday.

Reuters reported that EC diplomats said measures would affect 20% of the annual R24,49bn worth of EC imports.

But EC exports to SA worth R16,7bn would not be affected by sanctions.

Diplomats said EC Ministers agreed on the package in their talks at Broom's Barn, an English country house 30km north of London, and would formally adopt the measures at a meeting in Brussels on September 13-16.

This would mean a ban on fresh EC investment in SA and imports of about R4,3bn-worth of coal, steel, iron and gold coin imports.

EC Foreign Ministers and their advisers met to discuss what economic measures would be taken against Pretoria from a range of possible actions tabled at the EC summit in The Hague in July.

While the package was decided in principle at the summit, implementation was withheld until the completion of the peace mission to SA of British Foreign

Own Correspondent

Secretary Sir Geoffrey Howe.

EC Ministers concluded at the weekend that there was no further reason to delay the sanctions as a result of the failure of Howe's mission.

The meeting was Howe's first opportunity to brief EC counterparts on his abortive mission.

At The Hague summit, Britain, West Germany and Portugal adopted the strongest line in arguing against sanctions.

But the failure of Howe's mission appears to have left EC states opposing sanctions with little alternative but to bow to the majority view.

Whitehall sources said there appeared to have been some movement in the position of West Germany, with Bonn apparently changing in favour of sanctions.

Lisbon is not expected to put itself out on a limb on the issue.

British Prime Minister Margaret Thatcher told the Commonwealth mini-summit last month that she would not oppose an EC consensus.

And tomorrow, Howe will fly to the US

● To Page 2

BUSINESS DAY, Monday, September 8 1986

## EC agrees on sanctions

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to co-ordinate EC action with Washington.

What the EC decides in Brussels will be important for President Ronald Reagan, who has been looking for political help from Europe to fight sanctions pressure from Congress.

While the weekend talks were dominated by SA, Ministers also discussed security issues, including the hijacking of a US airliner in Karachi.

The British Foreign Office said the

Ministers expressed deep revulsion at the attack.

They saw the resurgence of international guerrilla violence as "re-inforcing the need for sustained international co-operation and for firmness in striving to eliminate the scourge of terrorism".

Howe, who chaired the talks, said yesterday: "This dreadful outrage reminds us that terrorism is far from defeated

● From Page 1



# SA-China pact a sanctions buster?

Dispatch Correspondent  
JOHANNESBURG

The recent trade agreement between South Africa and the Republic of China could provide an avenue for exports hit by the proposed European Community (EC) sanctions package.

Increased co-operation with China has already begun. Official figures released yesterday show that China-SA trade increased by more than 25 per cent to R800 million between January and August, compared with R625 million in the same period last year.

The South African Foreign Minister, Mr Pik Botha, met the President of the Republic of China, Mr Chiang Ching-kuo, yesterday to exchange views on co-operation between their countries.

If the EC is closed to South African coal, steel, iron and gold coins — which the sanctions package proposes — South Africa will have to seek alternative markets for about 12 per cent of its export earnings.

A spokesman for Iscor said yesterday that in the event of sanctions, the corporation would consider the Far East as an alternative.

"However, our broad export base may not limit us to the Far East. We will also seek to ac-

commodate any exports hit by an EC ban in our existing markets," he said.

He declined to give exact export figures, but said that the EC was an important steel market. Total iron and steel exports worldwide amounted to about R1 billion last year.

● The British Foreign Secretary, Sir Geoffrey Howe, flies to Washington today to discuss a ban on South African coal and steel with the American Secretary of State, Mr George Shultz.

● The South African Minister of Finance, Mr Barend du Plessis, his deputy, Mr Kent Durr, and the department's director-general, Dr Chris Stals, said yesterday they thought it too early to comment on the proposed sanctions package.

● The general manager, finance, of the Transvaal Coal Owners' Association, Mr Gerald Robinson said yesterday the Far East could be an alternative market for coal exports.

● The governor of the Reserve Bank, Dr Gerhard de Kock, said yesterday if the rise in the gold price was sustained it would strengthen business and consumer confidence, add impetus to the economic recovery and help to prevent "the irrational and emotional forces behind the present sanctions and disinvestment campaigns from transforming South Africa into some form of siege economy".

● Gold fell in London yesterday to a late bid price of \$414,50 an ounce, compared with late Friday's \$421,25.

In Zurich, gold was lower, closing at a bid \$417,50 compared with \$420,50 late on Friday.

See also pages 6 and 14

280 00 25  
9/9/86

# Gold comes to SA's rescue

N/M 9/9/86 280

CAPE TOWN—The rise in the gold price would help to prevent the sanctions campaign from placing South Africa's economy under siege, the Governor of the Reserve Bank, Dr Gerhard de Kock, said yesterday.

South Africa had been able to repay three billion US dollars of foreign debt since the end of 1984 and the country's ability to cope with sanctions had greatly increased.

'If you had told me in December, 1984, that we would repay three billion dollars I would have said it was impossible. But we have done it and we have survived,' Dr de Kock said.

Addressing a South Africa British Trade Association (Sabrita) lunch, he said the higher gold price could provide the confidence that business and consumers needed for more rapid domestic expansion.

However, the increase in the gold price, even if sustained, did not mean South Africa's economic difficulties were over.

'But it will certainly be of material assistance in overcoming the harmful effects of financial sanctions.'

He said financial sanctions as opposed to trade sanctions had not resulted from conscious decisions by governments or legislators but had arisen from the deterioration in overseas perceptions of South Africa's socio-political situation.

## 'Distorted'

'Foreign investors, bankers and businessmen have been troubled by uncertainty and concern about the nature, extent and possible consequences of South Africa's domestic political problems.'

'As any well informed observer must know, these perceptions are exaggerated and distorted, if not completely erroneous. But the point is that for the moment they do exist.'

Dr de Kock said the rise in the gold price should not obscure the fact that there were four basic requirements for any lasting solution to the country's economic difficulties.

'Firstly, we must continue to apply an appropriate short term monetary and fiscal strategy.'

'Secondly, it is important to proceed with the formulation of a long term economic strategy for South Africa.'

'Thirdly, law and order must be maintained and, fourthly, there must be comprehensive further political and constitutional reform.'

He said there was no doubt that the scope existed for a more vigorous cyclical upswing in the short term and a higher real average growth in the medium and long term.

The policy of monetary and fiscal discipline had entailed sacrifices but had fully achieved its aim of eliminating excess demand and producing a large current account surplus.

Gold was fixed at \$418.60 in London yesterday — (Sapa)



Carl Tink 9/9/86 (280)

# Bomb blasts ANC office

STOCKHOLM.— A powerful explosion yesterday ripped through a building here housing the office of the African National Congress (ANC).

The blast caused extensive damage but no injuries, police said.

The Swedish Foreign Minister, Mr Sten Andersson, who arrived at the scene soon after the blast, called it "an act of madness".

He said he would personally apologize to the ANC's leadership in Lusaka "that such a thing could happen in Sweden".

Mr Andersson told reporters outside the building, which also houses the office of Sweden's tiny pro-Soviet Communist Party, that the ANC was entitled to increased security in Sweden.

"This attack could after all

have caused many victims," he said.

Asked whether the explosion meant South African "agents" were at work in Sweden, he said: "This is the act of a madman and it is for the police to find out who did it."

The bomb was apparently placed on the door leading to the ANC office in the attic of the building. The force of the blast knocked the heavy wooden and metal doors flying into the street and shattered many windows.

But the four people in the ANC office were not wounded and nobody else in the building suffered any injuries.

Police said no organization had so far claimed responsibility.

This was one of the few acts of political violence in Sweden

since the unsolved murder of Prime Minister Mr Olof Palme in February.

Mr Andersson said he would call ANC leader Mr Oliver Tambo in Lusaka to report on what had happened and to apologize on Sweden's behalf.

Sweden, which has long campaigned against apartheid, supports the ANC financially, but the government is resisting strong pressure from Sweden's Nordic neighbours to join in a trade boycott of Pretoria.

Sweden has the largest investments in South Africa of any country in the Nordic region and the Social Democratic government's position is that it can only go along with mandatory sanctions approved by the UN Security Council. — Sapa-Reuter

# Sanctions: Howe cagey

LONDON — The British Foreign Secretary, Sir Geoffrey Howe, yesterday said West Germany and Portugal had "severe reservations" about imposing further sanctions on South African.

Interviewed by the BBC following a weekend meeting near London of European Community Foreign Ministers, Sir Geoffrey declined to predict whether a package of new sanctions would be approved at a Foreign Ministers' meeting in Brussels next Monday and Tuesday.

No consensus on new sanctions was reached at the weekend session, Sir Geoffrey said, adding that some Ministers wanted to consult their governments.

An EC summit in The Hague from June 26 to June 27 decided to consider new sanctions, including banning investments in South Africa and imports of South African coal, iron, steel and gold coins.

Sir Geoffrey said Britain would not block the new sanctions if other members of the 12-nation EC approved them. — Sapa-AP.



*Sapa-AP*  
9/9/82



280 Summary 9/86

## EEC set to act on SA

LONDON — The European Economic Community is bracing itself to impose sanctions against South Africa but a final decision will only be made next week.

This emerged at the informal meeting of the Foreign Ministers of the twelve at Brocket Hall, Hertfordshire, where the sanctions issue took a backseat to international terrorism.

The Ministers strongly condemned both the hijacking of the American airliner at Karachi and the massacre at a synagogue in Istanbul and called for reinforced international co-operation to combat terrorism.

Sir Geoffrey Howe, Britain's Foreign Secretary, emerged from the meeting to deny that they had taken a decision on adopting further sanctions against South Africa.

He emphasised that this would not be decided until September 15 and 16.

Sir Geoffrey said there had been no consensus on further sanctions. The closer governments came to taking decisions, the more they started thinking about the consequences "for themselves, and for those on the ground in South Africa".

### Endorse

However, the indications are that the Foreign Ministers will find it difficult not to ask their governments to endorse the additional measures foreshadowed at the EEC summit in The Hague which included a ban on South African coal, iron and steel imports.

Those measures were adopted only provisionally in the hope that Sir Geoffrey's mission to South Africa on behalf of the EEC in July would be successful.

His failure to persuade President P W Botha to start a dialogue with South Africa's black leaders appears to leave the EEC little choice other than to implement the package.

Sources said the Ministers had concluded that the EEC's credibility was at stake over the sanctions decision.

Their warnings to Pretoria to release Mr Nelson Mandela and other political prisoners, to end the state of emergency and to unban the African National Congress had gone unheeded.

# Warning to exporters

EXPORTERS venturing into new markets should exercise extreme caution when using foreign intermediaries to promote their goods.

Dun and Bradstreet (D & B), specialists in credit information, has issued this *caveat* to inexperienced exporters. It warns of the risks of appointing foreign distributors without thoroughly checking their creditworthiness.

It says: "With sanctions pending, unsuspecting local exporters could be open to unscrupulous foreign companies offering to act on their behalf."

A comparable monitoring service is, however, available from Kreditin-

form, which packages similar information from its worldwide dealer network.

Banks can also be approached.

But Credit Guarantee Insurance Corporation (CGIC) — the local agency covering political risk and stoppages on the movement of goods — says such cases are not on the increase.

CGIC does not protect against default by foreign agents. An exporter would use credit information to determine whether the foreign agent had the infrastructure to suit his needs.

ALAN SENDZUL



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**H**ARARE — The eighth Non-Aligned Movement summit ended in the early hours of Sunday morning with a series of moves aimed at increasing economic, military and political pressure on the "racist regime" in Pretoria.

Within the southern African context, the most significant decision here on Sunday was the creation of the Action For Resisting Invasion, Colonialism and Apartheid (Africa) fund.

The fund will be used to strengthen the abilities of the Frontline States to resist South African aggression, to help the "liberation movements", to apply anti-South African sanctions and to alleviate the effects of South African retaliatory action.

In addition, the Nam summit confirmed that it would:

- Renew its appeal for comprehensive, mandatory United Nations economic sanctions against South Africa.
- Send a delegation of Ministers to the United States, the United Kingdom, West Germany and Japan to press them to agree to these sanctions.

A committee consisting of representatives from Algeria, Argentina, Congo, India, Nigeria, Peru, Yugoslavia and Zimbabwe was set up to manage this sanctions' "task force".

• Ask member states to apply their own modest, voluntary sanctions package, in effect an extension of the package decided on at the Commonwealth mini-summit in London last month.

• Renew pressure on the international community to force South Africa — by way of mandatory, comprehensive sanctions — to grant independence to Namibia within the framework of United Nations Resolution 435.

## FOCUS

# Beating on the sanctions drum . . .

SOWETAN Correspondent

### Rhetoric

While much of the argument, discussion and rhetoric during the week of preparation for the summit and during the week-long summit itself, centred on topics like disarmament and the new international economic order, the major theme of the conference was the situation in southern Africa and — the main enemy was the "racist regime" in Pretoria.

At his post-summit Press conference (held in the early hours of Sunday morning), Mr Robert Mugabe, chairman of the Non-Aligned Movement (Nam) for the next three years and Prime Minister of Zimbabwe, said the summit was a "tremendous success".

The movement, he said, had emerged with a "real programme of action" on southern Africa.

Mr Mugabe said the most important achievement

of the summit was the creation of the Africa fund and he called on Nam member states to contribute generously to help southern African states "resist the onslaught of apartheid".

Zimbabwe was confident that the Southern African Development Co-ordination Conference (SADCC) countries would be assisted by Nam to "fight apartheid" and to "resist the adverse effects" on their own economies of sanctions.

Quite clearly, the Nam strategy on southern Africa is aimed at persuading South Africa's main trading partners to agree to mandatory UN sanctions, to create an infrastructure that will enable SADCC countries to cope with the effects of these sanctions and to adopt voluntary sanctions of their own.

### Confirmed

The approach was confirmed by Zambian President Kenneth Kaunda, chairman of the Organisation of Frontline States, who told representatives of the world's media on Friday:

"There is no doubt at all that sanctions against South Africa without



Mr ROBERT Mugabe...  
NAM boss.

the participation of the racist regime's main trading partners, will not be effective at all — they will be sanctions applied against us

"We are ready to join in this if and when the rest of the international community participates

"That is why there must be co-operation and co-ordination between the Congress of the United States, various organs in Britain, West Germany, France and Japan

"If all these come together, then, of course, sanctions will be very meaningful. If they do not, we must forget about it and wait for the explosion, because that is coming, as sure as death

"Without the racist regime's major trading partners participating, there are no sanctions at all".

In response to a later question, President Kaunda said that there was no question but that Nam wanted "effective" international sanctions against South Africa.

"If Zambia and Zimbabwe tomorrow applied sanctions of their own without the major trading partners of the racist regime doing the

same, it would be suicidal on our part because it would be meaningless for sanctions to succeed, we need international action . . ."

However, Mr Mugabe, was quite clear that Zimbabwe would apply the Commonwealth sanctions as soon as the Commonwealth secretariat had worked out the details, probably towards the end of this year.

"I am expressing no doubt", he told his Press conference, "that sanctions will be applied, but they may not be applied by everybody.

"We (in Zimbabwe) have decided to apply them and we will apply them".

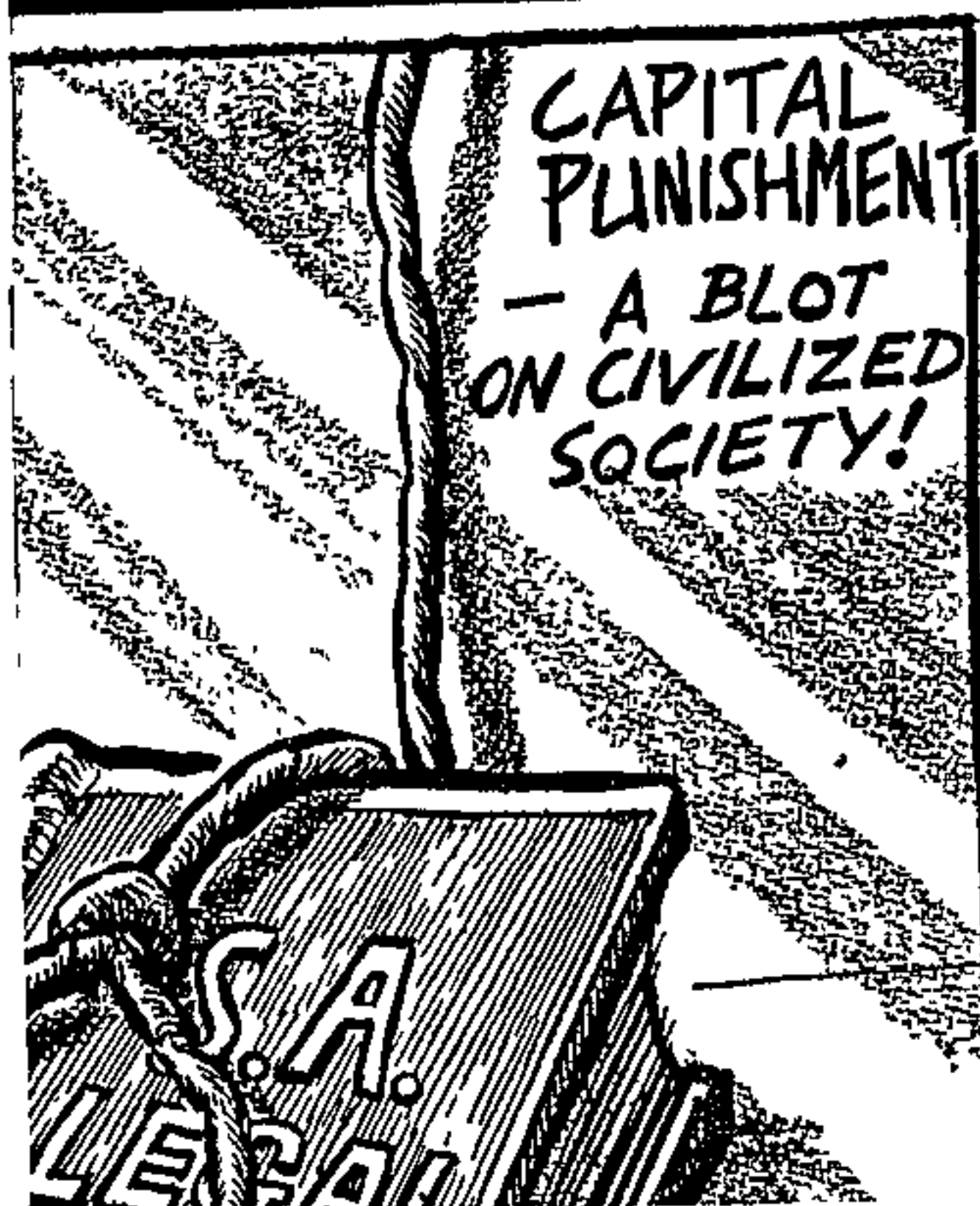
Mr Mugabe said that the Nam decisions were not compulsory and that the Nam sanctions package did not necessarily translate into action by member states.

The United Nations had not succeeded in binding its members because mandatory sanctions had been blocked by countries like the United States — "but, once the veto disappears and the UN adopts compulsory sanctions, these will apply to every member"

## The Media Council

THE South African Media Council is an independent body established to deal with various matters affecting media reporting and comment.

One of the council's functions is to receive and act upon complaints from members of the public who have not been able to get satisfaction by approaching a newspaper or other news





# Europe 'wants US lead' on sanctions

WASHINGTON — Western European governments are looking for the United States to take the lead in opposing South Africa's apartheid policy, visiting European lawmakers said today.

Tough United States economic sanctions against the Pretoria Government will provide "a powerful inducement for action by Europe... to move into line," Mr Peter Price, British Conservative Party member of the European Parliament, told a news conference.

"The most reluctant members, the United Kingdom and West Germany, are likely to be influenced by the Americans," Mr Price said.

But despite increasing agreement among governments of the United States, the European Community and the Commonwealth on the need to oppose South Africa's apartheid policies, "there is a growing divergence in policy toward Angola."

Mr Price and other members of a West European-Canadian delegation to Congress said that by helping Angolan guerilla leader Dr Jonas Savimbi's Na-

tional Union for the Total Independence of Angola (Unita), the United States is perceived as being allied with South Africa and not really serious about ending apartheid.

"America sees Dr Savimbi only as anti-communist, but Europe sees support for him as covert support for South Africa and cannot reconcile this with sanctions," said Irish Christian Democrat Miss Nora Owen.

## BOLSTERED

Unita, which reportedly receives aid from the United States and South Africa, aims to overthrow the Marxist Government of Angola, one of the major Frontline states. The Government in Luanda is bolstered by Soviet and East European advisers and Cuban soldiers.

"There is time enough to push for greater democracy and to push back the communists of Angola after you solve the immediate problem of apartheid", Mr Price said.

"It is becoming clear to even the most reluctant that the

South African Government will do no more than camouflage apartheid," he said. "A strong United States push is needed."

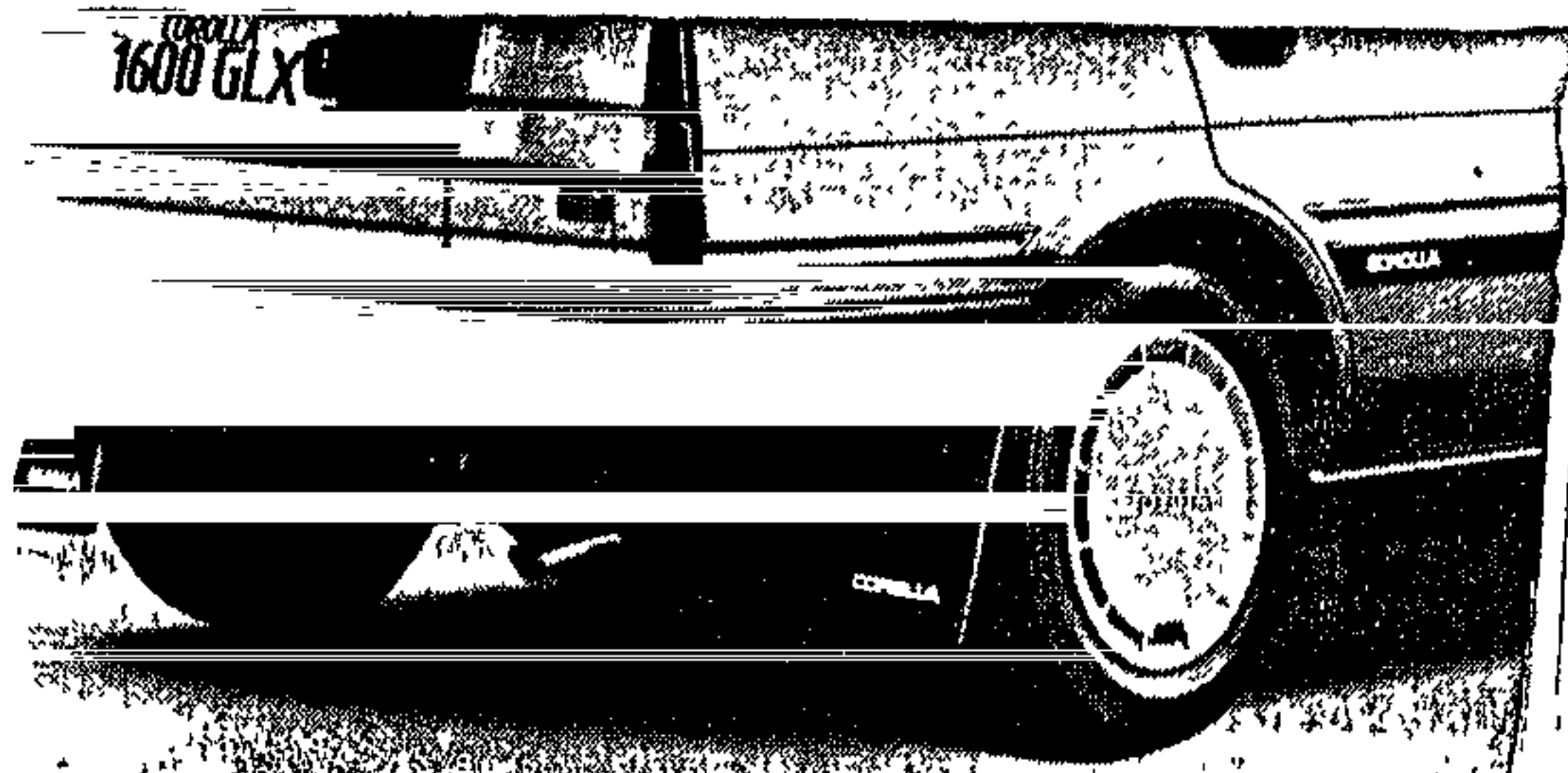
British Prime Minister Mrs Margaret Thatcher showed more readiness for sanctions at the August Commonwealth meeting than at the European Community meeting, he said.

"But in terms of British public opinion, seeing the United States acting will be the most decisive factor," he added.

Mr Jacob Aano, Norwegian Christian Democrat, said there is strong support in Scandinavia for economic sanctions against South Africa. He said the West needs "not only to have the right policy but to be seen as pursuing the right policy by Africans who are more and more disappointed with the whites of the West."

The delegation from the Association of West European Parliamentarians for Action Against Apartheid, to which Canadians also belong, is meeting American senators and congressmen dealing with pending anti-apartheid legislation. — Sapa-Associated Press.





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**Everything keeps going**

to Craig Martin Time Management Diary

**the field**

**the field**

**the field**

NEVER SAY, looking at them, that they have had transplants.

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# 'Moderate' sanctions Bill likely to get nod

The Star Bureau

WASHINGTON — Republican leaders in the Senate have outflanked liberal Democrats to ensure Congress will approve a moderate sanctions Bill.

Congress is considering two sanctions Bills at present — the Senate's moderate legislation and a Bill from the Democrat-controlled House of Representatives which would virtually cut all American trading ties with South Africa.

But Senate Republicans have sent a strong message that it will be their Bill or nothing — among senators named in their team to confer with House members is right-wing hardliner Senator Jesse Helms.

He is unlikely to make concessions, but a long wrangle would mean there would be no time for either Bill to be signed into law this session.

To avoid this, Democrats concede they may let the Republican legislation go forward.

The Senate Bill would ban landing rights for South African aircraft, curb some imports and restrict access to American banks by South African officials.

● Secretary of State Mr George Shultz had a working dinner last night with British counterpart Sir Geoffrey Howe and discussed co-ordination of sanctions among Western allies.

Earlier, American officials were briefed by the Rev Jesse Jackson on his trip to Frontline states.

Americans are interested in the proposal by Zambian President Kenneth Kaunda that President Reagan attend a summit with Frontline leaders — but no official invitation has arrived yet.

# Sanctions used for votes

Own Correspondent

**LADYSMITH** — The sanctions threat is being used by the Government as a votes-grabbing ploy, says Conservative Party leader, Dr Andries Treurnicht.

Addressing about 150 people at a Klip River by-election meeting here last night, Dr Treurnicht said the sanctions issue was deliberately being used to stampede people into voting for the National Party in the belief that if the right wing came into power, the country would be further isolated.

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Although the Conservative Party has not fielded a candidate in the by-election, Dr Treurnicht urged his supporters to vote for the Herstigte Nasionale Party candidate, Mr Chris Wolmarans, to "stamp out the Botha Government".

If the Government won the next general election, he said, it would then push ahead with handing over of power to blacks and claim it now had a mandate from the people to do so.

However, these sanctions fears would never work. "When you put peoples' backs against the wall, you get the best out of them. Sanctions will hurt but they will never bring us to our knees."

(Report by Graham Spence, 85 Field Street, Durban)



# Sanctions could halt progress, says Relly

The Star Bureau

LONDON — Sanctions could prevent South Africa from moving away from apartheid and towards an acceptable system of power-sharing, Mr Gavin Relly, chairman of the Anglo American Corporation, told *The Times* in an exclusive interview here.

He also said the release of Nelson Mandela and the lifting of the ban on the ANC were essential before a proper process of negotiation could begin.

His comments came a few days after President Reagan renewed a limited programme of economic measures against South Africa and a week before European Community (EC) Foreign Ministers decide whether to adopt a package of sanctions.

## FAILING

Speaking of the "unwisdom" of sanctions, Mr Relly said there could be no doubt that over the longer term the effect of them would be "to debilitate an economy that is already failing to cope with the socio-economic demands of its people".

Mr Relly advocates almost the reverse of sanctions, although he realises that in the present international political climate his ideas will not have universal appeal.

He says the international community should see Southern Africa as a whole, should provide development funds for those countries that need them, and should allow South Africa to resume its normal international banking arrangements.

This would help to prevent Southern Africa from sinking into a morass of poverty, and assist South Africa to achieve the economic vitality necessary for reform.

## FUTURE

But would there be any genuine political progress without the duress provided by sanctions? Mr Relly says the changes already made are considerable as a preliminary to negotiations about the future.

"I think there has been a change in the Afrikaner's view of the country, and I believe he does not see himself as being able to sustain for ever the sort of hegemony he has enjoyed for the last 38 years."

Mr Relly sees an interim stage of political change within the next few years, with universal voting at the lowest level of administration. Higher levels would probably involve indirect voting, at least in the early stages "so that you get a filtering process which will throw up a leadership which may be black or may be white, and it should not in those circumstances be a matter of concern to black or white who it is."

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# Mining supplier plans to stay

A MAJOR supplier to the mining industry, Reed Mining Tools, says its operation will not be affected by impending sanctions. It has repeated its resolve to stay in SA.

The company, which has strong overseas connections, recently achieved — against fierce European competition — a 60% share of the Zambian copper mining supply market for raise-bore tools.

MD Kevin Englesman says the resources of Baker International, of which Reed is an affiliate, are firmly behind the local operation.

"Reed is totally committed and has 100%

MICK COLLINS

SA managers and staff. We are in the fortunate position where we have the best of both worlds — virtual self-sufficiency in SA and the benefits of top resources worldwide."

Among the company's achievements is a prototype head and cutter, developed for use in gold mines, for drilling lava. It is currently being operated by Goldfields.

This year Reed also developed a raise-boring cutter for use on large-diameter heads. The cutter has reportedly resulted in penetration rates of 1,26m an hour.



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'There is a case against sanctions'

# Coal producers place big ads in UK papers

COAL producers have placed a series of anti-sanctions advertisements in British newspapers in the past week.

The half-page ads, which appeared in *The Daily Telegraph*, *The Times* and *The Financial Times*, are headlined "There is a case against sanctions".

An Anglo American spokesman said in Johannesburg yesterday the placement of the ads was to convey to people overseas some of the impact of sanctions.

He said: "They have only appeared once in three UK newspapers. It doesn't come cheap, but we believe the message is important."

A brief outline says 100 000 people are employed in the industry, of which 86 000 are black. It gives statistics showing 30 000 are employed mainly in the export effort.

"The imposition of sanctions would certainly:

□ Cause some 30 000 people, most of

MICK COLLINS

them black, to lose their jobs, with all that that implies;

□ Deprive the industry of the resources it needs to pursue higher skills and better standards;

□ Heighten political tension and aggravate racial polarisation in SA.

"Whose interests can this possibly serve?"

It says the industry has participated actively in persuading government to scrap legal barriers to the advancement of black people and raised real wages of unskilled workers by 345% between 1970 and 1985.

"It has provided accommodation and other amenities, which more than meet international mining standards.

"It helped secure full trade union rights for its black workers. With many difficulties, but also with considerable success, it has developed workable industrial relations."

# Weaker sanctions expected — Howe

WASHINGTON — British Foreign Secretary Sir Geoffrey Howe said yesterday that while he hoped America and Europe would adopt a common strategy on South African sanctions he did not expect full co-ordination.

He conceded this could weaken their effectiveness.

Sir Geoffrey, who has been meeting government officials in Washington in his dual role as Foreign Secretary and president of the European Community Council of Ministers, also indirectly urged the US to try to prevent the arrest in Moscow of American journalist Nicholas Daniloff from derailing arms control talks.

On South Africa, Sir Geoffrey said he expected the EC foreign ministers at a special session next week to act on a sanctions package they have drafted which, he said, a majority of the ministers favoured.

Although it was clear America would decide in the next few weeks what further action to take, he said their timing and scope were difficult to predict.

The US House of Representatives and the Senate have both passed with overwhelming support two widely differing sanctions Bills.

What happens next depends in part on negotiations between



Sir Geoffrey Howe — full co-ordination not expected.

representatives of the two chambers and with the Reagan Administration, which is opposed to punitive sanctions.

It is widely expected, however, that the White House will not be able to avoid endorsing some sanctions.

Sir Geoffrey, although he expected differences between American and European sanctions, said there was a common strategy: "It is clear that on both sides of the Atlantic there is a strong sense of the need to maintain effective pressure on the South African Government to move faster to abolish apartheid."

## 'LONG-TERM TASK'

Asked about the Daniloff case, which has raised fears that friction between America and Rus-

sia could block progress towards a summit between President Reagan and Soviet leader Mr Gorbachev, Sir Geoffrey said:

"America is right not to allow itself to be distracted by that case from the long-term task of pursuing good relations with the Soviet Union."

His comments seemed designed to support the stance which Mr George Shultz, American Secretary of State, has adopted of trying to avoid a rapid growth of superpower tension over the Daniloff spying indictments while making it clear the administration believes the Soviet decision to arrest him had the potential to seriously damage US/Soviet relations if not resolved quickly.

On Tuesday the Senate unanimously passed a resolution calling for Daniloff's release but the White House, while warning that retaliatory steps were being considered, has carefully refrained from saying what they might be.

The American stance is designed to win time to try to work out a diplomatic solution to the affair which threatens to dominate next week's meeting in Washington between Mr Shultz and Soviet Foreign Minister Mr Eduard Shevardnadze. — Financial Times News Service.



Argus 11/9/86  
**'Unwisdom'  
of sanctions  
— by Gavin  
Relly** (280)

The Argus Foreign  
Service, in LONDON

**S**ANCTIONS could prevent South Africa from moving away from apartheid and towards an acceptable system of power-sharing, Mr Gavin Relly, chairman of Anglo-American, told The Times in an exclusive interview here.

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This would help to prevent Southern Africa from sinking into a morass of poverty, and assist South Africa to achieve the economic vitality necessary for political and social reform.

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Mr Relly sees an interim stage of political change within the next few years, with universal voting at the lowest level of administration.

**Simon Barber**  
**WASHINGTON**—British Foreign Secretary Sir Geoffrey Howe said yesterday sanctions against South Africa were unlikely to be effective because there was little hope of a co-ordinated U S-European policy.

After two hours of talks with Secretary of State George Shultz, Sir Geoffrey nonetheless predicted that European Community foreign ministers would approve the sanctions package worked out at The Hague last June when they meet in Brussels next week.

'At the informal meeting of ministers this last weekend, a majority were clearly in favour of implementing the package which Britain has said it will accept if that is the wish of its partners,' Sir Geoffrey said.

The Hague measures include import bans on South African coal, steel and iron, which are also part of the Senate sanctions Bill President Reagan is threatening to veto. The furthest the White House thus far is prepared to go is a landing rights ban, which has been ruled out by the EC.

### 'Difficult'

Sir Geoffrey made it clear that arriving at a consensus on the Hague package had itself been so 'difficult' that there was no chance of its being renegotiated to suit United States needs.

He also suggested that the U S Administration's refusal to endorse the Hague package — even though it was under heavy pressure from Congress to take much stronger steps — was an argument against punitive economic sanctions.

'That is part of the case against sanctions because all history underlines how difficult it is to achieve completely watertight sanctions.'

'Even if there was precise co-ordination between the EC, the U S and Japan, there would be other trading nations and individuals seeking to outwit them. Which is why a number of us are so sceptical.'

Meanwhile the House of Representatives was preparing to shelve efforts to bring the Senate Bill more in line with its total trade and investment embargo and accept the upper chamber's more moderate language as it stood.

### 'Reluctant'

This would give Mr Reagan 10 legislative days either to sign the Bill or cast a veto.

If, as is almost certain, he chooses the latter, he will have to expand his recently renewed executive order to win enough votes in the Senate to sustain the veto.

Sapa-Reuter reports that West Germany remains highly reluctant to take measures against South Africa and will try to limit the scope of proposed joint European Community sanctions, according to official and diplomatic sources in Bonn.

The sources, involved in discussions on EC moves against South Africa, said Bonn had replaced London as the chief opponent of sanctions within the community and was determined to restrict the planned EC package as far as possible.

'The Government accepts that it cannot stand alone if the other EC states decide to go ahead with sanctions, but we are in principle still against such measures and want to keep them within strict limits,' one official said.

The foreign ministers of the 12 EC states are due to co-ordinate their positions on economic sanctions at talks in Brussels on September 15 and 16 and diplomats say they have already agreed the framework for joint action.

The joint measures are expected to include a ban on imports of coal, iron, steel and gold coins worth about R4,3 billion a year from South Africa and possibly a bar on further investments here.

# Howe says sanctions won't work

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# ARTHEID THAT UNITES

## Unaligned summit in Harare

Ultimately, the goal would be economic integration, with a common currency for PTA countries and a completely free flow of goods across borders, on the premise that regionally, the members are able to substitute for any export or import markets lost to them with economic action against South Africa.

But at press conferences and in committee debates, the talk has centred less on the economic realities of southern Africa, and more on the

military battle on South Africa's borders

Both Cuban president Fidel Castro and Angolan president Eduardo Dos Santos ruled out completely any deal for withdrawing Cuban troops in Angola before Namibian independence and a total South African pullout. Dos Santos said on Wednesday he was "proud" to have Cuban troops defending his territory. And on Tuesday, Castro ostensibly for the first time put a figure to his force, saying there were 20 000 troops in southern Angola.

There has been talk during the debates and outside at the constant press conferences of a

regional defence force or, more ambitiously, a non-aligned defence force, which, like the United Nations peacekeeping soldiers, would be available to back Frontline states against South African raids.

On Monday night, outgoing Non-Aligned chairman, Indian premier Rajiv Gandhi, told Zimbabwean television he would consider such aid if approached.

But the initiative for this, as well as the repeated pleas for more aid to the battle against apartheid, has come from outside the conference hall, from the African National Congress, Pan Africanist

Congress and South West African People's Organisation.

All three organisations have been very visible here all week, and each leader has given a lengthy press conference. For all three, the summit has perhaps been the greatest diplomatic stage of their histories, and certainly the most sympathetic. And the summit's position in Harare, a capital only six years old, has provided the immediate inspiration for delegates to support them.

But a victory, simply in terms of independence from South Africa, still has a long way to go, as visitors to the new conference centre have seen.

Just next to the press bar, at which journalists meet delegates for interviews, and exchange ideas through the night, is mounted a stand of Truworth's clothing — safari-suits for women. The beer of choice here is Castle lager which, although brewed by Zimbabwe's Nabhew, is a familiar sight for those who have arrived from South Africa. And the computer technicians, essential to Zimbabwe's coverage of this conference, are South African, and proud of it.

## A GREEDY, GOBBLING BEAST CALLED DEBT

The other major issue: the Third World's debt crisis

A "VORACIOUS primordial beast" were the words Zimbabwean Prime Minister Robert Mugabe chose to describe the mounting Third World debt on Monday when he opened the Non-Aligned Movement's summit of 102 leaders.

Now at \$812.4 billion (R2 031 billion), the debt owed to banks and governments by African, Asian and Latin American countries has begun to "gobble up all the resources of the developing countries", said Mugabe, appealing for an "action orientated" summit. "To do nothing is suicidal," he said.

In the calm resonance of the purple and gold conference hall, the realities of starvation and disease rarely seemed to intrude. Yet each speaker has conceded that without economic growth, eloquent speeches about political reforms and international human rights bear little weight.

As at others before it, this summit has targeted its woes at the world financial establishment. It is portrayed with broad strokes as a card game in which very few players get to throw the dice, and in which the world bank and the International Monetary Fund (IMF) always win.

In particular, Third World countries argue that the dollar-linked commodity and agricultural prices — which directly earn foreign exchange for the Non-Aligned countries — work chiefly for the benefit of the country using that currency: the United States.

In addition, high interest rates in the West and protective trade practices have made the debt essentially unpayable, while the drop in commodity prices has cost the Third World \$100-billion (R250 billion) over the past few years.

"Within this present system," said Peru's president Alan Garcia Perez, "there can be for us nothing but the vicious circle of debt and poverty. It translates into a kind of economic apartheid."

Latin American countries, by far the world's largest debtors, are not, however, united about their strategies. Peru's debt, compared with Mexico's \$100-billion (R250-billion), is a paltry \$14-billion (R35-billion). But it produced only \$17-billion (R42.5-billion) last year in goods and services. So, said Garcia, "in order to pay the debt of my country, it would be necessary to work tirelessly for almost one year at full effort, and not drink nor eat nor consume anything during that

period."

Instead, the Lima government struck out on its own, refusing to pay its creditors more than 10 percent of its export value, which this year has plunged by \$400-million (R1-billion), because of the drop in oil prices.

Although Peru's appeal for others to follow their example is unlikely to meet with much success here this week, its initiative on the issue has made Garcia a strong contender to follow Mugabe into the chair of the Non-Aligned Movement.

More extreme than Peru's approach has been that of Cuban president Fidel Castro, who on Tuesday thumped his fist on the lectern shortly after telling the summit that the Third World should unilaterally scrap its debt, which had become "the Aids of the world economy".

"Our countries are not debtors, but creditors," said Castro. "Capitalism was financed by the colonies. They have taken much more from us than the total amount of the debt."

He estimated the Third World last year paid \$300-billion (R750-billion) servicing their debts, \$100-billion (R250-billion) of which was the result of interest rate increases.

Nicaragua, like Cuba, has been hard hit by a US economic blockade, and claims that the United States is lobbying against the Non-Aligned countries' strategies for alternative co-operation.

"The United States is against any idea of ours, like a Latin American IMF," said Pedro Blandon, Nicaragua's Deputy Minister of External Co-operation, in an interview. "They don't want to lose the upper hand."

The country's debt has leapt to \$5-billion (R12.5-billion) from \$1.6 billion (R4-billion) when the government seized power in 1979. Now, said Blandon, "Banks won't lend to us, because they say we are not credit worthy. We are not credit worthy because banks won't lend to us."

Probably the most important printed pages to emerge from the summit contain the economic declaration. It spells out in the first 65 pages why the following 48 pages of resolutions might not work. "No substantial progress has been made in implementing them," it says, "because of the absence of a positive response from the major industrialised countries."

This time around, it will all be different, or so the economic ministers assure the delegates — there will be a standing committee to co-ordinate multilateral agreements and to negotiate with the West on behalf of poor countries.

There will be massively increased co-operation to offer new alliances and markets. In addition, they appeal to the West to increase foreign aid, liberalise the IMF, double the World Bank's authorised capital and increase aid to Sub-Saharan Africa.

"Before, there were too many different economic strategies," said Djibril Diallo, information director of the United Nations Office for Emergency Operations in Africa. "Often, Africans did not have any input into them."

In Africa, where countries are digging out from the grimmest famine of their history, "there's a political will to solve the debt crisis as there's never been before. You have young, dynamic leaders, a new breed of pragmatic people who are demanding total control over their continent."



right, an ageing Fidel Castro in caucus with his delegation. Pictures: PAUL WEINBERG, Alrapix

## S IN EAST LONDON. THE VERDICT: GUILTY. THE APPEAL: NONE

like, after two minutes of questioning. He took Philip and the friend home.

Pat's interrogation was also over. Dinner time had arrived and — presenting her with pen and paper and orders to compose a full biography and account of her political views — the interrogators had de-camped. Four pages later they returned to announce they were taking her back to the Monomatapa. But Phillip was gone. After vain attempts to locate him by phone the escort gave her a lift to a friend's home. On the way they invited her to a cocktail party. She made her excuses and they left.

The following morning Inspector Makwara collected us both and took us back to the Central Police Station, to collect Pat's papers and clear up the confusion. He did so with Poirot-like efficiency. Escorting us to the press accreditation centre at the Monomatapa he assured us all would be all right, and left.

Phillip got his accreditation.

The accreditation official accused Pat of being a spy.

If she wanted to be accredited, he said, she would have to contact the Secretary for

Information, Justin Nyoka. She got him on the phone. "You're not the woman we are looking for," he declared, asking her to summons another official from the accreditation room. She was given her accreditation.

On Monday Pat and Phillip covered the Non-Aligned Summit at the Sheraton conference centre. Until a protocol official in the press centre fixed Pat with a beady eye. And said "Don't I know you from somewhere?" She protested. "No." "Would you come with me," he asked in that familiar fashion. "There's a man who wants to see you both."

It was Justin Nyoka. He was sitting at the cafeteria with the press corps, sipping beer.

"I am stripping you both of your press accreditation," he announced. "And you are to leave the country immediately."

"I am not giving any reasons."

"And there is no appeal."

"And if you call a big press conference we will be forced to consider you an enemy of the people and the government of Zimbabwe and will be forced to tell all we've got on you."

After pleading — "please do, we'd like to know

what we're supposed to have done" — he confiscated our cards and summonsed two officials to take us to the airport, who took us to the basement of the Sheraton Hotel.

The questioning started. What were we doing without press accreditation, an official asked? And accused us of entering the country illegally, indicating we would not be allowed to leave in a hurry.

A telephone rang and we were summonsed up to hotel reception. Another anonymous official announced there was nothing wrong with us. That our press accreditation was withdrawn. But that we were not being deported. And we were free to go.

Within an hour of our return to our friend's house in Harare the Zimbabwe News Agency announced that we were South African spies.

We caught flight ZA161 to Johannesburg, departing Harare at 8 30 am on Wednesday.

At 4pm the South African government announced that journalists were not allowed to look at the Security Forces.

Sweet normality.



ONE thing has become clear during this week's summit meeting of 102 African, Asian and Latin American leaders: geography is not everything.

It is now generally thought by some of the 1 000-plus journalists and the several hundred delegates that Allan Boesak's hasty invitation on Tuesday to attend the summit was an attempt to return the issue of apartheid to centre stage.

Up until then, no speaker had failed to mention his — there are no women among the heads of state — condemnation of the government down south, or his solidarity with the exiled opposition and the beleaguered Frontline states.

But the real drama had taken place around issues in which numerically far more people are involved — those of monstrous foreign debt, American intervention and religious fundamentalism.

Yet, if the revolt in South Africa has provided the glue to bind together these disparate interests, it could be the most effective adhesive available.

The foreign ministers' pre-summit meeting, which ended last Friday, approved a sanctions

package against South Africa in its southern Africa declaration, which more or less mirrors the Commonwealth resolution — an end to technology transfers, oil product exports, further investments, the promotion or support of trade, the sale of Krugerrands, agricultural imports from South Africa, and business between the Zimbabwe government and companies in South Africa.

In addition, it includes the notion of a solidarity

VIVIENNE WALT is in Harare on solo assignment for NewsDay in New York. She kindly prepared these special reports for the WEEKLY MAIL after our own correspondents were refused accreditation.

# IN HARARE, IT'S APART

VIVIENNE WALT reports from the summit

fund, aimed at taking the pressure off the Frontline states through material and financial aid to them, when South Africa begins to hunker back with counter-sanctions.

It is here that the details will have to go beyond the rhetoric dominating the plenary sessions in the conference hall. And behind the scenes, one of the key people here this week to work it all out is Bax Nomvele, secretary general of the Preferential Trade Agreement (PTA), an economic alignment of eastern and southern African countries, and a shift away from South-focused trade.

The foundation of the PTA in 1984 came a jump

ahead of other counter-measures to preclude an economic collapse with the imposition of sanctions. Although strongly pro-free trade, Nomvele admits the PTA will set up an alternative economic bloc to South Africa and help undermine the Southern African Customs Union. "The treaty was created in direct economic opposition to South Africa," he said in an interview. "We saw sanctions coming and we did something about it."

Ultimately, countries across the members import against But at debates, realities



TWO elder statesmen of the Non-Aligned Movement in Harare this week. Left, a buoyant Yasser Arafat of the PLO during a session of the summit, and right, an

## THE CHARGE: RIFFLING THROUGH PAPERS IN HARARE DURING A WEEK WHEN I WAS IN EAST

FRIDAY, August 29, was the day we walked into Franz Kafka's world.

But perhaps that is unfair on Justin Nyoka.

Even Kafka never matched what Zimbabwe's Secretary of Information offered us in explanation of our crime: "It is guilt by association for whichever one of you is not the guilty one." It was the touchstone of *The Trial*. Our trial.

It began innocuously enough, walking off Flight SA328 at 3pm on that Friday. We were waved through customs and immigration by friendly Zimbabweans offering a contrast to the kind of bureaucrat one contends with at home. Our main preoccupation till then had been a contingent of about 10 khaki-clad Americans on the 'plane who looked like they had come to terminate Colonel Ghaddafi with extreme prejudice. Prejudice there was and it was extreme, but Ghaddafi was not the victim.

It came about two hours later, in the block-like Monomatapa Hotel, in the form of two men in crimpelene suits who introduced themselves with that familiar question which brooks no reply. Would you come with us? The invitation was

points, they said.

Leaving Phillip bewildered in the press accreditation room she was squashed into the front of a van and driven off into town. Terrified, she broke into tears. Her escorts were indignant. "Why are you crying? Do you think we are like South African police?" It was to be a theme of the evening — crying and that question. After three hours of it one of them was to say "We know you South Africans — you are tough nuts to crack."

At room 24 of the Central Police Station the key question was put: Are you a South African spy? It was another rhetorical question — they all were. And out of the questions emerged the story. The previous week, they claimed, a mysterious figure was discovered riffling the press accreditation files for the summit. Challenged, she had identified herself as "Patricia Sidley." And so, a week later, when Pat Sidley presented herself at the accreditation centre in the hotel, they arrested her. They had got themselves a "South African spy."

Pat — the real one — protested ineffectually. She had been in the Eastern Cape the previous

Society of Journalists, a fact easy to double-check. They did not believe her. She had not been in Zimbabwe in more than a decade, and her passport showed it was so. They accused her of using a second passport. She begged for the ladies' A woman guard was summoned to accompany her. Pat wept her way down the corridor, her guard advising her kindly "Don't cry, it will all be all right — but you must tell the truth."

Back in the hotel Phillip had been anxiously questioning officials "Is there any problem?" "No," said one, adding, suspiciously "Do you expect there to be a problem?" It signalled he was joining Pat in Franz Kafka's world.

A friend, who was putting them up in Harare, arrived at the hotel. She was sitting with Phillip, waiting for developments. And they came, in the form of two more crimpelene suited officials "Would you come with us?"

It was a saloon car this time, with escorts back and front. They made the same journey, to the Central Police Station. Lengthy discussion and questioning followed. What has happened to Pat Sidley, asked Phillip? Who, they demanded? The

The Weekly Mail's PHILLIP VAN NIEKERK and PAT SIDLEY found themselves on the wrong end of the news headlines this week when they were expelled from the Harare conference, accused of 'spying' for South Africa. Here's their own version of their madcap brush with officialdom.

They came in relays, the questioners, all refusing to identify themselves. None of them knew where Pat was, or what Phillip and his friend, the hostess, were doing there. They wanted to know what he was doing there. He wanted to know what he was doing there. They didn't know what he was doing there, what they wanted to know was what he was doing there. He was there trying to find out what he was doing there. Which they didn't know.

Eventually he was bundled into a van — with his Zimbabwean friend — and taken to another police station. It did not have any telephones. But it did have a man with a name. The first official to identify himself Detective Inspector Makwara Of the Homicide Division.

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## Sanctions: Just leave us alone, pleads Namibia, we're not a part of South Africa

From BRENDAN SEERY, The  
Argus Africa News  
Service in WINDHOEK

**N**AMIBIA'S Chamber of Commerce has appealed to the international community to exclude the territory from any sanctions imposed on South Africa.

In a document which will soon be sent around the world, the chamber claimed the territory was moving towards independence, and that sanctions would delay that progress.

The statement said that "apartheid has been abolished and free en-

terprise principles adopted", that "self government" had been instituted, and that "political and judicial freedom" has been established in Namibia.

The "fragile" economy of Namibia could easily be ruined by the imposition of sanctions on South Africa, the chamber pointed out, and commented that, in any case, sanctions would only force concentration on survival and not on independence.

Sanctions would also polarise the opposing radical elements and "create desperation", the chamber said

It called for the international community to help financially and in other ways to "uplift the backward masses of our population"

The document was prepared by well-known businessman Mr Harold Pupkewitz and reflects a common feeling among many businessmen that Namibia will be unfairly punished for the "sins" of South Africa if sanctions are imposed.

However, local opposition politicians and church leaders have supported the call for sanctions.

Argus 11/9/86 (280)

# Howe: Sanctions pact unlikely

11/9/86  
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SIMON BARBER

WASHINGTON — After two hours of talks with Secretary of State George Shultz, UK Foreign Secretary Sir Geoffrey Howe said yesterday sanctions were unlikely to be effective as there was little hope of a co-ordinated US-European policy.



● HOWE

Howe nonetheless predicted EC Foreign Ministers would approve the sanctions package worked out at The Hague last June when they meet in Brussels next week.

"At the informal meeting of Ministers this last weekend, a majority were clearly in favour of implementing the package which Britain has said it will accept if that is the wish of its partners," Howe said.

The Hague measures include import bans on SA coal, steel and iron which are also part of the Senate sanctions Bill Reagan is threatening to veto.



# Sanctions set to fail: Howe

CARL TINKS 11/9/86 280

**WASHINGTON —** After two hours of talks with the US Secretary of State, Mr George Shultz, the British Foreign Secretary, Sir Geoffrey Howe, said yesterday that sanctions were unlikely to be effective as there was little hope of a co-ordinated US-European policy.

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"At the informal meeting of ministers this last weekend, a majority were clearly in favour of implementing the package which Britain has said it will accept if that is the wish of its partners," Sir Geoffrey said.

## From SIMON BARBER

The Hague measures include import bans on South African coal, steel and iron which are also part of the Senate sanctions bill that President Ronald Reagan is threatening to veto.

Up to now the White House has indicated it is prepared only to deny South Africa landing rights, a move ruled out by the EC.

Sir Geoffrey made it clear that arriving at a consensus on the Hague package had itself been so "difficult" that there was no chance of its been renegotiated to suit US needs.

He also suggested that the US administration's refusal to endorse the Hague package — even though it is under heavy pressure from Congress to take much stronger steps — was an argument against punitive economic sanctions.

"That is part of the case against sanctions because all history underlines how difficult it is to achieve completely watertight sanctions. Even if there was precise co-ordination between the EC, the US and Japan, there would be other trading nations and individuals seeking to outwit them — which is why a number of us are so sceptical."

Meanwhile, the House of Representatives was preparing to shelve efforts to bring the Senate bill more in line with its total trade and investment embargo and accept the upper chamber's more moderate language as it stands.

This would give Mr Reagan ten legislative days either to sign the bill or cast a veto. If, as is almost certain, he chooses the latter, he will have to expand his recently renewed executive order to win enough votes in the Senate to sustain the veto.

# US still out of step on SA sanctions

By Neil Lurssen,  
The Star Bureau

WASHINGTON — The United States Government appears to have made little progress in its effort to co-ordinate relatively mild anti-apartheid sanctions with its Western allies.

Sources say the Reagan Administration — which is still hoping it may be able to hold off a sanctions Bill about to be approved by the US Congress — is unwilling to go along with some of the measures proposed by the European Community (EC).

Britain, has said it will accept an EC sanctions package if a majority of its European trading partners vote to go ahead with it.

Negotiations have been confidential, but British Foreign Secretary Sir Geoffrey Howe hinted at differences when he spoke to reporters in Washington shortly before returning to London after closed-door talks

with US Secretary of State Mr George Shultz this week.

Sir Geoffrey said it would be sensible to co-ordinate EC sanctions with any new measures the US might implement — but he stressed it would be very difficult to do this.

Even if there was precise agreement on sanctions between the US, the European community and South Africa's other major trading partner, Japan, other countries would seek to outwit them, he said.

Sir Geoffrey said it was clear that on both sides of the Atlantic there was a strong sense of the need to maintain effective pressure on the SA Government to move faster toward abolishing apartheid.

But, he added, "a number of us are sceptical about the effectiveness of sanctions".

Sir Geoffrey told Mr Shultz about his recent visit to Southern Africa and discussed next week's meeting in Brussels of EC Foreign Ministers where

anti-South Africa measures proposed by The Hague European Council are expected to be accepted.

Earlier, Sir Geoffrey said pressure on South Africa would probably have to continue for a long time and the West would have to consider what else it could do apart from economic measures.

There were South Africans close to their government who plainly understood the need for change — many people in the political system and not only in the opposition parties. There were business leaders who wanted change, he said.

"Unfortunately, that message hasn't got through to President Botha himself. We have to go on pressing as hard as we can on that," Sir Geoffrey said.

US officials are keeping quiet about their sanctions talks with allies, but White House spokesman Mr Larry Speakes said: "We are not seek-

ing a carbon copy of theirs, nor they of ours."

Meanwhile, indications at the US Congress are that liberal Democrats in the House of Representatives are on the point of giving in to Senate Republicans in their dispute over the strength of sanctions.

The Democrats want to impose harsh sanctions, while the Republicans say only the more moderate Bill approved by the Senate is acceptable.

All the signs are that the Republicans have won and the matter will be resolved by the end of this week — resulting in a sanctions Bill on President Reagan's desk next week.

The question then will be whether the President has the political strength to veto the Bill.

It will mean that whatever the outcome of consultations between the Western allies, President Reagan will be obliged by US law to impose sanctions on South Africa.

## SA protests at US TV report

WASHINGTON — South Africa's Ambassador to the United States, Mr Herbert Beukes, has protested sharply to a major television network on its coverage of a Southern African tour by the anti-apartheid activist, the Rev Jesse Jackson.

Mr Beukes called a news feature, which appeared recently on ABC, "blatantly one-sided".

The Ambassador's telex to the president of ABC News and Sports, Mr Roon Arledge, was sent the day after the screening of "20/20", a programme of news features which included Mr Jackson's tour of African capitals.



# SA coal may find secret export route

By Michael Morris,  
The Star Bureau

LONDON — Communist Eastern Bloc countries could provide South Africa's coal industry with a secret passage to Western markets in the event of a European Community ban.

Bulgaria and Rumania are said to be among East European states willing to provide a backdoor route.

In Johannesburg, The Star financial staff report that a South African coal analyst said today he knew of one South African company which has sold more than 100 000 tons of low-grade coal at the high price of \$27 (about R64) a ton to these two countries for their own use.

When Mr Steve Ellis, chairman of Trans-Natal Coal, was approached for his views, he said he was not aware of any company considering this route, but it was possible.

He added that at the moment coal companies were concentrating on protecting their markets by convincing customers it would be to their own detriment if sanctions were imposed, since world prices would almost certainly rise.

British traders say South African coal is distinctive and would be easily identifiable, even in a blend of other coals, and discerning buyers who are wary of the political risks would be unlikely to buy supplies laundered through Eastern Europe.

One coal trader said: "It is quite easy to identify the origin of a coal. Each variety has a specific profile."

But traders agree that laundered stocks would reach the market through buyers who are unmoved by ethics and unconcerned about the risks — as long as the price suits them.

One trader said: "If the coal was sold for the right price on the basis of no-questions-asked, there would be buyers."

The British Industry Committee on South Africa — a group opposing sanctions — has warned Britain's all-party Foreign Affairs Committee earlier that sanctions will be ineffective because countries in the Far East and Eastern Europe are willing to open secret trade links with South Africa.

# Sanctions Bill may be unexpected boon for SA

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By Neil Lurssen  
The Star's Foreign  
News Service

WASHINGTON — Legal experts here believe the South African Government may get an unexpected bonus from the sanctions legislation about to be approved by the United States Congress.

They say that if — as expected — the Bill recently approved by the Senate is accepted by the House of Representatives and sent to President Reagan for signing into law, it will preempt all the anti-South Africa legislation already passed by state and city legislatures.

Their prediction is based on the legal precedent, already tested in court, that Federal law supercedes laws passed by states and cities. In this case, the issue will be whether foreign policy is made by the Federal government in Washington or by

local councils and legislatures.

The SA economy has faced its severest challenges and threats at the local level in the US. At last count, 20 states and 62 municipalities had passed divestment bills — typically banning the investment of their funds in US companies that do business in South Africa.

Washington DC was a pioneer in this drive. Last month, the California legislature approved a measure that would withdraw a whopping \$11-billion over four years from major American corporations.

The effect has been to make American boardrooms nervous about their South African ties — especially when it comes to bidding for lucrative city and state contracts and because of the effects the divestiture moves will have on their share prices.

Many are said to be looking for ways to quit South Africa painlessly for themselves and

their South African employees.

Now, according to legal experts in the Congress, the big companies are likely to get a breathing spell if the Senate sanctions Bill becomes law.

American laws at all levels are commonly challenged in court.

The anti-SA laws seem certain to attract a flurry of court actions all across the country because of the large amounts of money involved.

"We are going to make a lot of lawyers rich off this statute," a Senate official said in reference to the pending Senate bill.

The Bill's drafters — led by Republican Senator Richard Lugar — appear to have intended it to override local level measures.

The Bill says its purpose "is to set forth a comprehensive and complete framework to guide the efforts of the United States" in dealing with South

Africa.

One congressional aide noted the key words were "comprehensive and complete" and that they meant there was no room for state and local legislatures to get involved.

Not all Senators agree with this interpretation, some arguing that states should have the right to decide on their own investment policies.

But some legal experts here note the courts have often ruled Federal law superior to local and state law when it comes to foreign issues.

They say the legal term involved is that the Federal law "occupies the field".

Senator Lugar — who is familiar with local statutes since he was once mayor of Indiana — addressed the issue when he steered his sanctions Bill through the Senate, stating that Bill did "for the moment" occupy the field.



# Beyers Naude adds his voice to call for sanctions on SA

COPENHAGEN — The general secretary of the Council of Churches, Dr Beyers Naude, said yesterday more and more blacks see economic sanctions against Pretoria as the only way to avoid escalating violence and civil war.

Dr Naude, speaking at a news conference, predicted that the state of emergency in South Africa would continue indefinitely, but fail in the end.

"It has succeeded in creating a growing sense of bitterness in the black community, bringing about an increasing sense of political awareness coupled with a growing resistance and determination to fight for reforms," said Dr Naude, in Denmark as part

of a north European tour.

"Most sections of South Africa's black community, backed by the churches, now see total sanctions as the last viable, non-violent means of bringing about the end of apartheid and limiting further bloodshed and the threat of an open civil war in the country," Dr Naude added.

He told of deep disappointment among blacks about the failure of the West to impose tougher sanctions.

"There is no doubt that apartheid is dying. If meaningful steps are not taken by the outside world I can only foresee an escalation of the racial conflict," he added.

Expressing support for European Community sanction plans to be unveiled this month, Dr Naude applauded Denmark for being the first country to impose a total ban on trade with Pretoria.

He urged the United States, Britain and West Germany in particular not to delay in taking stronger steps against the white minority regime.

Dr Naude said the South African Council of Churches estimated that up to 15 000 people remained in detention under the state of emergency, with a possible 6 000 in semi-permanent hiding from the authorities.

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## Changing wrappers

Resistance to easily recognisable South African goods, which has built up ahead of official sanctions, is forcing manufacturers to consider foreign finishing as a means of acquiring an acceptable tag.

"Made in Swaziland" is bound to arouse suspicion if the tiny kingdom's manufacturing capacity apparently explodes overnight.

But relatively few South African businessmen appreciate just how easy it is for their

products to acquire a "Made in England" label.

At least one South African export agency has already established a link with the UK-owned "finishing" factory in mid-Wales. Says local representative Jim Aston: "Provided at least 20% of the labour or component costs arises in England, then the product is officially made in England."

As the Welsh factory is in a Special Development Area it enjoys substantial benefits, including cheap rent and tax relief. Aston says once products have acquired an appropriate label, retailers are much more likely to turn a blind eye to South African origins.

And, even without sanctions, finishing in the UK or other European countries makes sense for many companies, giving them easier access to European Economic Community markets, for instance.

Aston says he has already shipped several thousand container loads of furniture components to Britain for finishing. Assembly will also start soon on small domestic appliances which will incorporate European-made thermostats and pilot lights to build up the local content.

However, trade experts say that in most cases using neighbouring countries or Mauritius for finishing work makes more sense than Europe. Anyway, new legislation overseas increasingly means that identifying the country of origin is no longer required. ■



## TECHNOLOGY BOYCOTT

### Out of Africa

As international pressure for a technology boycott of SA mounts, the country is pinning its hopes on the apolitical stance of the world's foremost scientific organisation, the International Council of Scientific Unions (Icsu).

When Icsu meets next week there will no doubt be a strong lobby calling for the expulsion of the South African affiliate, the Council for Scientific and Industrial Research (CSIR). India, for example, is expected to refuse to host any Icsu conferences while SA is still a member, and may well be joined in the move by fellow Commonwealth members.

Making the case for SA will be CSIR president Chris Garbers. He will claim that SA's exclusion from the world body would create an irreparable break in the international technology network, affecting Africa particularly severely.

Garbers recently told SA's Joint Council of Scientific Societies: "Most of the work carried out by research organisations in Africa is concerned with conditions peculiar

to the continent and is undertaken precisely because scientific and technical knowledge from elsewhere is not always directly applicable. Co-operation should be regarded as one of the most important needs . . . in the era which is unfolding in Africa."

The CSIR alone has collaborated with 13 countries in Africa over the past three years, developing not only appropriate technologies for Third World use, but strategies for industrialisation and high technology.

Says Garbers: "To improve the standard of living, to reduce the birth rate, to accelerate development towards a brighter future and greater prosperity, to cope with enormous environmental problems, to realise and utilise southern Africa's massive energy potential, to train the people of Africa to fulfil a role in a more industrialised society, science and technology will have to find their proper place.

"In this the First World generally, and SA in particular, have a major role to play. I would even go so far as to say it is part of our commitment to the future."

The only legal grounds on which Icsu might throw out the CSIR would be for non-payment of membership fees — but then legal niceties have not always been a bar to SA's expulsion from international bodies. The hope is that the Icsu general assembly will be swayed by Garbers' argument, and that it will remain as staunchly apolitical as it did in the face of Unesco's bid to remove SA last year.

And strong hope it must be, for the most serious long-term impact of sanctions would not be the lack of imported products, or even the closing of export markets, but a systematic erosion of the country's access to technological ideas.

Research and development organisations may well be efficient, but capacity is small, particularly in terms of manpower, and the country cannot afford to reinvent the wheel every time industry has a new technology requirement.

Fulfilling its role in technology transfer to industry, South African science has so far made much of international databases which it has scanned for processes and products for adaptation to local needs and conditions. It has also sought new ideas which, if rapidly developed, could give the country an edge in export markets. Direct access to information is considered important because second-hand information from third parties often loses the innovative impact.

Access to international databases is already being restricted, particularly by SA's First World competitors who are battling against massive industrial development in

the Pacific basin.

Foreign scientists and industrialists are being pressured by colleagues, companies and students to cut all ties with SA and local experts are invited overseas less often for fear of political disruption.

And, already, the net loss of technological skills as a result of political uncertainty is assuming serious proportions. SA is, simply, being shut out.

To counter the trend, it needs to prove that it has a role to play in international scientific endeavour and that it has specialised skills and products to barter in the world's technology markets. ■

280 ~~281~~ 12/9/86  
EEC SANCTIONS MAIL

# Weighing up consequences

EEC foreign ministers ended their two-day meeting in an English manor house without reaching an agreed stance on sanctions against SA. That at least was the official version put out by Sir Geoffrey Howe, the UK Foreign Secretary, who chaired the talks.

Leaks and hints from the pro-sanctions lobby led by Denmark and Holland suggested that an EEC ban on coal, iron and steel imports from SA would be the inevitable outcome of next week's formal gathering of the 12 ministers. But Howe said firmly that no consensus had been reached. The final decision would not be taken until the talks on September 15 and 16.

And, he added, "the closer governments come to taking decisions, the more they start thinking about the consequences." Even by Howe's normal standards of circumspection, his statement underlined the divisions within the EEC over what to do next about the South African issue.

SA in fact was almost totally overshadowed by the slaughters at Karachi airport and in the Istanbul synagogue. The main question put to EEC ministers was their attitude to America's appeal for joint action against Libya — especially in light of the briefings delivered by President Ronald Reagan's special envoy General Vernon Walters during his tour of European capitals last week.

agreement reached at The Hague before Howe's abortive trek to southern Africa.

If Chancellor Helmut Kohl succumbs to pressure from his Foreign Minister Hans-Dietrich Genscher, it is almost certain the UK and Portugal will tag along. And while Kohl, vociferously supported by his right-wing partner Frans Josef Strauss, leader of the Christian Socialist Union, remains opposed to sanctions, he faces a general election in four months with opinion polls favouring the Socialist Democratic opposition.

SA will be kept on tenterhooks until next Tuesday night. But the indication from EEC sources is that the foreign ministers will find it difficult to go back on The Hague statement, even if the arguments continue up to the last minute.



**Sir Geoffrey Howe ... no consensus reached**

That, along with SA, was due to be discussed by Howe and US Secretary of State George Shultz in Washington as the *FM* went to press.

The key to any EEC move appears to be held by West Germany, which with Britain and Portugal is still arguing against economic sanctions in spite of the "provisional"



Can. Times 12/9/86 280

# Sanctions: Business 'pique' at Tutu stance

By CHRIS FREIMOND

BUSINESS has responded with a measure of exasperation and some pique to the challenge by Archbishop Desmond Tutu for a viable, non-violent alternative to sanctions as a means to end apartheid.

Pick 'n Pay chairman Raymond Ackerman believes the call implies a disregard for the considerable effort leading businessmen are already making in this regard.

Ackerman said in an interview with Business Report that business had been a "viable lobby" for change and did far more than merely place advertisements in newspapers.

## 'Meaningful'

"We are fighting in a meaningful way to scrap apartheid," he said.

Assocom spokesman Ken Warren said the association's alternative strategy to sanctions was stated in a recently published study of constitutional options.

"What is now needed is an effective consultative mechanism which will enable black and white political leaders to negotiate a new constitution which would hopefully embody many of the norms to which business subscribes," Warren said.

Archbishop Tutu threw down the gauntlet to opponents of sanctions during his charge — a policy statement — after his enthronement as head of the Angli-



Raymond Ackerman

can Church in Southern Africa in Cape Town on Sunday.

He said: "The onus must be on those who say no to sanctions — to provide us with a viable non-violent strategy to force the dismantling of apartheid. Remember that the government has rejected gentle persuasion."

Ackerman retorted: "There are many businessmen putting in a considerable effort to achieve goals such as the release of detainees, the lifting of the state of emergency and the setting up of negotiating forums where black and white leaders can talk in an effort to find common ground."

They were also spending time talking to interest groups around the world in an effort to discourage sanctions and disinvestment which, Ackerman said, he believed would make change even more difficult to achieve.

"Sanctions could halt the government's reform initiative and drive whites into a laager. They will also increase poverty, I have already seen it starting in the Western Cape," he said.

Ackerman said he found it strange that during talks last year, Archbishop Tutu said businessmen would make a significant contribution if they could assist in forcing the government to scrap the pass laws and restore South African citizenship to blacks.

But now that this had now been done, Archbishop Tutu appeared to give no recognition to those forces that had helped bring it about.

## 'High regard'

Ackerman said he had a high regard for Archbishop Tutu even though he disagreed with his policies and believed he could add considerably to the forces striving for change if he would align himself with those opposed to sanctions.

It was, however, unfortunate that the efforts of businessmen to counter the sanctions campaign and sell their alternative strategy overseas was being seriously undermined by Archbishop Tutu's pro-sanctions stance, Ackerman said.

# Alternative trade routes

HARARE—The Confederation of Zimbabwean Industries had set up a contingency committee 'to look at ways of minimising the disruption of trade and trade routes for whatever reason', the Herald newspaper reported.

The confederation's deputy director, Mr Alister Ross, said the organisation, which represents Zimbabwe's industrialists, was sending a group of businessmen to the Mozambican port of Beira next week to 'inspect the facilities.

'Beira is the natural port for Zimbabwe's imports and exports, thus anything that increases our ability to move our goods and reduces foreign-exchange expenditure on freight consequently lowers the cost of goods, and definitely warrants investigation,' said Mr Ross.

Beira at present handles only about 6% of Zimbabwe's world trade but could be capable of taking more than 60% by 1990, when rehabilitation and upgrading work is complete.

Mr Ross welcomed the move by Mr Robert Mugabe's Government to establish a Cabinet committee to deal with problems caused to Zimbabwe by international sanctions against South Africa or by South African retaliation against the front-line States.

Later this month, the confederation would send representatives to the first trade fair, to be held in Nairobi, organised under the aegis of the East and Central African Preferential Trade Area. At this, officials and businessmen will discuss possible avenues for Preferential Trade Area assistance to the front-line states.

The other regional economic grouping, the Southern African Development Co-ordination Conference, is to be used to channel aid from a special fund established at the recent Non-Aligned Movement summit in Harare. — (Sapa)



# Congress panic as U S sanctions Bill hits a snag

Simon Barber

WASHINGTON—Pro-sanctions U S congressmen were yesterday panicking at the belated discovery that they might have to accept the death of the disinvestment movement and the embarrassment of Israel if they wanted a sanctions Bill this year.

Most congressmen had assumed that these bitter pills, which are contained in the Senate sanctions Bill, would be removed when negotiators from the House of Representatives

and the Senate met to iron out the differences between their respective anti-apartheid measures.

However, on their return from summer recess, House leaders realised that sanctions opponents could use the negotiations to delay final passage of a Bill so that Congress would be out of session before President Reagan had to decide whether or not to sign it.

To prevent the legislation thus dying by default, House Democrats this week tentatively agreed to accept

the Senate Bill as it stood, even though it was far less severe than their own total trade embargo and disinvestment measure.

Now they may have found themselves snookered by the fine print which requires the Administration to prepare a report naming nations that have been circumventing the South African arms embargo, and which also provides grounds for state and local anti-apartheid statutes to be challenged in the courts.

In debating its sanctions Bill, the Senate rejected an amendment by Sen Alfonse D'Amato, a New York Republican, designed to protect his state's law restricting contracts with firms that do business with South Africa.

Legal advisers to the Senate Foreign Relations committee said the 64-35 vote demonstrated the Senate's intent to pre-empt such laws.

## Unhappy

Arguing the point on the Senate floor, Sen Richard Lugar, the committee chairman, said: 'We cannot have individual states and cities establishing their own foreign policies.'

The Senate Bill's requirement for arms-embargo busters to be officially exposed and its threat that the culprits be denied U S military assistance is causing considerable grief behind the scenes.

'We've been getting a lot of unhappy calls from some very powerful people,' a Foreign Affairs committee staff member said, referring to the Israeli lobby.



# Mrs King wants 'other' steps

APC Times 12/19/86

Own Correspondent

JOHANNESBURG. — Civil-rights leader Mrs Coretta Scott King said yesterday that other measures — less damaging than punitive sanctions — could be explored to force the South African Government to bring about change in the country.

Speaking at a press conference here before returning to the US, Mrs King said that in 1962 her late husband, Dr Martin Luther King, and Chief Albert Luthuli, the then leader of the African National Congress, had called for sanctions against South Africa.

'Destabilization'

However, she felt it was necessary to have alternative measures imposed so that the people of South Africa did not suffer destabilization.

Mrs King said that on her return to the US she planned to hold talks with President Ronald Reagan, Secretary of State Mr George Shultz and leaders of Congress.

Despite not having seen the State President, Mr P W Botha, or the Kwa-Zulu Chief Minister, Chief Mangosuthu Buthelezi, Mrs King said her visit was successful "beyond the wildest hopes" of her delegation.

She said: "If success is measured by the accomplishment of goals then our trip to South Africa has been successful beyond our wildest hopes."

Earlier yesterday she met Mrs Winnie Mandela at her Soweto home.

Sapa-AP reports that Mrs King fought back tears after a private meet-

ing with Mrs Mandela as she declared: "I feel a great blessing to finally meet Winnie and touch her."

Mrs King, unable to say more, then embraced Mrs Mandela in the small yard of the home as photographers fought to record the scene.

Mrs Mandela, reportedly among those who vowed they would not see Mrs King if she saw Mr Botha, declined to answer when asked if she was pleased with Mrs King's decision not to see the State President.

Mrs Mandela said of the 75-minute meeting: "I am as emotionally moved as she is."

"She has come here as a symbol of that peace which we have been prepared to give our lives for. She is a symbol of the sacrifices of the children in 1976. She is a symbol of what my people continue sacrificing for."

'Courage'

Mrs King said the meeting was "one of the greatest and most meaningful moments of my life... Mrs Mandela is a great symbol of strength, courage and dedication for women and children and people everywhere."

In response to a question put to her at the press conference on sanctions in South Africa Mrs King said: "I have done a lot of research and found no substitute for the complex situation prevailing in this country."

"I believe in a non-violent philosophy to bring together diverse policies and problems confronting South Africa."



Mrs Coretta Scott King with Mrs Winnie Mandela after their meeting.



# A Republican exodus over sanctions

WITH the United States Congress set to give final approval to sanctions within the next fortnight, President Ronald Reagan's chief concern is how best to limit the political damage his "constructive engagement" policy has sustained.

Reagan has three basic options:

- Sign the sanctions bill, implicitly conceding his policy has failed.

- Try to pre-empt Congress by decreeing his own, milder set of sanctions

- Defiantly veto Congress' legislation, even though the House and Senate are likely to override such an action and thus inflict a still more stinging defeat on the White House.

How Reagan proceeds will depend to a large degree on his advisors' assessment of the national mood.

Election-year considerations help explain why so many legislators are willing to break with the usually persuasive and popular Reagan.

All 435 House members must face the voters in November, as must 34 senators, 22 of whom are Republicans. Almost all these politicians have decided they would rather risk the President's wrath than defend a policy which most of their constituents clearly oppose.

Protests against the US corporate and governmental role in South Africa have been sweeping the country ever since Pretoria declared the first State of Emergency. Many actions — such as daily sit-ins at Pretoria's embassy — have recalled the Sixties civil rights movement,

By KEVIN J KELLEY  
Washington

which is now widely regarded as an admirable crusade for justice.

The anti-apartheid protests have also witnessed a rekindling of the spirit of unity that marked the civil rights experience. Putting aside various political differences that have emerged over the past two decades, trade union leaders and Jewish liberals have joined black organisers and college students in urging that US companies sever all links with South Africa.

This broad and potent coalition has so far convinced 19 states, 65 cities, 10 counties and 109 universities to divest themselves of all stocks in firms that continue to operate in South Africa.

Faced with such seemingly unstoppable momentum, some conservative Republicans calculate they may as well hop aboard the bandwagon rather than be run over by it.

A group of about 20 staunchly right-wing House members has publicly criticised the constructive engagement stance and implored Reagan to impose full-blooded sanctions. These younger "New Right" Republicans believe their party can make significant gains among black voters — who generally support Democratic candidates — if Republicans speak convincingly on behalf of racial equality.

The maverick conservatives also

assume that Washington's long-term interests will best be served by facilitating what they regard as the inevitable transition to majority rule in South Africa. If managed properly, they argue, Afrikaner rulers can be replaced by black leaders who will not be hostile to the US.

At the same time, however, a neutral position on sanctions is taken by the Business Roundtable, a potent lobbying group consisting of the top executives of the 200 largest US corporations. The roundtable's refusal to oppose sanctions, even though many of its members' firms have a sizeable stake in the South African economy, highlights the degree to which constructive engagement has become an untenable policy.

Given this array of political forces, it is probable — though not certain — that Reagan will again seek to placate his opponents rather than confront them in a losing cause.

Pragmatists in the White House and State Department are advising the President either to sign a bill modelled on the weaker Senate version or again issue his own sanctions decree, in the hope that a fairly tough executive order will dissuade Congress from pressing the issue for now.

Criticisms can also be blunted by taking steps such as appointing a black as US ambassador to South Africa and arranging a meeting between Secretary of State George Shultz and leaders of the African National Congress. — Gemini News



This, and total unanimity in condemnation of Pretoria, brought to an end six days of debate and discussion which showed that the movement is seriously split on many important world issues — like the Gulf War, guerrilla movements in Latin America, the Middle East and, of course, Libya's role in the world today.

#### Economic sanctions

But the summit united in calling for comprehensive and mandatory economic sanctions against Pretoria, and in establishing a solidarity fund to help the Frontline states. Zimbabwe Prime Minister Robert Mugabe described this outcome of the conference, which was specifically designed to focus world attention on SA, as the summit's "most important achievement."

Whether the fund is a realistic prospect is another matter. When the summit ended no financial pledges had been publicised. But the appointment of Indian Premier Rajiv Gandhi as fund chairman is obviously designed to give it muscle which it would not otherwise have had.

The summit ended overshadowed by savage terrorism in Istanbul and at Karachi. While the vast majority of the 101 nations are strongly anti-Israeli, the Karachi incident sparked an angry exchange between India and Pakistan, illuminating just one more rift within the movement.

The whole future of the NAM was questioned by several speakers who complained

F.W.M.L. 12/9/86  
NON-ALIGNED SUMMIT

### SA the main unifier

Warning that "never before has humanity been so near to self-destruction," the eighth Non-Aligned Movement (NAM) summit ended with a dramatic appeal to the two superpowers to halt the nuclear arms race.

that its deeds failed to match its words. Pre-conference speculation that the NAM would set up a liberation army, including Indian troops, to defend the Frontline states was denied by Gandhi. And Libyan leader Muammar Gaddafi's blanket condemnation of the movement — which he believes should be disbanded — underscored the frustration felt by some of the delegates.

The final Harare declaration enabled the NAM to get its act back on the rails and refocus attention on SA. The sanctions package endorsed by the summit included a call for a ban on technology exports to SA, an oil embargo, closure of trade missions in SA, a ban on the import of Kruggerrands, agricultural products, iron, steel, coke and uranium, cutting air and sea transport links and an end to promotion of tourism.

The foreign ministers of some leading non-aligned countries, including Algeria, Zaire, Argentina, Nigeria, India, Peru and Zimbabwe, are to visit Western capitals seeking support for the summit's sanctions package.

Adoption of such a sweeping sanctions package and Zimbabwe's membership of the foreign ministers' team should put an end to all doubts about Zimbabwe's likely sanctions



**Zimbabwe's Mugabe ... will go all out with sanctions**

strategy. It now seems certain that it — alone among the Frontline states — will go all the way in its sanctions programme against Pretoria.

Important too was Mugabe's strong closing attack on the US, and his assertion that the Soviet Union's standards of international behaviour were preferable to those of the Reagan administration. He contrasted US conduct in Grenada and Angola, its support for SA, the bombing of Libya and support

for the Contras in Nicaragua with Soviet foreign policy which could be criticised only for the invasion of Afghanistan.

Anti-US sentiment was widespread. All 17 NAM Latin American members supported a resolution lambasting US policy against Nicaragua. And several states blamed the US for destabilising the world economy and supporting — if not demanding — unsympathetic strategies by the World Bank and the IMF.

As expected, too, the summit's final economic declaration focused attention on the debt crisis and accused the IMF of pursuing inadequate stabilisation programmes. It gave explicit support to Peru's rejection of an IMF programme and its decision to limit debt-service payments to 10% of total exports.

Third World leaders also want a new IMF compensatory fund to alleviate the effects of high interest rates and desire improved access in industrial markets for their exports.

The summit ended without agreement on the venue for the 1989 meeting. Nicaragua's bid to be chosen as host has been unsuccessful, but a final decision will only be made at a ministerial meeting in Cyprus in 1988. ■



# Reagan likely to veto sanctions Bill

WASHINGTON — The House of Representatives yesterday gave final Congressional approval to a Bill imposing sanctions on South Africa — which President Reagan is likely to veto.

The House accepted a Senate sanctions package less stringent than its own version, but still containing sweeping provisions, in a bid to ensure that the measures will be written into law this month despite the veto threat.

The White House said shortly before the vote that President Reagan remained staunchly opposed to the Bill and would probably exercise his veto power.

"Our position on this legislation has not changed," White House spokesman Mr. Larry Speakes told reporters.

"The measures it calls for would impede rather than advance the goal of promoting change in South Africa.

"If the President vetoes it, which I'm confident he will, then we will work to see that the President's veto is sustained."

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# Govt appeals to Britons

**Dispatch Bureau**  
LONDON — South Africa would continue "ridding itself of apartheid" a major advertisement placed by the SA Government claimed here.

The full-page advertisement in a weekly newspaper, The Spectator, seemed to be aimed at countering the sanctions campaign against South Africa.

Under the headline South Africa — the Untold Story, the advertisement detailed social, political and economic reforms made over the past 10 years.

"South Africa is often accused of its words not matching its deeds, yet throughout the last decade the government has been quietly and steadily dismantling apartheid — not that

it has received much thanks or recognition from its critics," it said.

The advertisement concluded:

"South Africa will continue ridding itself of apartheid.

"It needs your support, not your hostility, in this task — which does not necessarily mean less criticism."

The advertisement cited reforms in the labour field, in sport, the scrapping of the colour bar and opening of amenities to all races, the scrapping of bars on inter-racial sex and marriage, the ending of forced removals, the scrapping of the pass laws, the extension of citizenship and property ownership to blacks, the constitutional reforms and changes at the third and second-tier levels of government.



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# Steel industry in bid to halt sanctions

Dispatch Bureau

LONDON — The South African steel industry has made a R150 000 last-minute attempt to halt a Western embargo on steel exports.

A full-page advertisement in the Daily Telegraph and the Financial Times here yesterday called on the British public to speak up against sanctions by contacting their local MPs and drawing up petitions.

The last-ditch attempt to influence international opinion against sanctions comes only three days before a meeting of European Community foreign ministers is expected to endorse a provisional sanctions package which includes an embargo on imports of South African coal, steel, iron and gold coins and a ban on all new investment.

The advertisement, published by the Steel and Engineering Industries Federation of South Africa (Seifsa), depicts a smiling young black girl standing outside her rural home with a telescopic site grid centred on her heart.

The heading above the picture reads: "You can be sure, sanctions against South Africa will find their mark."

The advertisement follows a more low-key half-page advertisement placed by the SA coal industry last week in three major national newspapers at a total cost of about R100 000.

The steel industry's advertisement is far more hard-hitting and dramatic and appeals to the emotions of the British public.

"If you want to take the bread from the mouths of those you seek to help, sanctions are the right way to do it," it said.

The text claimed the girl was one of 2.5-million black people living in South Africa and the neighbouring states who were dependent on the 450 000 workers in South African iron, steel and related industries.

"If sanctions are imposed on these commodities, many of these breadwinners will be faced with permanent loss of their jobs. The end of apartheid will not bring them back."

The commercial said sanctions would merely "intensify racial division, conflict and misery".

"Let your opposition to sanctions be heard," the advert concluded.

Cape Times  
13/9/86

# Academic boycott <sup>280</sup> 'mindless'

By BARRY STREEK  
Political Staff

IT WOULD make no sense to deprive people at the University of Cape Town of the stimulus and encouragement of a visit by outstanding academics like Dr Conor Cruise O'Brien, Professor David Welsh said yesterday.

"The academic boycott is not only destructive, but it is also mindless," said Professor Welsh, the head of UCT's politics department, where Dr O'Brien is to begin lecturing on Tuesday.

Dr O'Brien is a former Irish cabinet minister, a former chairman of the Irish Anti-Apartheid Movement (AAM), a former editor of the Observer and present deputy chancellor of Trinity College, Dublin.

He is scheduled to arrive in South Africa this weekend. He is booked for a five-week lecture stint at UCT.

The publicity secretary of the Azanian Students' Organization (Azaso), Mr Riaz Jawoodeen, said yesterday that Dr O'Brien should go home.

He said Azaso used to support a total academic boycott of South Africa, but now believed only people who were actively supportive of the struggle should come to South Africa.

Professor Welsh said Dr O'Brien was invited to UCT because "he is one of the most distinguished scholars in the West."

"He will teach in a course on siege societies on which he has written extensively . . . Like Dr O'Brien I am quite unable to see how boycotting UCT contributes to the abolition of apartheid."

Mr Jawoodeen, however, said Dr O'Brien was coming "under the pretext that UCT is at the forefront of the struggle against apartheid."

"But the campus is a by-product. The campus as such, including the politics department, is not at the forefront of the struggle . . ."

This week Professor Kader Ismail, current chairman of the Irish AAM, called the trip "an act of betrayal".

Dr O'Brien reacted: "The boycott is silly and unjust. I am happy to break it." He will travel with his adopted son, Patrick, 20, who is black.

## Steve Kgame in court

JOHANNESBURG. — The president of the Urban Councils Association of South Africa, Mr Steve Kgame, and four councillors of the Dobsonville Town Council, appeared in the Roodepoort Regional Court yesterday charged with . . .



CAT Times 13/9/86 (280)

# Congress approves SA sanctions bill

WASHINGTON. — The House of Representatives yesterday gave final congressional approval to a bill imposing sanctions against South Africa.

President Reagan is likely to veto it.

The House accepted a Senate sanctions package, less stringent than its own version but still containing sweeping provisions, in a bid to ensure the measures will be written into law this month, despite the veto threat.

The White House said shortly before the vote that President Reagan remained staunchly opposed to the bill and would probably exercise his veto power.

Mr Reagan's Republicans command a majority in the Senate, but the Democrats control the House. A two-thirds majority is needed in both houses to override a presidential veto.

The Senate bill would bar all new investments in South Africa and commercial loans to the private sector. It would also ban imports of uranium, coal, iron, steel, textiles and agricultural products and would freeze deposits in US banks held by the South African government or state-owned corporations.

It would end air links between the

two countries and ban imports from companies owned or controlled by Pretoria.

Meanwhile a group of West European parliamentarians yesterday called for tougher European Economic Community sanctions against South Africa.

In a message to the foreign ministers of the 12 EEC nations, the 800-strong Association of West European Parliamentarians for Action against Apartheid said the US Senate's list of sanctions was a minimum requirement.

In Bonn a West German government source said their government will drop its opposition to sanctions against South Africa if a common front can be reached by the Common Market.

Moves against South Africa within the European Community previously have been scuttled by the British and West Germans, who contended punitive sanctions fail to achieve foreign policy goals.

But Britain and West Germany relaxed their positions as international pressure for sanctions grew. — Sapa-Reuter-AP

● SA bid to stop sanctions, page 4

was seen invited by his home--

**You can be sure,  
sanctions against South Africa  
will find their mark.**

The advertisements — published in *The Financial Times*, *Daily Telegraph*, *The Sun* and *Daily Mail* — feature a young black girl in a rural setting framed in a target.

Seifsa warns sanctions lobbyists to "be sure the weapon you choose (against apartheid) is aimed at the right target".

It says that if sanctions are imposed on South Africa's iron, steel and related industries, the livelihood of about 450 000 workers will be threatened.

The text concludes: "If you are against starvation and apartheid, aim at the right target — and encourage economic development in South Africa." — The Star Bureau.

You're a Vindicator. You see  
 some 's' as spelled to some other  
 character.  
 Well, in good luck, sure be  
 with you. I'll be in a hurry. I'll  
 help you.

The subject here represents  
the culture people who live  
in South Africa and are being  
confronted by the white man's  
culture.

large number  
will have no other  
the rules are  
To count  
devastated by  
'twill  
and child  
themselves  
power in  
starvation

the unemployed  
were unable to  
it has been  
years of drought  
the bread  
and the workers  
producing  
are certain

## The South African industry case against sanctions.

## Big match to be screened

reau.



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# Way clear in US for tough sanctions Bill

WASHINGTON — The United States House of Representatives has approved a package of tough sanctions against South Africa that could become law this month despite a threatened veto by President Reagan.

After rejecting the Senate's first Bill, which would have virtually ended all trade links with South Africa, the House yesterday accepted a revised Senate sanctions package, less stringent than its own version but still containing sweeping provisions worked out in a bid to ensure the measures would be accepted by both Houses.

The Senate's revised package as accepted by the House would bar all new investments in South Africa and commercial loans to the private sector.

It would also ban imports

of uranium, coal, iron, steel, textiles and agricultural products and freeze deposits in US banks held by the South African Government or State-owned corporations.

It would end air links between the two countries, and also ban imports from companies owned or controlled by the SA Government.

Immediately before the 308-77 vote in the House, the White House reiterated Mr Reagan's strong opposition to economic sanctions and indicated he would veto the new measure.

White House spokesman Mr Larry Speakes said Mr Reagan believed the Bill would "impede rather than advance the goal of promoting change" in South Africa.

But foes of apartheid hailed the Bill as a victory and said it would send a

strong signal to the South African State President, Mr P W Botha, that he should move quickly towards reforms. They urged Mr Reagan not to exercise his veto.

"President Reagan has a unique opportunity in the next few days to serve as a champion of freedom," said House Speaker Mr Thomas O'Neill, a Massachusetts Democrat.

The House leadership decided to accept the Senate's more moderate Bill in order to send it quickly to Mr Reagan and allow enough time to vote on overriding a veto if necessary.

Sanctions leaders in the House had wanted to go into conference with the Senate to try to stiffen the Senate's bill. But that would have required further votes and, with just three weeks left in this

year's congressional session, there was a danger that a final Bill would have been delayed too long.

Mr Reagan now has 10 legislative days to act on the new Bill.

A two-thirds vote in both houses of Congress is necessary to override a presidential veto, and leaders on both sides said they believed they had the necessary votes to do that, if need be, in this instance.

Mr Reagan could still issue a revised Executive Order, incorporating some of the new provisions, in the hopes of persuading enough of his Senate Republican allies to uphold his veto.

● In The Hague, a group of West European parliamentarians yesterday called for tougher European Economic Community sanctions against South

Africa.

In a message to the Foreign Ministers of the 12 EEC nations, the 800-strong Association of West European Parliamentarians for Action against Apartheid said the US Senate's new list of sanctions was a minimum requirement.

● It is meanwhile reported from Bonn that West German industrial, trade and banking leaders have urged the 12-nation European Community not to impose punitive economic sanctions on SA.

"We declare our solidarity with SA business associations who have demanded the Government make comprehensive reforms toward overcoming the apartheid system without being pushed from abroad," the West German business leaders said in a joint statement.



# 'Quick bucks' from sanctions: disaster recipe

13/9/80 280 W/E Post

EXPORTERS have been warned that "making a quick buck" out of switching to local markets and believing import substitution can fill the void left by lost exports in the event of sanctions would be "disastrous".

Mr Wim Holtes, chief executive of the South African Foreign Trade Organisation (Safto), told the Evening Post Export Awards dinner this week that businesses with international markets should instead look at ways of overcoming sanctions.

"The most effective way of countering sanctions is a more aggressive export commitment and diversification into new markets, together with developing more flexible sales and distribution methods.

"Better off-shore facilities, evaluations of product and service modifications in accordance with market requirements, and links with foreign distributors and manufacturers for sub-contracting and joint ventures can also play a major role in creating a truly international marketing operation."

Mr Holtes cited the example of widespread trade with companies in more than 30 countries which officially regarded trading with South Africa as a criminal offence as being an indication of the "massive scope" for increased exports.

Mr Holtes paid tribute to the "tremendous increase" in exports in the Eastern Cape, as reflected in more companies entering for the awards this year.

"Port Elizabeth is a very important link in the export chain and a port as busy as the one in Port Elizabeth is the envy of virtually every country in Africa," said the Safto chief



By Bob  
Kernohan  
Business Editor

The potential for regional exports was even greater than at present, as a recent survey had shown that there was still 40% excess capacity amongst a large number of plants — and this could be used to serve world markets.

But he added sanctions would affect the Eastern Cape to some extent, particularly the export of manganese ore through the harbour, wool and hides and skins.

"However, studies have been carried out and the final consensus is that the effects of sanctions will not be too bad and that industry can cope."

New strategies which could be adopted included:

- Making full use of materials by processing them into end products instead of exporting them in their raw state — a strategy which could be of particular benefit to PE.

- Establishing counter-purchasing systems and bilateral agreements with countries which needed to continue their trade links with SA.

Mr Holtes cautioned businessmen not to wait too passively for the bene-

to filter through to the domestic economy.

"If this happens — as it may be happening in some cases — the current sanctions issue could aggravate the situation by leading to a loss of business confidence and acting as an excuse to ease off on the difficult route to international markets even before any real sanctions impediments might be experienced.

"This combined effect could reinforce the wait-and-see attitude which neither the country nor Port Elizabeth can afford.

"Important as inward industrialisation and import substitution will be in creating an alternative economic policy, it is doubtful if they will solve the current economic problem and economic impediments.

"They will certainly not generate the foreign exchange needed to ease our international debts and not keep the door open to the international market for technology and investment.

"It would, under these conditions, be the height of folly to turn away prematurely from the export option under the guise of strategic planning for coping with sanctions," he said.

This was what SA's adversaries overseas wanted to achieve, he warned, adding that export companies thinking they could sell all their products locally in the months ahead in order to make a "quick buck" would be a "disaster".

But Mr Holtes was confident that it would be only a matter of time before businessmen adjusted to new market conditions and formulated their entrepreneurial response to sanctions, showing that adversity was a major spur to

"The export community will not fail the business sector in the difficult sanction years ahead."

"But for this to be achieved, everyone must keep their cool and seek quiet teamwork across a wide spectrum.

"The current economic and political climate should lead to faster decision making in the public sector, particularly in those areas which affect our international trade and other relations.

"It may also speed up decisions in the field of support systems and export for which Port Elizabeth and the rest of the country have been waiting for some time

"In turn, this will facilitate the social and political reform process in providing room for manoeuvre in the national economy," said Mr Holtes.

And he added: "There is still massive scope for export growth.

"A renewed corporate commitment to the maintenance of the foreign markets and to innovative market developments will mean that a stronger export sector and a more diversified economy will emerge out of the current sanctions adversity."

● Mr Holtes voiced a personal concern about the viability of the Mossel Bay gas find at the dinner.

While saying that the project was extremely good news for PE, he was not sure if the project made sense as sanctions would result in 20 million tons of coal being unmined.

As an alternative to the Mossel Bay project, this could be mined and turned into liquid fuel by Sasol.

This posed a question about the economic viability of the Mossel Bay pro-



FC sanctions summit — and Reagan may give in to Congress

# CRISIS WEEK

280  
w/c Affairs  
13/9/86

Weekend Argus Foreign Service

WASHINGTON. — South Africa faces a sanctions crisis this week from America and the EEC.

President Ronald Reagan, faced with overwhelming approval by the US Congress of stiff measures against South Africa, may decide to impose sanctions after all.

And Europe is poised to slap damaging export bans on South African coal, iron, steel and gold coins in one of the most crucial sanctions debates so far.

EEC Foreign Ministers, gathering in Brussels for Monday's meeting, know that delaying action against South Africa any longer will cost them their credibility.

The US House of Representatives voted 308-77 in favour of sanctions yesterday.

Congressional aides said Mr Reagan might decide signing the Bill was less risky politically than vetoing it.

The aides said an EEC decision to impose sanctions would allow Mr Reagan to cite allied unity in justifying a reversal of his long-held opposition to South African sanctions.

"The Bill will unintentionally erode efforts to end apartheid," White House spokesman Mr. Larry Spivak said.

"It will strengthen radical elements on both sides and penalise the people and the economy of South Africa."

The congressional Bill, adopted last month by the Senate in a 84-14 vote, was designed to protest against apartheid and pressure the South African Government into making political reforms.

The Bill would bar all new US investments in South Africa and commercial loans to the private sector. It would ban imports of uranium, coal, iron, steel, textiles and agricultural products and freeze deposits in US banks held by the South African Government or state-owned corporations.

It also would end air links between the two countries, deny consular facilities to South African citizens and ban imports from companies owned or controlled by South Africa.

Leading House apartheid foes said both chambers would easily be able to muster the two-thirds vote needed to override a veto Mr Reagan has 10 legislative days to make his decision.

Other aides said they believed Mr Reagan would sign the Bill after the 12-nation EEC acted next week. The Reagan Administration had said it wanted to co-operate with its West European allies in imposing any new measures against South Africa.

## Britain expected to go along

Britain, a key US ally and South Africa's major foreign investor, has also long opposed punitive sanctions but is expected to go along with other members of the EEC.

The three-month deadline that European heads of government set in The Hague in June is now up.

It is widely predicted that Germany will go along with The Hague measures. And Europe's other less significant sanctions opponent, Portugal, is not likely to stick it out alone.

But given Germany's extensive trade relationship with South Africa, Bonn could well resist the measures in their present form and, if it did, would be bound to have Britain's support if it believed a reassessment was desirable.

The package as it now stands could turn out to be the toughest so far deployed against South Africa.

Of the four commodities, coal is the most important. The EEC buys more than half of South Africa's 45-million tons of export coal and it accounts for just under a quarter of EEC requirements. Italy is the main market.

Of South Africa's 3.5-million tons of raw steel exports about 40 percent, Europe buys about 10 percent. Europe buys about a third of its gold coins from South Africa — imports worth about R250-million last year.

EEC countries also take two thirds of South Africa's fruit and vegetable exports, two thirds of textile exports, half of its minerals and more than a third of its exports of prepared foods, beverages and tobacco.



President Reagan

# Reagan set to veto sanction bill

WASHINGTON — The House of Representatives yesterday gave final congressional approval to a bill imposing sanctions against South Africa which President Ronald Reagan is likely to veto.

The House accepted a Senate sanctions package, less stringent than its own version but still containing sweeping provisions, in an attempt to ensure the measures would be written into law this month, despite the veto threat.

The White House said shortly before the vote that President Reagan remained staunchly opposed to the bill and would probably exercise his veto power.

"Our position on this legislation has not changed," a White House spokesman, Mr. Larry Speakes, told reporters. "The measures it calls for would impede rather than advance the goal of promoting change in South Africa."

"If the president vetoes it, which I'm confident he will, then we will work to see that the president's veto is sustained."

Mr. Reagan's Republicans command a major-

ity in the Senate but the Democrats control the House. A two-thirds majority is needed in both houses to override a presidential veto.

House foes of apartheid had wanted to proceed with a so-called conference committee to try to stiffen the Senate measure. This would have needed further votes and, with just three weeks left in this year's session, there was a danger the final bill would have been sent to Mr. Reagan too late.

The House bill would have virtually severed all US trade and investment ties with South Africa.

The Senate bill would bar all new investments in South Africa and commercial loans to the private sector. It would also ban imports of uranium, coal, iron, steel, textiles and agricultural products, and freeze deposits in US banks held by the South African Government or state-owned corporations.

It would also end air links between the two countries and ban imports from companies controlled by Pretoria.

Mr. Reagan has 10 days to decide whether to sign or veto the bill.



# THE DOOLPHIN OPTION

FOR years I (like all other alleged political commentators) had streams of foreign visitors wanting to know what I thought about sanctions.

Actually, until recently it was called disinvestment, but the principles are the same.

Finally they stopped coming, because, I think, word got round that my answer was no good. They wanted me to say "Yes, sanctions are good" or "No, sanctions are bad" so that they could tick off an answer on a clipboard and show their principals how many people they had spoken to. But I wouldn't say Yes or No and they thought: "Why are we wasting our time with this guy?"

My answer was and is this . . . White South Africans in general believe that the demand being made of them is a demand to commit suicide. They understand the end of apartheid to mean a swap from minority domination to majority domination, with five million whites becoming the chattels of 25-million blacks instead of the other way round.

If a person is on the bank of a pool full of sharks and you ask him to swim across to the other side, he does not oblige. Whether you cajole him or ostracise him or threaten to deprive him of soup and beans, he still does not jump in.

If you try to push him, he fights you off every way he can, with little attention to the Queensberry Rules. At best he waggles a toe in the shallows and says: "I'm doing as much as I can, now credit me for trying."

Whereas if you point out to him that what he thinks are sharks are actually dolphins, and back this up with convincing evidence, then his resistance diminishes.

If at the same time you demonstrate to him that the grass is pretty green on the opposite bank and it's a nice place to live, and what is more you'll stop taking his soup and beans away if he goes there, you're beginning to get somewhere.

He may or may not still be nervous of being buffeted by the dolphins, but he is liberated from the expectation of death.

All the international effort is



If the world asks us to jump into a pool full of sharks, then of course we don't oblige. But if they convince us they're not sharks at all . . .

**DENIS BECKETT, editor of Frontline, argues a novel approach to the sanctions debate in the new issue of his magazine**

put into debate about the ways of getting white South Africa to jump in among the sharks. What I want to see is some effort to explore the dolphin option.

The ordinary white South African is not uniquely brutal or racist or vicious by nature. The only thing unique about us, generally, is our particular fear.

Given the extreme depth of that fear, an extremely comprehensive political structure is required to settle it. That is why I push the case for intensive democracy.

If you make the democratic structure so strong that it cannot be subverted, you not only lay the foundations for an exceptionally sound political process, you also stand a chance of stimulating white South Africans to swim across the pond.

Sooner or later this issue will begin to acquire credence, and then our future is going to begin to look very much brighter.

Take-off point is difficult to reach — because the concept is novel and lacks the handle of historical precedent, because the idea of democracy as a tool instead of merely a distant goal is strange, because white people instantly associate "one man, one

vote" with black domination, because anti-apartheiders nearly all focus on the futile aim of eradicating racism rather than the constructive one of establishing a just political system, because so much of the animosity is based on the desire to see the ogres get their come-uppance rather than the desire to see South Africa become a sound and stable country, and much more.

The great sanctions debate is

too often about the egos of those who wage it. Are you fashionably "for the blacks"? Why, then you support sanctions. Do you privately feel that white is best? Then you oppose them.

Until there is recognition that a democratic South Africa is not a "black" South Africa or a "white" one either, all the heat and fury

about sanctions are really so much wind.

If there were any real understanding of what a democratic South Africa entails, then I would be still obdurate, and whites are so fed up with the sense of living in a closing vice that if they could see an avenue towards a liveable end result the vast major-

ity would jump at it. For the moment, I would oppose sanctions unequivocally if it were possible to decide on the issue in its own right — as a question of whether or not sanctions helped make South Africa a decent society.

But the issue cannot be judged in its own right. It is hopelessly clouded over by attitudinal baggage, and the anti-sanctions cause is cursed by its association with the idea that reduction of apartheid, as opposed to abolition of apartheid, is OK.

This offends both my gut and my head. It offends my gut because I dislike the racist implications. It offends my head because it is illogical.

Blacks exist 25-million of them, and even the most dyed-in-the-wool racist ought to be able to recognise that the quest for liberation is going to create more and more chaos until it is achieved.

On both grounds, I am not prepared to align myself with a cause which in effect stands for the avoidance or delay of the fullness of liberation.

Finally, I hope you'll consider the idea that "sanctions only hurt the blacks, the very people we are trying to help" to the trash can. Sanctions hurt everybody, and hurt us all permanently — the buyers who find new trade partners don't drop them and change back to South Africa once the fias is over.

And the issue is not about whether Khumalo has a job while Vander Merve suffers. It is about establishing a basis on which South Africa works.

Logically, it is quite consistent for a hard-headed, amoral right-winger to support sanctions — if he believes that they help to provide a firmer footing for future stability.

It is equally consistent for a passionate sympathiser with the position of the blacks to oppose sanctions, as merely adding to suffering without achieving the stable political base.

Either of these positions can be legitimately arrived at. Neither helps. Kindly get those guys to recognise the need to progress beyond the useless pro-black-at-white syndrome.



# Aussie sanctions move in a tangle over wool

SUN 11/67 (280) 14/9/80

GAPING holes in Australia's planned sanctions against South Africa emerged this week as the Foreign Affairs Department put the finishing touches to Prime Minister Bob Hawke's crusade against apartheid.

Among the most contentious is a direct Federal Government grant of \$A30-million to Australian wool growers to spend on wool promotion — in conjunction with South Africa.

by NIC VAN  
OUDTSHOORN  
Sydney

Mr Hawke's Labour Party Government confirmed this week that the grant will be exempt

But senior Foreign Affairs sources in Canberra told me "many other" economically sensitive deals would also be exempted from the sanctions package which Australia

plans to impose within weeks.

"It's making our life a misery trying to figure out how to apply sanctions when so many exceptions are being made," one senior official told me.

The decision to exempt from sanctions the \$A30-million wool grant to the International Wool Secretariat (IWS) — of which both South Africa and Australia are leading members — followed "strong representations" from the Australian Wool Corporation.

The Cabinet was informed by both the Minister for Primary Industries, Mr John Kerin, and the chairman of the Wool Corporation, Mr David Asimus, that if Australia tried to withhold funds or attempt to exclude South Africa from the IWS, it would be "cutting off its nose to spite its face".

Mr Asimus, who is also a prominent wool grower, said this week: "Even if complete sanctions are imposed against South Africa it would not be easy to force them out of the IWS."

The IWS has the world's most recognised trade mark — the Woolmark — which it licenses to manufacturers around the world.



# THE STEAMROLLER

## ● Reagan faces sanctions clash with united Congress ● Europe moves to water down package of measures

**THE South African sanctions steamroller is pushing ahead on both sides of the Atlantic — with tougher steps imminent.**

In Washington a new presidential order extending sanctions against South Africa is expected within days as the Reagan administration tries to head off a clash with a unified Congress.

And in Brussels the European Economic Community meeting starting tomorrow could see an attempt by West Germany, Portugal and Britain to water down sanctions proposals — but they will still bite.

What became clear at the end of a busy week, however, was that the US and the EEC countries will not be able to co-ordinate measures against South Africa effectively.

By PATRICIA CHENEY in Washington and ANDREW GARFIELD in Brussels

The House of Representatives decision (308 to 77) to accept a milder sanctions package proposed by the Senate now puts President Reagan in an uncomfortable position.

If he chooses to exercise his veto it will in all likelihood be over-ridden by Congress. The other option — now considered very real — is an extension of his presidential order of a year ago in which he spelt out some mild sanctions measures.

### Opposed

The Senate package is still tough: bans on new investment in South African companies, an end to landing rights in the US, bans on coal, uranium, tex-

tiles, clothes and products from parastatals, an end to US bank loans to the South African Government, re-allocation of South Africa's sugar quota to the Philippines and a series of lesser measures.

President Reagan is opposed to the Bill, though conceding that a ban on air links is acceptable.

But now an interesting legal dilemma has arisen in the wake of the debate which could leave a loophole for court challenges to city and state divestment measures.

As a result of an amendment to the Senate Bill, local governments have 90 days to comply with the congressional sanctions measure or risk suspension of their federal funding.

According to some interpretations, that means state and city governments which have passed anti-South African legislation could be challenged because their laws are different from congressional sanctions measures. So far, 20 states and about 80 towns have passed anti-South African legislation.

"In practice I think this will limit procurement legislation (which gives preferential bidding for city contracts to companies that have no ties with South Africa) but not pension fund divestment laws," said one congressional aide.

### Suspended

In Brussels, meanwhile, the EEC was preparing for the two-day meeting beginning tomorrow to decide on the sanctions measures against South Africa accepted at The Hague three months ago but suspended pending British attempts to initiate talks between opponents within South Africa.

All indications are that the EEC will be looking to West German Chancellor Helmut Kohl to lead an anti-san-

# Sanctions package expected

everlast 19/9/86



BRUSSELS — European Foreign Ministers meeting in Brussels are expected to announce a package of limited trade sanctions against South Africa this evening.

The 12 EEC governments are due to consider a ban on the import of coal, iron, steel and gold coins, and officials said only West Germany and possibly Portugal seemed likely to argue against the measures.

There was speculation among delegates that the West Germans and the Belgians would try to get coal dropped from the list.

Final government attitudes, however, were not likely to be known until the South African issue was discussed.

At the end of June, the EEC governments drew up the provisional list of sanctions, giving SA a three-month time limit to free the jailed ANC leader, Nelson Mandela, and lift the ban on political parties.

The British Foreign Secretary, Sir Geoffrey Howe, failed in his mission to persuade the SA Government to meet the demands and he was scheduled to report formally on the outcome of his Southern African trip today.

Although some governments in Europe remain opposed to sanctions, there appeared to be agreement that some measures were now inevitable.

West German Chancellor Helmut Kohl has argued that economic sanctions would not achieve the EEC's goal of speeding the end of apartheid.

Mr Kohl has also said the Europeans should be assured of parallel action by the United States before deciding how to step up pressure on SA.

President Ronald Reagan is considering vetoing a sanctions Bill that is stronger than the proposed European measures. — Sapa-Reuter-AP



# Europe may hold back sanctions

5/11/81  
(K)

## Dispatch Bureau LONDON — Differences among the nations of the European Community (EC) could delay a decision to implement sanctions against South Africa.

The EC meets in Brussels today to co-ordinate economic action against South Africa and a verdict had been expected by this evening, but renewed unease over measures agreed in principle at the community's June meeting in The Hague could force foreign ministers to postpone a final decision until later in the month.

As one British official pointed out, a decision does not have to be taken before the deadline, September 27. However, today's is the last scheduled formal meeting before that date.

Although the meeting is widely expected to endorse the decision, the three nations which are not happy with the proposals would be believed to be able to stall even a short time.

Britain's reluctance is well known and West Germany's coalition government has been consistent in opposing sanctions as ineffective and inappropriate instruments of policy.

Portugal has also continued to express opposition to sanctions but, as a junior member, it is expected to fall in with the rest.  
It was reported from

Bonn yesterday that West Germany would not agree to ban South African coal imports.

The weekly news magazine Der Spiegel and the Welt am Sonntag newspaper quoted government sources as saying Bonn might agree to ban imports of South African iron, steel and Kruggerand coins but not coal, as was originally proposed.

Der Spiegel said the government was going back on undertakings made at the EC's summit in The Hague when Chancellor Helmut Kohl included a coal import ban in measures he would be ready to take if Pretoria refused to institute reforms.

Welt am Sonntag said Bonn had decided against blocking South African coal because such a move would endanger the livelihood of 30 000 black South African workers.

West Germany's top industrial, trading and banking associations also wrote a collective letter to the EC yesterday urging it to reject economic sanctions, the newspaper added.

"We declare our solidarity with South African business associations who have demanded the government make comprehensive reforms towards overcoming the apartheid system without being pushed from abroad," the West German business leaders said in a joint statement.

Der Spiegel said Mr Kohl's government was adopting a stance similar to the United States administration, which also opposes a ban on South African coal.

However, Britain's Prime Minister, Mrs Margaret Thatcher, has made it plain that she will go along with a consensus.

If it is approved, the "Hague package" of sanctions will ban imports of coal, iron, steel and Kruggerands from South Africa, as well as new investment in the Republic.

● A R250 000 series of newspaper advertisements placed by the Steel and Engineering Industries Federation of South Africa has warned the British public that international embargoes on South African steel and coal exports would cost the country's metal industries more than 90 000 jobs — and force 500 000 people into starvation.



286 N/14/15/9/08

# Tutu-Runcie stance will slow sanctions

**DOES Archbishop Desmond Tutu have a special role to play in the ending of apartheid? The Archbishop of Canterbury, Dr Robert Runcie, made it clear on his return from his first visit to South Africa last week that he envisages a 'special and symbolic' role for Archbishop Tutu precisely because he is black.**

Archbishop Tutu — unlike his predecessors — had suffered personally as a victim of apartheid and had risen above it to oppose the system from within his own people, Dr Runcie said.

More than a year ago I wrote in this column that Dr Runcie foresaw a central and active role for the Anglican Church in speeding up the end of institutionalised racial discrimination. The installation of Archbishop Tutu as the primate of the Anglican Church in South Africa is Canterbury's trump card which opened the way for Dr Runcie's first visit.

The visit was carefully prepared by Dr Runcie's indefatigable and highly able personal envoy Terry Waite on two previous visits.

But can Archbishop Tutu succeed where his predecessors failed and move beyond a mere confrontation with the Nationalist government to become the architect of reconciliation in the transition to a post-apartheid South Africa?

## Compromise?

Does he represent the compromise between the African National Congress (ANC) demand for a transfer of power and the Botha government's insistence on retaining race as the basic factor for ordering political and community life in South Africa?

Initial pointers would suggest that Archbishop Tutu — if the political will exists on the government side — could become the most powerful force for reconciliation the country has ever seen.

The central thrust of both Dr Runcie and Archbishop Tutu's sermons at the enthronement ceremony was one of reconciliation

John Battersby LONDON

Archbishop Tutu offered to put his calls for sanctions on hold if President Botha was prepared to lift the state of emergency and open negotiations with 'the authentic representatives of every section of the community' leading to an undivided South Africa.

## A far cry

This is a far cry from the ANC's demand for a transfer of power and allows full scope for a moderate power-sharing arrangement with built-in protection for minorities.

He unequivocally expressed his abhorrence of all violence — both that of the State and those who seek to overthrow it — but recalled that the ANC had only turned to violence when all other avenues had been shut.

Perhaps Archbishop Tutu's most remarkable statement was that he did not want sanctions and that those who advocated sanctions did not want them either.

Clearly, he was putting the onus on those who opposed sanctions to come up with 'a viable non-violent strategy to force the dismantling of apartheid'.

Significantly, Dr Runcie said he saw Archbishop Tutu's remarks on dismantling apartheid as 'an offer to me as much as to anyone else'.

Dr Runcie also soft-pedalled, saying that he was not ashamed of being a Johnny-come-lately on the sanctions issue, and conceded that sanctions were the 'most difficult issue'

facing the Church

Dr Runcie said that while he supported the concept of carefully targeted selective sanctions as a means of promoting peaceful change the effects of specific sanctions on blacks needed more careful study

Whether this rethink comes too late to influence the sensitive behind-the-scenes manoeuvrings between South Africa's major trading partners on the detail of a selective-sanctions package will soon become clear.

But the Tutu-Runcie position on sanctions will help to slow down the calls for comprehensive mandatory sanctions

Perhaps the most important symbolic gesture was Archbishop Tutu's blessing of President Botha as 'my brother'

The two men have met three times in the past seven years and Archbishop Tutu has precious little to show for the meetings in terms of reforms that have affected the daily lives of blacks.

But the importance of the meetings is that they have opened up vital channels between President Botha and a man uniquely placed to play a catalytic role in bringing black and white leaders to the conference table.

The orchestrated pressure on Mrs Coretta Scott King to prevent her meeting President Botha was a depressing illustration of just how sensitive the issue of 'supping with the devil' still is.

While Archbishop Tutu has paid a political price for his contact with President Botha his credibility to moderate South Africans of all races is still largely intact.

The abiding value of black leaders such as Archbishop Tutu and Dr Allan Boesak holding positions of international prominence in global church communities is that they bolster the life-

line to the civilised world and to norms of justice and democracy at the very time when the internal dynamic is nudging South Africa's leaders further down the road of siege and repression.

But Archbishop Tutu knows that South Africa — although well on this road — can still turn back from the brink.

South Africa is still a far cry from Chile, for instance, now under a formal state of siege since the bid on President Pinochet's life and where prominent editors are found with bullets in their heads, international news agencies are silenced, death squads operate freely and secret police set alight to dissidents in public.

If South Africa's current state of emergency is not to descend into a fully fledged state of siege the values which Archbishop Tutu articulated in his offer to President Botha will have to prevail in South Africa.

## Sir Geoffrey

It was no doubt with this in mind that British Foreign Secretary Sir Geoffrey Howe sent a personal message of support to the new archbishop.

Almost 10 years ago Archbishop Tutu was described in a newspaper headline as 'The diminutive bishop who packs a mighty punch'.

Angry whites have described him as the original 'cheeky kaffir'.

Dr Runcie sees him as a man of 'love, vision and peace ... strong on passion, joyful in hope, spontaneous and immediate'.

Many admire his ability to maintain an impish sense of humour with deep compassion amid the suffering, death and destruction.

To the rest of the world Archbishop Tutu represents a beacon of light and hope in a sea of threatening darkness.



CAPE TIMES 15/7/86

## Sanctions:

### Priests back SACBC

ROMAN Catholic priests countrywide formally gave their support to the Southern African Catholic Bishops Conference for its stand supporting economic pressure on South Africa, at a meeting in Marionhill, near Durban, at the weekend.

The support was given in a resolution at the annual meeting of the South African Council of Priests (SACP) which ended at the weekend.

A spokesman from the SACBC said that "the impression that a large body of 'rebel priests' opposed the bishops on economic pressure was dispelled".

The SACP also passed a resolution asking the SACBC to provide young people with resource material on the church's teaching on liberation and to help them evaluate current ideologies.

## World

# US sanctions bill: Reagan's dilemma

WASHINGTON — President Ronald Reagan, faced with overwhelming approval by the US Congress of stiff sanctions against South Africa, must now decide whether to fight the move and risk another defeat, or bow to congressional will.

The White House, shortly before Friday's 308-77 House of Representatives vote, indicated a presidential veto was likely.

Congressional aides said Mr Reagan might decide signing the bill was politically the less risky route.

The aides said an expected decision this week by the European Community to impose similar sanctions would allow Mr Reagan to cite Allied unity in justifying a reversal of his long-held opposition to South Africa sanctions.

For the moment, the White House appears unconvinced.

"The bill will unintentionally erode efforts to end apartheid," White House spokesman Mr Larry Speakes told reporters.

"It will strengthen radical elements on both sides and penalize the people and the economy of South Africa."

The congressional bill was adopted last month by the Senate in an 84-14 vote.

The bill would bar all new US in-

vestments in South Africa and commercial loans to the private sector.

It would ban imports of uranium, coal, iron, steel, textiles and agricultural products and freeze deposits in US banks held by the South African government or state-owned corporations.

It also would end air links between the two countries, deny consular facilities to South African citizens and ban imports from companies owned or controlled by South Africa.

"If the president vetoes it, which I'm confident he will, then we will work to see that the president's veto is sustained," Mr Speakes said.

Leading House apartheid foes told reporters after the vote that both chambers would easily be able to muster the two-thirds vote needed to override a veto.

Mr Reagan has 10 legislative days to make his decision.

One option, according to aides, was for Mr Reagan to veto the bill but at the same time expand and strengthen a set of limited sanctions he imposed last year.

Other aides said they believed Mr Reagan would sign the bill after the 12-nation EC acted. — Sapa-Reuter

● EC sanctions delay mooted. page 7



Cape Times 15/9/86 280

# Seifsa says sanctions will harm 500 000

By DAVID FURLONGER

JOHANNESBURG. — International embargoes on SA steel and coal exports would cost the country's metal industries over 90 000 jobs — and force over 500 000 people into starvation.

The warning, from Seifsa — the Steel and Engineering Industries Federation — is the latest shot in a last-minute battle by the country's steel and coal industries to stave off sanctions.

European foreign ministers meet in Brussels today, when they are expected to endorse a provisional sanctions package which includes an embargo on imports of SA steel, iron, coal and gold coins.

Delegations from the steel and coal industries were in London last week to meet politicians and other decision-makers, while a R250 000 series of newspaper advertisements warned the British public of the effect sanctions would have on SA's blacks.

## 'Total sanctions assumed'

Seifsa's latest warning estimates a direct loss of 47 500 jobs if steel export routes dry up, and a further 46 000 from the effect on metal industries of the collapse of coal export markets.

Seifsa director Sam van Collier said yesterday the estimates were based on the assumption of total sanctions against South Africa.

The survey was conducted by Seifsa's economic division among the 4 000 employer bodies linked to the federation.

A full-page Seifsa advertisement appeared in British national newspapers on Friday.

The advertisement depicts a smiling black girl with telescopic gun-sights centred on her heart. It is headed "You can be sure, sanctions against South Africa will find their mark".

Cape Times 15/9/86 280

# EC sanctions delay mooted

BRUSSELS. — The European Community today decides whether to proceed with limited economic sanctions against South Africa, but senior diplomatic sources mooted yet another embarrassing delay.

They say unease over measures agreed in principle at a summit of EC leaders at The Hague last June is such that a meeting of foreign ministers could be forced to postpone a final decision until later in the month.

The meeting is the last scheduled before expiry of a three-month EC deadline — for change by Pretoria — on September 27, and was widely expected to endorse the package.

But West Germany, Portugal and Britain still have deep reservations about the sanctions. However, all say they will not block implementation if their 11 EC partners vote in favour.

The package involves a ban on imports of South African coal, iron, steel and Krugerrands, as well as a ban on new investment in South Africa.

Even if accepted it is likely to be dubbed "too little, too late" by critics after months of EC prevarication.

The majority of both white and black members of the Commonwealth, the Non-Aligned Movement and certain extra-parliamentary opposition leaders in South Africa itself, want wider action such as a total trade ban.

Bowing to this pressure, Britain, a

major South African investor, promised Commonwealth leaders not to block implementation if the other 11 EC members vote in favour of it.

A senior British diplomatic source last week stressed that a decision did not have to be taken before the September 27 deadline.

However, he ruled out adoption of only some of The Hague measures despite German press reports that Bonn would no longer accept the ban on coal imports.

● In a last-ditch bid to stave off sanctions, full-page advertisements were carried in British national newspapers yesterday by the Steel and Engineering Industries Federation of South Africa (Seifsa).

Our London correspondent reports that the advertisements show a smiling young black girl, targetted as if through the sights of a gun. The heading states: "You can be sure, sanctions against South Africa will find their mark."

The girl represented more than two-and-a-half million people in South Africa and neighbouring countries. Seifsa pointed out that this population was dependent on 450 000 workers in South Africa's iron, steel and related industries — Sapa-Reuter and Own Correspondent

German call: 'No sanctions', page 10



# THEIR THAT UNITES

## Non-Aligned summit in Harare

Ultimately, the goal would be economic integration, with a common currency for PTA countries and a completely free flow of goods across borders, on the premise that regionally, the members are able to substitute for any export or import markets lost to them with economic action against South Africa.

But at press conferences and in committee debates, the talk has centred less on the economic realities of southern Africa, and more on the

military battle on South Africa's borders.

Both Cuban president Fidel Castro and Angolan president Eduardo Dos Santos ruled out completely any deal for withdrawing Cuban troops in Angola before Namibian independence and a total South African pullout. Dos Santos said on Wednesday he was "proud" to have Cuban troops defending his territory. And on Tuesday, Castro ostensibly for the first time put a figure to his force, saying there were 20 000 troops in southern Angola.

There has been talk during the debates and outside at the constant press conferences of a

regional defence force or, more ambitiously, a non-aligned defence force, which, like the United Nations peacekeeping soldiers, would be available to back Frontline states against South African raids.

On Monday night, outgoing Non-Aligned chairman, Indian premier Rajiv Gandhi, told Zimbabwean television he would consider such aid if approached.

But the initiative for this, as well as the repeated pleas for more aid to the battle against apartheid, has come from outside the conference hall, from the African National Congress, Pan Africanist

Congress and South West African People's Organisation.

All three organisations have been very visible here all week, and each leader has given a lengthy press conference. For all three, the summit has perhaps been the greatest diplomatic stage of their histories, and certainly the most sympathetic. And the summit's position in Harare, a capital only six years old, has provided the immediate inspiration for delegates to support them.

But a victory, simply in terms of independence from South Africa, still has a long way to go, as visitors to the new conference centre have seen.

Just next to the press bar, at which journalists meet delegates for interviews, and exchange ideas through the night, is mounted a stand of Truworth's clothing — safari-suits for women. The beer of choice here is Castle lager which, although brewed by Zimbabwe's Natbrew, is a familiar sight for those who have arrived from South Africa. And the computer technicians, essential to Zimbabwe's coverage of this conference, are South African, and proud of it.

## A GREEDY, GOBBLING BEAST CALLED DEBT

The other major issue: the Third World's debt crisis

A "VORACIOUS primordial beast" were the words Zimbabwean Prime Minister Robert Mugabe chose to describe the mounting Third World debt on Monday when he opened the Non-Aligned Movement's summit of 102 leaders

Now at \$812.4-billion (R2 031-billion), the debt owed to banks and governments by African, Asian and Latin American countries has begun to "gobble up all the resources of the developing countries", said Mugabe, appealing for an "action-orientated" summit "To do nothing is suicidal," he said

In the calm resonance of the purple and gold conference hall, the realities of starvation and disease rarely seemed to intrude. Yet each speaker has conceded that without economic growth, eloquent speeches about political reforms and international human rights bear little weight

As at others before it, this summit has targeted its woes at the world financial establishment. It is portrayed with broad strokes as a card game in which very few players get to throw the dice, and in which the world bank and the International Monetary Fund (IMF) always win

In particular, Third World countries argue that the dollar-linked commodity and agricultural prices — which directly earn foreign exchange for the Non-Aligned countries — work chiefly for the benefit of the country using that currency: the United States.

In addition, high interest rates in the West and protective trade practices have made the debt essentially unpayable, while the drop in commodity prices has cost the Third World \$100-billion (R250-billion) over the past few years.

"Within this present system," said Peru's president Alan Garcia Perez, "there can be for us nothing but the vicious circle of debt and poverty. It translates into a kind of economic apartheid."

Latin American countries, by far the world's largest debtors, are not, however, united about their strategies. Peru's debt, compared with Mexico's \$100-billion (R250-billion), is a paltry \$14-billion (R35-billion). But it produced only \$17-billion (R42.5-billion) last year in goods and services. So, said Garcia, "in order to pay the debt of my country, it would be necessary to work tirelessly for almost one year at full effort, and not drink nor eat nor consume anything during that

period"

Instead, the Lima government struck out on its own, refusing to pay its creditors more than 10 percent of its export value, which this year has plunged by \$400-million (R1-billion), because of the drop in oil prices

Although Peru's appeal for others to follow their example is unlikely to meet with much success here this week, its initiative on the issue has made Garcia a strong contender to follow Mugabe into the chair of the Non-Aligned Movement

More extreme than Peru's approach has been that of Cuban president Fidel Castro, who on Tuesday thumped his fist on the lectern shortly after telling the summit that the Third World should unilaterally scrap its debt, which had become "the Aids of the world economy"

"Our countries are not debtors, but creditors," said Castro. "Capitalism was financed by the colonies. They have taken much more from us than the total amount of the debt"

He estimated the Third World last year paid \$300-billion (R750-billion) servicing their debts, \$100-billion (R250-billion) of which was the result of interest rate increases

Nicaragua, like Cuba, has been hard hit by a US economic blockade, and claims that the United States is lobbying against the Non-Aligned countries' strategies for alternative co-operation.

"The United States is against any idea of ours, like a Latin American IMF," said Pedro Blandon, Nicaragua's Deputy Minister of External Co-operation, in an interview. "They don't want to lose the upper hand"

The country's debt has leapt to \$5-billion (R12.5-billion) from \$1.6 billion (R4-billion) when the government seized power in 1979. Now, said Blandon, "Banks won't lend to us, because they say we are not credit worthy. We are not credit worthy because banks won't lend to us."

Probably the most important printed pages to emerge from the summit contain the economic declaration. It spells out in the first 65 pages why the following 48 pages of resolutions might not work. "No substantial progress has been made in implementing them," it says, "because of the absence of a positive response from the major industrialised countries."

This time around, it will all be different, or so the economic ministers assure the delegates — there will be a standing committee to co-ordinate multilateral agreements and to negotiate with the West on behalf of poor countries.

There will be massively increased co-operation to offer new alliances and markets.

In addition, they appeal to the West to increase foreign aid, liberalise the IMF, double the World Bank's authorised capital and increase aid to Sub-Saharan Africa.

"Before, there were too many different economic strategies," said Djibril Diallo, information director of the United Nations Office for Emergency Operations in Africa. "Often, Africans did not have any input into them."

In Africa, where countries are digging out from the grimmest famine of their history, "there's a political will to solve the debt crisis as there's never been before. You have young, dynamic leaders, a new breed of pragmatic people who are demanding total control over their continent."



an ageing Fidel Castro in caucus with his delegation Pictures PAUL WEINBERG, Afrapix

## EAST LONDON. THE VERDICT: GUILTY. THE APPEAL: NONE

like, after two minutes of questioning. He took Phillip and the friend home.

Pat's interrogation was also over. Dinner time had arrived and — presenting her with pen and paper and orders to compose a full biography and account of her political views — the interrogators had de-camped. Four pages later they returned to announce they were taking her back to the Monomatapa. But Phillip was gone. After vain attempts to locate him by phone the escort gave her a lift to a friend's home. On the way they invited her to a cocktail party. She made her excuses and they left.

The following morning Inspector Makwara collected us both and took us back to the Central Police Station, to collect Pat's papers and clear up the confusion. He did so with Poirot-like efficiency. Escorting us to the press accreditation centre at the Monomatapa he assured us all would be all right, and left.

Phillip got his accreditation.

The accreditation official accused Pat of being a spy.

If she wanted to be accredited, he said, she would have to contact the Secretary for

Information, Justin Nyoka. She got him on the phone. "You're not the woman we are looking for," he declared, asking her to summons another official from the accreditation room. She was given her accreditation.

On Monday Pat and Phillip covered the Non-Aligned Summit at the Sheraton conference centre. Until a protocol official in the press centre fixed Pat with a beady eye. And said: "Don't I know you from somewhere?" She protested: "No." "Would you come with me," he asked in that familiar fashion. "There's a man who wants to see you both."

It was Justin Nyoka. He was sitting at the cafeteria with the press corps, sipping beer.

"I am stripping you both of your press accreditation," he announced. "And you are to leave the country immediately."

"I am not giving any reasons

"And there is no appeal.

"And if you call a big press conference we will be forced to consider you an enemy of the people and the government of Zimbabwe and will be forced to tell all we've got on you."

After pleading — "please do, we'd like to know

what we're supposed to have done" — he confiscated our cards and summonsed two officials to take us to the airport ... who took us to the basement of the Sheraton Hotel.

The questioning started. What were we doing without press accreditation, an official asked? And accused us of entering the country illegally, indicating we would not be allowed to leave in a hurry.

A telephone rang and we were summonsed up to hotel reception. Another anonymous official announced there was nothing wrong with us. That our press accreditation was withdrawn. But that we were not being deported. And we were free to go.

Within an hour of our return to our friend's house in Harare the Zimbabwe News Agency announced that we were South African spies.

We caught flight ZA161 to Johannesburg, departing Harare at 8.30 am on Wednesday.

At 4pm the South African government announced that journalists were not allowed to look at the Security Forces.

Sweet normality.



ONE thing has become clear during this week's summit meeting of 102 African, Asian and Latin American leaders: geography is not everything.

It is now generally thought by some of the 1 000-plus journalists and the several hundred delegates that Allan Boesak's hasty invitation on Tuesday to attend the summit was an attempt to return the issue of apartheid to centre stage.

Up until then, no speaker had failed to mention his — there are no women among the heads of state — condemnation of the government down south, or his solidarity with the exiled opposition and the beleaguered Frontline states.

But the real drama had taken place around issues in which numerically far more people are involved — those of monstrous foreign debt, American intervention and religious fundamentalism.

Yet, if the revolt in South Africa has provided the glue to bind together these disparate interests, it could be the most effective adhesive available.

The foreign ministers' pre-summit meeting, which ended last Friday, approved a sanctions

package against South Africa in its southern Africa declaration, which more or less mirrors the Commonwealth resolution — an end to technology transfers, oil product exports, further investments, the promotion or support of trade, the sale of Krugerrands, agricultural imports from South Africa, and business between the Zimbabwe government and companies in South Africa.

In addition, it includes the notion of a solidarity

VIVIENNE WALT is in Harare on solo assignment for NewsDay in New York. She kindly prepared these special reports for the WEEKLY MAIL after our own correspondents were refused accreditation

# IN HARARE, IT'S APA

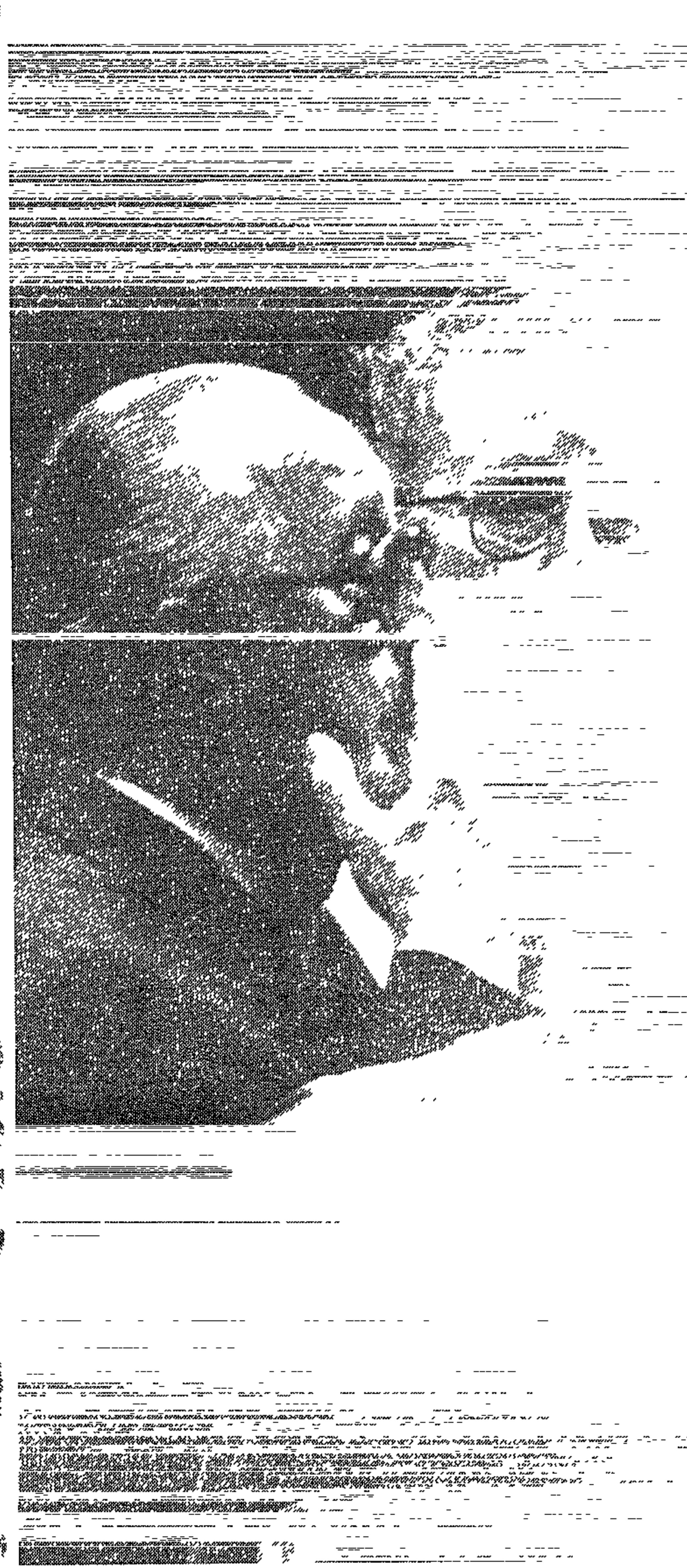
VIVIENNE WALT reports from

fund, aimed at taking the pressure off the Frontline states through material and financial aid to them, when South Africa begins to hit back with counter-sanctions.

It is here that the details will have to go beyond the rhetoric dominating the plenary sessions in the conference hall. And behind the scenes, one of the key people here this week to work it all out is Bax Nomvete, secretary general of the Preferential Trade Agreement (PTA), an economic alignment of eastern and southern African countries, and a shift away from South-focused trade.

The foundation of the PTA in 1984 came a jump

ahead of other counter-measures to preclude an economic collapse with the imposition of sanctions. Although strongly pro-free trade, Nomvete admits the PTA will set up an alternative economic bloc to South Africa and help undermine the Southern African Customs Union: "The treaty was created in direct economic opposition to South Africa," he said in an interview. "We saw sanctions coming and we did something about it"



LIBERATION

TWO elder statesmen of the Non-Aligned Movement in Harare this week: Left, a buoyant Yassar Arafat of the PLO during a session of the summit, and right

## THE CHARGE: RIFFLING THROUGH PAPERS IN HARARE DURING A WEEK WHEN I WAS IN

FRIDAY, August 29, was the day we walked into Franz Kafka's world.

But perhaps that is unfair... on Justin Nyoka.

Even Kafka never matched what Zimbabwe's Secretary of Information offered us in explanation of our crime: "It is guilt by association for whichever one of you is not the guilty one." It was the touchstone of *The Trial*. Our trial.

It began innocuously enough, walking off Flight SA328 at 3pm on that Friday. We were waved through customs and immigration by friendly Zimbabweans offering a contrast to the kind of bureaucrat one contends with at home. Our main preoccupation till then had been a contingent of about 10 khaki-clad Americans on the 'plane who looked like they had come to terminate Colonel Ghaddafi with extreme prejudice. Prejudice there was and it was extreme, but Ghaddafi was not the victim.

It came about two hours later, in the block-like Monomatapa Hotel, in the form of two men in crimpelene suits who introduced themselves with that familiar question which brooks no reply: Would you come with us? The invitation was directed at Pat. We just want to clarify a few

points, they said.

Leaving Phillip bewildered in the press accreditation room she was squashed into the front of a van and driven off into town. Terrified, she broke into tears. Her escorts were indignant. "Why are you crying? Do you think we are like South African police?" It was to be a theme of the evening — crying and that question. After three hours of it one of them was to say: "We know you South Africans... you are tough nuts to crack."

At room 24 of the Central Police Station the key question was put. Are you a South African spy? It was another rhetorical question — they all were. And out of the questions emerged the story. The previous week, they claimed, a mysterious figure was discovered riffling the press accreditation files for the summit. Challenged, she had identified herself as "Patricia Sidley". And so, a week later, when Pat Sidley presented herself at the accreditation centre in the hotel, they arrested her. They had got themselves a "South African spy".

Pat — the real one — protested ineffectually. She had been in the Eastern Cape the previous week, on union business for the Southern African

Society of Journalists, a fact easy to double-check. They did not believe her. She had not been in Zimbabwe in more than a decade, and her passport showed it was so. They accused her of using a second passport. She begged for the ladies'. A woman guard was summonsed to accompany her. Pat wept her way down the corridor, her guard advising her kindly: "Don't cry, it will all be all right — but you must tell the truth."

Back in the hotel Phillip had been anxiously questioning officials: "Is there any problem?" "No," said one, adding, suspiciously: "Do you expect there to be a problem?" It signalled he was joining Pat in Franz Kafka's world.

A friend, who was putting them up in Harare, arrived at the hotel. She was sitting with Phillip, waiting for developments. And they came, in the form of two more crimpelene-suited officials "Would you come with us?"

It was a saloon car this time, with escorts back and front. They made the same journey, to the Central Police Station. Lengthy discussion and questioning followed. What has happened to Pat Sidley, asked Phillip? Why, they demanded? The question seemed to offend them.

The Weekly Mail's PHILLIP VAN NIEKERK and PAT SIDLEY found themselves on the wrong end of the news headlines this week when they were expelled from the Harare conference, accused of 'spying' for South Africa. Here's their own version of their madcap brush with officialdom

They came in relays, the questioners, all refusing to identify themselves. None of them knew where Pat was, or what Phillip and his friend, the hostess, were doing there. They wanted to know what he was doing there. He wanted to know what he was doing there. They didn't know what he was doing there; what they wanted to know was what he was doing there. He was there trying to find out what he was doing there. Which they didn't know.

Eventually he was bundled into a van — with his Zimbabwean friend — and taken to another police station. It did not have any telephones. But it did have a man with a name. The first official to identify himself: Detective Inspector Makwara. Of the Homicide Division.

"There is no crime here," he announced, Poirot-



## THE ARTS/BOOKS

## When terrorism is force, not violence

**TERRORISM AND THE LIBERAL STATE**, second edition, by Paul Wilkinson (Macmillan, R46,50)

"TERRORISM" is a word which in South Africa is used without much circumspection. When the term is employed in the speeches and statements of local politicians and policemen, it means simply those people who express their opposition to the South African government violently. It has become a perjorative label and its usage is resisted by those to whom it is applied as well as their sympathisers.

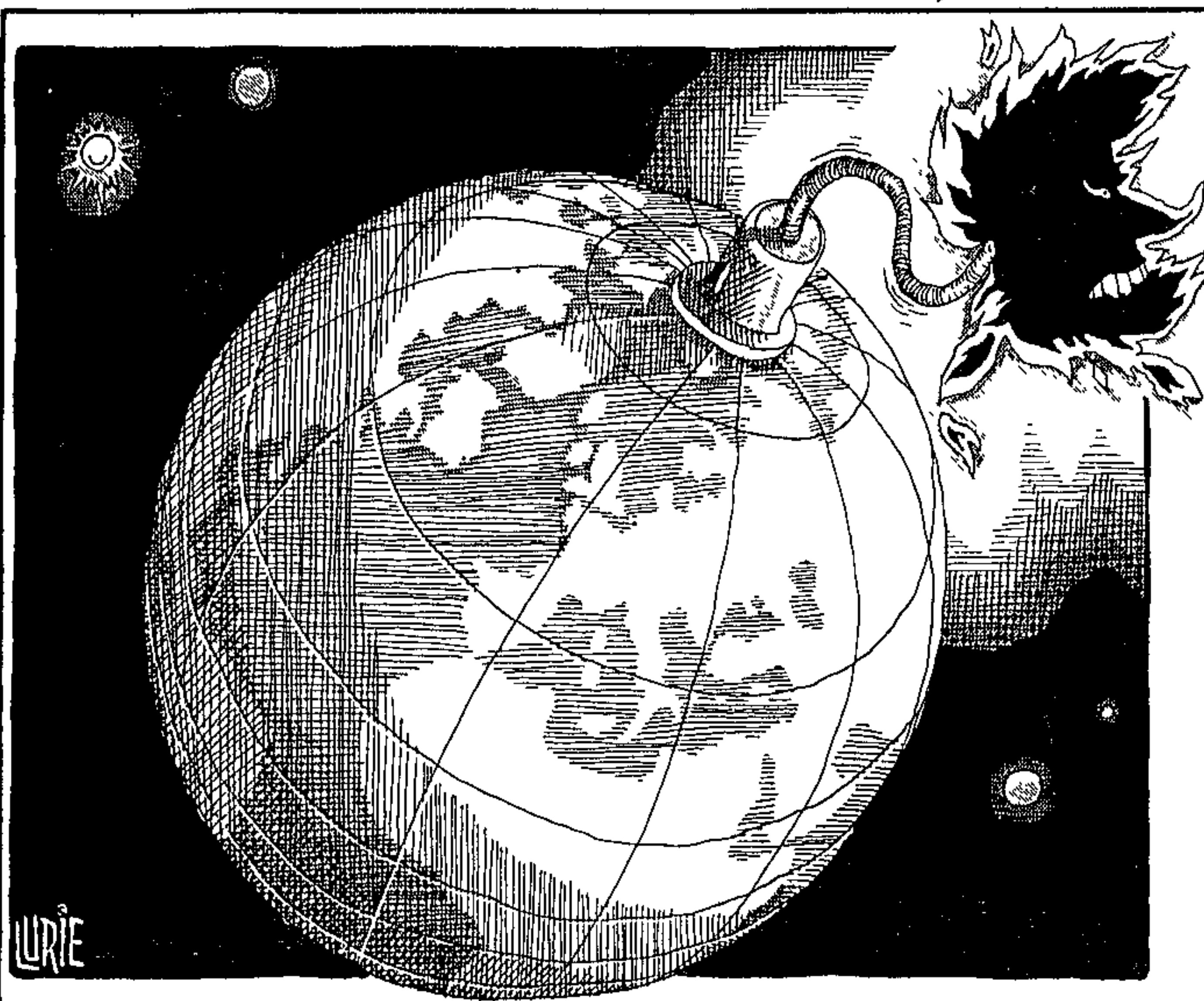
Government spokesmen characterise all left-wing violent organisations as terrorist; the word is used indiscriminately to refer to the African National Congress, the Palestine Liberation Organisation, the Red Army Faction, the South West African People's Organisation, and a variety of other groups. It is not used by South African officials when they speak of the activities of Angola's Unita or the Mozambican Renamo.

The implications of official usage are that those movements which are termed terrorist are unrepresentative and malignant minorities prepared to employ limitless physical brutality in pursuit of despotic political ideals.

Paul Wilkinson, a professor of politics at the University of Aberdeen, has written several standard works on the subject of terrorism. He defines terrorism succinctly as "coercive intimidation ... the systematic use of murder and destruction, and the threat of murder and destruction in order to terrorise individuals, groups, communities, or government into conceding to the terrorists' political demands".

For Wilkinson, terrorism is indiscriminate in its effects, it refuses to distinguish between combatants and non-combatants, is subject to no moral constraints, and usually includes in its justifications the claim "that extreme violence is an intrinsically beneficial, regenerative, cathartic and ennobling deed".

Terrorism is not a synonym for guerrilla warfare. Guerrillas "can and often do fight



according to conventions of war, taking and exchanging prisoners and respecting the rights of non-combatants". Terrorism may be a tactic or a strategy employed by guerrilla movements (especially those active in cities), but it does not always predominate in their operations and many guerrilla theorists have expressed reservations about its deployment. Wilkinson believes that the most important source of philosophic inspiration for modern terrorists is Sartre's *Critique de la Raison Dialectique* with its emphasis on terror as the binding element in all social and political relationships.

Wilkinson's focus in this book is on the threat posed by terrorism to liberal political orders. He begins with a conventional definition of a liberal state, the foundations of which rest upon political obligation and support from the citizenry, the supremacy of the rule of law, and the "right use of the state's monopoly of legitimate force in order to preserve internal peace".

Force is the legal usage of state power, violence is unauthorised coercion by either governments or private groups. States, for Wilkinson, are quite capable of deploying terrorism, though if state violence becomes a pattern in the behaviour of its coercive agencies (rather than the occasional lapse) then that state is no longer a liberal democracy.

Within liberal democracies, Wilkinson believes, terrorist groups are at best representative of minorities (though these, in the case of ethnic or sectarian conflicts, are

often quite large). They are not popularly representative because, Wilkinson contends, the virtues and strengths of a liberal political order are widely perceived. Liberal democracies are, he argues, responsive to tensions, capable of "harnessing the forces of popular protest and discontent", and they provide a variety of effective channels for the communication of the concerns of the powerless and the aggrieved.

Terrorist organisations in liberal democracies only become a popular force if they succeed in their objective of "inducing the political and moral destruction of the state", in other words in persuading the government to abandon the essentials of liberal rule in its efforts to defeat the terrorists.

In consequence, the premise for any effective counter-terrorist policy must be the protection and maintenance of liberal democracy and the rule of law. Much of the book is devoted to a discussion of those methods of "minimal force" and international coordination which can be deployed against terrorism and which are compatible with the preservation of Wilkinson's understanding of liberal democracy.

Many liberal and libertarian theorists who live and work in bourgeois democracies would have reservations about Wilkinson's work. A book which draws heavily on Northern Irish material and yet which does not mention the use of torture by the British Army during the early years of internment (attested to in an official

Commission of Enquiry) is, to say the least, nuanced.

Then there is the frequent confusion in his analysis between groups which employ terror as one amongst several stratagems and those whose entire *leitmotiv* is terrorist and whose goal is to bring out the terror which they believe is the essence of a bourgeois civil order. The IRA would be in the first category, the Baader-Meinhof group would belong to the second.

Wilkinson's refusal to consider seriously the social, economic and political environments in which terrorist movements gather force is another analytical shortcoming. His thesis that the more popularly legitimate a government is the more likely it will be subjected to terrorism by fanatical minorities is not unreasonable but not particularly helpful; not all liberal governments are popular, nor are all those he would call terrorist fanatics.

In South Africa, though, political realities are too crudely brutal for Wilkinson's arguments or the criticisms of them to have much relevance. South Africa is not a liberal democracy, not in the normal sense of the term. Indeed in the one reference to South Africa in the volume, Wilkinson disputes whether the majority has any duty of obedience to its rulers; here a *prima facie* case could be said to exist for the morally justifiable resort to political violence. The only inhibiting considerations are not moral but only practical: "Majority leaders need to weigh the chances of victory for their just rebellion against the possible loss of life."

For in South Africa, to employ Wilkinson's terminology, we have a state which uses violence rather than force and uses it constantly. It would be very difficult for a conservative political scientist in South Africa to write with the moral certainty of a Paul Wilkinson.

Significantly the local literature of counter-insurgency is almost exclusively technical; the local specialists are unconcerned with the broader field of political ideas and values. That is why they have such difficulties in recognising and evaluating the character and identity of those forces which seek the ending of the existing social arrangements.

Tom Lodge  
Dr Lodge is a senior lecturer in the Department of Political Studies, University of the Witwatersrand.

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## Intrigue in the Vatican

VATICAN by Malachi Martin  
(Secker and Warburg, R34,95)

book. Pope Pius XII, after World War II, saw evil unleashed in the world and died with the vision of the destruction of papal authority; Pope John XXIII, kind, saintly and with the innocent conviction that the Vatican Council could bring a spiritual renewal; Pope Paul VI who came after, to bear the burden of his predecessor's errors, and Pope John Paul I, who was aware that his efforts towards reform and restoration of authority could lead to his murder. He was found dead 34 days after he took the chair of St Peter, killed, according to Martin, by Soviet moles who had penetrated the Vatican.

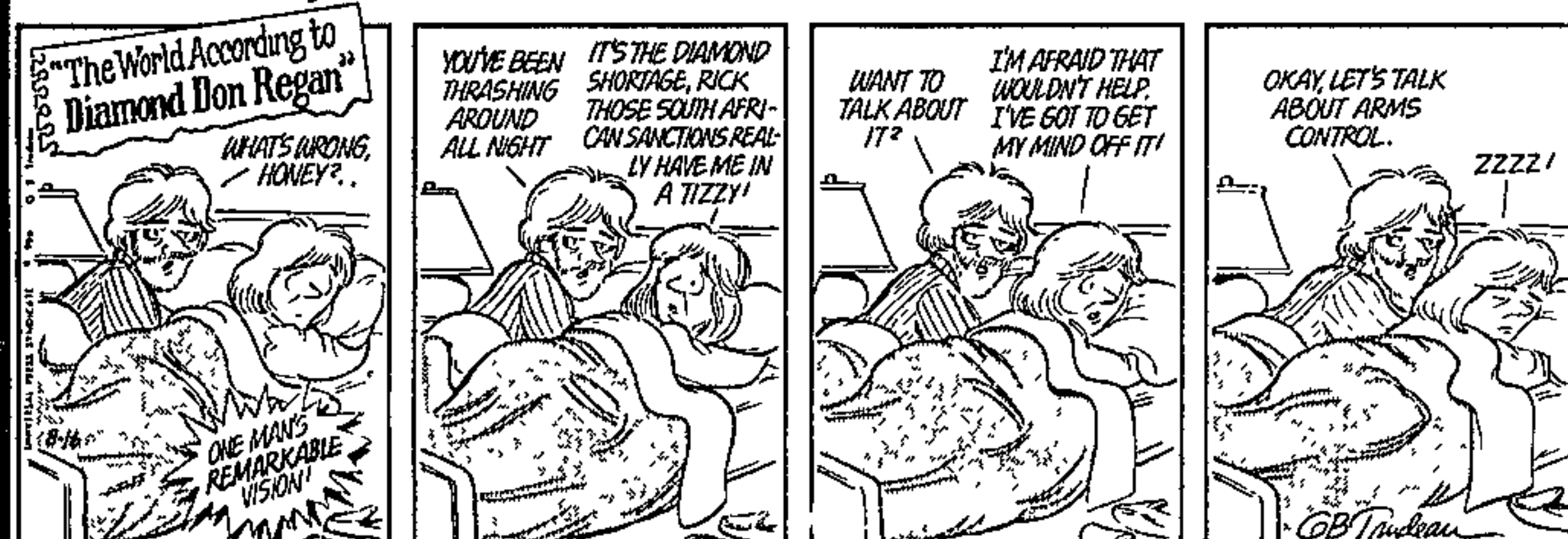
But, claims Martin, while there was a Bulgarian connection in the attempted assassination of the next pope, Pope John Paul II, this was the result of Western financial links with Freemasonry.

There is much more, and the treatment as a novel allows Martin to blend the factual with the fictional. The result is an intriguing book, written with authority.

Wilmar Utting

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## THE ECONOMY

# How 'freeing' the economy shackled small businesses

THE government's recent economic policy decisions have severely hampered small business and worsened growing unemployment, a think-tank heard last week at the University of Cape Town.

The gathering of several prominent South African economists was organised by the UCT School of Economics and the South African Labour and Development Research Unit (Saldru) to consider government macro-economic policy and its relationship to poverty.

The economists, representing a range of opinion, generally agreed that government mismanagement and inefficiency had led the South African economy into a perilous downward spiral.

And decisions to free the exchange rate, dramatically increase interest rates and move away from a controlled and regulated economy had hindered small business and increased the growth of unemployment, they argued.

"There was consensus that the sharp increase in interest rates was far too sudden, and benefited large scale enterprises, at the expense of the small businesses," said the Director of the UCT School of Economics, Professor Francis Wilson.

"And this came at a time when the government was talking about assisting small scale development and tackling unemployment."

The workshop, organised with the support of the West German-based Friedrich Ebert Stiftung, agreed that for any future economic growth significant political change was necessary.

Wilson stressed the need for professional economists to "engage in fruitful dialogue with policy makers, whether they be in Pretoria or Lusaka".

According to the workshop organiser, Terence Moll, "the government is on the run. No-one is investing in South Africa because of political uncertainty. In the past five years, investment has dropped in real terms every quarter."

"The crisis is endemic, not cyclical. There is virtually zero employment growth, and there has been a total collapse of the manufacturing sector, which is usually the engine that propels developing economies."

Government misallocation of resources was a recurring theme in the workshop. Wolfgang Thomas of the University of the Western Cape cited as an example the R840-million set aside in the 1986/7 budget for uranium enrichment projects.

There was general consensus among the economists that the liberalisation of monetary policy in the past five years and government moves towards a free market approach had

Recent policy decisions to free the exchange rate, increase interest rates and move away from controls had severely hampered small businesses and worsened the unemployment crisis, argued speakers at the UCT economics conference last week. MOIRA LEVY reports

exacerbated the economic crisis

"The government was seen to have abdicated its responsibility. It was trying to transfer its obligation to provide pensions and other forms of welfare to the private sector," Moll said.

This led to a deepening of the economic and political crisis, and the government was forced to see that this policy was unworkable, Moll said.

On the whole, some government departments were now starting to follow a policy of "mild redistributionism", some of the economists argued.

Although the concept of economic redistribution was until recently anathema to many policy makers, it is increasingly gaining acceptability, particularly in the Department of Constitutional Development and in the military, as a strategy to secure political stability and growth.

"It was agreed that there is a need for government to be thinking at the level of macro-economic policy about the reallocation of resources within the budget. More analysis is needed about the efficiency of different forms of state expenditure aimed at reducing poverty," Wilson said.

He said the workshop discussed the possibility of "reallocating funds away from defence and into pensions or carefully selected public works programmes."

UCT economists Iraj Abedian and Barry Standish argued that if the defence budget were redirected into public works programmes, close on two million jobs could be created.

Reallocation of funds within the state budget to increase pensions was also considered as a strategy to promote growth and combat poverty, especially in the rural area where the majority of black pensioners were situated.

Most of the economists agreed that redistribution was dependent on economic growth. Some suggested that white incomes would need to be pegged at their present level to enable the incomes of blacks to catch up.

Dr Wolfgang Thomas of the University of the Western Cape said increases in state spending generally benefited only the, usually white, middle and upper classes, while cuts in expenditure more directly affected the low income earners.

He argued that a relatively small share of the R1 000-million increased

expenditure on education in the 1986/87 budget actually reached black education, and the same is true of government spending on public sector and building programmes, he said.

Professor Mike Savage of the University of Cape Town, in an inaugural lecture delivered last week, argued that reallocation of government spending could significantly alleviate poverty in South Africa.

He said that in 1984 the Department of Education and Training identified a shortage of 3 327 primary school classrooms and 2 448 secondary school classrooms, a shortage that would cost the department R420-million.

The shortfall could be eradicated by switching the equivalent sum paid to the SA Development Trust over the past four years for purchasing land to consolidate black areas, it could be met in one year by disengaging militarily from Namibia. It could be met in just over two years by charging 15 percent of the cost of their education to white pupils.

Savage also cites a study by UCT economists Abedian and Standish which claims that the state allocated 15.8 percent of its budget in 1932 to providing jobs for poor whites.

Savage writes, "If a similar proportion of the 1986 budget was devoted to generating jobs, then R5 936-million would be made available for this. This would generate a total of either 2 920 000 jobs or 5 240 000 training positions."

"The 1930s experience among other things demonstrated that a fundamental reallocation of economic resources is required if unemployment and poverty are to be eradicated."

Savage argues that the state spends an excessive amount of its budget on maintaining the system of apartheid. He estimates that some 12 cents out of every rand spent by the government in 1985/6 "was directed towards maintaining and enforcing segregation, imposing apartheid programmes, and on policing and guarding the system".

The cost of running three houses of Parliament and 10 legislative assemblies, with their 12 270 members, approximately 121 ministers and 151 departments amounts to almost R50-million a year, Savage claims.

Pass laws, until they were abolished, cost the state between R89-million and R113-million a year to enforce. And to continue to employ the 1 204 officials who used to apply influx control now cost the government about R12.7-million. A further average of R6 734 863 is spent annually on applying the trespass laws which have replaced influx control

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## Doonesbury

BY GARRY TRUDEAU





# D-day for S A as ministers meet on sanctions

London Bureau

TODAY is D-day for sanctions.

The European Community today debates and decides the issue and a verdict is expected by this evening.

While West Germany is still playing its cards close to the chest, Portugal has continued to express opposition to sanctions against South Africa. But it is a junior member expected to fall in with the rest.

Mrs Thatcher has also stood out against sanctions against South Africa. However, she has also made it plain that she will go along with a consensus.

The feeling among diplomats and in Whitehall is that it

is now almost certain that what is known as 'The Hague package' of sanctions will be approved.

This involves a ban on imports from South Africa of coal, iron, steel and Kruggerands, as well as a ban on new investment in South Africa.

The view here yesterday was that approval would almost certainly be given to this list by the EC Council of Ministers, chaired by the British Foreign Secretary, Sir Geoffrey Howe.

The West German coalition Government has been consistent in opposing sanctions as an instrument of policy.

This has echoed Mrs Thatcher's view. But it seems likely

now that Britain's attitude will be that pressures within the EC for sanctions are so strong that delaying tactics are pointless.

Mrs Thatcher recognised this during last month's Commonwealth mini-summit in London when she rejected the more extensive sanctions list drawn up by the other Commonwealth countries but indicated that she would not block The Hague package if all the other EC countries were in favour of it.

Portugal's attitude, informed sources point out, is due largely to nervousness that, if sanctions caused the South African economy to deteriorate drastically, it could not

cope with an influx of its Portuguese citizens who took residence in South Africa after Mozambique and Angola gained their independence.

In a last-ditch bid to stave off sanctions, full-page advertisements were carried in the main British national newspapers yesterday, published by the Steel and Engineering Industries' Federation of South Africa.

The advertisements show a smiling young black girl targeted as if through the sights of a gun. The headlines state, 'You can be sure, sanctions against South Africa will find their mark.'

The text reads 'You hate apartheid. You feel moral compulsion to show your disapproval. Right and good. But be sure the weapon you choose is aimed at the right target.'

The girl pictured represents more than 2 500 000 people who live in South Africa and the neighbouring countries Mozambique, Swaziland, Lesotho and Botswana.

**'No money, no food, no hope'**

This number is directly dependent on 450 000 workers South Africa's iron, steel and related industries.

The advert says 'If sanctions are imposed on these commodities, many of these bread-winners will be faced with permanent loss of their jobs.'

It goes on to point out that in southern Africa unemployment means no money, no food and no hope, because the is no dole to turn to.

The advert suggests that, if the reader is against apartheid, the correct step is to encourage economic investment in South Africa.

'In this way support those in South Africa who can want to bring about social upliftment and political equality.'

However, anti-apartheid sources here dismissed the advertisements. They pointed out that leading black politicians had pressed for sanctions to be imposed.



280 25/9/86  
European Community set to approve limited curbs

# Sanctions 'day of reckoning'

The Star's Foreign News Service  
Brussels

European Community Foreign Ministers who meet in Brussels today seem set to approve a limited package of economic sanctions on South Africa.

Said one diplomat: "This is the day of reckoning."

A move towards sanctions after months of reluctance was foreshadowed at an informal meeting of the Foreign Ministers in Britain a week ago.

Britain, West Germany and Portugal seem to have relaxed their outright opposition to imposing any sanctions — though they remain unconvinced of the real effectiveness or justice of them.

Diplomats believe the likely outcome will be approval of a package along the lines laid down by their heads of government at The Hague in June.

That summit singled out a ban on EC imports of coal, iron, steel and gold coins, and a bar on new investment by EC companies in South Africa.

Alan Dunn of The Star Bureau in Washington reports that the Reagan Administration will have to act by the end of the week on a Bill for tough economic sanctions on South Africa — legislation it does not want.

But it will take more than adroit political manoeuvring for President Reagan to stop the "Anti-Apartheid Act of 1986" which will probably be given to him today to sign into law.

He will have to try to work against sanctions, which he feels will do more harm than good to those it is supposed to help — the black people.

Whatever Mr Reagan decides, his plans will be influenced by what sanctions the EC decides on at its meeting.

One possibility senior Reagan Administration officials are known to be discussing is a visit to Africa by US Secretary of State Mr George Shultz. It would demonstrate loudly and clearly the Administration's urgent concern for progress on the South African problem.

## Bonn holds key

At the EC meeting today, the Bonn Government will be in the uncomfortable position of holding the key to the outcome of the talks, and may argue for coal imports to be taken out of the package. That would provide Chancellor Helmut Kohl with the necessary gesture he needs to give his coalition partner Mr Franz-Josef Strauss, leader of the Christian Social Union — and a staunch opponent of sanctions.

West German Foreign Minister Mr Hans-Dietrich Genscher is understood to believe some form of sanctions is inevitable. He is concerned that any veto by West Germany could severely damage his country's hopes of joining the UN Security Council again next year.

British Prime Minister Mrs Margaret Thatcher promised other member states of the Commonwealth in August that she would not oppose any decision of the 11 other EC member states.

British Foreign Secretary Sir Geoffrey Howe is chairman of the EC Council of Ministers, and therefore more concerned than usual to promote a EC consensus.

He is expected to argue that although during his recent visit to South Africa he failed to persuade President Botha to make any significant shift over apartheid, diplomatic contacts with



September 15, 1986

# It's another critical day for South Africa

BRUSSELS — Foreign Ministers from 12 European governments meet here today for critical talks on sanctions against South Africa, and they are widely expected to agree to impose tough measures aimed at key exports from the Republic.

They will consider a ban on coal, iron, steel and gold coins — which together last year earned South Africa nearly R3,5-billion in exports to the EEC.

That list, now known as the "Hague Package", was drawn up in the Dutch capital at the end of June, when the 12 gave South Africa three months to release Nelson Mandela and lift the ban on the ANC.

They sent British Foreign Secretary Sir Geoffrey Howe on his ill-fated southern African "peace mission" and today he will formally report on his failure to persuade the South African Government to go any way towards meeting the demands.

## Sanctions policy

Sir Geoffrey, when he was in Washington last week for talks with the US Administration about a co-ordinated sanctions policy, stated:

"We considered the matter a couple of months back and decided, provisionally, to put in place further economic measures. We shall be looking next week as to whether we ought to be triggering those by the end of this month".

He met informally last weekend with his 11 European counterparts, and he said of those talks: "I think the majority view was quite plainly in favour of putting in place those measures on which we have already taken provisional decisions."

Britain holds the current presidency of the EEC Council of Ministers, and Prime Minister Mrs Margaret Thatcher's position is that she will not stand in the way of sanctions if the council decides to impose them.

On the eve of the meeting, British Government sources said the other two opponents of sanctions, West Germany and Portugal, appeared more ready to go along with a consensus in the EEC but their final positions would not be known until the talks begin.



SIR GEOFFREY Howe . . . report to Ministers.

## FOCUS

Diplomats here forecast an agreement "in principle" to impose sanctions, although the Hague Package may be modified.

There is opposition, in particular, to a ban on South African coal which importers have said could seriously increase world prices.

South African lobbyists have been busy during the past two weeks telling European governments that a coal ban could have catastrophic consequences for black employment in the mines, with up to 100 000 jobs put at risk.

If there is an agreement to impose sanctions it is not likely to be implemented immediately, although the deadline runs out at the end of this month.

Officials point out that there will be much work to be done in various departments of the 12 governments to define precisely what is to be banned and draw up regulations.

At that point, the op-

eration could slow down and become confused.

"It is not as simple as just saying stop buying South African steel," one official said.

Another problem facing the EEC is the failure, so far, to gain wider international co-ordination for a sanctions policy.

The British Government, in particular, considers that sanctions would not be really effective unless South Africa's big trade partners like America and Japan join in.

The Japanese show no enthusiasm, and the United States is not ready for the strong measures the Europeans are talking about.

Opinions on what to do differ considerably between European governments, for example, have no intention of cutting air

links with South Africa while the Americans think it is one of the better options.

Although there are governments in the EEC which do not want sanctions at all (the British, West Germans and the Portuguese), it seems unlikely that they will be able to hold their ground against the weight of opinion from the others.

And having threatened to take action, and been thoroughly rebuffed by the South African Government, there seems to be very little room left for manoeuvre.

The Commonwealth is waiting for Europe to put its money where its mouth is.

"For us, it's come down now to a matter of our international credibility," one diplomat remarked — Sapa

## The Media Council

THE South African Media Council is an independent body established to deal with various matters affecting media reporting and comment.

One of the council's functions is to receive and act upon complaints from members of the public who have not been able to get satisfaction by approaching a newspaper or other news





90 000 jobs at risk — Seifsa

# Last-ditch bid to stave off sanctions

INTERNATIONAL embargoes on South African steel and coal exports would cost the country's metal industries over 90 000 jobs — and force more than 500 000 people into starvation.

The warning, from Seifsa — the Steel and Engineering Industries Federation — is the latest shot in a last-minute battle by the country's steel and coal industries to stave off a growing international call for anti-SA sanctions.

European Foreign Ministers meet in Brussels today, when they will decide whether to endorse a provisional sanctions package which includes an embargo on imports of SA steel, iron, coal and gold coins.

Delegations from the steel and coal industries were in London last week to meet politicians and other decision-makers, while a R250 000 series of newspaper advertisements warned the British public of the effect sanctions would have on SA's blacks.

Reacting to all the activity, a Foreign Office spokesman said yesterday: "They have left it very late to put their case."

DAVID FURLONGER  
Industrial Editor

Seifsa's latest warning estimates a direct loss of 47 500 jobs if steel export routes dry up, and a further 46 000 from the effect on metal industries of the collapse of coal export markets.

With many breadwinners supporting five or six dependents, that would remove the only source of income for over half-a-million people.

A Seifsa spokesman said: "The estimated combined loss of 93 500 jobs represents over 20% of all employees in the metal industries. An accurate estimate of the impact of these cutbacks on other areas of economic activity is difficult to make, but it can be assumed that it will be significant.

"Taking into account the current level of excessive unemployment in the country, as well as the large number of dependents of each breadwinner, it becomes clear that an increasing number of people would be subjected to severe poverty

● To Page 2 ➡

## 500 000 people face starvation

and starvation as a result of sanctions."

Seifsa director Sam van Coller said yesterday the estimates were based on the assumption of total sanctions against South Africa. The survey was conducted by Seifsa's economic division among the 4 000 employer bodies linked to the federation.

An estimated 455 000 people work in the country's metal industries, of whom 355 000 are in blue-collar "scheduled jobs". Between 70% and 75% of all workers are black.

A full-page Seifsa advertisement appeared in British national newspapers on Friday, three days after a more low-key newspaper appeal by the coal industry.

The Seifsa advertisement depicts a smiling black girl with telescopic gun-

sights centred on her heart.

Under the heading, "You can be sure, sanctions against South Africa will find their mark", the advertisement warns that 2,5-million people in SA and surrounding states are directly cash-dependent on workers in the metal industries.

Warning that sanctions will cost many blacks their jobs, it states that many will be forced to return to countryside "devastated by successive years of drought".

"It will be the end of the road. Women and children, the aged, and the workers themselves will be faced with grinding poverty and, in many cases, certain starvation."

# D-Day

LONDON — Today is D-day for sanctions. The European Community (EC) will debate the issue and should come to a decision by this evening. While West Germany is still playing its cards close to its chest, Portugal has continued to express opposition to sanctions against SA. But it is a junior member and is expected to fall in with



● THATCHER

the rest. Prime Minister Margaret Thatcher has also stood out against sanctions but recently she made it clear she would go along with a consensus. The feeling among diplomats and in Whitehall is now almost certain that what is known as 'The Hague package' of sanctions will be approved. This involves a ban on imports from SA of coal, iron, steel and Kruggerands, as well as new investment in SA. The verdict here yesterday was that

MARGARET SMITH  
approval would almost certainly be given to this list by the EC Council of Ministers, chaired by British Foreign Secretary Sir Geoffrey Howe. The West German coalition government has been consistent in relation to this list by the EC Council of Ministers, chaired by British Foreign Secretary Sir Geoffrey Howe. The West German coalition government has been consistent in relation to this list by the EC Council of Ministers, chaired by British Foreign Secretary Sir Geoffrey Howe.

It has echoed Thatcher's view in relation to SA. But it seems likely now that Britain's attitude will be that pressures

within the EC for sanctions are so strong that delaying tactics are pointless. Thatcher recognised that during last month's Commonwealth mini-summit in London when she rejected the more extensive sanctions list drawn up by the other Commonwealth countries but indicated that she would not block The Hague settlement of Portugal's attitude was largely to nervousness that if sanctions caused the SA economy to deteriorate drastically, it could not cope with an influx of Portuguese citizens now resident in SA.

It was reported in Bonn yesterday that West Germany would not agree to ban SA coal imports today. Der Spiegel and the Welt am Sonntag quoted government sources as saying Bonn may agree to ban imports of SA iron, steel and Kruggerands but not copper as originally proposed.

## So Ministers meet on embargo



# US is seriously worried about SA — Nickel

By Hugh Robertson

The Reagan Administration is going to consider ways in which it can "manifest its very serious concern" with the situation in South Africa and the entire region, outgoing United States Ambassador to South Africa Mr Herman Nickel said in an interview last week.

He had been asked to comment on reports that senior members of the Republican Party had requested President Reagan to send a special emissary to South Africa to make US concerns known to the Government.

That is all I can say at this stage, but I stress that it has become patently obvious that you cannot isolate South Africa from the rest of the region and that what happens in South Africa and what policies are applied here have serious consequences for the whole of Southern Africa."

Mr Nickel, who has served an unusually long 4½-years as ambassador, is expected to return to Washington at the end of the month.

## EVADING SANCTIONS

He said that one of the first and most damaging effects of the sanctions campaign against South Africa had been to focus the national debate in this country on ways of evading sanctions rather than on the far more important matter of political and social reform.

Those of us who oppose sanctions always have predicted that this would happen and I have been struck since my return from home leave at the end of August by the extent to which the debate has changed in a short time.

Asked whether his return to the US coincided with a change in constructive engagement, he said:

"We had a policy review earlier this year and as you know President Reagan concluded he still opposed sanctions which would indiscriminately punish the economy of this country, an economy which has been an important factor in making the process of political and socio-economic change easier in the past."

"But we have a political system in the US in which the legislature is independent of the executive, and is also extremely powerful. The House of Representatives has approved a Bill on sanctions which is unacceptable to the President and he also has objections to the sanctions Bill approved by the Senate."

It is possible President Reagan will veto the Bill. But Mr Nickel pointed out that if two-thirds-plus-one of the Senate approve an agreed measure, this will override the President's veto.

Asked whether the momentum of disinvestment by banks and private companies was not making the Administration's opposition to sanctions increasingly irrelevant, Mr Nickel said: "There is no way in which we can dictate to the market. The market makes its own judgments and the market has come to some pessimistic

## conclusions about South Africa

"These are conclusions which have been as stringent as anything the legislature or pressure groups in the US have been trying to think up, especially in the financial field."

Because the market is flexible, unlike sanctions legislation, it is our hope that what will happen here will favourably impress international markets because I remain convinced that if the inevitable change in this country is to proceed in a relatively non-violent fashion, a growing economy that can absorb the increase in populations is of critical importance."

Mr Nickel said his time in South Africa had shown him the strengths and limitations of international influence, and especially US influence on the country.

One of the problems of US policy is the sense of people that the mighty US is in a position to determine the course of events if only it wanted to and if only it used its influence correctly. This is true of many Americans who have unrealistic notions of American power and who have notions that we can dictate events here.

It certainly is true of the disenfranchised majority in this country who are frustrated about the pace of change and look to international action to produce results.

The reality is that significant as US influence is the problems of South Africa essentially have to be worked out by South Africans themselves. I do think American encouragement and prodding has been one of the factors that tipped the scales in favour of reform in many instances especially in the socio-economic area.

One has to acknowledge that change in the socio-economic area is much easier than when it comes to the real gut question of political power but I don't think that socio-economic changes that have taken place — the emergence of powerful black trade unions, the crumbling of the old apartheid concept that urban blacks are merely temporary sojourners for instance — have been politically irrelevant.

## POLITICAL PROGRESS

"Each time there has been an advance in the socio-economic field, it has made the failure of equivalent political progress even more obvious, and has increased the pressure for political solutions."

Mr Nickel said it was tragic that the question of political power-sharing was being obstructed "because of the inability to break out of the vicious circle in which the Government claims it must first eliminate unrest, while the black community sees repression as a negation of reform and on obstacle to political dialogue."

He added that in spite of public criticism of constructive engagement by prominent South African black spokesmen "we are probably doing more in and with black communities than at any time."



Mr Herman Nickel Reagan Administration is aware that the effect of sanctions on South Africa cannot be isolated from the rest of sub-continent

US projects in South Africa were aimed at solving practical problems in black communities and aside from aid to Operation Hunger and to the victims of Crossroads violence included entrepreneurial training and education programmes.

"What we are doing is a good but insufficiently-told story, and it has created significant linkages between us and black communities throughout the country."

While it was true that many black leaders believed the US should be implementing sanctions, opinion poll data showed that only between 25 and 30 percent favoured sanctions — "on the mistaken premise that the suffering which would ensue would produce political liberation."

Mr Nickel said the US could not be absolved from making its own moral and political judgments about sanctions.

"We do not think that if sanctions turn out to be the failure we are convinced they will be, and only produce additional suffering and polarisation that blacks will feel a special debt of gratitude to those who advocated them or those who put them into effect."

Commenting on US contacts with the ANC he

said it was important for the US to talk to "all the players in this South African drama, and it is clear to us that the ANC is one of many players."

I don't think we can urge the South African Government to speak to all sides without doing so ourselves. But it is also important that we make clear to the ANC and all other parties that in its determination to see that apartheid comes to an end, we are equally interested in seeing that a post-apartheid South Africa is one that is genuinely democratic with effective protection of individual rights, freedom of speech and due process of law.

## INTELLIGENT DECISIONS

"In this regard, a free Press is essential for any democratic society to make intelligent decisions about the future. In countries where the governments blindfold the Press, they more often than not blindfolded themselves."

"The independence of the South African Press has been a great asset to South Africa internationally and has continued to be one of the important distinctions that have set aside South Africa from totalitarian societies, especially those of the communist world."

## Bonn 'won't go for SA coal ban'

BONN — West Germany will reportedly not agree to ban South African coal imports when European Community (EC) foreign ministers meet in Brussels today to co-ordinate economic measures against apartheid.

The weekly news magazine *Der Spiegel* and the *Welt am Sonntag* newspaper quoted Government sources as saying Bonn may agree to ban imports of South African iron, steel and gold Krugerrand coins, but not coal as originally proposed.

*Der Spiegel* said the Government was going back on undertakings made at the EC summit in The Hague in June when Chancellor Helmut Kohl included a coal import ban in measures he would be ready to take if Pretoria refused to institute reforms. — Sapa-Reuter.

15/9/76 - Sapa



September 16, 1986

## Priests back bishops on sanctions

### Mercury Reporter

ROMAN Catholic priests throughout the country have formally given their support to the Southern African Catholic Bishops' Conference (SACBC) for its stand on economic pressure.

The support was given in a resolution at the annual meeting of the South African Council of Priests (SACP) which ended in Mariannhill at the weekend.

The impression that a large body of 'rebel priests' in Durban opposed the bishops' on economic pressure was dispelled at the week-long meeting, said Mr Noel Bruyns, SACBC Press officer.

Opposition from the 'rebel priests' was given wide Press coverage when the bishops met to discuss economic pressure in April.

However, this publicity was based on disinformation, Mr Bruyns said yesterday.

The priests did meet, but were not informed beforehand of the reason for the

meeting. The statement released to the Press after the meeting opposing economic pressure did not reflect the sentiments of the majority of the priests present.

The Catholic bishops had decided to support economic pressure against South Africa as a means of ending apartheid but drew up short of calling for specific measures, pointing out they were not expert enough to gauge their effects.

2/1/86  
16/9/86  
2/8/86

## SA to lobby against trade sanctions at Gatt talks

HAMISH McINDOE

SA WILL use this week's ministerial-level talks of the General Agreement on Tariffs and Trade (Gatt) in Punta del Este, Uruguay, as an informal platform to lobby its trading partners against imposing further sanctions.

But the question of international embargoes will not be formally raised at the meeting, according to Jan van Rooyen, a private-sector member of government's Standing Advisory Committee on Gatt.

"A clearer picture should emerge on why Gatt's free trade principles are being flouted by member nations calling for sanctions against SA," he said.

Van Rooyen hinted, however, that Pretoria might lodge a formal objection with the Gatt Secretariat at some stage.

Trade ministers of the 74 participating nations are drawing up an agenda for the next round of multilateral trade talks.

There has been intense opposition to the inclusion of services such as banking and insurance in global trading rules, from 10 Gatt nations led by Brazil and India.

British Trade and Industry Minister Paul Channon said preparations could only go ahead if the principle of liberalising trade in services was accepted by the 74 countries participating in the talks.

A similar stance has been adopted by the US, Japan and the rest of the European Community.



# Europe reprieves SA coal

280

2/14  
16/9/86

**BRUSSELS**—Twelve European governments have agreed to ban imports of South African iron and steel and gold coins — but coal has been dropped for the time being, at least from the sanctions package.

After five hours of tough negotiations between foreign ministers from the EC countries, which were due to resume late last night, officials said a ban on new investment was also likely but had run into legal difficulties.

The officials said all 12 governments had reached a broad agreement on iron, steel and Krugerrands, but opposition from West Germany and Portugal had stopped coal — one of South Africa's most important foreign-currency earners — from being included.

The sanctions are due to come into force at the end of this month, but governments have to work out exactly how to implement them.

Last year South Africa exported iron and steel worth R777 million and gold coins worth R260 million to Europe.

## **Three months**

By comparison, coal sold to Europe brought in R2.3 billion.

Iron and steel and gold coins amount to about 6% of South Africa's total exports to Europe.

The EC drew up the sanctions list at the end of June, giving South Africa three months to make progress on the dismantling of apartheid and the freeing of Nelson Mandela.

But the mission by the British Foreign Secretary, Sir Geoffrey Howe, failed to persuade the South African Government to meet the demands.

Earlier in yesterday's talks, the foreign ministers were deadlocked on whether to impose even the limited sanctions which included a ban on new investments in South Africa and a halt to the import of coal, iron, steel and Krugerrands.

The Germans had sought to drop coal from the import ban, according to several delegation sources, and the Portuguese expressed concern about possible South African reprisals for EC sanctions.

Officials said the issue of a ban on coal could be discussed again by the European governments before the end of this month, and some diplomats said it might be used as a future threat against the South African Government. — (Sapa-Reuter)

# O'Brien criticises anti-SA 'radicals'

*News 16/9/86 (220)*  
The Argus Foreign Service of the IRA's political wing, Sinn  
DUBLIN. — A bitter attack on the Fein, which "supports the murder  
Irish Anti-Apartheid Movement campaign in Northern Ireland"  
was made by its former chairman,  
Dr Conor Cruise O'Brien, as he left  
here for South Africa to take up a  
five-week lectureship at UCT.

He said the AAM was being used  
as "a flag of convenience by radi-  
cals and revolutionaries" in Britain  
and Ireland.

Dr O'Brien claimed the Irish  
body was partly under the control

He was replying to critics of his  
South African trip in an article in  
the Irish Independent newspaper

"The AAM can be a useful blud-  
geon with which radicals and revo-  
lutionaries can intimidate and de-  
moralise moderates on university  
campuses, in trade unions, in the  
media and elsewhere," said Dr  
O'Brien

"In this way the radicals and  
revolutionaries increase their per-  
sonal clout."

He said the academic boycott of  
South African universities being  
promoted as part of the anti-apar-  
theid campaign had been repudiat-  
ed by the majority of scholars in  
Western Europe and North Ameri-  
ca.

● The politics of siege societies —  
Page 17.



# Former chairman lashes Irish AAM

The Star's Foreign  
News Service

DUBLIN — A bitter attack on the Irish Anti-Apartheid Movement was made by its former chairman, Dr. Conor Cruise O'Brien, as he left Dublin for South Africa to take up a five-week lectureship at the University of Cape Town.

He said the AAM was now being used as "a flag of convenience by radical and revolutionaries" in Britain and Ireland, and claimed that the Irish body was partly under the control of the IRA's political wing, Sinn Féin, which "supported the murder campaign in Northern Ireland".

In an article in Ireland's main national

daily, *Irish Independent*, replying to critics of his trip to South Africa, Dr O'Brien wrote that the AAM "can be a useful bludgeon with which radicals and revolutionaries can intimidate and demoralise moderates on university campuses, in trade unions, in the media and elsewhere."

"In this way, the radicals and revolutionaries increase their personal clout. And the more unreasonable and unjust the demand made in the name of the AAM, the more the effectiveness of the clout in question will be demonstrated."

Dr O'Brien said he remained firmly anti-apartheid, but the movement he had joined had been open and liberal. Today it



Dr Conor O'Brien

was one where "you do what you are asked or we'll brand you a traitor".

He said the academic boycott of South African universities being promoted as part of the anti-apartheid campaign had been repudiated by most scholars in Western Europe and North America. It was "nonsense", since many of the scholars affected were opponents of the South African regime.

Body blow to steel, iron, gold coins

# SA is gearing up to fight EC sanctions

SMK  
280  
16/9/86

By David Braun and Colleen Ryan

The Government and business leaders are gearing themselves to fight off the sanctions package being finalised by European leaders in Brussels today.

The first move was made last night when President Botha announced an economic conference to be attended by leading South Africans on November 7 to plan a development strategy.

The European Community (EC) decision yesterday to impose sanctions on steel, iron and gold coins imports from South Africa would have disastrous effects on the economy and the job market, an industry spokesman said.

## EC searches for way to resolve deadlock

By Michael Morris,  
The Star's Foreign  
News Service

BRUSSELS — Talks resumed early today in an attempt to iron out serious disagreement over European sanctions against South Africa.

Other important business was set aside to enable the European Community (EC) to resolve its plan of action against apartheid.

But a further meeting later this month may be required.

Eight hours of hard bargaining over The Hague measures — and the question of excluding a coal ban — ended in deadlock after midnight.

Holland and West Germany are at loggerheads over the proposed coal ban, the most significant of The Hague measures, and the one with the most potential to damage the South African economy.

British officials were optimistic that the dispute would be settled today and a plan of action, including all or some of The Hague measures, agreed on.

But the contenders left their Charlemagne headquarters here in the early hours sticking to their guns.

West Germany refused even to consider a coal ban. Holland, with the support of Ireland and Denmark, refused to accept any package which excluded it.

Bonn opposed the coal measure because it believed it would cause huge unemployment and would not have the backing of other industrial nations.

Holland, Denmark and Ireland insisted that a package of sanctions without a coal ban

fective".

With neither side willing to accept a compromise, an earlier proposal to exclude a coal ban for the time being, and push ahead with bans on iron and steel and gold coin imports and new investment, floundered.

The West German Foreign Minister, Mr Hans-Dieter Genscher, strode out when the meeting was adjourned, waving journalists aside.

He almost certainly consulted Chancellor Helmut Kohl to chart strategy for today.

Other foreign ministers may also have contacted their heads of state to determine how to proceed.

British Foreign Secretary and chairman of the meeting, Sir Geoffrey Howe, has reminded them that the EC's credibility as a force in international affairs is at stake. He is determined to resolve the matter today.

Confused rumours spread at the late adjournment of the meeting. When a handful of delegation officials finally emerged they were swamped by the Press contingent of several hundred.

Half a dozen briefings were held along the corridors.

An Irish official summed up the task the Ministers faced when they gathered again this morning. "They all have to decide whether half a loaf is better than no bread at all."

He made it plain that Ireland, Holland and Denmark felt that the exclusion of a coal ban would "send a false signal" to Pretoria and the world, and that the three countries viewed the whole Hague package as the

The director of the Steel and Engineering Industries Federation of South Africa (SEIFSA), Mr Sam van Coller, said today that the imposition of sanctions was a serious blow to the country's iron and steel sectors.

"A direct ban on iron and steel imports by the EC could spread to other markets."

He said it was good news if the EC decided not to ban coal. This would provide indirect relief to the metal industries because of the interaction between the two sectors.

SEIFSA has warned that 93 500 jobs would be jeopardised in the metal industries if sanctions on coal, iron and steel are imposed.

Mr van Coller said that even if coal was not affected, at least 50 000 jobs would be in jeopardy.

The Chamber of Mines recently issued a warning about the damage sanctions would cause, pointing out that almost 100 000 workers were employed on the coal mines.

In response to the announcement of further sanctions, Minister of Foreign Affairs Mr Pik Botha said the Government would not impose punitive counter measures for the sake of retaliation, but would take appropriate steps to protect the interests of the country.

"We cannot stand idly by while the livelihood of our workforce is jeopardised. South Africa can in no way be held responsible for the predictable and unpredictable consequences of sanctions."

The United Democratic Front said it was an offence in law, particularly the emergency regulations, to call for sanctions on South Africa.

"Nevertheless," said UDF national chairman Mr Azar Cachalia, "the UDF regrets the unwillingness of Western Germany and Portugal to go along with the luke-warm proposals of the European Community."



Professor warns against counter-sanctions

# Power-sharing 'holds key to SA problems'

8/11/86 16/9/86 280

By Inga Molzen

South Africa could head off the imposition of sanctions by bringing all segments of its population and all relevant political movements to the bargaining table.

This is according to Professor Richard F Weisfelder, a professor of political science at the University of Toledo in Ohio, who said last night that a rational response by South Africa to any sanctions proposed by the European Community would be to get "to the root of its problems".

Speaking at the University of the Witwatersrand at the invitation of the South African Institute of International Affairs, he warned South Africa against imposing counter-sanctions on its neighbours.

South Africa should avoid engaging "in a peripheral scramble which would worsen its problems", he explained.

He spoke of the long-term political and economic consequences of South Africa putting pressure on neighbouring states.

The imposition of comprehensive or selected counter-sanctions by South Africa on neighbouring countries would be seen by the outside world as another attempt to find an external scapegoat, said Professor Weisfelder.

"A tit-for-tat reaction by South Africa to put pressure on neighbouring states rather than dealing with the situation at home would be to South Africa's detriment."

## Way to solve problems

He called for a move away from "reform from above" and said problems should be solved through power-sharing.

Professor Weisfelder said an all-party conference to discuss "in good faith the future of this country is needed to reach some accommodation".

It had to be convened without preconditions, he said.

"What it seems that Mr Botha is asking for is

unilateral disarmament from one side," he said.

South Africa might exert pressure on the Frontline states through coercive military action to economic counter-sanctions and destabilisation, he said.

"The problems of economic dislocation and collapse, caused by pressure from South Africa on its neighbouring countries, would spill over into South Africa itself," he said.

If South African military and economic pressure puts in jeopardy international projects in neighbouring countries, this would raise a protest which would be carried over to Parliament. This would fuel a demand for collective sanctions, he said.

## Political goal

The political goal of the Southern African Development Co-ordination Conference (SADCC) — launched six years ago — was the dismantling of apartheid.

The SADCC strategy was based on using peaceful means to effect change in South Africa, he added.

"They are calling for economic pressure — which is largely psychological in its character — to generate the recognition that there's an urgency to change which there wasn't before," he said.

The Frontline states are being "treated as pawns, more than ever before, in an international game. A game where both will lose, but the question is who will lose more seriously", he said.

The SADCC member countries had developed rich networks overseas and these institutional ties "gives them more resilience in facing up to South African pressure or potential pressure".

He said that incremented sanctions or "creeping pressure" was "obviously not the solution either because it will give the SADCC countries time to adapt and mobilise their allies".

With counter-sanctions the unexpected could happen, he said.

*BUSINESS*  
**SA pressure could be counter-productive** *16/9/86 (280)*

*16/9/86* **THELMA TUCH**

SA'S response to sanctions from abroad by applying counter-sanctions on neighbouring countries could result in the West imposing more comprehensive sanctions on SA, says Richard Weisfelder, professor of political science at Toledo University, Ohio.

He told an SA Institute of International Affairs meeting at Witwatersrand University that SA's systematic destabilisation of the Southern African Development Co-ordination Conference (SADCC) states had cost them \$10bn.

However, despite that destabilisation,

the SADCC had developed relationships with countries and international financial institutions which made them collectively more resilient to SA pressure.

Weisfelder said SA's efforts to respond to sanctions pressure by exerting military or economic pressure on its neighbours would fuel the demand for comprehensive sanctions.

Further, the effects of counter-sanctions, including economic dislocation and increased insurgency, would inevitably spill over into SA which, in turn, could be faced with consequences such as a refugee problem.



# Academic boycott helps no one

I SHOULD at the outset make it clear that while I am uncompromisingly against apartheid, and always have been, I believe that academic boycotts against institutions like the University of Cape Town are not only unjust but silly.

I interpret being anti-apartheid as just that — I would, consequently, be quite prepared to boycott any academic institution that is not integrated. But where an institution is desegregated, as is the case with UCT, to boycott it on the grounds that the state in which it is situated supports apartheid seems to me quite misguided.

Since this institution is setting an example to the state, it seems to me be silly to boycott it now, because there will come a day when apartheid is dismantled and then there will be a need for the people at university to deal with the problems that will invariably still exist in the post-apartheid era.

## Hatred for scholars

To boycott the university and to try to force out those people committed to seeing apartheid end seems to be senseless. Also, such a boycott inflicts no damage whatever on the apartheid regime.

The current regime has not much cared for the universities in South Africa which are integrated. The Afrikaner right distrust and fears them, and has a particular hatred for certain South African scholars who have challenged some of the myths on which the apartheid ideology is based. I suspect that the regime rather enjoys the spectacle of those universities being threatened or boycotted.

But it would be wrong to say that I am against boycotts in principle. For example, I believe a case can be made for certain types of sports boycotts where these would pressure an intransigent Pretoria government to make concessions towards multi-racialism in this country.

However, sports boycotts are a special case because they carried more leverage since the supporters of the regime are fanatically attached to various sports and some of them are very good at them. And certainly those sports boycotts were of a nature to induce renewed thinking about the apartheid system and to a certain extent did so.

But with the universities it is quite different. I don't think the supporters of the regime are capable of being in any way impressed by an academic boycott. So I don't think it serves any useful purpose. I think it's stupid and unjust.

DR CONOR CRUISE O'BRIEN discusses the reasons behind his decision to do a five-week lecture stint at the University of Cape Town, despite calls both in South Africa and from abroad for him to observe the international boycott against South African academic institutions. Dr Cruise O'Brien, the deputy chancellor of Trinity College in Dublin, will from today be teaching a course on siege societies in UCT's political science department. Dr Cruise O'Brien is former chairman of the Irish anti-apartheid movement, a former Irish cabinet minister and former editor of The Observer.

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I also think that it tends to discredit the anti-apartheid cause, particularly in Western Europe and North America. Indeed many international scholars emphatically repudiate the whole idea of such a boycott.

The matter has been put to the test recently in relation to the world's archaeologists. The World Congress of Archaeologists was — or was to be — held recently in Southampton.

South African archaeologists were originally invited, as has always been the practice, to take part in the congress. But the British organizing committee, under pressure from miscellaneous British militants — including the British anti-apartheid movement — withdrew the invitation to the South African scholars.

And then the relevant international scholarly body — the International Union of Pre-historians — withdrew its recognition from the Southampton Congress and announced that the official World Con-

gress of Archaeologists will be held next year in Mainz, West Germany, with the participation of the South African scholars.

The reason why the IUPPS withdrew its recognition from the Southampton Congress was that the British organizing committee, in dis-inviting the South Africans, had violated one of the basic rules of the union, which was that no scholar was to be discriminated against on grounds of race, religion or nationality.

That salutary rule was instituted in the Thirties, to mark the rejection by the scholarly community of the principle by which the nazis were purging the German universities.

## 'Act of betrayal'

It is sad, but symptomatic, that a rule which is expressive of the essential moral principles of anti-apartheid can now be violated in the name of anti-apartheid.

The current chairman of the Irish anti-apartheid movement, Professor Kader Asmal, has described my coming to UCT as an "act of betrayal" against the movement.

But when I was head of the IAAM not so long ago, the body was open and did not regard itself as a disciplined revolutionary movement. It was a liberal organization in the sense that what was in common to the members was an opposition to all forms of racial discrimination, including apartheid. But what any particular member did about this was up to his own personal judgment and conscience.

However, the present chairman regards it as his duty to support the revolutionary movement in South Africa and to discipline anyone within the IAAM that is not prepared to go that far. My brand of betrayal is seen as a willingness to teach at a South African university, regardless of whether it practises apartheid or not.

To force liberals to renege on their own principles is sweet triumph indeed for people who have always despised liberalism as a bourgeois sham and academic freedom as a bourgeois trick.

Therefore liberals should not automatically stampede, in a flurry of guilt, at the mere cry of "anti-apartheid". They should always look carefully at any particular proposals presented in that name to see whether it is right and just in itself, and whether and in what way it can really help to bring apartheid to an end.



—IT is going to be much harder to get effective sanctions in place against South Africa than it was against Rhodesia because bigger interests are involved. There is likely to be a wide gap between promises and practise, as has already been demonstrated in Zimbabwe.

# Sanctions: Just like Swiss cheese, and doughnuts!

Argus 16/9/86 280

**S**ANCTIONS are similar in a way to Swiss cheese and doughnuts in that all have holes in them. The difference with sanctions, of course, is that the holes are not supposed to be there.

Trying to make, or plug, the holes is going to be an increasing preoccupation as international sanctions against South Africa become inevitably broader and more complex.

It is going to be much harder to get effective sanctions in place against South Africa than it was against Rhodesia because bigger interests are involved. There is likely to be a wide gap between promises and practise, as has already been demonstrated in Zimbabwe.

Prime Minister Robert Mugabe was put in an awkward spot when, right at the beginning of the recent Non-Aligned Nations summit in Harare, Pretoria brandished the preferential trade agreement his government had signed with South Africa only a short time before.

When journalists at the NAM summit pointed to the apparent conflict between the South African trade agreement, and Zimbabwe's sup-

From GERALD L'ANGE, the Argus  
Africa News Service, in JOHANNESBURG

port for the Commonwealth sanctions, Mr. Mugabe said the sanctions would override the trade agreement.

This left many people with the impression that he was signalling the scrapping of the trade agreement. Some journalists even reported so. But both Mr Mugabe, and Pretoria, knew that that was not the case.

What he really meant, but was careful not to say, was that wherever the sanctions conflict with the agreement they will take precedence. In all other respects the agreement will still apply.

**H**OW Pretoria will react to this situation is not publicly known, but knowledgeable observers believe it will accept it. If Zimbabwe, for instance, were to stop buying South African steel, to comply with the Commonwealth sanctions, then steel would simply be treated as an exception to the agreement.

And even if Zimbabwe unilaterally abrogated the whole agreement that would not necessarily halt trade between the two countries. It would simply mean that it would revert from preferential tariff status to the most-



Mugabe

favoured-nation status of the GATT agreement, of which both countries are signatories.

Even if the GATT terms, or any others in existence were to fall away, trade across the Limpopo would not necessarily stop. It could continue on whatever terms were negotiated between the individual traders concerned.

The only thing that would stop trade altogether would be for one, or both, countries to close the border, and neither Zimbabwe nor South Africa want that, whatever their leaders might say in public. Zimbabwe conceivably would not do it unless the Security Council imposed

mandatory sanctions, leaving it no option.

The consequences of a border closure could be painful for South Africa and disastrous for Zimbabwe. Even the limited Commonwealth sanctions stand to hurt Zimbabwe.

For instance, the sanctions would bar Zimbabwean imports of South African coal at a time when it relies entirely on coke from the Republic to keep its steel industry going, the coking ovens at Wankie having been closed for repairs until the end of 1987. Coke from overseas would be much more expensive, and it might be impossible to transport enough of it on the overburdened Tazara railway that would be the only alternative route.

In sanctions, however, finding loopholes is the name of the game. Some in Zimbabwe have questioned whether coke could be defined as coal in terms of the Commonwealth sanctions. Coke, they argue, is a by-product of coal and therefore not covered by the sanctions.

A thin argument, perhaps, but would any of Zimbabwe's Commonwealth partners challenge it if it meant the difference between the survival and collapse of the country's steel industry?



# Dutch block accord on SA

BRUSSELS. — The Netherlands last night blocked ratification of an accord on a weakened list of limited European Community economic sanctions against South Africa, Community diplomats said.

They said the Dutch argued that the revised package lacked credibility after a ban on coal imports, the key element in the original package agreed by Community leaders in The Hague in June, was dropped at the insistence of West Germany and Portugal.

Foreign ministers adjourned talks in Brussels on the measures till today.

Diplomats earlier indicated community members were ready to implement the package without coal but the Netherlands held out for an assurance that it

could perhaps be re-included at a later date.

The other more minor measures were a ban on new investments in South Africa and on imports of iron, steel and gold coins.

President PW Botha yesterday condemned the sanctions move as a "stupid march of folly" that would encourage revolution.

Opening a conference of gold dealers and investors in Johannesburg last night, Mr Botha said the threat of further sanctions had raised "the haunting spectre of nationalization" by a future black government.

The Minister of Foreign Affairs, Mr Pik Botha, said the government would take not stand idly by in the face of the latest sanctions.

"We will not initiate sanctions against other countries nor will we impose punitive measures purely for the sake of retaliation.

"However, now that further pu-

nitive measures have become a reality the South African government will consider appropriate measures in defence of the sectors affected and in the interests of the country as a whole.

"We cannot stand idly by while the livelihood of our workforce is jeopardized.

"The South African government can in no way be held responsible for the predictable and unpredictable consequences of sanctions," he said.

After five hours of tough negotiations between foreign ministers from the EC countries, officials said all 12 governments had reached "a broad agreement" on iron, steel and Krugerrands, but opposition from West Germany and Portugal had stopped coal — one of South Africa's most important foreign-currency earners — from being included.

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Chess notes — Page 1

From Page 1

The sanctions are due to come into force at the end of this month.

Officials said the issue of a ban on coal could be discussed again by the European governments before the end of this month, and some diplomats said it might be used as a future threat against the South African Government.

Last year South Africa exported iron and steel to Europe worth R777 million and gold coins worth R260 million.

By comparison, coal sold to Europe brought in R2,3 billion.

Iron, steel and gold coins amount to about six percent of South Africa's total exports to Europe.

Meanwhile, PFP leader Mr Colin Eglin said: "The PFP has warned for some time that sanctions have been moving towards South Africa like a tidal wave. Unfortunately the government has done precious little to avoid them.

"Although the package isn't as severe as it might have been, it's still tough and will cause unemployment."

Reacting to the EC decision, Trade and Industries Minister Dr Dawie de Villiers said it was a sad day when emotion and political expediency dictated international decisions instead of rational and logical argument.

"Obviously this decision was not based on reason. This is proved again now that coal is suddenly not included. Why? Because it does not suit the interests of a number of governments."

Mr Alan Cook, Rand Mines director and chairman of the Chamber of Mines Collieries Committee, said the industry was obviously very pleased the ban on coal had not been implemented.

Mr Sam van Coller, director of the Steel and Engineering Industries Federation (Seifsa), said the EC decision was likely to have a serious impact on the metal industry.

Mr Colin McCarthy, director of the Cape Chamber of Commerce, said that while the EC package would have no direct effect on industry in the Western Cape, it would have an impact on the country as a whole "and therefore we all will suffer". — Political Correspondent, Sapa-Reuter-AP.

# SA gears up to fight sanctions

## Political Staff

GOVERNMENT and business leaders are gearing themselves to fight off the sanctions package being completed by European leaders in Brussels.

The first move was made last night when President P W Botha announced an economic planning conference to be attended by leading South Africans on November 7 to plan a development strategy.

The European Community decision yesterday to impose sanctions on steel, iron and gold coins from South Africa would have disastrous effects on the economy and jobs, industry spokesmen said today.

## European deadlock on curbs continues

BRUSSELS — The 12 European Community (EC) nations are still deadlocked on the second day of talks on economic sanctions against South Africa, officials said.

British delegates said during yesterday's session that a "tentative accord" had been reached to impose four of five proposed measures.

But a final decision was blocked after several countries objected to the watered-down version of a sanctions package originally proposed by EC leaders on June 27.

Other important business was set aside today to allow the EC to resolve its plan.

### BARGAINING

But a further meeting later this month may be needed.

Eight hours of hard bargaining over the measures — and the question of excluding a coal ban — ended in deadlock after midnight last night.

Holland and West Germany are at loggerheads over the proposed ban on South African coal — potentially the most damaging to South Africa's economy.

Delegates left the talks here in the early hours, sticking to their guns.

Germany refused even to consider a coal ban. Holland, with the support of Ireland and Denmark, refused to accept any package which excluded it.

Germany opposed the measure because it believed it would cause huge unemployment and would not have the backing of other industrial nations.

### FOUNDERED

Holland, Denmark and Ireland insisted a package of sanctions without a coal ban would be "meaningless and ineffective".

The West German Foreign Minister, Mr Hans-Dietrich Genscher, strode out when the meeting was adjourned.

He almost certainly consulted Chancellor Helmut Kohl from his hotel to chart today's strategy.

Other foreign ministers may also have contacted their heads-of-state on how to proceed — The Argus Foreign Service and Sapa-Reuter.

Mr Sam Collier, director of the Steel and Engineering Industries Federation of South Africa (Seifsa), said: "We are extremely concerned. A ban on iron and steel imports by the EC could spread to other markets."

Mr van Collier said even if coal was not affected by the EC ban, at least 50 000 jobs would be in jeopardy.

The Chamber of Mines has warned of the damage sanctions would do, saying almost 100 000 workers were employed on South Africa's coal mines.

### Protection

The Minister of Foreign Affairs, Mr P W Botha, said the Government would not impose punitive counter-measures for the sake of retaliation, but would take appropriate steps to protect "the interests of the country as a whole".

"We cannot stand idly by while the livelihood of our workforce is jeopardised. South Africa can in no way be held responsible for the predictable and unpredictable consequences of sanctions."

Mr Harry Schwarz, the Opposition's chief spokesman on finance, said the EC package would undoubtedly be the key issue at the November conference.

He welcomed the meeting, which he called for earlier this year, because it was necessary that the country's leaders got together to discuss measures for the economy on a non-political basis.

The UDF said it "wishes to point out that it is an offence in terms of the law and particularly the emergency regulations to call for sanctions".

Its national treasurer, Mr Azar Cachalia, said: "Nevertheless, the UDF regrets the unwillingness of West Germany and Portugal to go along with the EC's lukewarm proposals."

### Questions

Mr Raymond Parsons, chief executive of the Association of Chambers of Commerce, said the timing of the economic summit was ideal in view of political pressure overseas and optimism in South Africa about a recovery from the recession.

"There are crucial political as well as purely economic questions that need answers," he said. "Not only South Africa but the whole world will be listening to hear if the Government and business can work out a convincing plan."

Professor John Barratt, director-general of the South African Institute of International Affairs, said he had not expected the EC countries to agree on widespread sanctions — and expected the same in the United States.

"This is not to say that the level of sanctions will not be further increased next year."



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**BUSINESS DAY, Tuesday, September 16 1986**

**FORMER** Rhodesian Prime Minister Ian Smith has called on Australians to pressure the Hawke government into not interfering in SA politics.

In Australia as guest of the Australian-Rhodesian Air Force Association, the ex-RAF fighter pilot took Australia to task for condoning terror groups such as Swapo and the ANC.

“If you are giving terrorist groups sustenance, it is difficult to find it compatible with a stance of promoting peace

# Lay off SA, Australians told

**MARSHALL WILSON**

and well-being in the world," said Smith during a brief stop-over in Perth on his way to Sydney.

The man who defied world sanctions and terrorist assaults on his beleaguered country for 15 years of UDI said it was

important for the Australian government to realise sanctions would only further unify South Africans.

One of the original concepts of the United Nations was that member na-

tions should not interfere in the internal affairs of another.

"It seems to apply to every country in the world except SA," he said, adding it was easy for Australians who lived 10 000km away to prescribe a solution to racial problems in Africa — particularly if it brought world-wide publicity.

# The Hill Samuel Group (v. 1.1)

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מחלקת המחקר והפיתוח

**Deegan administration officials:**

## Another day of sanctions wrangling

16/9/86  
Eve Rod

BRUSSELS — European Community Foreign Ministers have failed to agree on economic sanctions against South Africa and now face another day of wrangling on what measures to impose as a protest against apartheid.

The 12 Ministers broke off discussions yesterday after West Germany blocked a proposal to ban imports of South African coal.

This was unacceptable to the Netherlands, which was supported by Denmark and Ireland, EC diplomats said.

One said the Dutch made a "brave but largely futile" attempt to get Bonn to change its mind about the coal ban, the most significant of the suggested measures.

The Dutch Foreign Minister, Mr Hans van den Broek, said the community needed to send a clear signal to South Africa.

He described the sanctions as the EC's last option after the failure of political pressure.

Diplomats said the Netherlands and its allies had indicated a willingness to accept a watered-down package of sanctions agreed in principle at the EC's summit in The Hague last June, if the coal ban remained an option for later inclusion.

West Germany, backed by Portugal, refused to budge from its tough opposition to an embargo on coal imports, which total \$1.3 billion (R3 billion) a year.

EC diplomats quoted the West German Foreign Minister, Mr Hans-Dietrich Genscher, as saying his Government would not accept the coal ban, because it shared Portugal's fears that an embargo would harm thousands of immigrant workers from Mozambique who work the South African coal fields.

Most diplomats were certain a deal would be reached on German terms.

"What we have decided effectively is to embargo things we do not import," the Spanish Foreign Minister, Mr Francisco Fernandez Ordonez, told Spanish journalists, saying the items accounted for no more than 1% of South Africa's exports. — Sapa-Reuter



# US fizz will be taken out of Coke

ATLANTA — Coca-Cola said it has adopted a plan to sell its remaining holdings in South Africa, in part to groups of black investors.

Donald R. Keough, president and chief operating officer, said: "We have been reducing our investment in SA since 1976 and we have now decided to sell our remaining holdings in that country. Our objective is not solely to disinvest. We will disinvest in a way that creates significant multi-racial

equity participation in the SA soft drink industry." *BUSDAY 11/9/76*

Keough said the company's decision to complete the process of disinvestment "is a statement of our opposition to apartheid and of our support for the economic aspirations of black South Africans".

Keough said details of the sale are being developed and that the process

should be completed within six to nine months.

Earlier this year, Coca-Cola reduced its stock holdings from 60% to 30% in Amalgamated Beverage Industries, a franchise bottler and distributor of Coca-Cola in SA. The stock was sold to SA Breweries.

Coca-Cola also holds a majority interest in an SA canning business which sells finished canned products to independent bottlers. — AP-DJ.

Ministers locked in uncertainty

# EC dithering over sanctions package deal

16/9/86  
BUSDAM  
280

LONDON — European Community (EC) Foreign Ministers were locked in uncertainty in Brussels late last night over the imposition of a five-point package of sanctions against SA.

While some reports said the 12 EC governments had agreed to ban imports of SA iron, steel and gold coins — but had dropped coal from the sanctions package for the time being — others dismissed them as “mere rumour”.

After five hours of tough negotiations yesterday between EC Foreign Ministers, which resumed last night, officials said a ban on new investment was also likely but had run into legal difficulties.

The meeting, billed as the “day of reckoning” for SA, broke for dinner with Foreign Ministers refusing to comment on speculative reports that there was serious disagreement over an EC ban on SA coal imports — and that coal had been dropped from the package.

EC sources said there might be agreement on sanctions against SA iron, steel, new investments and Krugerrands — but that West Germany and Portugal had fiercely opposed the inclusion of coal as

Own Correspondent  
and Sapa

impractical, reducing the sanctions package to four points.

Reports in Brussels said West Germany was also questioning the imposition of the rest of the package of sanctions on new investments, iron, steel and Krugerrands, on the grounds that there would be serious legal difficulties in enforcing them.

However, a British diplomat said Germany was over-stressing “technicalities” which could be readily overcome.

The official EC meeting spokesman said those claims and reports were mere rumour and he declined to comment further.

Another senior official said: “The issues are extremely complex. All such speculation should be treated cautiously until a formal announcement is made.”

He said the meeting would reconvene for technical and legal discussion but could not be certain that unanimous agreement would be reached during the

● To Page 3 ➡

## EC dithers over sanctions

night or that a media conference would be held.

British Foreign Secretary Sir Geoffrey Howe, chairing the meeting, had been expected to call a media conference early in the evening.

His failure to do so was a clear indication that there was a serious split among the Foreign Ministers.

When the five-point sanctions package was first proposed at a meeting of EC Ministers at The Hague, British Prime Minister Margaret Thatcher said she would accept them, including coal — if all other EC countries did as well.

Ironically, acceptance of the package would have greatest effect on Britain which has £6bn invested in SA.

If the EC countries fully accept the

Hague sanctions package SA could lose a market worth about R3,5bn a year or one sixth of its total exports to the EC.

It is understood that Howe told the meeting that while his mission to Southern Africa earlier this year may be considered a failure, diplomatic negotiation with Pretoria had not been exhausted.

Earlier yesterday EC officials had said all the governments had reached “a broad agreement” on iron, steel and Krugerrands, but opposition from West Germany and Portugal had stopped coal from being included.

If there is agreement on sanctions, they should come into force at the end of this month.

➡ ● From Page 1



# SA coal escapes sanctions deal



Firemen play their hoses on a burning truck off Buffalo Pass yesterday. A fire department spokesman said the vehicle had been abandoned some time ago and it appeared someone had set it alight after pushing it over the edge of a steep embankment. Firemen spent at least an hour extinguishing the blaze.

**CAPE TOWN** — The South African Government would not stand idly by in the face of the latest round of sanctions imposed by the European Community (EC), the Foreign Minister, Mr Pik Botha, warned last night.

At a meeting in Brussels yesterday, the 12 EC nations agreed to ban imports of South African iron, steel and gold coins but coal was dropped for the time being from the sanctions package after deep divisions emerged over the issue.

After five hours of tough negotiations between foreign ministers of the EC countries, which were due to resume later last night, officials said a ban on new investment was also likely but had run into legal difficulties.

The officials said all 12 governments had reached "a broad agreement" on iron, steel and Krugerrands, but opposition from West Germany and Portugal had stopped coal — one of South Africa's most important foreign currency earners — from being included.

The sanctions are due to come into force at the end of this month but governments have to work out exactly how to implement them.

In his reaction Mr Botha said "We will not initiate sanctions against other countries nor will we impose punitive measures purely for the sake of retaliation."

"However, now that further punitive measures have become a reality the South African Government will consider appropriate measures in defence of the sectors affected and in the interests of the country as a whole."

"We cannot stand idly by while the livelihood of our workforce is jeopardised."

"The South African Government can in no way be held responsible for the predictable and unpredictable consequences of sanctions," he said.

It was not immediately clear last night what measures the government might resort to in an attempt to counter the latest European sanctions.

However, the repatriation of hundreds of

thousands of foreign workers a tightening of economic screws on neighbouring states and the broadening of trade links in sanctions-hit commodities appeared to be the most likely courses of action.

A formal EC communiqué on the new sanctions package was expected late last night or early this morning.

Officials said the issue of a ban on coal could be discussed again by the European governments before the end of this month and some diplomats said it might be used as a future threat against the South African Government.

The Minister of Trade and Industries, Dr Dawie de Villiers, said it was a sad day when emotion and political expediency dictated international decisions instead of rational and logical argument.

"Obviously this decision was not based on reason. This is proved again now that coal is suddenly not included. Why? Because it does not suit the interests of a number of governments."

"They are not concerned about the effect they will have on South Africa and the people of South Africa but more about their own policies and political stances."

He said the decision would have a detrimental effect, not only on South Africans, but on the people of Southern Africa.

"It will definitely cause hardship and the loss of jobs in numerous fields. The leader of the Progressive Federal Party, Mr Colin Eglin, said he was not at all surprised that some sanctions had been agreed on."

"The PFP has warned for some time that sanctions have been moving towards South Africa like a tidal wave. Unfortunately the government has done precious little to avoid them."

"Although the package isn't as severe as it might have been, it's still tough and will cause unemployment," he said — DDC-Sapa.

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## Shultz in SA next month?

**WASHINGTON** — The US Secretary of State, Mr George Shultz, is planning a two-week tour of Africa next month that would include a stop in South Africa, US officials said yesterday.

The State Department said in a statement Mr Shultz was expected to go to Africa "in the autumn" but gave no details of when or where.

US officials, however, said the trip was expected to take place next month and that South Africa was on a list of eight countries he intended to visit.

They acknowledged that of the frontline states, the most likely to be visited were Zambia

## No rebel Wallaby deal says Craven

**CAPE TOWN** — The president of the South African Rugby Board, Dr Danie Craven, yesterday ridiculed reports that the Wallabies would each be offered R128 000 to take part in a rebel tour of South Africa next year.

"In the first place, where would we get this kind of money?" he asked.

Dr Craven said that while the SARB would like the Wallabies to tour officially next year — an invitation has been extended to the Australian Rugby Union — the board was not "begging" any country to tour.

"We have done everything in our power to normalise rugby as a non-racial game in this country and the other rugby playing countries are well aware of this."

However, if the Wallabies did not come to South Africa next year as an official team, it would be interesting to see if they would come as individuals — Sapa.

**Prince Harry**

**Soweto clash: 3 killed**



NEWS FOCUS

# US county head flouts anti-SA laws

WASHINGTON — In another setback for local US laws discriminating against firms doing business with SA, the chief administrator of Howard County in Maryland says he cannot comply with a selective purchasing ordinance due to go into effect next January 1.

The law, which requires all bidders for county contracts to certify that neither they nor their suppliers have any SA connections, was "unworkable", Paul Steves, the heavily black county's top official, said yesterday.

Responding to a survey, 60 local firms said they could not comply.

Meals on Wheels, which provides food for handicapped residents, said it received supplies from more than 500 firms and didn't have the resources to investigate the financial dealings of all of them.

Local architectural firm president George Vaeth was even blunter in his response to the survey.

"I feel this to be practically unenforceable without an agency the size of which I can't even imagine. More paperwork, more county em-

SIMON BARBER

ployees, and more pain in the neck ... phooey," he said.

About 80 local governments nationwide have similar laws on their books.

Administrator Steves called Howard's version "a sincere effort by people to try and send a message, but you have to be careful not to shoot yourself in the process".

Selective purchasing rules, which in other areas have cost major cor-

porations multi-million-dollar contracts, are already coming under fire from the federal government, which says it will only provide funds for local projects if the bidding is open and non-discriminatory.

The Senate sanctions Bill currently being studied by the White House gives local jurisdictions 90 days to rescind such ordinances — though not disinvestment laws — or face a cut-off in federal funding.

## Same cash, more weapons

WASHINGTON — Russia now spends about as much as the US on defence but produces more weapons, the Central Intelligence Agency (CIA) said in a censored report released by the Congressional joint economic committee.

"In 1985, for the first time since 1971, the dollar costs of Soviet (defence) activities did not substantially exceed US outlays," Douglas Maceachin, CIA's director of Soviet analysis, told the committee.

He said Soviet defence spending had peaked in 1974 and had grown slowly since then, while US defence

spending had more than doubled since 1976, especially since President Reagan took office in 1981.

Soviet weapons spending has been maintained at a relatively high level of \$60bn a year, Maceachin said. "By maintaining their weapons procurement at this level, the Soviets were able to produce significantly more weapons than the US in almost every category."

"In contrast, the US emphasised the purchase of fewer weapons that individually were more capable and more costly than Soviet equipment." — Reuter.



## Separating fact from the fiction

Having read a great deal of the stuff foreign newspapers have written about South Africa in recent months, I was not surprised to see the following letter from J A Matthews of London to the editor of *The Times*.

"Sir, I called in to the public library in Battersea today. I found that the daily newspapers are kept in the fiction section — with the exception of *The Times*, which is in the reference department.

"I thought you should know."

## Video of hope to be shown abroad

A video made recently in Soweto and Alexandra will be seen soon by audiences overseas.

Unlike television news film showing death and destruction in the townships, this one is of hope and co-operation.

Made by a field team of Operation Grow, it shows that amid the despair and dust of the black areas, white and black South Africans are working together to grow vegetables plants and trees.

Mr Norman Leveson, acting chairman of Operation Grow, said this week that the video was produced to get the movement's message across.

"It must be emphasised that the video does not deal with violence or politics in the townships. The message it intends to give is that despite the dust, dirt, mess and despair in the townships, there is hope if we in our own way are able to join hands for the ultimate good of all."

He lists South Africa's top priorities as: the need to help the starving help themselves by growing their own food, and the restoration of our environment with the planting of indigenous trees.

"Man does not live by bread alone," said Mr Leveson. "There is a natural beauty in the countryside. All our people must have beauty available to them in the form of parks."

## Ron Graham Stoep Talk



## THE DAILY COLUMN

### Encore for cad-ridden schoolteachers

Back-of-the-classroom cads in local schools must be doing a more effective job than I had realised.

I say this after learning that the Teachers' Centre at the Johannesburg College of Education has arranged a repeat lecture by Mr D Jackson, of the Educational Aid Service, on "Teacher Burn-out".

The talk will be limited to "stress as it is experienced by teachers in the teaching situation".

Seeing that the centre has had to arranged a repeat lecture, there must be many teachers suffering from stress. Those who missed the first talk should avoid the rush and get in quickly by booking for the repeat, scheduled for October 20 (3 pm). Telephone (011) 643-1516 or 642-7373.

### Craft sale a success

The recent Rural Craft '86 exhibition sale at the Bryanston Village Market was an outstanding success — financially as well as socially.

Mr Bart Cox, one of the organisers, says in a letter from St Joseph's Community Project, Le-Vubu, that 3 000 adults, plus children, attended the two-day event.

"The response of the public was joyous and positive — so much so that we have been asked to stage another exhibition-sale on a still-to-be-determined date."

Mr Cox sends warm thanks to all the people who supported the various craft projects in rural areas by attending Rural Craft '86.

### Much ado for nothing

My Durban counterpart, George Muller, says in his Natal Fever column in the *Daily News* that putting your daughter or son through university is very educational — it teaches you to do without a lot of things.

"Of divorce, never," she replied. "Of murder, frequently."

### Spare the rod and spoil the poem

Schoolboy D Goldman will be pleased, I am sure, to learn that his "terrible teacher" verses in this column on September 5 inspired Mrs I (or J) Robinson to send me a verse she found in an old Northern Ireland magazine.

"Having listened on many occasions to my grandchildren describing the antics of their various teachers," she said, "I thought this poem might be an interesting follow-up to the September 5 column."

*Our wee school's a good wee school,  
It's made from bricks and plaster.  
The only thing that's wrong with it,  
Is our wee baldy master.  
He goes to the pub on Saturday night,  
He goes to church on Sunday.  
He asks the Lord to give him strength,  
To slaughter us on Monday.*

I can assure schoolboys (even cads) there is no way the Lord will give teachers extra strength for the purpose of dealing out jacks.

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## Make your meals 8 times tastier with squid

ANGELA DAY

Calamari, or squid, is a delicacy enjoyed by many people in restaurants and hotels.

Unfortunately it has a reputation of being difficult to prepare and cook and is seldom served at home. If the following guidelines are noted, calamari can be served at your next meal with ease.

Calamari is not at all expensive and is available fresh or frozen. It can be purchased already cleaned or whole, but it is advisable to buy the cleaned to fry or

10 ml soy sauce (optional)

little oil to fry

Clean calamari. Score the inner surface of the bodies into diamond shapes with a sharp knife. Slice into rough rectangles. Combine remaining ingredients and toss calamari in this marinade. Heat a grilling surface or heavy-based pan, brush lightly with oil and grill calamari on the unscored surface until the edges are curled and the flesh is tender (about 5 minutes). The marinade

immediately with hot rice and tartare sauce, white wine butter or lemon butter.

**TARTARE SAUCE**  
250 ml mayonnaise  
4 gherkins, chopped  
15 ml capers  
20 ml parsley, chopped  
half an onion, finely diced  
5 ml chives, chopped  
5 ml sugar  
salt, pepper to taste  
Combine all the ingredients and chill well before serving.

son to taste and serve immediately.  
**POACHED CALAMARI**  
800 g calamari, sliced into rings  
chicken stock for poaching  
300 ml milk  
half an onion, sliced  
1 bay leaf  
4 peppercorns  
1/2 carrot  
30 g butter  
30 ml flour  
salt, pepper  
20 ml parsley, chopped  
5 ml tarragon  
parsley to garnish  
Combine milk, onion, bayleaf, peppercorns,



**ANGELA DAY**

How to

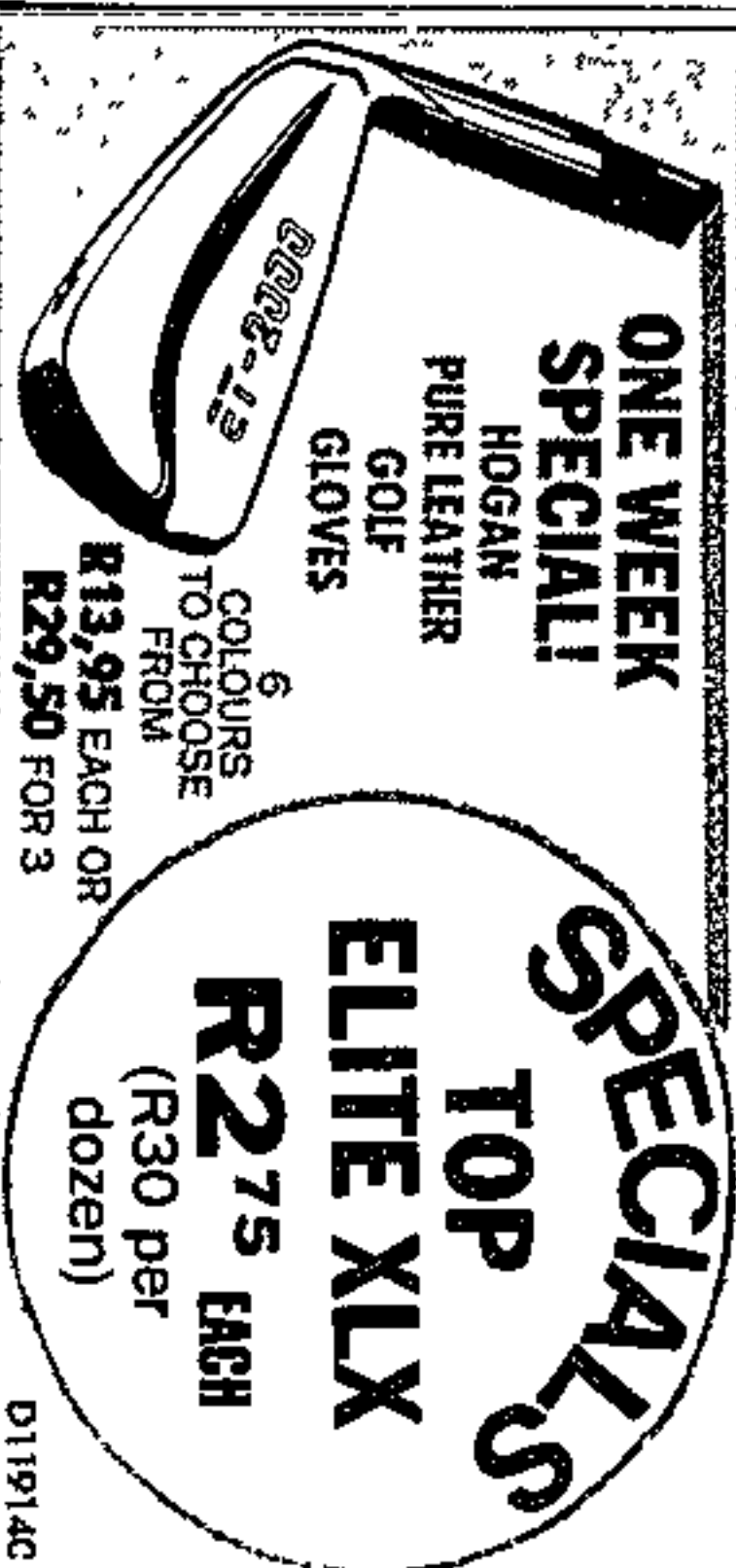


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clean as follows.

Rinse in cold water. Draw back rim of body pouch and pull quill-shaped pen out. Pull the body and head apart. The ink sac will come away with the head section. Remove the membrane out of the body cavity. Peel the mottled skin off the pouch, or body. Pull the edible fins off either side of the body section, and skin them. Cut the tentacles from the head. Just below the eyes. Discard the head and viscera. With your fingers, squeeze out the inedible beak at the base of the

more tough it will be. This is usually stewed or stuffed and casserole.

Serve calamari as a first course, a main dish or as a salad. Rice is a suitable accompaniment, along with various sauces, fresh lemon wedges and assorted salads.

Calamari freezes well for well up to six months. It must be well defrosted before cooking.

**GRILLED CALAMARI**  
800 g calamari pouches  
80 g butter, melted or 50 ml olive oil  
juice of one lemon  
5 ml salt  
Black pepper to taste

ing. Serve immediately with rice and lemon wedges. Serves 4-6.

**FRIED CALAMARI**  
800 g calamari  
30 ml white wine  
juice of one lemon  
50 g seasoned flour  
oil to deep fry  
Clean calamari, remove any transparent bones, slice into rings. Marinate in the wine and lemon juice for half an hour. Heat oil to 450 deg C. Drain calamari briefly, dip into seasoned flour, coating evenly. Drop into hot oil for 15-20 seconds — any longer will result in the calamari becoming tough. Drain and serve

Beat the butter until soft and fluffy. Slowly whisk in wine, a drop at a time. Add parsley, mix well. Form into a long roll 10 cm thick, in a sheet of waxwrap and chill well. Slice into rounds and serve on top of grilled or fried calamari.

### LEMON BUTTER SAUCE

200 g butter  
90 ml lemon juice  
salt, pepper to taste  
Heat butter until frothy. Remove scum that forms. Boil lemon juice until reduced to half (45 ml). Whisk butter into lemon juice slowly, sea-

half an hour. Strain milk. Melt butter in pan, add flour and cook for one minute. Whisk in milk and bring to boil, stirring constantly. Cook for 2-3 minutes. Add herbs and season. Cover, keep warm. Heat stock to just simmering. Add calamari and poach for 25-30 seconds or until edges curl and calamari is tender. Do not overcook. Remove from pan, drain and serve at once on a bed of rice with the sauce poured over. (Sauce may be thinned down with cream if desired.) Sprinkle with parsley.

How to make simple and sophisticated past dishes will be demonstrated by Irene Ward, the Angela Day AEG Kitchen, The Star, 47 Sauc Street, on Wednesday, September 24.

Assisted by Patricia Walton, Irene will give some handy hints on how to make your dishes look good for special occasions. The demonstration starts at 10 am and finishes at noon. Entrance is R3 - please book. Telephone 633-2582.

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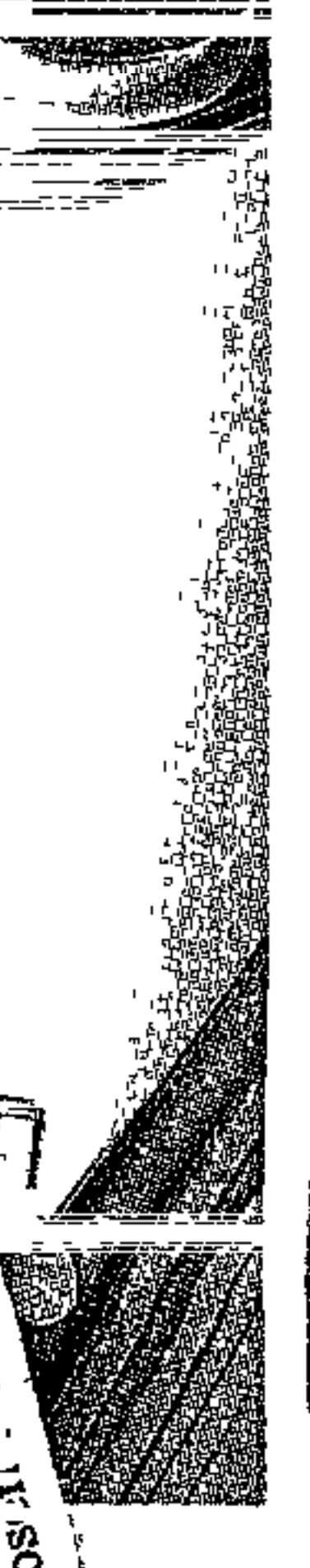
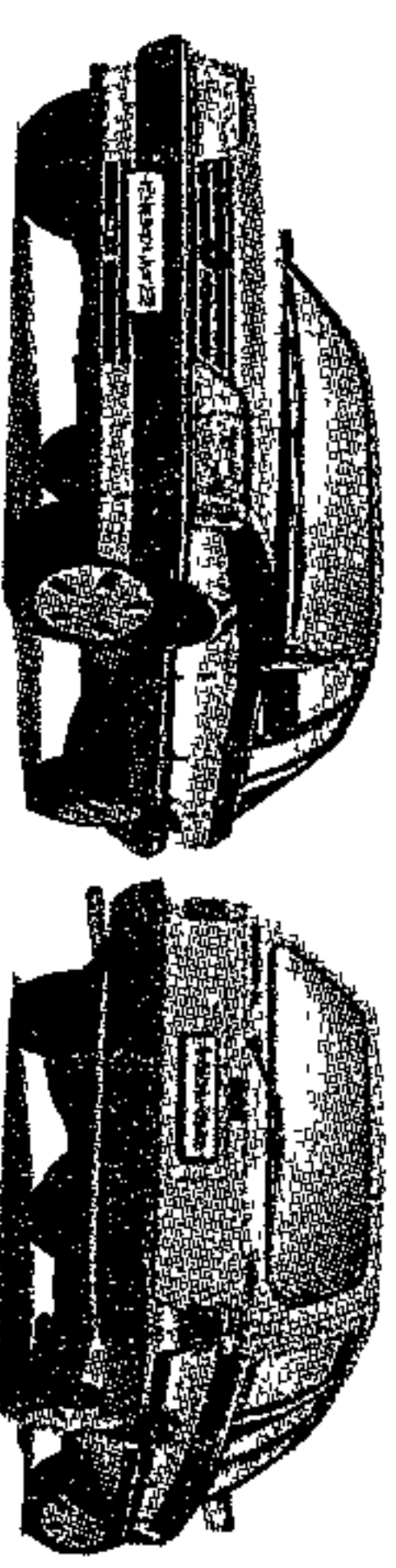
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## Africa's pressure strategy

The Star's Foreign News Service

NEW YORK — African countries plan to bring new pressure on Britain's sanctions policy by forcing the United Kingdom to face no fewer than four separate interrogations before the United Nations General Assembly.

After two decades of providing little more than a perennial distraction, the debates on South Africa's system of apartheid, control of Namibia and military acts against neighbouring states will go beyond rhetoric to take on practical significance during the 41st General Assembly session which convened yesterday.

Long accustomed to going along with the British and American final word on economic sanctions, the African group at the United Nations has stumbled on the secret of timing, and is summoning all its means of pressure to complement the intensity of the anti-apartheid movement.

Starting today, African Foreign Ministers will use the first of at least four debates throughout the course of the assembly to demand South Africa's economic isolation.

It is likely that, when their strategy to extract concessions from the West shifts to the Security Council later this month or early next, the Reagan administration will have been forced by Congress to adopt stronger sanctions, leaving Britain feeling exposed.

Sir Geoffrey Howe, the Foreign Secretary, will have the formidable task of defending the Government's position when he addresses the assembly next Tuesday.

## Japan to follow EC lead

TOKYO — Japan would soon impose additional economic sanctions against South Africa using the package adopted by the European Community (EC) as a guideline, a Foreign Ministry official said in Tokyo today.

Mr Naoto Amaki, director of the Ministry's Second African Division, declined to reveal the exact shape or timing of the additional measures but he indicated that the announcement could come early next week.

EC Foreign Ministers yesterday formally endorsed a package of limited sanctions, involving a ban on new invest-

## Tambo may cancel talks with Howe

The Star Bureau

LONDON — ANC leader Mr Oliver Tambo may cancel his planned talks with Foreign Secretary Sir Geoffrey Howe because of

EAST LONDON — Punitive sanctions against South Africa have been attacked as "morally wrong" by the Progressive Federal Party's new MP for Claremont, Mr Jan van Eck.

Addressing the launch of a PFP youth branch here, Mr van Eck said punitive sanctions were totally unselective.

"They punish both the perpetrators and the recipients of apartheid," he said. "It is time that those who are planning and executing the sanctions

## Stop punishing this country — Van Eck

campaign against South Africa stop punishing South Africa. If someone deserves to be punished then it is the Nationalist Government and its supporters, "There are more and more cases where black South Africans and other opponents of the apartheid system have been

the target of these punitive actions. "An American university recently refused to accept a black traffic policeman from Cape Town because they no longer accept South Africans in their university. "Surely this is absurd. Why

## Shultz lectures American executives at State Department

# 'Hang in', US firms told

WASHINGTON — United States Secretary of State Mr George Shultz has urged American business leaders in South Africa to "hang in there".

He told a gathering of business executives at the State Department last night that Americans could be genuinely proud of what their country's companies were doing in South Africa.

"They have been covering themselves with glory as far as our country is concerned," Mr Shultz said.

American companies were providing equal opportunities in employment and training and were sponsoring health and educational facilities.

"They have been part of the solution. They have, in a sense, been helping people to be prepared to do something with the end of apartheid when it comes," Mr Shultz said.

"I can't say enough laudatory about the performance of the American business community in South Africa. Why people think it makes sense to tell them all to leave and to stop doing those things is beyond me."

## Losing business

Mr Shultz, who is planning a brief trip to South Africa during an African tour next month, was speaking against a background of growing demands in Washington for American companies to close

The Star Wednesday September 17 1986

## Kassebaum suggests team of envoys to lay foundation for talks

The Star Bureau

WASHINGTON — An American senator has proposed that a team of high-level Western envoys start talks between black and white South Africans on the country's future.

Senator Nancy Kassebaum, head of the Senate foreign relations sub-committee on Africa, said yesterday: "We in the West must provide a forum for the kind of dialogue that must be started in South Africa."

State President P W Botha had said repeatedly he was willing to enter discussions with blacks, she said.

"Unfortunately, he has insisted on controlling the entire process. The result has been that no credible, responsible black leader has been willing to begin such talks."

Addressing the National Press Club, Senator Kassebaum said she, like many of her colleagues, had reservations about a sanctions Bill Congress had approved. It did, however, send an important message to Mr Botha.

## INTRANSIGENCE

"After years of quiet diplomacy, and good-faith efforts to encourage peaceful change, our patience is wearing thin. If President Botha prefers intransigence to co-operation, he will pay an increasingly stiffer price."

In a sense, sanctions were a diversion from the real issue and Pretoria hoped to make them the primary issue rather than let attention focus on its own actions.

Sanctions could themselves not solve the problems. "We





its measures against South Africa. He is due to meet Sir Geoffrey in later this week, but the Foreign Secretary is still waiting to hear whether the talks will go ahead.

Commonwealth Secretary General, Sir Shridath Ramphal, has condemned the package of measures as "mere tokenism unworthy of Europe". He said Western countries were putting "pennies and profit" above human values.

## Aussie state maintains SA links

The Star's Foreign News Service

MELBOURNE — Despite Australia's hard line on sanctions against South Africa, the Victorian state government is continuing business links with the republic through an Australian company that builds trains and trams.

owns nearly half of Union Carriage and Wagon of Nigel, is involved in a joint deal with the Victoria government to sell trams to Hong Kong.

Australian Labor Party policy bans help to companies involved with South Africa.

A Victoria government spokesman denied the link connected with the government policy.

Comeng Holdings, which

## Miners attack exclusion of coal

The Star's Foreign News Service

MUNICH — The West German coalminers' union (IGBE) has attacked the European Community's exclusion of coal from the list of South African products banned under the limited sanctions agreement reached in Brussels.

Mr Heinz-Werner Meyer, chairman of IGBE, said in a radio interview yesterday his members would find it difficult to understand the European Community decision not to ban coal imports. South Africa's black coalmine workers were prepared to shoulder the burden of such a ban, he said, and saw no other way to force political change.

## Runcie urges tougher line by UK

The Star Bureau

LONDON — The Archbishop of Canterbury, Dr Robert Runcie, has criticised the British Government for "appearing to temporise" with the South African Government. He wants a tougher line on sanctions.

In a letter to Mrs Thatcher, Dr Runcie, writing as president of the British Council of Churches, says they are gravely concerned that South Africa is continuing in its "denial of basic human rights".

Supporters of his letter include leaders of the Church of Scotland, the Baptist Union, the Methodist Church, the Church of England, the United Reformed Church, the Scottish Episcopal Church, the Quakers and Presbyterians in Wales.

## Howe cool about Ranchod appointment

The Star's Foreign News Service

BRUSSELS — South Africa's appointment of its first person of colour as an ambassador has left one of the most well-known diplomats in the world today unmoved.

British Foreign Secretary and representative of Britain's presidency of the European Community, Sir Geoffrey Howe, made a point here yesterday of indicating that the race of the new South African ambassador to the EC, Professor Bhadra Ranchod, was irrelevant.

"We welcome him," Sir Geoffrey said, "as we would any new

British Prime Minister Mrs Margaret Thatcher and West German Chancellor Mr Helmut Kohl during their joint Press conference in Bonn yesterday when they explained their disagreement with the European Community's decisions on sanctions on South Africa.

# Maggie Thatcher and Kohl have set themselves apart

The Star's Foreign News Service

BONN — British Prime Minister Mrs Margaret Thatcher and Chancellor Helmut Kohl of West Germany both distanced themselves from the European Community Foreign Ministers' decision on sanctions on South Africa within hours of it being made.

Speaking at a joint Press conference with Mr Kohl in Bonn yesterday, Mrs Thatcher said she did not believe sanctions would help to end apartheid.

She said: "They may, however, cause poverty, unemployment and starvation among many black South Africans, which is why Dr Kohl and I recoil from many of the suggestions put forward with regard to sanctions."

She said the positive measures referred to in the Brussels communiqué, and that following the EC summit in The Hague last June, combined with political steps, had better prospects of ending apartheid.

Dr Kohl said he was worried about the fate of

many thousands of black South Africans — not only the coal miners, who did not receive unemployment benefits as people did in Europe, but also their families.

Asked if his Government would now be made a scapegoat for preventing more effective measures against the South African Government, Dr Kohl said: "We have simply said and done what many people think."

Commentators say it is widely believed in Bonn that the government's position on cheap coal, which forms 45 percent of all West German imports from South Africa, is dictated by business interests and by a desire to avoid any serious friction within the governing three-party coalition.

The opposition West German Social Democrats have blamed the Government for failing to make European sanctions bite and for damaging West Germany's reputation in the Third World.

A spokesman described as hypocrisy the government's assertion that a ban on coal imports would harm South African miners.

But *The Financial Times* finds some good in the outcome. In practical and political terms, it says, the European governments have in the end achieved what was essential: An agreement on a package of measures as the expression of a political signal to the regime in Pretoria.

The Star Bureau

## British Press cool on Ministers' measures

LONDON — The outcome of the European Community Foreign Ministers' meeting on sanctions against South Africa wins little praise in British newspaper editorials today.

*The Times* finds the measures "distinctly modest" and "falling somewhat short of being punitive". It concludes that, internationally, the case against sanctions, already weak morally, "has been dealt a considerable blow at the practical level".

But *The Guardian* really lets its hair down. In an editorial headed "The sickly men of Europe", it says the assembled might of European foreign policy has been seen "traipsing back from the brink of a meaningful message to South Africa."

"But the sum total of all the portentous negotiation remains a pitiful mouse — a squeaking little sanction that might (with a following wind) affect around one percent of South Africa's global exports. Even Sir Geoffrey Howe must feel privately abashed."

"The Community, remember, 'sent' him on that miserable mission. Does his — and their — subsequent humiliation count for no more than this?"

critics where d sinvestment laws have been approved, have closed. Some are watching the situation carefully. Others have announced their intention to stay in South Africa.

President Reagan, under pressure to sign a congressional sanctions Bill before it becomes law automatically, is trying to find a formula to get the congressmen to withdraw their Bill but is having little success.

Mr Shultz told the executives: "Here's my own home state of California saying 'if you do business with South Africa, the state doesn't want to touch you with a 10-foot pole'."

"Why? Because you are helping blacks learn something? Is that why they are so mad at you?"

Mr Shultz said South Africa was a dilemma for the US which seemed to be withdrawing just those things which were needed for reform and change.

## Market-imposed sanctions

"So," he said, "my hope is that you'll hang in there but I know you have lots of problems in doing so."

Mr Shultz said the South African economy was in "tough shape". It was not getting any better because the market was imposing its own sanctions. If America imposed formal sanctions it would allow South Africans to say "what's happening is not our fault, it's the fault of those guys who put on sanctions".

Mr Shultz said they should be saying: "What's happening in South Africa is a disaster of our own making and we have to change it."

He said America needed to be clear about what it stood for: an end to apartheid and a different kind of government structure that gave everybody a chance to participate.

"At the same time (we must) have in mind that there are 150 million people in Southern Africa and in one way or another, to a greater or lesser degree, mostly greater, all these people have a dependence on the South African economy."

"So you had better be a little careful, when you pull it all down, that you have thought through just what you think about all the other people in countries surrounding South Africa."

## US churches on target

The Star Bureau

WASHINGTON — American churches are stepping up disinvestment pressure by selling shares in an anti-apartheid gesture and setting a deadline for political progress by Pretoria.

The National Council of Churches in America has announced its sale of \$1 million in Shell Oil stock

The public policy panel of US Catholic bishops has decided to give South Africa until May 15 1987 to make "significant progress toward dismantling apartheid and start substantial negotiations with legitimate black leaders".

Failure to meet the deadline

run a serious risk of total failure if we try to do so," she warned. The real goal of US policy was peaceful change.

## TRANSITION

A transition to recognising the rights of blacks required a move beyond sanctions, focusing on what lay beyond apartheid and white power.

Senator Kassebaum proposed a team of special envoys from the US, Britain and West Germany to start discussions with all groups in South Africa on the future.

This would determine if there was broad agreement on what should follow apartheid. It would also deliberately give black leaders an opportunity to join the debate.

Such talks would have to include the jailed African National Congress leader, Mr Nelson Mandela, and banned political groups.

This dialogue was a crucial first step in moving beyond the present stalemate.

On an impending visit to South Africa by US Secretary of State, Mr George Shultz, Senator Kassebaum said he should try to visit Mr Nelson Mandela.

"I would urge him to meet with everybody he can and that includes a wide range of people."

Conference, which has \$22 million invested in firms operating in South Africa, to disinvest.

The deadline falls in the same month as another issued by the Rev Leon Sullivan, author of the "Sullivan Principles", a code of corporate practices ensuring non-racial, fair conditions for black South Africans working for US companies.

Mr Sullivan will call for total divestment if apartheid is not completely scrapped from SA's statute books by May 31.

The sale of Shell Oil shares followed a decision by an arm of the National Council of Churches, which monitors and co-ordinates disinvestment, far et Royal Dutch St.



# EC foreign ministers formally agree to bans

BRUSSELS — European Community foreign ministers formally endorsed a weakened package of limited economic sanctions against South Africa yesterday, but undertook to consider a ban on coal imports at a later date, EC diplomats said.

The revised package involves a ban on new investment in South Africa, and embargoes on imports of South African gold coins, iron and steel.

The four measures were agreed in principle on Monday but later blocked by the Netherlands, Ireland, and Denmark, which said that without a ban on coal the measures lacked credibility. Such a ban was included in a draft package of sanctions drawn up by the EC summit at The Hague last June.

EC diplomats said the ban on iron and steel imports would apply from September 27, and would take place under an existing EC coal and steel pact.

The details of how to apply the ban on new investment and import of coins would be left to a committee of senior EC diplomats to decide, they

added. Legal problems on application in different member states had threatened to delay agreement.

Britain, current president of EC ministerial meetings, pledged to seek to find a consensus on banning future coal imports during the coming months in a compromise that allowed countries in favour of tougher sanctions to agree the four measures.

A three-month deadline for action on dismantling apartheid given to Pretoria by EC leaders at the Hague summit expires on September 27. The sanctions affect less than \$500 million worth of South African exports to the EC, which total some \$9 billion a year.

West Germany, a leading opponent of economic sanctions as an instrument of foreign policy, insisted the ban on coal imports be dropped on the grounds that it would cost many black workers their jobs.

Portugal urged that coal be left out because such action could result in the return of thousands of former Portuguese workers now employed in South African mines — Sapa-RNS

From SIMON BARBER  
WASHINGTON — The European Community's decision to strike a coal embargo from its list of SA sanctions was greeted with a sigh of relief by the Reagan administration yesterday.

US officials had feared a triangulation of policy on SA coal between the EC, Japan and the US Congress that would have ironically been highly damaging to America's coal industry.

Japan's Ministry of International Trade and Industry had threatened to stop buying coal from the US if a joint Western ban, which it was ready to join, prevented it from purchasing the fuel from SA.

The US exported \$953 million worth of coal to Japan in 1985, while it imported only \$48 million worth from SA, according to the Commerce Department.

Japan explained that

## Exclusion of coal pleases US officials

It would not be economic to send its coal carriers half way round the world to the US if there were not permitted to top off at Richards Bay on the return journey. Japan would therefore meet its needs from Australia.

Dr Chester Crocker and UN Ambassador Vernon Walters both lobbied hard against the coal ban on their recent swings through Europe. US officials said

● Ian Hobbs reports from London that the South African ambassador to London, Dr Denis Worrall yesterday gave all delegates to the annual conference of Brit-

ain's Social Democratic Party a chance to get "the whole picture" of what is happening in South Africa.

Delegates, who were expected to vote overwhelmingly in favour of applying sanctions against South Africa, were sent an open letter in which Dr Worrall challenged the official party line on the Republic point-by-point.

The open letter included a card delegates could send back to the South African Embassy to get more information on developments which the ambassador said would be the

"whole picture."  
Commentators conceded that, however controversial its claims might be, Dr Worrall's open letter attracted attention and could not be ignored.

The SDP leader, Dr David Owen, a former Labour government Foreign Secretary, dismissed Dr Worrall's initiative as "gatecrashing" propaganda and weak arguments which would be ignored by most delegates.

Dr Worrall argued that the reform programme in South Africa was not the result of international intervention or pressure.

"However, positive international concern and involvement have always been welcomed and have helped this process. This cannot be said of punitive actions," said Dr Worrall's letter.



# What EEC sanctions mean

EUROPE has staked its credibility in international affairs on a limited sanctions package which excludes a coal ban and will effectively block only between four and six percent of South Africa's multi-billion rand EEC export trade.

The iron and steel ban, starting in 10 days' time, accounts for only R777-million of South Africa's total annual EEC exports of R21.9-billion.

The future of the bans on new investment and gold coin exports is now in the hands of Community bureaucrats and will take months to deploy if an agreeable, and legal, way can be found to do so.

But even if gold coin exports to Europe are stopped, they amount to only R260-million, even less than the iron and steel trade.

Lumped together, the gold, iron and steel exports make up just 5.9 percent of total EEC exports.

It took the Community's 12 foreign ministers about as many hours to retreat from the potentially damaging Hague package and usher in a considerably watered down version as a "a clear signal to Pretoria of what we want to see in South Africa"

The Brussels statement — which emerged yesterday after difficult talks spanning both days of the two-day

From MICHAEL MORRIS, The Argus  
Foreign Service in BRUSSELS



## Boycott demonstration

Common market commission member in charge of North-South relations, Mr Claude Cheysson, walks past pro-South African demonstrators outside the EEC headquarters yesterday.

meeting — speaks of the ministers' "grave concern" over the situation in South Africa, their "anxiety" over the conditions in which some detainees are held, and the "urgent need for a genuine national dialogue" in the country.

The ministers are also undertaking to "work towards a programme of political ac-

tion" to help achieve change in South Africa. No details have been decided.

BUT it is plain that Monday's and yesterday's talks focused more on Europe than South Africa.

A German official put it yesterday afternoon "You must understand that from the moral point of view we are one; we all feel the same way about apartheid. It is just that when it comes to the

details of action, the mechanics of sanctions, for instance, we each have to look to our own particular circumstances."

After the high drama of the deadlock between West Germany and Holland late Monday night, the future of a coal ban — which is still on the table — has earned a lot of attention.

Denmark and Holland, who were persuaded yesterday

## QUOTE

ONE German official put it yesterday afternoon: "You must understand that from the moral point of view we are one; we all feel the same way about apartheid. It is just that when it comes to the details of action, the mechanics of sanctions, for instance, we each have to look to our own particular circumstances."

morning to agree to a compromise and let the coal ban fall away for the time being, have promised to bring it up as often as they can. They see it as the only one of the Hague measures which is "effective and meaningful"

British Foreign Secretary and chairman of the meeting Sir Geoffrey Howe announced at the end that "the Presidency (which Britain occupies until December) will continue to seek consensus" on the coal ban.

He said most nations were willing to implement a ban, but the overriding feeling among the 12 ministers that a joint conclusion was necessary won the day.

It remains to be seen how a coal ban can be agreed without a further meeting, a further deadlock, and a further compromise.

It is also clear that the outcome of the Brussels meeting suits Britain. It may have been a relief to Sir Geoffrey, who was not in a position to lobby actively against sanctions that Britain did not really want.

And after the failure of his mission to Southern Africa earlier this year, he was apparently quite proud of having resolved the impasse on the coal question

"The Presidency," he said, "has spent considerable efforts to bring about a clear conclusion supported by all 12 ministers. That is the important thing as far as credibility is concerned."

He admitted the exclusion of the coal ban made the final package "less extensive".

Nonetheless, he added: "There is a clearer signal now than had we not reached agreement at all."

Discounting what he called the "Jericho school of diplomacy" — a view that a list of sharp sanctions will bring sudden change, he said: "This will not collapse the walls of apartheid."

"We will have to go this course," he said, "far longer than we have wished. This is not a Jericho situation."

But then neither are Europe's new sanctions anything like a sustained fanfare.

## In a nutshell

Dateline: NEW YORK

THE sanctions against South Africa announced yesterday by the European Community are the latest in a series of measures decreed by various international groups

Here are some of the sanctions that have been declared

### ■ EUROPEAN COMMUNITY

THE 12 European Community nations decided to ban new investment in South Africa and halt imports of iron, steel and gold coins. The ban on iron and steel imports takes effect on September 27. Further talks will be held to decide how to implement the ban on commercial investment and the purchase of gold coins.

### ■ THE COMMONWEALTH

SIX Commonwealth countries announced wide-ranging sanctions on August 5 at a mini-summit in London. The measures included an end to air links with South Africa; a ban on the import of agricultural products, uranium, iron, coal and steel; a ban on new investment or reinvestment of profits earned in South Africa; a ban on new bank loans to the private or public sector; an end to government assistance for trade with South Africa; a ban on government purchases from South Africa; a ban on government contracts with companies that are majority-owned by South African interests; and a ban on the promotion of tourism.

Australia, Canada, India, the Bahamas, which have few links to South Africa, adopted the sanctions, along with Zimbabwe and Zambia, which are economically dependent on South Africa. The six said they expected the rest of the 49-nation Commonwealth to adopt the measures.

### ■ ORGANISATION OF AFRICAN UNITY

THE 50-member OAU, at its summit in July in Addis Ababa, Ethiopia, adopted a non-specific sanctions resolution that "urges member states which have not yet adopted such measures for the total isolation of South Africa to do so, and to abstain from granting it landing and berthing facilities to its aircraft and ships".

### ■ SOUTH AFRICAN DEVELOPMENT CO-ORDINATING CONFERENCE

THE nine states of the conference expressed full support for international economic sanctions against South Africa at their annual summit in Angola last month

A statement issued at the end of the summit said the nine countries supported international sanctions even though they would hurt their own economies. It called for increased cooperation among the members to reduce dependence on South Africa.

### ■ NON-ALIGNED MOVEMENT

THE 101-member non-aligned summit in Harare, Zimbabwe, that ended on September 7 with a political declaration that, among other things, pledged to set up a solidarity fund for southern African black states that might be harmed by South African retaliatory sanctions.

The members adopted a 13-point voluntary plan for sanctions against South Africa, without actually committing themselves to specific new actions.

The proposal covers: Transfer of technology, export of oil and related products, all further investment, promotion of trade and tourism, the sale of Krugerrands, government contracts with companies in which South Africans are major shareholders, imports of South African agricultural products, coal, uranium, iron and steel, and visa-free travel

### ■ UNITED NATIONS

THE General Assembly each year passes a number of non-binding resolutions condemning South Africa's policy of apartheid, including a call for sanctions. The Assembly has also called for an international conference on sanctions.

### ■ UNITED STATES

IN 1985, President Ronald Reagan imposed a ban on imports of Krugerrands and prohibited the sale of computers and nuclear technology or the extension of private bank loans to the South African government. Earlier this month he extended these sanctions for another year.

A bill passed last week by the US Congress and sent to the White House for Mr Reagan's signature would greatly expand the American sanctions. The President has until midnight on September 26 to sign the bill into law or veto it.

The sanctions would be terminated automatically upon the release of Mandela and all political prisoners, the repeal of the state of emergency and release of all detainees, the unbanning of political parties, the repeal of the group areas and population registration acts and unconditional agreement to enter into good-faith negotiations with truly representative members of the black majority

## Now, the reaction

Political Staff, the Argus Foreign Service and Sapa-Reuter

THE Minister of Finance, Mr Bar-end du Plessis, said today the sanctions position was being monitored and evaluated continuously

Reacting cautiously to the decision of the EEC foreign ministers to accept a watered-down version of the original proposals, he said the possible influence of sanctions was a contingency that had been part and parcel of South Africa's economic and financial strategy for a considerable time. The position was being watched closely.

President P W Botha is expected to deal with the matter when he opens the Transvaal congress of the National Party in Pretoria on Friday night.

● Mr Colin Eglin, the Leader of the Opposition, said the EEC decision came as no surprise. The Progressive Federal Party had warned for some time that sanctions were moving towards South Africa like a tidal wave

Although the sanctions package had been watered down it would be wrong to under-estimate the negative effect those agreed on would have on the economy and on the prospects for reform

● WASHINGTON: President Reagan sent his most trusted White House trouble-shooter to the US Congress last night to seek a way out of the President's dilemma over anti-South Africa sanctions.

At the top of the agenda was yesterday's EEC approval of a package of limited sanctions, and the effect this decision could have on the American sanctions drive.

Mr Donald Regan, the White House chief of staff and President Reagan's top political adviser, attended an hour-long meeting with Republican Senators Richard Lugar and Robert Dole,

who are urging the President to sign the sanctions bill approved by both chambers of Congress. Sources said afterwards the meeting was 'constructive but inconclusive' and the men agreed to meet again later this week.

● TOKYO: Japan would soon impose additional economic sanctions against South Africa, using the package adopted by the EEC as a "valuable reference", a Foreign Ministry official said today

Japan is South Africa's second largest trading partner. It already has banned direct investment there and the export of computers to the army and police. It has also discouraged the import of South African gold coins and restricted sporting and cultural ties.

● LONDON: The outcome of the EEC foreign ministers meeting on sanctions against South Africa wins little praise in British newspaper editorials today.

The Guardian in an editorial headed "The sickly men of Europe", says the assembled might of European foreign policy has been seen "traipsing back from the brink of a meaningful message to South Africa"

"But the sum total of all the portentous negotiation remains a pitiful mouse — a squeaking little sanction that might (with a following wind) affect around one percent of South Africa's global exports. Even Sir Geoffrey Howe must feel privately abashed.

"The Community, remember, 'sent' him on that miserable mission. Does his — and their — subsequent humiliation count for no more than this?" It adds that "the two Mr Bothas" must smirk up their sleeves. "Europe is the windbag of no change now"

## SA plans to aid foreign companies hit by sanctions

By DEREK TOMMEY  
Financial Editor

THE South African authorities are expected to help foreign companies operating here which might be hit by the European Community ban's on new investment.

Should this ban be rigidly imposed, these foreign companies could find themselves seriously short of capital, for there is a rigid limit on the amount of money which foreign companies can borrow in South Africa.

However, the authorities are known to be keen to encourage foreign investment. Bankers are therefore confident that the authorities will help foreign companies which find themselves in difficulties by relaxing some of the regulations limiting the amount of money which they can borrow locally.

At present, a company with a 100 percent foreign shareholding can borrow a sum equal to not more than 50 percent of shareholders' funds. This measure, which has been in existence for some time, was taken to prevent foreign companies gearing up their earnings with South African loan capital.

However, bankers say it would make sense to ease these restrictions

should the ban on new investment result in these companies experiencing financing problems.

This sort of assistance could be badly needed if the economy starts picking up. All companies intending maintaining market share will need extra capital in order to finance increases in stockholdings and also new investment in plant and equipment.

The sharp increase in the cost of imported machinery is likely to prove particularly burdensome to any company needing to replace worn out equipment.

In this situation, foreign companies that had to rely upon internally generated funds to finance their new investment, could have serious liquidity problems.

They could find themselves in a position where they could not compete against South African companies and have to choose either to accept South African shareholders so as to increase their local borrowings or withdraw from the country.

It is clear, therefore, that an easing of the lending restrictions to foreign-owned companies would make a considerable difference to their position.



# Reagan acts after European decision

By Michael Morris,  
The Star's Foreign  
News Service

BRUSSELS — Europe has staked its credibility in international affairs on a limited sanctions package which excludes a coal ban and will effectively block only between four and six percent of South Africa's multi-billion-rand European Community export trade.

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Lumped together, the gold, iron and steel exports make up just 5.9 percent of total EC exports.

It took the Community's 12 Foreign Ministers about as many hours to retreat from the potentially damaging Hague package and usher in a consid-

erably watered down version as a "a clear signal to Pretoria of what we want to see in South Africa".

● The Star's Washington Bureau reports that President Ronald Reagan sent his most trusted White House troubleshooter to the United States Congress last night to seek a way out of the President's dilemma over anti-South African sanctions.

At the top of the agenda was yesterday's decision by European Foreign Ministers to approve a package of limited sanctions, and the effect this decision could have on the American sanctions drive.

Mr. Donald Regan, who is White House chief of staff and President Reagan's top political adviser, attended an hour-long meeting with Republican Senators Richard Lugar and Robert Dole who are urging the President to sign the sanctions Bill approved by both chambers of Congress.

Sources said afterwards the meeting was "constructive but inconclusive" and the men agreed to meet again later this week.

The Bill was sent to the White House on Monday night. The president has 10 working days to mull it over.

● See Page 21.

# UK and West Germany express doubts over EC package

THE VITAL VIEWPOINT

LONDON — Britain and West Germany are already expressing doubts about the effectiveness of the EC sanctions package, saying they had accepted them for the sake of European unity.

The 12-nation EC yesterday agreed to a ban on SA steel and iron exports, but dropped a widely expected coal embargo.

The package, which includes a ban on new investment and the import of SA gold coins, was adopted after a 15-hour session of Foreign Ministers in Brussels, marked by serious divisions and internal wrangling.

The iron and steel ban will come into effect on September 27, but implementation of the other two embargoes — new investment and gold coins — is a matter for national governments and could take much longer.

At a Bonn Press conference after the Brussels agreement, British PM Margaret Thatcher and West German Chancellor Helmut Kohl expressed doubt that the EC sanctions would have any effect.

"I don't believe sanctions will help bring apartheid to an end. They may, however, bring starvation and poverty to many thousands of black South Africans," Thatcher said.

Both leaders made it clear they had gone along with the limited measures for the sake of EC unity, and not because they believed in them.

The embargo on coal exports was blocked by West German Foreign Minister Hans-Dietrich Genscher on Kohl's instructions. West Germany is the main European recipient of SA coal.

The EC pro-sanctions lobby — including Holland, Denmark, Greece and Ireland — have threatened to continue pushing for a coal ban to be included in the package, and at one stage of the Brussels meeting, Holland refused to endorse a package excluding coal.

Anti-apartheid Commonwealth spokesmen contemptuously dismissed

## UK and Germany doubtful

the package as "toothless and inadequate" and said it would irrevocably damage the EC's international credibility.

But British Foreign Secretary Sir Geoffrey Howe said the package was "a far clearer signal than it would have been had we failed to agree at all".

Portugal also maintained its opposition to trade sanctions and Belgian Foreign Minister Leo Tindemans opposed the ban on coal.

The effect of the sanctions package will depend on whether the US and Japan follow suit. The US Congress has already endorsed the EC measures in its sanctions bill and Japan is expected to announce a ban on SA steel and iron at the weekend.

Meanwhile, SIMON BARBER reports from Washington that the EC's decision to strike a coal embargo from its list of SA sanctions was greeted with a sigh of relief by the Reagan administration.

US officials had feared a triangulation of policy on SA coal between the EC, Japan and the US Congress that would have ironically been highly damaging to the US's coal industry.

Japan's Ministry of International Trade and Industry had explained it

would not be economical to send its coal carriers halfway round the world to the US if they were not permitted to stop off at Richards Bay on the return journey.

Japan would therefore meet its needs from Australia.

In Johannesburg, Chamber of Mines president Peter Gush said he was disappointed by the EC's ban on Krugerrands, but he believed there were other coins to "fill the gap".

SA Foreign Trade Organisation CE Wim Holtes said the gradual confidence building up within the business community and the reform process would give more room for manoeuvre in the international market place.

And in Harare, Commonwealth Secretary-General Sir Shridath Ramphal was quoted as saying Western countries had put "pennies and profit" above human values in their attitude toward economic sanctions against SA.

In an interview with the semi-official Herald newspaper, he said such an attitude would hurt the West's material interests in the long run.

See Page 4



CHP TWP 17/9/86 (280)

## 'Minimal effect' of EC sanctions

HARARE. — The Commonwealth secretary-general, Sir Shridath Ramphal, yesterday described the European Community (EC) Ministers' decision on limited economic sanctions against South Africa as of minimal effect.

The EC ministers, meeting in Brussels, agreed early yesterday on a ban on new investments in South Africa and placed an embargo on importation of the country's steel, iron and gold coins.

But West Germany, backed by Portugal, blocked a move to include coal in the sanctions package and discussions were continuing yesterday.

Sir Shridath, in Zimbabwe for a meeting of the World Commission on Environment and Development, said: "The measures being considered are minimal enough. If coal is ex-

cluded, then the measures will amount to mere tokenism and be unworthy of Europe.

"Nobody will be deceived by (West) German and Portuguese professed concern for blacks in the South African coal mines — least of all the miners themselves who are pleading for international sanctions."

Western countries had put "pennies and profit" above human values in their attitude toward economic sanctions.

Such an attitude would hurt the West's material interests in the long run, he said in an interview with the semi-official Herald newspaper.

He said he believed the United States soon would throw its support behind the move for sanctions against Pretoria as Congress "responded to the people". — Sapa-AP-  
Reuter

CAPE Times 17/9/86  
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INTERNATIONALLY renowned scholar, diplomat, politician, author and journalist **DR CONOR CRUISE O'BRIEN** believes sanctions and ultimately a superpower blockade of South Africa are the only way of ending apartheid and abbreviating the inevitable bloody strife facing whites and blacks in this country in the years ahead. He is teaching a five-week course at the University of Cape Town dealing with the politics of siege societies. His visit is in defiance of an international academic boycott against South Africa. He speaks to Political Correspondent **ANTHONY JOHNSON**.



## Blockades and sanctions only hope for peace

**Q: ARE there any parallels between the arguments you marshal against academic boycotts of non-racial educational institutions in South Africa and your position on the international sanctions campaign directed against this country?**

**A:** Well, I reluctantly support sanctions and indeed ultimately a blockade — assuming things get worse in South Africa, as I fear they will. I believe violence will escalate. And I know, of course, that sanctions will hurt, amongst others also the academic community and I regret that. But I think it has to be part of the general price. What I do oppose is selective boycotting of institutions which have rejected apartheid. That seems to me to be an unjust application of anti-apartheid activities, a vindictive hounding which certainly does not damage the regime in any way. The regime could not give a damn.

**Q: Does your reluctant endorsement of sanctions flow from a belief that this is the last effective avenue of non-violent international leverage that carries the prospect of concentrating the stubborn collective mind of the government?**

**A:** I really see sanctions as a stage on the road to joint action by the superpowers and I think nothing less will put this regime out of its misery. I don't think the black revolutionaries have the power to defeat the SADF. I don't think the leadership of the Afrikaner population has the capacity on its own to come to terms with the blacks. So I see a blundering on to increasingly anarchic conditions.

**Q: So you feel that the sanctions might act as a spark that would shorten ...**

**A:** That's right, abbreviate the agony. I think it is going to be a long agony for the apartheid regime involving a great deal of misery for blacks and whites. Mainly blacks now, whites later on.

**Q: So your point is that misery for blacks and whites under the present regime is unavoidable but that sanctions could telescope the process.**

**A:** That's right.

**Q: And that in absence of sanctions the state will remain unwavering in its intransigence, precipitating a protracted civil war with none of the major adversaries having the decisive edge?**

**A:** Yes.

### Talking is entirely unfruitful

**Q: How do you address the critics of sanctions — particularly though not exclusively prevalent in South Africa among those who wield economic and political power — who argue that punitive measures will hurt the very people (blacks) the inter-**



Cape Times  
17/9/86  
280

**A:** Well, I think they have a point. Sanctions insofar as they are effective — which is a large reservation — will put people out of work. Many of these will be black and the already very high unemployment level will get higher. So the people that think the effects of sanctions are going to be uniformly benign are certainly quite wrong. I would not be in favour of them at all if I thought that anything less than a process of which sanctions will be a part will have an impact on the regime here. I think they have already demonstrated that to talk to them, reason with them and make them see the error of their ways is entirely unfruitful and will, I think, remain so.

**Q:** Your position, then, is that if sanctions can be coordinated and synchronized into an effective tool, they could make a significant difference?

**A:** I anticipate that the application of sanctions would involve the failure of sanctions — that is to say the failure of sanctions plus internal revolt to change the regime. I think the regime is too tough to be defeated by just those means. But I think that sanctions have to be tried first before people see that without a blockade backed by the superpowers there is no way of ending this.

**Q:** Do you believe it is realistic to expect superpower collaboration in a blockade-type venture?

**A:** Well, let me sketch how I see something like this coming about. The scenario runs more or less as follows: as the situation deteriorates, particularly on the borders, and the SADF is increasingly drawn into chasing guerrillas in neighbouring countries, South Africa will face escalating warnings from the Soviet Union, particularly in Angola where a Soviet ally (Cuba) is quite heavily involved already. When Pretoria gets what amounts to a virtual ultimatum from the Soviets, the US will be faced with three possibilities, all of them uninviting.

### Protector of the evil thing

The first is to stand by and do nothing — to let the Soviets do what they like. I take that to be impossible. The second scenario is for the US to say to the Soviets: "Hands off South Africa." The US could decide that this option is the lesser evil and on past record the Soviets could well back off, but in doing so they would raise a massive stink internationally and they would be widely supported.

And the US would be seen as the protector of the evil thing, which they won't want either. So under those conditions they would at least have to look seriously at the third option which is: "All right, let us get in on this and let's follow the example in Katanga." That is to say a UN action counting on both superpowers to support action against South Africa — in different ways and competitively but with enough consensus to get the result. And that could be the basis of a blockade. In the event of a face-saving capitulation whites would still have cards in the game.

There would then be elections under UN supervision which would result in a black government of some kind. But to assume that it would automatically be the left wing of the ANC and the comrades is not an assumption I would make because there would be a lot of blacks, Indians and coloureds with a lot to lose and some of them would be inclined to have a common cause with whites who had a lot to lose too. I would see strong possibilities for the role of South African whites after such elections as a lobby.

**Q:** When Desmond Tutu was enthroned as archbishop earlier this month he said the onus now fell on those people that were opposed to sanctions to come up with viable, peaceful alternatives for ending apartheid. Do these exist?

**A:** No. I mean I don't blame the archbishop for saying so. An archbishop must see hope where there is none. Even if the government agreed to negotiations with the ANC, the least the ANC would accept is so far from what this regime could possibly offer that the prospects seem bleak.

# No ban on SA coal shares rocket

Cape Times  
17/9/86  
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Own Correspondents

**JOHANNESBURG.** — Coal shares shot up on the Johannesburg Stock Exchange yesterday after the European Community dropped coal from its R1-billion mineral ban on South Africa.

The 12-nation EC yesterday agreed to ban the importing of South African steel and iron, but dropped the widely expected R3-billion coal embargo.

Trans Natal recorded the biggest rise on the JSE with its shares gaining 120c (16,7 percent) to R40c, while GF Coal jumped 125c (14,3 percent) to R10.

However, Mr Graham Thompson, chief executive of Rand Mines' coal division, said share prices had been low because of uncertainty over sanctions.

● John Battersby reports from London that the EC sanctions package, which includes a ban on new investment and on the import of South African gold coins, was adopted after a 15-hour session of EC foreign ministers in Brussels.

The iron and steel ban will start on September 27. The implementation of the other two embargoes — on new investment and gold coins — is a matter for national governments and could take longer.

At a press conference in Bonn yesterday after the Brussels agreement the British Prime Minister, Mrs Margaret Thatcher, and the West German Chancellor, Mr Helmut Kohl, expressed doubts that the sanctions would have any effect.

Both leaders made clear that they had only gone along with the limited measures for the sake of EEC unity.

The embargo on coal exports — which formed a vital element of a provisional EC sanctions package discussed at the European summit at The Hague in June — was blocked by the West German Foreign Minister, Mr Hans-Dietrich Genscher, on the instructions of Mr Helmut Kohl.

Portugal also maintained its opposition to trade sanctions and the Belgian Foreign Minister, Mr Leo Tindemans, opposed the ban on coal.

● Simon Barber reports from Washington that the EC decision on coal was greeted with relief by the Reagan administration.

Japan's Ministry of International Trade and Industry had threatened to stop buying coal from the United States if a joint Western ban, which it was ready to join, prevented it from buying coal from South Africa.



WEDNESDAY, SEPTEMBER 17, 1986

## Volkskas lists vulnerable industries

# Sanctions would hit Western Cape hard

Cape Times 17/9/86 280

By GORDON KLING  
Financial Editor

SA IS IN the most uncertain situation possible with regards to sanctions and the Western Cape ranks high among regions that would suffer most if implemented.

According to a report released yesterday by Volkskas Bank vulnerable industries in the region include deciduous fruit, fishing, ship-building and repairs, and the liquor industry.

The Eastern Cape would also be hit hard because of the concentration of car manufacturers and wool producers.

Regions that could initially benefit or at least not be greatly affected include the PWV, thanks to mining and the nature of manufacturing in the area; the Northern Free State, owing to its gold mines; and Natal which has well distributed industrial activities.

The report says considerable efforts can be expected in the realm of transport.

Efforts would have to be made to transport a greater number of passengers by bus or train, and a greater volume of goods would have to be transported by rail (less by road) in order to reduce crude oil imports.

What should SA be doing in the present circumstances? Firstly, avoid sanctions if at all possible, says Volkskas. It concludes, however, that present boycotts are almost certain to be extended into sanctions, particularly after 1988 when stronger socialist orientated political parties may come to power in the US and UK.

The possession of foreign exchange reserves is regarded as a major prerequisite to coping with sanctions once they have been applied. SA's forex reserves are low at present, but could be replenished through.

- Promoting and diversifying exports.
- Encouraging domestic buying of SA-made goods.
- Selective import control, particularly on luxury items,

non-essential items, and where local substitutes are available.

● Restrictions on the outflow of funds via the capital account.

On the last point Volkskas says the possibility SA will suspend its debt redemption unilaterally is "not so unrealistic".

The bank says more effective production methods will have to enjoy more attention. "The negative economic consequences of sanctions can be largely neutralized if productivity performance can be stepped up."

Greater efforts would have to be made on the development of new technology, stockpiling of strategic supplies should be considered.

Finally, says the bank, government should adopt a clear standpoint on the issue.

"The most uncertain situation possible is the present one where SA is being boycotted, but only partially. Nobody acts decisively, everyone is sitting back and in the process not much is happening."

1451 280 186 3 Fruit 1986

## Union and fruit industry bosses differ on sanctions

Labour Reporter

**WORRIED** employers in the fruit industry have had talks with the Food and Allied Workers' Union about the effects of sanctions and how to minimise them.

But the discussions exposed a basic difference between employers and the union.

Spokesmen for the co-operatives — Ceres Fruit Growers, Kromrivier Apple and Elgin Fruit Packers — said the talks were "very positive".

Mr Jan Engelbrecht, general manager of Kromco, said up to 80 percent of the co-ops' income was derived from exports. He estimated that up to a million people in the region could be dependent on the fruit industry.

"We came to an understanding with the union about sanctions, but they were very hesitant to take a definite stand until they had been able to discuss the issue with their membership," he said.

The Fawu spokesman said if employees were laid off, workers would not hold responsible the people overseas who had pushed for sanctions as a pressure for change.

"They are going to hold employers and the Government responsible. If employers are concerned they should try to influence the Government to remove the basic reason for sanctions.

"Immediate measures must be to lift the state of emergency, release detainees and address South Africa's real problems," he said.



## Priest insists meeting *did* vote against *Abus 7-7/9/86* more pressure

The Argus Correspondent

DURBAN *280* A senior Catholic priest said today he stood by reports that priests here had voted overwhelmingly earlier this year against disinvestment and increased economic pressure against South Africa.

Father Angus Mackinnon was commenting on a statement by the press officer of the Southern African Catholic Bishops' Conference, Mr Noel Bruyns, claiming the wide Press coverage given to the priests' opposition was based on "disinformation".

Mr Bruyns said the South African Council of Priests had supported the Southern African Catholic Bishops' Conference in its stand on economic pressure.

He said the impression that a large body of "rebel priests" here opposed the bishops on economic pressure was dispelled at a meeting at Mariannhill.

But Father Mackinnon — who chaired a meeting of Durban priests at which the issue was debated in April — said today:

"A vote was taken on the question: Are you in favour of disinvestment and increased economic sanctions against South Africa?"

Nineteen priests at the meeting voted against disinvestment and increased sanctions and four were in favour.

# EC to ban SA steel imports

Senepa  
17/9/86



280

BRUSSELS — Twelve European governments are going to ban imports of South African iron, steel and gold coins, and block new investments in the country.

But coal, one of South Africa's most important exports, will not immediately be part of the sanctions package.

These decisions were announced in Brussels yesterday, after more than 10 hours of tough negotiations between EC Foreign Ministers.

They agreed that iron and steel — exports to Europe were worth R777 million last year — would be banned from the end of this month.

## Timing

Imposition of the ban on Krugerrands and new investments would be referred back to committees who would work out the timing.

The ban on coal, which last year earned South Africa R2,3 billion in European sales would remain under discussion. West Germany and Portugal refused to agree to include it, although they were under pressure from the other ten governments.

EC diplomats said the ban on iron and steel imports would apply from September 27, and would take place under an existing EC coal and steel pact. — Sapa-AP.



BRUSSELS 17/9/85

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BRUSSELS — After finalising their sanctions package at the end of their two-day meeting last night, European Community Foreign Ministers issued the following statement on SA:

□ The Foreign Ministers of the Twelve reviewed their policy towards South Africa in the light of decisions adopted at the Hague European Council on 26/27 June. They heard a report from Sir Geoffrey Howe on the mission to the region which he undertook at the request of Heads of State and Government.

□ Ministers expressed their grave concern that the situation in South Africa appeared to have entered a new phase of increased tension under the State of Emergency. They shared the widespread anxiety within the Member States over reports of the conditions in which some detainees are being held. They once again condemned the practice of detention without trial. They called for the release of all people so detained under the State of Emergency, which they wished to see brought to an end.

□ The Ministers underlined the importance they attached to the strengthening and more effective co-ordination of the positive measures being taken to assist the victims of apartheid both by member States and by the Community itself. They noted that the draft Community Budget for 1987 forwarded to the European Parliament by the Council on 10 September contained an increased provision for the Community programme, with particular emphasis on training.

□ Ministers reaffirmed the urgent need for a genuine national dialogue, across lines of colour, politics and religion. They deplored the fact that the South African Government was not yet prepared to take the steps necessary to make this possible. Two steps in particular were identified at The Hague — The unconditional release of Nelson Mandela and other political prisoners; The lifting of the ban on the African National

## EC Foreign Ministers' sanctions statement

Congress, the Pan Africanist Congress of Azania and other political parties.

They undertook to work towards a programme of political action designed to promote the achievement of these objectives.

□ In view of the South African Government's failure to respond, and after consultation with other industrialised countries, Ministers decided that the Twelve should now proceed to adopt a package of restrictive measures on the lines envisaged at The Hague. This consists of bans on new investment and on the import of iron, steel and gold coins from South Africa. On implementation, they took an immediate decision to suspend imports of iron and steel in the framework of the ECSC Council with effect from 27 September.

Ministers also decided to ban the import of gold coins originating in South Africa and new investments in that country, without prejudice to the means of implementation of these measures which will be the subject of further examination by the committee of Permanent Representatives and the Political Committee.

□ Most partners were also willing to implement a ban on the import of coal from South Africa if a consensus on this could be achieved. On this question, the Presidency will continue to seek consensus on the basis of the statement made by The Hague European Council. — Sapa-Reuter.

He said the money for all three projects would have to be raised by the government.

17/9/86  
BUS DAY

'Govt must generate economic growth'

# Summit gets a warm welcome

THE economic summit planned for November 7 in Pretoria has been welcomed by businessmen, organised commerce and industry and the Progressive Federal Party.

Among items identified as requiring discussion at the "Forward with Confidence" conference, announced by President P W Botha at a conference in Johannesburg this week, were the impact of sanctions, government's long-term political programme and its plans to stimulate growth and cope with unemployment.

But the agenda has not yet been finalised and a spokesman for the office of the President said details would probably be announced next week.

PFP finance spokesman Harry Schwarz was enthusiastic about the conference but said it would have to be non-party political and specifically address itself to the restoration of business confidence and the impact of sanctions on the economy.

He said for business confidence to be restored it was essential that the National Party should outline its long-term political objectives.

Barclays National Bank senior GM Jimmy McKenzie agreed, adding that government plans to generate economic

GERALD REILLY  
and LINDA ENSOR

growth and deal with the enormous problem of unemployment would also have to be on the agenda.

Schwarz also emphasised the need for follow-up action.

He said: "It is not enough for government to state its case. Working groups must be constituted to continue discussing and dealing with the problems after the conference and to continue the liaison between government and the private sector."

The attendance by trade union representatives was also crucial.

Federated Chamber of Industries CE Johan van Zyl said the conference could be of great importance "at this crucial stage in the economy" but this would depend on the way it was structured.

However, it should be something more than just short speeches as happened at the Carlton conference. There would have to be an interchange of ideas and two-way communication.

Afrikaanse Handelsinstituut CE Fred Stockenstroom and Assocom president Rocky Ridgway also welcomed the opportunity for the public and private sectors to enter into dialogue.

## Judgment reserved on roads rezoning appeal

JUDGMENT has been reserved by the Appeal Court in Bloemfontein in the appeal by Johannesburg City Council against a decision that set aside its interim town planning scheme for the extension of roads in the vicinity of the Hypermarket at Cheltondale.

The scheme provided for the rezoning of certain public open spaces and residential and business sites to "public road". It was intended to extend certain roads to give a freer flow of traffic to Louis Botha Avenue. — Sapa.



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BUSINESS DAY, Wednesday, September 17 1986

# WORLD

## Envoy's cheeky letter causes conference stir



WORRALL

LONDON — SA ambassador Denis Worrall is personally offering Britain's Social Democratic Party guidance on his country.

The high-profile envoy yesterday cheekily gave all delegates to the SDP annual conference a chance to get "the whole picture" of what is happening.

Delegates, expected to vote overwhelmingly in favour of sanctions, were sent an open letter in which Worrall challenged the official party line on SA.

It even included a card delegates

IAN HOBBS

could send to the SA embassy for more information.

SDP leader Dr David Owen — a former Labour government Foreign Secretary — dismissed Worrall's initiative as gate-crashing propaganda.

The letter has, however, attracted attention among delegates.

It said: "The SDP should guard against being swept along by the irrational clamour for sanctions."

# ANNOUNCEMENT

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17/9/86  
BUS DAY  
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'Govt must generate economic growth'

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## Judgment reserved on roads rezoning appeal



# Unity would beat sanctions, says Swaziland

MBABANE—Swaziland, breaking ranks with most of black Africa, has said punitive international economic sanctions on South Africa would be defeated if there was unity between the two neighbouring states.

A senior Foreign Ministry official said in a statement read after inter-governmental talks with a South African delegation here on Monday night:

'We meet at a time when our sub-region is facing a series of tests and challenges. I refer to the unprecedented challenges caused by the dark clouds of sanctions advocated by the international community.'

'We have to rise to these problems ... and have them redressed through the harmonious co-ordination of the different aspects of our co-operation. I have no doubt that through unity and solidarity, our peoples can walk tall in the midst of sanctions.'

Swaziland has in the past year been distancing itself from vocal calls for sanctions on Pretoria championed by other black-ruled southern African nations.

It says the embargo on South Africa would strangle Swaziland's economy.

During the talks, the two states discussed boosting co-operation in agriculture, manpower development, transport and health, South African team leader Mr Ray Killen said. — (Sapa-Reuter)

# Coca-Cola to sell SA investments

JOHANNESBURG

Coca-Cola announced in Atlanta, US, yesterday it would be selling off its remaining holdings in South Africa.

SA Breweries is a strong contender for Coca-Cola's stake in the bottling and canning industry.

It already holds 55 per cent of Amalgamated Beverage Industries, the franchise bottler and distributor of Coke in South Africa, after obtaining a 30 per cent interest when Coca-Cola reduced its holdings earlier this year.

The chief executive of SAB, Mr Meyer Kahn, said last night SAB and Coca-Cola were discussing the issue, but he would not reveal the nature of the discussions or the value of Coca-Cola's South African investments.

Coke fans would not be deprived of their favourite drink as the disinvestment would not affect the sale of Coke in South Africa, Mr Kahn said.

Coca-Cola's US president and chief operating officer, Mr Donald Keough, said: "We have been reducing our investment in South Africa since 1976 and we have now decided to sell our remaining holdings. We will disinvest in a way that creates significant multiracial equity participation in the SA soft drink industry."

He said the company's decision to complete the process of disinvestment "is a statement of our opposition to apartheid and of our support for the economic aspirations of black South Africans". — DDC.



## Norway pledges aid if S A retaliates

HARARE—The Norwegian Prime Minister, Mrs Gro Harlem Brundtland, yesterday pledged further aid from her Government to help the front-line states should South Africa take retaliatory action against them for the imposition of international sanctions.

Speaking at a meeting of the World Commission on Environment and Development, Mrs Brundtland, who is its chairman, said racism in southern Africa was among a complex pattern of international problems affecting the modern world.

The international community had a clear responsibility to act against apartheid and the application of sanctions would send a powerful message to Pretoria that blacks must be given the same rights as whites, she said.

Mrs Brundtland stated: 'The Norwegian Government is presently preparing a Bill on an economic boycott of South Africa and is prepared to increase its assistance to the southern African region in the event of South African reprisals against the SADC countries.'

By taking firm and prompt action on sanctions the international community would hasten the demise of apartheid, she said. — (Sapa)

# Japan to use EC package as guide on sanctions

CMT Times 18/9/86 280

TOKYO. — Japan would soon impose additional economic sanctions against South Africa, using the package adopted by the European Community (EC) as a "valuable reference", a Foreign Ministry official said yesterday.

The director of the ministry's Second African Division, Mr Naoto Amaki, indicated that the announcement could come early next week.

EC foreign ministers on Tuesday formally endorsed a package of limited sanctions involving a ban on new investment in South Africa and embargoes on imports of South African gold coins, iron and steel.

They excluded a ban on coal, South Africa's most important export commodity after gold.

Japan, South Africa's second largest trading partner, has already banned direct investment, among other things.

In Washington, meanwhile, the White House, pressured to take a tougher stand on South Africa, yesterday consulted Republican leaders on new sanctions that President Ronald Reagan may impose to thwart a harsher congressional measure.

President Reagan risks a stinging political defeat if he vetoes the Bill and Congress overrides him.

The New York Times yesterday said in an editorial that "a veto could well become the worst decision of Mr Reagan's presidency".

"A veto would encourage the Pretoria government to hold out indefinitely against power-sharing with blacks and an independent Namibia ... and Western Europe's campaign to press for reforms would collapse."

"Sanctions do matter and Congress has designed them for maximum political effect and only incremental economic damage."

In another development yesterday the West German cabinet approved the economic sanctions against South Africa adopted by the EC, a spokesman said.

There were two opposing votes — both from members of the conservative Christian Social Union party, the Bavarian arm of Chancellor Helmut Kohl's Christian Democratic Union. — Sapa-Reuter-AP and UPI



**The Star's Africa  
News Service**

**HARARE** — Commonwealth Secretary General Sir Shridath Ramphal says Western countries, not Frontline states, must shoulder the burden of sanctions against South Africa.

In Harare for a world environment conference, Sir Shridath said the Frontline states had a part to play within the wider international pro-

**'Let West  
shoulder  
the burden'**

gramme of sanctions, but it was in Brussels and Washington that major decisions had to be taken.

He accused the Western media of distortion by implying that Frontline states had to take

substantial action but were dragging their feet.

He said Western countries were putting commercial values above human values as shown by the way in which they were trying to protect their financial stake in South Africa.

"They are counting their pennies and profits and trying to get the best of both worlds by denouncing both apartheid and sanctions."

# Dutch determined to ban SA coal

The Star's Foreign News Service

AMSTERDAM — Holland is to continue its battle for a European Community (EC) ban on coal imports from South Africa despite the Foreign Ministers' failure to agree on its inclusion in their sanctions package.

The Dutch, among the staunchest supporters of stronger economic sanctions against Pretoria, are likely to consider joining other willing EC members in voluntarily banning South African coal if the Community fails to do so.

Dutch Foreign Minister Mr Hans van den Broek made no secret of his disappointment over the compromise package and promised to keep pressing West Germany for a coal ban.

If he again fails to convince Bonn of the need for a coal boycott, parliamentary pressure is like-

ly to grow for unilateral steps by Holland.

Mr Jacques Wallage, a Labour MP, said yesterday his party would wait to see whether the EC added a coal ban to the other measures it has taken.

If it did not do so, the Socialists were prepared to launch a parliamentary drive that would ensure that Holland joined other EC countries in boycotting South African coal and possibly adding other sanctions.

Holland imports 144.2 million florins worth of South African coal annually. It forms a significant part of the country's coal requirements. All of Holland's coal is imported.

Equally important is the South African coal that is trans-shipped through Rotterdam, a major port of entry for coal going inland.



# Coke and Firestone adopt opposing stances on disinvestment

By Peter Farley

The divergent views of US companies with investments in South Africa were vividly illustrated yesterday.

Coca-Cola announced it was selling its remaining shares in the SA soft drink business, while the executive vice-president of Firestone re-affirmed his company was firmly behind retaining its 25 percent stake in the local operation.

Coca-Cola has been steadily reducing its investment in SA for some 10 years and control of its Amalgamated Beverage Industries finally passed into the hands of SA Breweries earlier this year.

But, in an effort to justify its contribution to the local black community Coca-Cola is insisting a significant multiracial shareholding is built up in the company.

SAB owns 55 percent of ABI and negotiations are under way to work out how the 45 percent balance will be split up — in accordance with the US company's intention to have a black shareholding.

However, Firestone's Mr George Aucott told the SA firm's 50th anniversary dinner last night his company would "stay in South Africa as long as it can make a meaningful contribution to the community."

He pointed out it was company policy to allocate 40 percent of what would receive in annual dividends to social responsibility projects.

Last year this totalled

R1.3 million.

This includes contributions to educational programmes, paying all school fees for the children of black employees through secondary school, and a bursary programme for higher education.

Although Coca-Cola is ending its direct presence in SA, both it and SAB have emphasised the supply of product to the market will continue.

The Star Bureau reports from

the US that Coca-Cola says it has disinvested to demonstrate its opposition to apartheid.

Coke will still export syrup to South African bottlers and donate money to foundations it established with a \$10 million gift.

Coca-Cola's president, Mr Donald Keough, said in Atlanta the company wanted not only to speak out against apartheid but to show its support for black South Africans.

"We will disinvest in a way

that creates significant multiracial equity participation in the South African soft drink industry.

"Our goal is to structure the transactions in a way that improves the prospects of black South Africans and increase their ability to invest in their country's economy."

His statement drew immediate applause from critics in America threatening boycotts of the company and its products.

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# Aussies hold back on platinum project

By Allan Dunn

MELBOURNE — The chance of gaining a share of the world platinum market, dominated by South Africa has precipitated a bridge row within the Australian Government.

Some members of the Government, including Prime Minister Bob Hawke, are keen to allow mining for platinum and gold in the Kakadu national park, a

magnificent but remote wilderness area near Darwin.

It is known that there are some very promising platinum deposits there and Hawke and some of his colleagues see revenue from them as a vital boost to Australia's trading deficit.

Australia has no platinum mines but the Government is well aware that South Africa, which produces 80 percent of

world requirements, may use this near monopoly as a bargaining tool in any sanctions war.

Australia would like to be in a position to supply any needs which might arise if South Africa were to limit platinum supplies.

But the left wing of the governing Labor Party is opposed to any mining in the park, insist-

ing that the area be left undisturbed.

It seems the left has won the day, for the moment anyway, because the Government has decided there will be no mining in most of the park.

But some companies hold leases granted several years ago and if they should decide to exercise them it would cause a split in the government.



## Japan to announce sanctions tomorrow

TOKYO — Japan will announce a new package of sanctions against the South African Government tomorrow, a Foreign Ministry official said today.

The official, who declined to be named, told foreign journalists in Tokyo that the Japanese Government would announce four new sanctions against Pretoria in an effort to get it to end apartheid.

He refused to specify the sanctions, but said they would be similar to those endorsed by the EEC.

European Foreign Ministers have backed a package of sanctions that involve a ban on new investment and embargoes on imports of gold coins, iron and steel.

Japan is SA's second largest trading partner. It has already banned direct investment and the export of computers to the army and police. — Sapa-Reuter

# Kohl firm on sanctions

BONN — West Germany, which led opposition to tougher European Community (EC) sanctions against Pretoria, appears determined to weather foreign criticism and stick to its refusal to deal any strong blows to SA's economy.

EC foreign ministers have agreed to ban new investments in SA and imports of iron, steel and gold coins from there after West Germany, backed by Portugal, refused to accept inclusion of the proposed coal boycott.

Chancellor Helmut Kohl has been under strong pressure from his Right-wing Bavarian allies, the Christian Social

Union (CSU), to reject sanctions of any kind, regardless of what the other 11 EC states might demand. At yesterday's cabinet meeting two CSU ministers formally rejected the agreed EC sanctions package, a move which would not affect its implementation by Bonn but underlines the Bavarians' hardline position.

With national elections four months away, Kohl cannot afford a major rift with his coalition partner over SA and needed to show his determination to limit the European measures, government sources said. — But Kohl and most of his ministers are in any case largely in tune with the Bavarians. — Sapa-Reuter.



## **Reagan veto could be 'worst decision'**

NEW YORK—President Reagan could well make the worst decision of his presidency if he vetoes Congressional sanctions against South Africa, the New York Times said yesterday.

"The moment has come for him to lead and to use the leverage of the threatened sanctions to obtain real reform," it said. "Apartheid, not communism, is the enemy at hand in South Africa. Confounding the two offends America's interests as well as its conscience."

It added: "By refusing to harness America's moral passion, Mr Reagan would give up the chance to channel it and only shorten the odds on a racial convulsion."

To say sanctions played into the hands of radicals assumed that indulging the dominant whites would make them bring blacks into power and make peace with their neighbours, it said.

"That is precisely what they have refused to do through six years of Mr Reagan's coddling 'engagement'," the newspaper said.

— (Sapa-Reuter)

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# Germans stand fast on blocking coal sanctions

BONN—West Germany, which led opposition to tougher European Community sanctions against Pretoria, appears determined to weather foreign criticism and stick to its refusal to deal any strong blows to South Africa's economy.

Bonn's rejection of demands from other EC partners for inclusion of a coal boycott in economic measures against Pretoria left the package devoid of its most potent weapon.

It also cast West Germany in the kind of role it has always tried to avoid — as the driving force behind a European policy stance which appears bound to provoke anger in the Third World and censure of the Germans' attitude.

But Government sources made clear yesterday that Bonn, usually highly sensitive to negative comment, would endure the barbs of its foreign critics if necessary and refuse to back down on its opposition to sanctions with more bite.

'We are not going to let ourselves be put under pressure. We are not going to accept any measures which might lead to the destruction of the South African economy,' one source said.

EC foreign ministers agreed on Tuesday to ban new investments in South Africa and imports of iron, steel and gold coins from there after West Germany, backed by Portugal, refused to accept inclusion of the proposed coal boycott.

Bonn argued that banning coal imports would put thousands of black South Africans out of work and cause misery to precisely the people the Europeans were trying to help.

Government officials and German commentators detected two motives for the Government's stand — domestic political pressures and a genuine conviction that sanctions were the wrong way to force Pretoria to change its apartheid system.

Chancellor Helmut Kohl has been under strong pressure from his Right-wing Bavarian allies, the Christian Social Union (CSU), to reject sanctions of any kind, regardless of what the other 11 EC states might demand.

With national elections only four months away, Mr Kohl cannot afford a major rift with his coalition partner over South Africa and needed to show his determination to limit the European measures, Government sources said.

Mr Kohl himself has said that the only value sanctions have is to the businessmen who make fortunes by circumventing them and he argues that such measures have a history of failure.

Government officials make clear they believe Bonn is maintaining a sensible approach on the issue while other EC states are being forced to cave-in to domestic pressures.

Mr Kohl's Government has indeed been spared the emotional debates on South Africa which have raged in other countries such as Britain and the Netherlands.

But South Africa is not an issue which dominates the headlines in West Germany and even the opposition Social Democrats and Greens tend to speak out on it only when there is some topical reason.

Mr Kohl's Government argues that a dialogue with Pretoria and measures to educate blacks and improve their economic position have far better prospects of bringing about change in South Africa than economic punishment.

But Mr Kohl made clear at a news conference he was not comfortable with the way West Germany had emerged as chief spokesman for the European opponents of sanctions. He grumbled that Bonn was only saying out loud what a lot of other people thought.

— (Sapa-Reuter)



# W Germany approves sanctions against SA

DP 18/9/86 286

BONN — The West German cabinet yesterday approved economic sanctions against South Africa adopted this week by the European Economic Community, a spokesman said. There were two opposing votes.

In a cabinet meeting, the Interior Minister, Mr Friedrich Zimmermann, and the Agriculture Minister, Mr Ignaz Kiechle, opposed the sanctions, according to the chief government spokesman, Mr Friedrich Ost.

The two ministers are both members of the conservative Christian Social Union (CSU) party, the Bavarian arm of Chancellor Helmut Kohl's Christian Democratic Union.

The other 13 ministers at the cabinet meeting backed the sanctions, Mr Ost said. Two members were absent, including Mr Kohl who was visiting British troops stationed in West Germany with the British Prime Minister, Mrs Margaret Thatcher.

● Simon Barber reports from Washington

that Senator Nancy Kassebaum has urged President Reagan to accept Congress' South African sanctions package "so that we can speak with one voice" but has also argued that the package is a "Rube Goldberg invention" that will have no desirable effect on Pretoria.

"Sanctions are a diversion from the real issue that confronts SA... and may in the short term only prolong the status quo", the chairman of the Senate African sub-committee told the National Press Club on her return from a tour of Africa.

Explaining her seemingly contradictory stand — the Kansas Republican has advocated no new investment in South Africa and voted for the Senate package now before the White House — one of her advisers said she believed that sanctions were something that were politically inevitable and which the United States "has had to get out of its system".

● President Ronald Reagan had yet to decide whether to veto a

congressional bill imposing stiff sanctions against South Africa and was discussing his next move with Senate Republican leaders, the White House chief of staff, Mr Donald Regan, told reporters.

● The New York Times said yesterday that President Reagan could well make the worst decision of his presidency if he vetoes congressional sanctions against South Africa.

"The moment has come for him to lead and to use the leverage of the threatened sanctions to obtain real reform," it said. "Apartheid, not communism, is the enemy at hand in South Africa. Confounding the two offends America's interests as well as its conscience."

● Japan would soon impose additional economic sanctions against South Africa, using the package adopted by the European Community as a "valuable reference," a Foreign Ministry official said yesterday. He said an announcement could be made next week. — Sapa-AP-RNS

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From IAN HOBBS

LONDON — The president of the Social Democratic Party, Mrs Shirley Williams, has accused the South African ambassador to Britain, Dr Denis Worrall, of trying to influence an SDP conference debate on apartheid sanctions.

She has also accused two South African embassy officials of "gate-crashing" the party's annual conference at Harrogate.

She took exception to the "presence, uninvited, of two of the South African embassy staff" at a reception.

Before the conference started, Dr Worrall sent an open letter to the 1 000 delegates. He challenged the party leadership's policy on sanctions.

He has responded to Mrs Williams's criticism by insisting the two embassy officials who visited the conference, the first secretary, Mr Richard Davis, and the third secretary, Mr Allan Shardelow, had not only been invited but had also been well-received.

Mr Davis, he said, had a lengthy discussion with the SDP leader, Dr David Owen.

# Worrall takes flak over letter to SDP delegates



DR WORRALL

## Embassy staffers accused of gate-crashing meeting

Dr Worrall expressed delight at the reaction of delegates to the open letter. "Obviously our little campaign has hit the target," he said.

It was a legitimate function of any embassy to inform and influence discussions of matters affecting its government.

"What we were trying to do here was to raise the level of the debate," he said.

"I must say I am surprised at Mrs Williams's lack of confidence in the discretion of her fellow

delegates. Surely they are capable of distinguishing between good and bad arguments

"And the argument that there should be sanctions against South Africa is a bad one, given the fact that it will cause great unemployment and hardship — something the British public fully understands," Dr Worrall said.

In his letter, he asked SDP delegates to amend a proposal for the dismantling of apartheid by including the words

"through a process of peaceful negotiation".

They were asked by Dr Worrall to reconsider the official party line on South Africa.

The open letter even included a card delegates could send back to the embassy to get more information on developments which the ambassador said would be the "whole picture".

Commentators conceded that, however controversial its claims might be, Dr Worrall's open letter attracted attention and could not be

ignored.

Dr Owen, a former Labour government foreign secretary, however, dismissed Dr Worrall's "propaganda" as weak arguments which would be ignored by most delegates.

Dr Worrall argued that the reform programme in South Africa was not the result of international intervention or pressure.

"However, positive international concern and involvement have always been welcomed and have helped this process. This cannot be said of punitive actions," said Dr Worrall's letter.

It added: "The SDP should guard against being swept along by the irrational clamour for sanctions without due consideration being given to the effect they are likely to have both within South Africa and throughout the region."

The SDP conference is being held against a backdrop of serious concern that its credibility as a potential government partner has fallen disastrously and that Dr Owen is alienating their Liberal alliance partners by trying to run a one-man band.



## Poll shows Aussie views on sanctions

The Star's Foreign  
News Service

MELBOURNE — Only one in three voters is against the sanctions recently imposed on South Africa by the Australian Government.

The sanctions, aimed at forcing a change in the country's apartheid policy, are supported by almost half the Australian electorate.

The result, revealed in the latest poll, indicates substantial public backing for the government's decision.

However, the poll also revealed considerable ignorance or uncertainty with almost one in five failing to give an opinion.

The poll showed 47 percent in favour of sanctions, 34 percent against and 19 percent undecided.

# SA won't gamble with its future

280  
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The Star Bureau

WASHINGTON — The South African Ambassador to Washington, Mr Herbert Beukes, has told Americans that no sanctions or pressure will succeed in forcing white South Africa to gamble with their future.

"Now that Congress has made its final decision on the sanctions issue, there is a grave danger that it will do serious and long-term damage to those it seeks to help," Mr Beukes wrote in the *Washington Post* yesterday. "It will bring to an abrupt end any ability of the US to influence events in South Africa."

### SERIOUS MISCONCEPTION

Mr Beukes said approval of sanctions reflected a serious misconception about the impasse that had arisen in the South African Government's pursuit of negotiations on a democratic constitution for post-apartheid South Africa.

"Congress's misconception is based on the mistaken belief that the Government is opposed to the creation of a broader democracy in which

blacks would be full participants."

Mr Beukes said that plain words were needed to clear up the misconception and that South African spokesmen, himself included, might be partially responsible for the confusion.

The misconception arose from the false equation of democracy with a "winner takes all for all time" system of simple majority rule, rather than the wide range of features that made a truly representative government — as in the US.

"When South Africa rejects simple majoritarianism, it is wrongly inferred that it finds democracy itself unacceptable," Mr Beukes wrote.

He said restrictions in South Africa had nothing to do with preserving apartheid. "They are aimed at preventing a seizure of power by those who would install not the democracy we seek to negotiate, but Marxist ideology in a one-party state."

"We see at first-hand on our continent of Africa the almost universal tendency toward dictatorships, one-party regimes and strong-man military governments. There is no democracy in the dictatorships that rule Liberia, Nigeria, Ghana, Ethiopia, Mozambique, Angola, Guinea, Uganda and Zaire, or in most of the rest of Africa."

# Thatcher comforting SA — Kinnock

The Star Bureau

LONDON — Labour leader Mr Neil Kinnock has attacked Mrs Thatcher for lengthening the "day of bloodshed" in South Africa by her stand against sanctions.

He also accused her of appeasing apartheid and giving comfort to the South African Government.

Mr Kinnock made his attack yesterday at a rally in Kingston, Jamaica, where he is the guest of Prime Minister Michael Manley.

He denounced Mrs Thatcher for resisting a "robust package" of sanctions at the Commonwealth mini-summit in London, and hit out at both Britain and West Germany for their attitude towards united

European Community action this week.

"Mrs Thatcher and Chancellor Kohl do not, it seems, want to shorten the day of bloodshed. They are alone and wrong. And they are alone because they are wrong."

Mr Kinnock also said that Mrs Thatcher had "no real record of antagonism to apartheid". He condemned her for saying that her view was in the best interests of South African blacks.

● Commenting on the speech today, the political editor of the London *Dail Mail* says Mr Kinnock flouted one of Britain's strict unwritten conventions with his attack — "that you don't run your own country down while abroad".



## SANCTIONS

# Reagan on the spot

"Synchronisation" of US and European Economic Community (EEC) measures against SA is going to be difficult to achieve. The EEC foreign ministers finally got their package together only after the most arduous effort. President Reagan, who has already rolled over his executive order for another year, must now decide whether the package agreed by the Senate and the House is suitable medicine. He does not like the Bill from Capitol Hill, just as he does not have much stomach for the set of measures put together in Brussels. For, despite the gentle touches in the Congress Bill, which reflect the more thoughtful counsels of the Senate, it closes too many doors. It is anathema to the president's style which can best be described at this stage as concerned involvement. He thinks more talking is needed.

West German obduracy in Brussels — overtly backed by Portugal and tacitly by "neutral" Britain — kept coal imports out of the deal worked out in 15 hours of acrimonious negotiations. That, at least, protects part of South African exports worth \$1,2 billion last year (although unilateral bans by Denmark and France are already denting the figure).

However, EEC agreement to ban iron and steel imports (worth \$400m last year), Kruggerands (\$138m in 1985, but a bare trickle in 1986), and new investment, will still make Reagan's decision on whether to veto Congress's Bill difficult. If the White House accepts the EEC move as a guideline, it will have to produce a package stronger than Reagan would have wished if it is to persuade the Senate and House of Representatives not to override the veto.

What creates a headache for Reagan is that the Congress Bill has the backing of many of his party's moderate and conservative members. (The Bill prohibits future investment in SA and calls for an import ban on steel, coal, uranium, textiles, and agricultural products.)

The president has a choice: he may sign into law legislation that he is vehemently opposed to, both personally and politically, or he can exercise his veto powers and risk fracturing his own party just two months before a crucial Congressional election. Even so, White House insiders predict Reagan will veto the Bill, sometime this week.

In passing the Senate Bill, the House's Democratic leaders gave up the chance of fighting for a tougher piece of anti-apartheid legislation. But, in return, they greatly increased chances that the Senate's fairly tough sanctions Bill will survive a presidential veto.

The overwhelming votes in the House, 308



Reagan ... what will he do?

to 77, and strong backing in the Senate, indicate that both chambers will be able to muster the two-thirds majority necessary to neutralise a presidential veto.

But the president may have an ace up his sleeve. The November elections loom large on Congressional horizons and some senators and House members may stop short of publicly thwarting a president whose popularity with the nation at large is unprecedented. SA is important to American votes, but so is Reagan; and the White House may be counting on the president's election-year pull to convince enough Republicans to back away from an embarrassing veto override.

Senate Republicans had convinced the House Democrats to adopt their milder version of sanctions in order to keep the two chambers from being forced to a drawn-out conference to iron out differences. The House Democrats' original sanctions Bill called for a total trade embargo.

The other prong of Reagan's strategy involves a visit to southern Africa by Secretary of State George Shultz which, the *FM* is reliably informed, is scheduled for mid-October. Shultz is expected to see State President P W Botha in Pretoria and leaders of

the African National Congress (ANC) in Lusaka. It seems the visit could be the next phase in the US's new strategy to act as "honest broker" on SA now that constructive engagement has been discredited.

As for the EEC, where the Dutch angrily portrayed its credibility as a force in international affairs as "nil," the coal issue will not go away. In the final round of discussions late on Tuesday morning, the 12 ministers had considered a clause which committed the EEC to reviewing the coal question in six months. This had been accepted by the Germans and Portuguese. However, the Dutch, who spoke for the sanctions hardliners, rejected the wording because, like The Hague communiqué, it did not tie the EEC to implementation.

So, rather than risk the fiasco of taking no action, the sanctioners and the Germans settled for what they could agree on. The German attitude, which British Premier Margaret Thatcher knew well, perhaps explains why at the time of the Commonwealth mini-summit Britain so readily gave its commitment to any EEC decision. Thatcher and West German Chancellor Helmut Kohl have consistently stuck to their common ground — that embargoes which create mass unemployment in SA are not the way forward. Even so, their swallowing of prohibitions against iron and steel products represented a big concession.

The Dutch, Danes and Irish will keep hammering away about coal and it — plus the rancour felt about the back-peddalling on The Hague statement — will make for another uncomfortable EEC summit in December. However, no action is on the agenda for at least another six months.

What remains now is how the EEC will set about banning new investment. Britain announced its own "voluntary" embargo along with the Commonwealth measures in August. It has yet, however, to tell financial markets or firms with subsidiaries in SA how "new" investment is defined. Does it, for example, cover retained profits? Now the whole EEC faces the same problem and the West Germans at the Brussels meeting were gloomily forecasting that a Pandora's box of legal problems has been opened.

DET CAMPS

## What's the truth?

Controversy continues over the disclosure that the Department of Education and Training (DET) is running "leadership" courses for young black detainees prior to

The *FM* has been edited to comply with the emergency regulations. Information may therefore be distorted, incomplete and misleading.



SANCTIONS

# Backs to the wall

The compromise deal on sanctions so bitterly thrashed out by the EEC foreign ministers in Brussels provides cold comfort for two of SA's major employers.

It also shows the determination of some Western countries not to be seen to be paying mere lip-service to embargoes on trade (see *Current affairs*).

While some businessmen will take heart from the rearguard fight against coal sanctions — particularly by major trading partner, West Germany, which buys about 2 Mt of South African coal a year — some 150 000 jobs are still on the line.

## Temporary relief

The decision to exclude coal provides a measure of temporary relief for the R5 billion a year industry, which last year exported 44,3 Mt worth some R3,183 billion in foreign exchange.

However, unless the South African government makes some move to meet the West's expectations, opponents of a cut in coal imports will have an even tougher fight when the EEC reviews the position of the fuel six months hence.

The 57,5% of SA's coal exports that go to the EEC are secure only for that period.

Coal exports this year are said to have been cut by about 17%, mainly through unilateral action by France and Denmark.

At the same time, the price has been depressed by the oil glut and pressure from foreign buyers in anticipation of sanctions.

Nevertheless, the Chamber of Mines has warned that sanctions alone, if the threats are fulfilled, will put 40 000 jobs in jeopardy.

And in the metal industry, the Steel and Engineering Industries Federation (Seifsa)

estimates that if sanctions are successfully imposed, around 93 500 jobs — 20% of all employees in these industries — could lose their jobs.

About 47 500 of these jobs are in the basic metal, metal products, machinery and transport equipment sectors, and about 46 000 in ancillary activities.

Seifsa director, Sam van Coller, says the imposition of sanctions is a "serious blow" to the iron and steel sectors.

So far, Iscor is putting on a brave face.

Public Relations manager, Piet du Plessis, says retrenchments are not being considered at the moment, and the corporation will continue to search for new markets.

Europe imports about 4 Mt of iron ore worth R100m — 40% of SA's exports — annually. It also imports 300 000 t of steel, about 10% of total exports.

All eyes now turn to the US, where President Ronald Reagan is considering how far to go along with the Sanctions Bill, already agreed on by both houses of Congress.

No doubt, he will take note of the EEC decision, which seems to make it more likely that he will adopt a tougher stance, particularly in a congressional election year.

A coal ban would hit limited exports of 600 000 t a year, but Japan, in importer of more than 7 Mt a year, will probably follow his lead.

Gencor coal CE, Graham Thompson, is "cautiously optimistic" that the full weight of sanctions will not be implemented by the EEC.

He expects that the whole spectrum of sanctions, from the wholly voluntary to the legally binding, will be implemented by various countries.

However, this week's disagreement makes mandatory sanctions across the board less likely.

He says there will not be any immediate impact on the depressed price of South African coal, which is 10% lower than its nearest competitor, as there is an over-abundance on the world market.

## Price fall

The cost of a ton of coal, fob Richards Bay, has declined from \$32 to \$24 in the last year, mainly because of the falling oil price.

The world price would probably climb sharply if SA was knocked out of the market. It currently produces one-third of the world's internationally traded steam coal and this would have to be replaced by more expensive supplies from the US and Australia.

Amcoal MD, Dave Rankin, predicts that the world price could rise by \$10/t if South African exports were curtailed.

That threat alone is probably the best disincentive that we could have against comprehensive sanctions.

280 FIN HALL 19/7/86 56A



# Japan ban a blow to SA tourism

19/9/86  
Eye Post  
280

By BARBARA ORPEN

**JAPAN's decision to refuse entry to South Africans into the country will have a "far-reaching" effect on the tourist industry, the tourism manager of TFC Tours, Mr C J Foggitt, said today.**

Alongside an announcement on an embargo on the import of steel from South Africa, the Japanese Government announced today that visas would be refused to South Africans wanting to enter the country.

Japanese Foreign Ministry officials said that in 1985 about 4 000 South Africans visited Japan and about the same number of Japanese went to South Africa.

Mr Foggitt said TFC Tours sent 800 to 1 200 South Africans to Japan annually — a figure constituting 9% to 10% of tourists dealt with by his organisation annually.

Mr Foggitt said Japan was a popular destination for tourists who could afford to go there, but the extreme expense involved in travelling to the Far East had reduced the number of SA tourists in the last few years.

Asked what would be done about the tourists who were expecting to travel in Japan this year, he said he was awaiting further information on when the embargo would be applied, but presumed

itineraries would have to be changed.

● Japan joined the European Community today in announcing a new package of limited economic sanctions against SA.

Japan is one of SA's largest trading partners.

The Chief Cabinet Secretary, Mr Masaharu Gotoda, told reporters Japan would ban imports of pig iron and steel materials, stop issuing tourist visas for South Africans and call on its own citizens to avoid visiting SA as tourists.

He said no South African planes would be permitted to land in Japan and that Japanese Government employees would not be allowed to use international flights of SA Airways.

In a statement issued after the Cabinet meeting, Mr Gotoda called on SA to make "fundamental reforms aimed at abolishing apartheid".

"The situation in South Africa, which shows no sign of improvement, has led to such a serious stage that some steps must be taken," he said.

Tokyo has already banned direct investment in the SA and the export of computers to its army and police.

It has also discouraged the import of SA gold coins and restricted sporting, cultural and academic ties, as well as reducing its diplomatic relations.

The statement also called for the release of Nelson Mandela and others and to lift the existing ban on organisations like the African National Congress.

It said Japan was "determined to strengthen its economic co-operation with the neighbouring countries which may suffer economic difficulties from the development of the SA situation".

Earlier this week, EC Foreign Ministers agreed to ban new investments in SA and stop importing SA iron, steel and gold coins.

Japan's imports of iron and steel from SA were valued at \$196 million (about R455 million) in 1985, about 18% of SA's total exports of the products and about 9% of Japan's total imports.

# British TV viewers hear NUM president's warning

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19/9/86  
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The Star Bureau

LONDON — British television viewers last night heard South Africa's National Union of Mineworkers' president Mr James Motlatsi warn that, if the international community failed to impose sanctions on the country's gold industry, miners would implement "another remedy".

Mr Motlatsi spoke in a TV documentary, "The Price of Gold".

During the film, which examined, in part, the West's reliance on South Africa's gold production and its reluctance to boycott it, television reporter Julian Manyon is heard saying that "behind that conflict with management a far bigger confrontation is looming".

## 'TOO EARLY TO REVEAL REMEDY'

After a roar of shouting from workers, Mr Motlatsi is then heard saying: "If the international world won't impose the gold sanctions, we have got another remedy. But I won't tell you — it's too early."

Manyon then says to him: "It sounds as if you, as the leader of the National Union of Mineworkers, are getting ready to declare war on this Government, Mr Motlatsi."

Motlatsi: "Well, the Government declared war against us. So what we are doing is retaliating."

Manyon: "So there will be compromise in this industry?"

Motlatsi: "No compromise at all."

Manyon ended by saying: "The NUM may yet become a major threat to the white regime but, while the members remain migrant workers, their chances in an all-out strike are slim."





# Reagan in uphill battle on sanctions

The Argus Foreign Service

WASHINGTON. — President Reagan is facing an uphill battle in dissuading Congress from imposing a severe package of economic sanctions on South Africa.

White House spokesman Mr Larry Speakes told reporters it was going to be "very difficult" to sway sufficient senators to prevent Congress from overriding a presidential "no" to sanctions.

Mr Reagan, still steadfastly against punitive economic measures in this case, needs 34 votes in the Senate to beat a two-thirds majority required in the chamber to override his veto.

## TO ACT NEXT WEEK

Mr Speakes told reporters, as top White House aides and senators continued to negotiate and bargain for a deal, that he expected Mr Reagan to act on the sanctions Bill late next week.

Speculation as talks go on privately is that Mr Reagan may relent slightly, settling for a few sanctions contained in the present congressional Bill in the face of overwhelming support for it on Capitol Hill. These he could impose in an executive order.

An influential presidential aide, Mr Patrick Buchanan, said Americans would not be party to "choking off the last industrial engine operating on the African continent".

## "ECONOMIC WAR"

Writing in the New York Times, he argued strongly against sanctions. Impoverished black workers would be the "first fatalities of the economic war that Congress has just declared upon South Africa", he said.

The Bill's measures were aimed at South Africa's mining industry, he said, which employed about 600 000. "Shut down those mines, and the dependent families of migrant workers could starve in Malawi and Mozambique. Will these black labourers then think better of the United States?"



1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial system and for providing a clear audit trail. The second part of the document outlines the procedures for handling disputes and resolving conflicts. It emphasizes the need for open communication and fair resolution. The third part of the document describes the various methods used to collect and analyze data. This includes both qualitative and quantitative techniques. The fourth part of the document discusses the challenges faced by the organization and the strategies used to overcome them. Finally, the fifth part of the document provides a summary of the findings and recommendations for future work.

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# Mugabe steps nimbly on the world stage

ZIMBABWE Prime Minister Robert Mugabe has emerged from last week's summit of non-aligned nations in Harare with his stature considerably enhanced after what many delegates saw as his accomplished handling of proceedings.

Mugabe's triumph lies not just in his celebrated diplomatic put-down of Libyan leader Moammar Khadafi's strong attack on the Non-Aligned Movement (Nam) in the conference hall. Rather, he showed himself able to bring together, with authority and ease, the views of the Nam's 101 members.

He was able to defer the contentious issue of where the next summit should be held. Nicaragua and Indonesia have been the main contenders, with the socialist-inclined countries favouring the former and the more Western-orientated countries pushing for the latter.

A final decision on the next summit venue is scheduled to be taken by a meeting of Nam foreign ministers in Cyprus in 1988.

Mugabe sat stoically through Iran's outraged verbal attack on fellow Nam member Iraq in the conference hall, and, with a mixture of humour and firmness, smoothed Khadafi's ruffled desert robes.

On the other hand, Mugabe defended strongly the high number of verbal attacks on the United States from the summit conference floor. This did not represent any imbalance in the Nam's attitudes towards the US and the Soviet Union. Instead, he told journalists, the bad record of the Reagan administration over the past three years in Nicaragua, Granada, El Salvador, Angola and South Africa had in no measure been matched by the Soviet Union.

Zimbabwe's Robert Mugabe polished his international image with some adroit handling of tricky situations during the non-aligned summit in Harare last week, reports HOWARD BARRELL.

Delegates and many observers expect Mugabe's next three years as Non-Aligned Movement chairman and, hence, as foremost spokesman for the developing world to be characterised by a far more workmanlike approach than that of his predecessors.

Mugabe's influence on the Nam, hitherto largely a talking shop treated with undisguised contempt in some Western government circles, could go some way towards transforming the movement into more than merely a rhetorical and moral force.

He worked actively throughout the conference to distil a programme of action for Nam and scored some successes.

And he proved to be nearly indefatigable. When the week-long conference proceedings finally ended at 3.30 on Sunday morning, Mugabe still had the energy to be lucid at a pre-dawn press conference.

He listed the summit's establishment of a fund for Southern Africa to help cushion the effect on the Frontline states of the fight against apartheid as the "most important achievement" of the summit.

A team of Nam foreign ministers — from Algeria, Argentina, Congo, India, Nigeria, Peru and Zimbabwe — is to visit Western industrialised states to press them to agree to a far-reaching sanctions package.

In this sense, the summit succeeded

in playing even more international emphasis on the anti-apartheid struggle in South Africa. The hope that it would do so was one of the major reasons the summit was held in Zimbabwe.

Mugabe told journalists he favours the establishment of a Nam secretariat which would make for tighter administration of the hitherto highly amorphous movement as one of a number of "modest and moderate reforms". The current coordinating bureau of ministers and officials was inadequate to keep the movement operating efficiently and effectively.

Mugabe also told journalists he was in favour of Nam decisions being taken by two-thirds or three-quarter majorities, rather than the current system, in which decisions are taken by "consensus interpreted as unanimity".

No, it's not much of a picture, but it says so much about the world's politics

VIVIENNE WALT reports on the Great Protocol Crisis

AT every summit, there is an official photograph, a memory framed on office walls after the flags have been lowered, the conference hall has been abandoned and silenced, and the private jets have whisked away the dignitaries.

At the Non-Aligned Movement summit in Harare last week, the official photograph historically captured these 102 Third World leaders, out of focus and dwarfed by the drapes behind them and the flowers in front. But despite the photographer's technical incompetence, the rejigging of the seating plan provides a lesson in the state of the world, 1986.

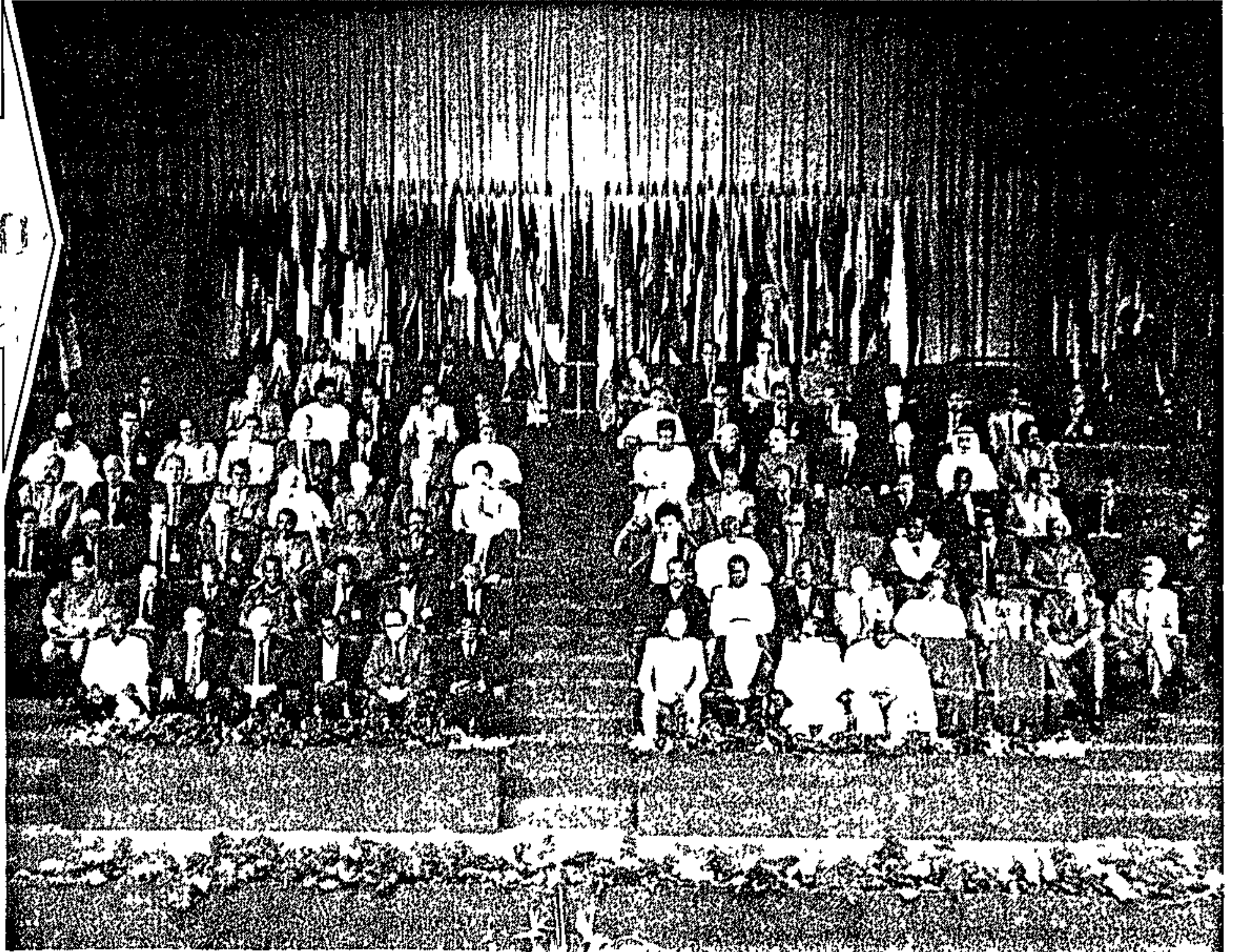
Arranged alphabetically, the greatest problem for the Zimbabwe protocol officers in seating the group has been how to keep apart two warring parties. Iran's President Sayyid Ali Khamenei and Iraq's Saddam Hussein al-Thakriti. As it is, they have been brought separately on to the stage and are pictured sitting at opposite ends to each other, with Gambian President Dawda Kairaba Jawara having shifted one seat up for President Khamenei.

For no apparent reason, Palestine Liberation Organisation leader Yasser Arafat has also been moved, from his place between Pakistan's President Zia al-Huq and Panamanian President Nicholas Ardito-Barletta, to sit on a middle aisle, where he slumps down in his seat, his chin in his hand.

Perhaps the officials knew of Arafat's reputation among the journalists of not being able to sit still for long. Looking bored next to Lesotho's King Moshoeshoe, Arafat several times fidgeted with his headscarf, and dropped his earphones noisily down the steps, leaning into the aisle to retrieve them.

The Zimbabweans, far shorter than their colleagues in West Africa, found themselves unable to accommodate the seven-foot Senegalese President Abdou Diouf, and have moved him to the edge of the stage, where all alone, he crosses his legs on the stairs.

And President Kenneth Kaunda of Zambia, founding father of the Frontline states, has been moved graciously from the back row to the front, so as not to be too upstaged by



How the summit will be remembered ... blurred, slightly out of focus and with some leaders having to be shifted around in defiance of the laws of alphabetic order for reasons of diplomacy, long legs and personal habits.

Official picture courtesy of Ziana

the newcomer, Zimbabwe Prime Minister Robert Mugabe, who sits in the middle as the movement's new chairman.

In an interview with the popular Zimbabwe magazine, *Prize Africa*, an Harare prostitute called Gutsai, who charges clients 15 to 20 Zimbabwe dollars for her all-night company, said before the summit that she had had her hair permanently waved and her wardrobe revamped in readiness for the high-earning delegates. "I'm making myself marketable for the summit," she told the reporter. "I'm going to make a killing, young man."

But the Zimbabwe government, known to be very hostile to prostitutes, rounded up before the summit those they could find, and ordered others off the streets. "It was so bad," said one young Harare woman, "that if you happened to be out alone at night, you could get picked up by the police."

Nevertheless, other businesses were free to earn as much as they could, and one of the great beneficiaries of the conference was a company called Copy World. Setting up shop in the press centre with three photocopying

machines, the entrepreneurs charged 30 Zimbabwe cents a page to provide for the more than 1 000 journalists the crucial conference documents.

The reporters, shut out from the plenary sessions, were obliged to pay up to 75 Zimbabwe dollars for the two central papers, the economic and political declarations, if they wanted to know what the summit was about.

Perhaps embarrassed by this violation of their socialist sentiments, and perhaps because most reporters came as government employees from countries who are deeply in debt, the Zimbabwe officials on the third day established a competitive service, issuing for free a limited number of speeches in the press centre.

It was all a far cry from the previous Non-Aligned summit in 1983, hosted by former Indian premier Indira Gandhi where, according to Zimbabwe's *Moto* magazine, "Speeches were always circulated and put into each journalist's locker well before they were made."

Locker? What locker?

Zimbabwe's journalists, while granted greater access than the foreign press to delegates, had their problems too, some of them not new.

For example, it used to be simple deciding who to address as comrade. "At first it was only members of parliament, Zanu and Zanu, not the independents," said a representative from Ziana, Zimbabwe's news agency, when asked about the issue.

But suddenly, 102 leaders, their entourages, organisations, observers and guests had to be individually judged for the title of endearment.

"We think all Nam members should be comrades," he said. "But, well, you know, some are more comrades than others."

With great comradeship, leaders, including Pakistan's President Zia al-Huq, were given several column inches in the Zimbabwe Herald during the conference. Comrade Zia, said the page-wide headline, just days after the Karachi administration had jailed Pakistani opposition leader Benazir Bhutto, "Supports the Freedom Struggle."

The Zimbabwe government did not skimp in their public relations. They handed each journalist a plastic briefcase, packed with a stationery kit

and glossy colour brochures on the country's economy and agriculture.

Towards the end of the week, a surplus of the kits became apparent, and early on Thursday morning a small riot erupted outside the press canteen, when the conference centre's service workers were invited to take the overflow. Boxes of the kits were ripped open, two colleagues punched each other as they tore at one kit, and a policewoman was called to restore order.

When asked what was going on, one worker said, "We've come for the cases."

● Vivienne Walt was in Harare for the Nam summit on sole assignment for *Newsday* in New York and prepared this report only after *Weekly Mail's* correspondents were refused accreditation.



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# Sanctions in revenge are wrong, says church

Religion Reporter

The Gereformeerde Kerk has warned that it would be wrong to implement counter-sanctions in revenge if sanctions were implemented against South Africa.

The church criticised talk of vengeful counter-sanctions, particularly against this country's neighbours who propagated sanctions against South Africa.

In its official publication *Die Kerkblad*, the Gereformeerde Kerk im-

plied that South Africa should address the issue which gave rise to threats of sanctions, rather than talking about retaliating with counter-sanctions.

## RESPONSIBLE

"Any criticism against a person or country must be weighed and considered to determine whether you are perhaps guilty — and responsible before God to fix what is wrong," it said.

Neighbouring countries could be hurt by counter-

sanctions, but South Africa would have to live with them in the future.

Acts of vengeance were unchristian and negative.

Sanctions could mean an increase in unemployment. If that happened, Christians should use the opportunity to love their neighbour and do good.

If sanctions were implemented, the situation in the country would deteriorate, but a simpler lifestyle could serve the kingdom of God, *Die Kerkblad* said.

# Visiting lecturer at UCT scorns critics

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Weekend Argus Reporter

INTERNATIONALLY distinguished scholar, writer and former diplomat, Dr Conor Cruise O'Brien, takes up a visiting professorship at the University of Cape Town next week amid a storm of controversy.

Dr O'Brien, a former chairman of the Irish Anti-Apartheid Movement, has been accused by the present chairman of the movement, Dr Kader Asmal, of "an act of betrayal" for accepting the post in the department of political studies at UCT.

Professor David Welsh, head of the UCT department which will host Dr O'Brien's four-week course on siege societies, slammed the "mindlessness" of academic boycotts.

He said the outside world was to a considerable extent dependent upon the work of active scholars in South Africa for essential information about this country.

"It makes no sense to deprive these scholars of the stimulus that a visit by one of the most distinguished scholars in the West will give," said Professor Welsh.

## Opposition

"Moreover, he comes to a university which has a consistent record of opposition to apartheid."

Weekend Argus Foreign Service reports from Dublin that Dr O'Brien leaves for South Africa today accompanied by his adopted son Patrick. Before accepting the invitation from UCT Dr O'Brien visited the campus to ensure that it was fully desegregated and that Patrick, who is black, would be able to move freely with his father.

Before his departure Dr O'Brien responded to Dr Asmal's criticism: "The so-called academic boycott is a perversion of the anti-apartheid movement."

Dr O'Brien said he would be paid by the university, not by the South African Government, during his stay.

He might renew his acquaintance with the Archbishop of Cape Town, Dr Desmond Tutu.

This will be his fourth visit to South Africa.



weekend  
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## UN re-opens and big issue is sanctions

By DEREK INGRAM

AS the United Nations convenes for its 41st general assembly this week, a big diplomatic effort is underway to persuade the world's major industrialised nations to implement maximum sanctions against South Africa by the end of the year.

The main targets are South Africa's major trading partners — the United States, Western Europe and Japan.

The effort was given renewed impetus this month by the Non-Aligned Movement (Nam) summit in Zimbabwe, following hard on the Commonwealth summit in London a few weeks before.

For the first time, the Commonwealth was accorded "guest" status at the Nam meeting. This meant a Commonwealth secretariat team was in attendance and helped coordinate the Commonwealth programme set out in the London communique with that of the Non-Aligned.

Thirty-five of the 101 Nam members are in the Commonwealth and were able to provide powerful support in shaping the sanctions package agreed in Zimbabwe.

The plan is to press for full mandatory sanctions at the UN general assembly. A security council veto by the US and Britain is inevitable and, pending full sanctions, non-aligned and Commonwealth countries are called on to adopt a long list of voluntary sanctions.

The summit's programme recognised that sanctions administered by Nam members have no chance of being effective without the support of South Africa's major trading partners — the US, the 12 countries of Western Europe and Japan.

A team of foreign ministers — from Algeria, Argentina, Congo, India, Nigeria, Peru and Zimbabwe — is to visit Britain, West Germany, Japan and the US to press the sanctions case.

On the Commonwealth side, secretary-general Shridath Ramphal has written to the US, Japan and 11 European Community countries calling for sanctions. These efforts have been backed by pressure on the US from Canada, and on Japan from Australia and New Zealand.

In a further step, Kaunda has drafted a letter from the Frontline states to US President Ronald Reagan, inviting him to visit Africa and judge the gravity of the situation for himself. If he does not take up the invitation, as they must expect, the leaders of Zambia, Botswana, Tanzania, Angola and Mozambique will go to the US.

Such a high-powered mission would aim to fuel burgeoning pressure for sanctions in America and would embarrass Reagan. — Gemini News



# SANCTIONS

**THIS** week's sanctions package approved at the European Economic Community (EEC) Foreign Ministers summit in Brussels has once again focused attention on attempts by the international community to pressurise South Africa into changing its apartheid policies.

The package, which includes a ban on the importation of iron, steel and Krugerrands by EEC members, is one of many such measures adopted by various organisations and individual states in the past 13 months.

In the past 11 months alone, the following measures have been adopted:

The Reagan Package of October 1985, which banned:

- Making or approval of any loans to the South African Government or its subsidiaries.
- Exports of computers, computer software or goods or technology for use by the army, police, prison service, national security agencies, Armscor and its subsidiaries, including the armaments division of the Council for Scientific and Industrial Research, reference bureaux and any "apartheid enforcing agency, bantustans or similar regional and local authorities".

• Issuing licences for the export to South Africa of goods or technology to be used in nuclear production or which are likely to be used for same.

• Imports of arms, ammunition or military vehicles from South Africa.

The Commonwealth Package, Au-



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... EEC president.



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held by the South African Government or State owned corporations.

- A ban on air links and imports from companies owned or controlled by Pretoria.

- A ban on the flow of petroleum products to South Africa

The EEC Package, September 1985:

- The withdrawal of EEC military attaches from South Africa.
- A "rigorously controlled embargo" on imports and exports of arms and paramilitary equipment.
- An end to oil exports.
- A ban on the sale of military equipment.
- A ban on all new collaboration in the nuclear sector.
- The discouraging of scientific and cultural agreements except where these contribute towards the ending of apartheid and have no possible role in supporting it.
- This week's approved ban on the import of steel, iron and Krugerrands.

In addition the following countries have adopted various sanctions individually against South Africa:

France:

Canada, Australia, Japan, Sweden, Norway and Finland have also adopted various sanctions against South Africa. To these must be added many African and Third World countries such as Libya, Cuba, Ethiopia, Tanzania and Angola that have refused to have anything to do with South Africa.

The information of the Southern African Economic Development Conference (SAEDC) was also an attempt by the front-line states to lessen their dependence on South Africa and to move towards an eventual severance of all links in the future.

Also, the sporting and cultural boycotts have been adopted world-wide.

## Measures adopted by opponents of apartheid

By MATHATHA  
TSEDU

ment contracts with majority owned South African companies.

- A ban on all government procurement in South Africa.
- Implementing the Gleneagles agreement on sports.

The Non-Aligned Movement Package, September 1986;

- A ban on air and shipping links with South Africa.

- A ban on imports of fruit, vegetables, coal, uranium, iron and steel.

- Terminate all academic, cultural, scientific and sports relations as well as relations with individuals, institutions and other bodies endorsing or based on apartheid.

- Suspend or abrogate agreements with South Africa such as agreements on cultural and scientific co-operation.

- Terminate double taxation agreement with South Africa.

- Ban government contracts with companies that have majority South African shareholders

- Introduction by all Non-Aligned Movement members of legislation to enforce the United Nations decree on the protection of Namibia's natural resources.

The Lugar Bill, August 1986:

- Ban all new investments in South Africa.

- A ban on commercial loans to the private sector.

- A ban on imports of uranium, coal, iron, steel, textile and agricultural products.

- Freeze deposits in United State banks



September 19 1986

# Reagan faces an uphill battle over sanctions

STAR  
280 19/9/86

The Star Bureau

WASHINGTON — President Reagan is facing an uphill battle in dissuading Congress from imposing a severe package of economic sanctions on South Africa.

White House spokesman Mr Larry Speakes told reporters it would be "very difficult" in the coming days to persuade sufficient senators to prevent Congress from overriding a presidential veto on sanctions.

Mr Reagan, still steadfastly against punitive economic measures in this case, needs 34 votes in the Senate to avoid the two-thirds majority required in the chamber to override his veto.

As leading White House aides and senators continued to negotiate and bargain over a possible deal, Mr Speakes said he expected Mr Reagan to act on the sanctions Bill late next week.

As private talks continue, speculation is that Mr Reagan may relent slightly and, in the face of overwhelming support for the present congressional Bill on Capitol Hill, settle for the few sanctions contained in it.

These he could impose in an executive order.

An influential presidential aide, Mr Patrick Buchanan, said yesterday Americans would not be party to "choking off the last industrial engine operating on the African continent".

Writing in *The New York Times*, he argued strongly against sanctions. He said that impoverished black workers seeking work in South Africa, such as those at Crossroads in the Cape, would be the "first fatalities of the economic war that Congress has just declared on South Africa".

The Bill's measures were aimed at South Africa's mining industry which employed about 600 000 people, he said. "Shut down those mines

and the dependent families of migrant workers could starve back home in Malawi and Mozambique. Will these black labourers then think better of the United States?"

Mr Buchanan, the White House director of communications, said US lawmakers were insisting that sanctions would advance democracy. But lifelong democrats such as Helen Suzman and Alan Paton opposed them.

## MASSACRES

Listing dictatorships and massacres in Africa, Mr Buchanan noted that there had been no Western moralist clamour for sanctions against those countries.

If sanctions advanced democracy, why had they not been imposed against Zimbabwe which was moving towards a single-party state where troops killed more people in 1983 than had died in South Africa's racial violence in the past two years.

"One wonders exactly which country on the continent Congress wishes South Africa to emulate," he said.

# Amcham urges bursars. Write against sanctions

INDIVIDUALS and organisations receiving aid from the American government or American companies are being pressured to ask the US Congress to oppose sanctions.

American-based companies — acting on American Chamber of Commerce in South Africa (Amcham) instructions — have been sending letters to recipients of their bursaries, encouraging them to write letters to the United States on the question of sanctions.

One such letter was sent by the major computer company, NCR Corporation of SA (Pty) Ltd, which

called upon its bursars, who are mainly black, to oppose sanctions in their own interests.

O Freimond, who wrote the letters on behalf of NCR, confirmed this week that he had written the letters, but said he did so at the instruction of Amcham.

Ken Mason, the Amcham executive director, acknowledged issuing the instruction, saying it was part of a campaign to sway the US Congress on the issue of sanctions.

"The instruction has not only been sent to university bursary holders. It has been sent to all individuals and

By RAFIQ ROHAN  
in Durban

organisations, like Operation Hunger and Legal Aid Centres, receiving American aid.

"We have told them to write letters to bring to the attention of Congress what actions the sanctions will precipitate. It is Congress that is calling for disinvestment and it is never too late to reverse the decision," Mason said.

Asked about the bursars who received the letter, Mason said: "If that student weren't supported with

our money, go and ask him where he would be? He is biting the hand that feeds him and if he doesn't like it, then he must find the sponsorship elsewhere.

"If I receive a sponsorship, I would feel honour-bound to the sponsor. However, no action will be taken against those who refuse to comply with the request except that they should realise that they would be supporting disinvestment and the non-continuance of their studies," he said.

The NCR letter asks the student, as someone who has been assisted by the company, to in turn help it.

"I am endeavouring to rally support for the continuation of the US presence in South Africa. My request to you is that you write a letter expressing concern that the withdrawal of the US presence might — in fact would — result in loss of bursary not only to you but to many others who enjoy financial support. It will be quite apparent to you that by giving me your co-operation, you will directly be helping yourself.

"... Replies I receive will be submitted through the American Embassy to the members of Congress," the NCR letter said.



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- Issuing licences for the export to South Africa of goods or technology to be used in nuclear production or which are likely to be used for same.

- Imports of arms, ammunition or military vehicles from South Africa.

The Commonwealth Package, August 1986:

- A ban on air links.
- A ban on all new bank loans
- Withdrawal of all consular facilities
- A ban on import of uranium, coal, iron and steel

- A ban on all agricultural imports.
- A ban on tourism promotion.

- A ban on new investments and reinvestments of profits earned in South Africa.

- Termination of double taxation agreements.

- Termination of government assistance to investments in and trade with South Africa.

- A ban on govern-



Sir GEOFFREY Howe  
... EEC president.



Mr ROBERT Mugabe...  
NAM chairman.



PRESIDENT Ronald Reagan ... approved sanctions.



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## Measures

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- A ban on all government procurement in South Africa.

- Implementing the Gleneagles agreement on sports.

The Non-Aligned Movement Package, September 1986;

- A ban on air and shipping links with South Africa.

- A ban on imports of fruit, vegetables, coal, uranium, iron and steel.

- A ban on further investments in South Africa and government credit guarantees for imports from or exports to South Africa.

- A ban on transfer of technology.

- Stop export, sale or transport of oil or oil products and co-operation with oil industry.

- End all promotion of support for trade with South Africa, including governmental assistance to trade missions.

- A ban on Krugerrands and any other coins minted in South Africa.

- Terminate all academic, cultural, scientific and sports relations as well as relations with individuals, institutions and other bodies endorsing or based on apartheid

- Suspend or abrogate agreements with South Africa such as agreements on cultural and scientific co-operation.

- Terminate double taxation agreement with South Africa

- Ban government contracts with companies that have majority South African shareholders

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- Freeze deposits in United State banks

(288) DD 19/9/86 (10)

# Coke's plans remain under wraps

Dispatch Correspondent

JOHANNESBURG — Coca-Cola's plans to use the divestment of its South African interests as a means of involving black businessmen in the soft drink industry will remain under wraps for some time.

But it is possible that groups of black dealers who distribute Coca-Cola will be offered a stake.

The investments to be sold by Coca-Cola are a 30 per cent interest in Amalgamated Beverage Industries (ABI) and a 51 per cent interest in Amalgamated Beverage Canners.

Coca-Cola's external affairs manager, Mr Hennie Viljoen, said yesterday the company was in the process of investigating the creation of a multi-equity participation in both companies.

This would involve selling part of its interests to black investors.

Coca-Cola is also negotiating the sale of its shareholding in ABI with its co-shareholders, SA Breweries which has a 55 per cent interest, and Cadbury-Schweppes with 15 per cent.

Mr Viljoen emphasised that the discussions hinged on interests being acquired by groups of black businessmen. There were a large number of black

dealers, he said.

Asked if they would be involved in the scheme, Mr Viljoen said this was "possible" and industry sources said it was one means of involving black businessmen in the industry.

He added that it made good business sense to involve the black entrepreneur as about 76 per cent of Coke sales were to black consumers.

"Whatever the outcome of the negotiations, no changes regarding the existing production, manufacturing and distribution through the independent bottler network will occur," Mr Viljoen said.

Coca-Cola's divestment of its South African interests has been couched in anti-apartheid terms but it has been a long-term objective of the company since 1976

● Sapa reports the US State Department has expressed disappointment at the Coca-Cola Company's decision to sell its interests in South African companies.

"The administration is obviously disappointed although the United States recognises it is Coca-Cola's private decision to make," a departmental spokesman, Mr Bernard Kalb said.

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FINMAIL

## TAX-TREATY BUSTING?

19/9/86

220 280

Sanctions busting, probably SA's fastest growing industry, is preoccupying more than a handful of tax consultants. They note a new attitude to South African-based enterprise using tax haven letter-boxes, and suspect a new desire to expose South African links.

Of particular concern is the re-negotiated US-Netherlands Antilles tax treaty. Previously, countries like SA that invested in the US through the Antilles could reduce US withholding tax from 30% to under 5%, depending on the deal.

After predictable US pressure, the re-drafted treaty largely removes these advantages. Tax consultants worldwide are looking for new avenues. However, the real hope is that countries will not follow

Canada's example of cancelling unilaterally treaties signed direct with SA.

In the longer term, it is hoped that tax havens will remain neutral to exposing South African interests. Tax consultants are adding another main factor to the usual considerations of political and economic stability in treaty shopping — sentiment towards this country.

The darkest danger lies with beneficial trusts registered in tax havens and other jurisdictions. Used for sanctions busting, these are usually highly sophisticated. Even the most rabid anti-South African mercenary would have a tough time discovering the real owners. The whole tax haven area, as one tax consultant says, is dynamic.

No more tourist visas for South Africans

# Japan climbs on the sanctions wagon



SPAR 19/9/86  
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Tokyo

Japan joined the European Community today in announcing a new package of limited economic sanctions on South Africa.

Chief Cabinet Secretary Mr Masaharu Gotoda told reporters that Japan would ban imports of pig iron and steel materials, stop issuing tourist visas to South Africans and call on its own citizens to avoid visiting South Africa as tourists.

He said no South African planes would be permitted to land in Japan and Japanese Government employees would not be allowed to use South African Airways international flights.

In a statement issued after today's Cabinet meeting, Mr Gotoda called on Pretoria to make "fundamental reforms aimed at abolishing apartheid".

"The situation in South Africa, which shows no sign of improvement, has led to such a serious stage that some steps must be taken," he said.

Japan is one of South Africa largest trading partners. Tokyo has already banned direct investment in the country and the export of computers to the army and police.

It has also discouraged the import of South African gold coins and restricted sporting, cultural and academic ties, as well as reducing its diplomatic relations to consular level.

The statement also called for the release of Nelson Mandela and others, and the lifting of the ban on organisations such as the African National Congress.

The statement said Japan was "determined to strengthen its economic co-operation with the neighbouring countries which may suffer economic difficulties from the development of the South African situation".

Earlier this week, EC Foreign Ministers agreed to ban new investments in South Africa and stop importing South African iron, steel and gold coins.

Japanese Foreign Ministry officials said that in 1985 about 4 000 South Africans visited Japan and about the same number of Japanese went to South Africa as short-term visitors.

They said it may take several weeks for details of the ban on iron and steel imports to be announced.

Michael Chester writes that the South African Foreign Trade Organisation (Safto) was today seeking more precise details of the new package of limited economic sanction announced by Japan.

But the initial reaction of Mr David Graham, manager of the international division at Safto, was that the impact should not prove dramatic.

"It may be encouraging to us that Japan has made no mention of the really major items in its huge import volumes from South Africa — coal, iron ore, platinum, vanadium, and so on.

## Business travel

"However, we need to examine the full text of the announcement before we can be certain about the exact definition of the items being listed.

"We have been taken by complete surprise by the Japanese move on visas for South African tourists, which may mean disappointments for perhaps 100 or 200 travellers a month who have been visiting Tokyo on Far East tours," said Mr Graham. "But business travel should not be affected."

"On the refusal of landing rights to SAA, we have no direct air link to Tokyo at the moment."

"We need to know more about the definition of what is meant by 'steel materials'. Steel has never been a big South African export item to Japan so far but it is common knowledge that South African firms had been hoping to develop fairly significant markets for various manufactured steel products in the future."

"And we need to be certain that Japan really means 'pig iron' — of which we export very little — as distinct from iron ore, which is a very important item in our trade patterns, and which we assume at the moment is unaffected."



## Beyers Naude: EC curbs fall short

BONN — The secretary-general of the South African Council of Churches, Dr Beyers Naude, yesterday called European Community (EC) sanctions against Pretoria disappointing and criticised the attitude of the West German Government.

Dr Naude said in a radio interview that tough economic measures were needed to force the white minority government to dismantle apartheid.

"Worldwide and effective sanctions could indeed cause changes in South Africa."

He said the package of limited EC sanctions was disappointing and criticised West Germany for leading the opposition to harsher measures, including a boycott of South African coal imports.

● In Washington, the American President, Mr. Ronald Reagan, planned to veto a congressional bill imposing stiff sanctions against South Africa, a White House spokesman, Mr. Larry Speakes, said. — Sapa-

## IT'S THE HOWE-TAMBO SHOWDOWN

London Bureau

SIR Geoffrey Howe and Mr Oliver Tambo are set for a face-to-face clash over sanctions today.

Sir Geoffrey, the British Foreign Secretary, and Mr Tambo, the exiled president of the ANC, will meet for the first time at Sir Geoffrey's country residence at Chevening in Kent.

In the meantime Prime Minister Thatcher has reiterated her total opposition to punitive sanctions through a Downing Street spokesman.

But the content of the meeting will tend to be overshadowed by the fact that it is taking place at all.

### Breakthrough

It represents the crowning of Mr Tambo's campaign to win the approval of the British establishment and a breakthrough in the ANC's quest for recognition as an indispensable factor in resolving the internal crisis in South Africa.

It also marks the culmination of a reversal of Britain's previous policy of avoiding ministerial contact with the ANC until it renounces violence.

The Downing Street spokesman said the meet-

# Sparks could fly over sanctions

ing would be used as an opportunity to re-emphasise the British view that violence would not bring about change and that peaceful negotiation was the way ahead.

But the ANC regards the British and European Community sanctions package as a climbdown from an already inadequate gesture against the Pretoria Government.

A Foreign Office spokesman said Sir Geoffrey would also explain to Mr Tambo the objectives of the EC mission and the measures adopted in Brussels this week.

Although the formal expiry of Sir Geoffrey's EC mandate is next Saturday, the mission was widely re-

garded as completed with the adoption of the limited sanctions package in Brussels this week.

The British Government and the ANC were reluctant to discuss in advance the agenda for today's meeting.

The ANC has given Sir Geoffrey notice that Mr Tambo intends to discuss various mechanisms for ending apartheid.

It is clearly reluctant to be seen as going for a pep talk on violence.



# Sebe lashes out at sanctions

280  
19/8

**Dispatch Reporter**  
DIMBAZA — President Lennox Sebe yesterday lashed out at Western countries which were advocating economic sanctions against South Africa and said the very concept of sanctions ran against the spirit of free enterprise and struck at the roots of capitalism.

He was speaking at the official opening of the Consol Packaging factory here.

It was difficult for him to reconcile the two concepts and it appeared that some Western leaders were promoting the interests of destructive socialism in their "flirtations" with sanctions.

"Against the background of mounting international economic pressure against South Africa and the threat of more comprehensive economic sanctions, the decision of the Consol Group to expand its manufacturing operations must be seen as an act of faith, not only in the future of Ciskei as a sovereign state but also in the economic potential of the Southern African commonwealth, of which Ciskei is an inte-

gral part," President Sebe said.

What was required in Southern Africa, he added, was the input of more and bigger sums of capital to promote the socio-economic well-being of all Southern Africans and to introduce the region to new ideas and technologies which would further the process of peaceful change.

The imposition of sanctions could only have a negative impact on society and would serve only to weaken the social and economic infrastructure upon which a vigorous post-apartheid confederation would have to be built.

He said industrial growth in post-independence Ciskei had been spectacular when seen against the backdrop of economic recession and political uncertainty prevailing in most parts of Southern Africa.

Due to the economic inter-dependence of all states in Southern Africa, Ciskei had not escaped the pressures caused by the recession but, through her own initiative and ability to create a climate of relative stability, she had

enjoyed a period of substantial growth at a time when most of her neighbours had suffered declining fortunes.

Paying tribute to the Consol Group, President Sebe said its success lay not only in its spread of investments or its international interests but also in its commitment to sound labour relations, social responsibility and environmental affairs. The group was an equal opportunity employer and actively pursued the objective of developing the skills of its employees.

To improve its training facilities the government had embarked on a programme of expansion at the Ithemba Training Centre at Mdantsane, President Sebe said.

Loan agreements had been concluded with the Development Bank of Southern Africa for new technical education and training facilities at Hlaziya, Zwelethemba and Vulindlela, while plans for additional facilities at Masibulele, in Sada, and Mdantsane were at an advanced stage, he said.



280 20/9/86

South Africa is off the sanctions hook — temporarily at least — and the international mood has undergone a change

The emotional tidal wave in favour of sanctions has given way to introspection and analysis of the likely consequences of sanctions in a situation of already severe black unemployment.

British Prime Minister Margaret Thatcher has pulled off one of the coups of her career. Not only has she got South Africa off the hook but she has got herself — and the Tory government — off the hook by passing the unpopular “collaborating with apartheid” buck to West German Chancellor Helmut Kohl

Chancellor Kohl has come out strongly against sanctions because he was forced to take a stand by Mrs Thatcher’s skilled manoeuvring. He said at a press conference with Mrs Thatcher that he was uncomfortable with the role as Europe’s chief anti-sanctions spokesman. He protested defensively that Bonn was only saying out loud what a lot of other people thought

(Only Portugal was prepared to back a general anti-sanctions stand while Belgium offered resistance to the coal embargo)

Even the most prolific advocates of the conspiracy theory did not suspect what must have been going through Mrs Thatcher’s mind when she reluctantly conceded at the Commonwealth mini-summit last month that she would

# Off the hook

John Battersby: London

not “stand in the way of an EEC consensus” on The Hague package — a ban on imports of coal, steel, iron, gold coins and new investment.

Mrs Thatcher’s Commonwealth offer was universally interpreted as a goahead for a coal embargo to which Britain had previously raised the strongest objections. When she made her cautious offer to the Commonwealth Mrs Thatcher must have known that a combination of domestic politics, pressure from his economics minister and a strong personal anti-sanctions conviction would ensure Chancellor Kohl blocking a coal embargo.

So she chose her words carefully and decided to let the emotional clamour — which threatened to engulf her at the Commonwealth mini summit — subside a little.

Using Britain’s presidency of the EEC to profess neutrality through Foreign Secretary Sir Geoffrey Howe, Mrs Thatcher was able to assume a low profile while maintaining her broad anti-sanctions stance

But Sir Geoffrey went further than neutrality and committed himself to achieving a consensus on sanctions by the time European foreign ministers met in Brussels this week, based on The Hague package.

Significantly, Sir Geoffrey told a press conference in Washington last

week that, at an informal meeting of EEC foreign ministers in Britain two weeks ago, the majority had agreed to proceed on the basis of the provisional sanctions agreed at The Hague — including coal

The French Foreign Minister went further insisting that agreement had been reached to implement The Hague package.

But there were persistent noises from Bonn that Chancellor Kohl — at odds with his more liberal Foreign Minister Hans-Dietrich Genscher — was not prepared to implement trade sanctions against South Africa.

Mr Genscher, like his British counterpart Sir Geoffrey, although not an advocate of sanctions, believed that The Hague package was the minimum gesture to guarantee EEC credibility and unity.

The Times took Sir Geoffrey to task in an editorial describing his behaviour in actively encouraging a coal ban as odd.

“If Sir Geoffrey acted

wisdom of punitive sanctions

on the cynical calculation that he might support the full package in perfect safety since the West Germans were determined to resist any amount of pressure on this issue, then he has been proved correct.

“Even though an outright ban on coal imports was avoided, the damaging impression has been given that Britain has weakened its stand when the joint opposition of both Britain and Germany would almost certainly have prevented any future attempt to ratchet up EEC sanctions still further.”

The Times said. By maintaining — and even intensifying — her total opposition to general sanctions while grudgingly conceding a package of gestures Mrs Thatcher was able to project the sanctions debate beyond the morally comfortable, but superficial, position of merely being on the “right side” by backing sanctions.

As the emotion subsided after the Commonwealth conference and the Non Aligned Summit some began to have second thoughts about the

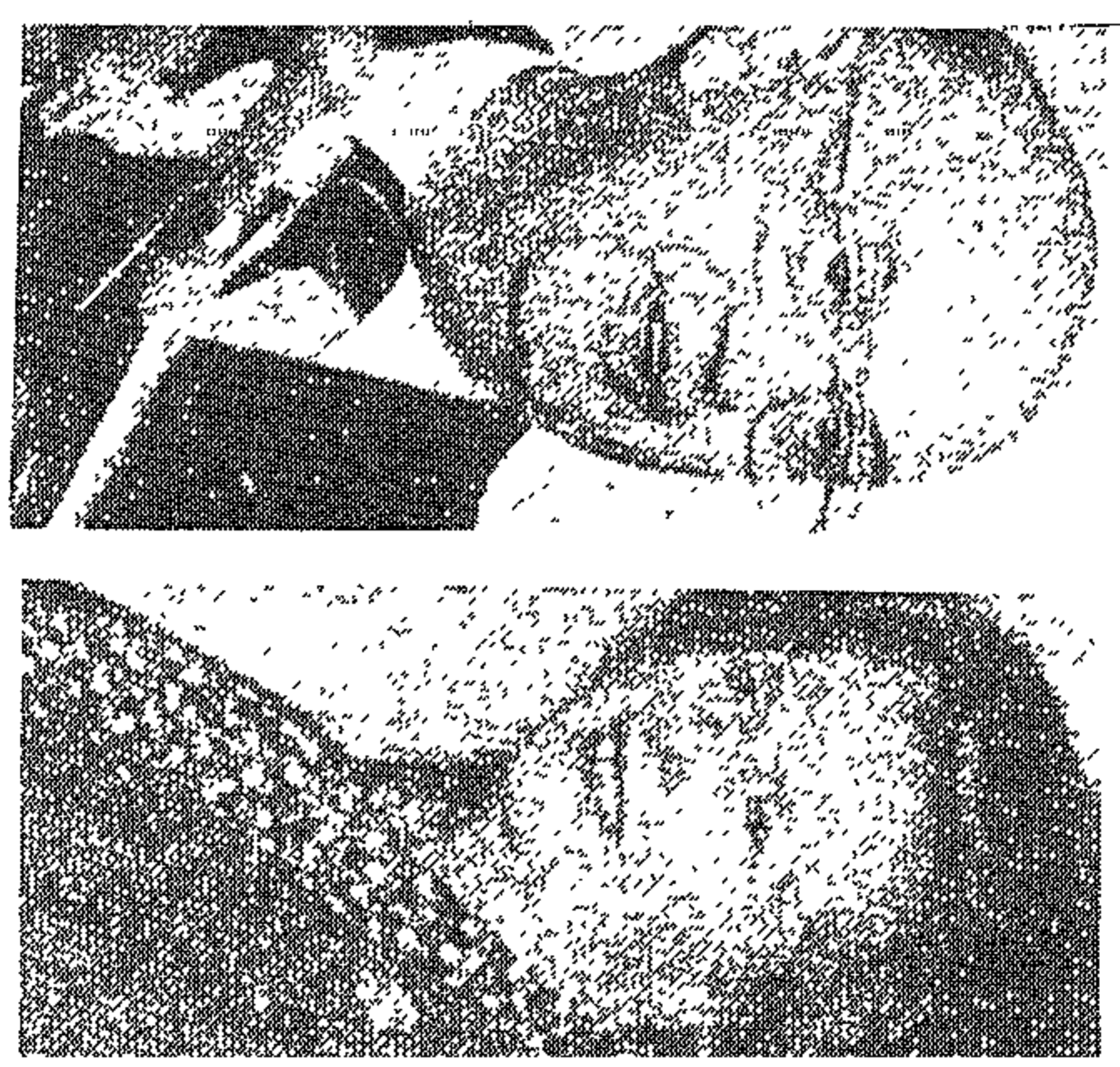
President Botha’s projection of a tough and uncompromising image in the face of sanctions has been instrumental in stemming the tidal wave.

Six months ago the outside world believed they had won real leverage with Pretoria through financial pressure and the threat of sanctions, but that belief has been exposed as an illusion.

President Botha’s successful manipulation of the external sanctions threat to rally white support and draw dissenting businessmen back into the Carlton-Good Hope laager has deepened doubts about the wisdom of sanctions — in the medium short-term at least.

The equivocal remarks on sanctions by the Archbishop of Canterbury, Dr Robert Runcie, and Archbishop Desmond Tutu last week reflected the soul-searching that is taking place on the sanctions issue

And Mrs Thatcher might not have played her final cards yet



## Thatcher: real coup PW: firmness works

Britain is pushing for a definition of iron and steel which would exclude both iron ore and finished products, leaving only bulk iron and steel in the sanctions net.

Mrs Thatcher has already stopped the import of gold coins and is insisting that the ban on new investment will include neither re-investment nor portfolio in-

vestment — rendering academic as there is a new investment in the pipeline.

Having broken the domestic impasse that Western capitalists were beginning to see the nationalist government’s political agenda well placed to proceed with his election and go on with the business reform.



# JAPAN VISA BAN

20/9/86  
**It's a case of  
businessmen  
as usual** (V10)

## Mercury Reporter

**TOURISM** industry sources said yesterday that businessmen, who would still be able to go to Japan, comprised the majority of the estimated 4 000 South Africans who visited that country every year.

The ban on tourist visas became effective yesterday, but a spokesman for the Japanese consul-general in Pretoria confirmed that visas would still be issued to South African businessmen visiting Japan.

The spokesman said applications for visas had dropped in recent months, and the consulate was now handling between 100 and 200 applications a month.

## Cancellations

Mr Allan Foggitt, managing director of TFC Tours, one of the major South African travel firms operating in the Far East, said he believed the ban on tourist visas would lead to few cancellations.

'We have so many different itineraries that we expect most of the people

who had planned to visit Japan will opt for one of our other tours.'

Sapa reports from Johannesburg that the South African Foreign Trade Organisation is seeking more precise details of the new package of limited economic sanctions.

The initial reaction of Mr David Graham, manager of the international division of Sافتو, was that the impact should not prove dramatic.

## Anticipated

'It may be encouraging to us that Japan has made no mention of the really major items in the huge import volumes from South Africa — coal, iron ore, platinum, vanadium and so on.'

Our Finance Reporter writes that Mr Piet du Plessis, public relations officer of Iscor, said yesterday that although Iscor had anticipated the Japanese banning on pig iron and steel since before August 'the closure on such an important market has come as a shock'.

He said Iscor would obviously have to look at alternative markets.

20020/9/86

# Reagan's tentative deal on sanctions

## US plans to build up Beira corridor

From SIMON BARBER

WASHINGTON — With a week to go before it must make a final decision on sanctions, the White House has reached a tentative agreement with the Senate majority leader, Mr Robert Dole, to expand President Ronald Reagan's executive order significantly while offering substantial new aid to the frontline states.

However, some of President Reagan's top advisers remain determined to block any new sanctions, suggesting the real showdown will be inside the administration rather than with Congress.

Already there is a bitter political feud developing within the State Department and White House over whether the Secretary of State, Mr George Shultz, should have talks with the ANC president, Mr Oliver Tambo, during his planned tour of the continent next month.

Under the Dole agreement, according to Senate sources, President Reagan would implement under his own — rather than Congress's — authority the following steps:



MR REAGAN

- Termination, after a 12 month notice period, of South Africa's US landing rights.

- Restriction of new US investment in South Africa to companies that are either black-owned or operating under a Sullivan-type code of employment conduct.

- A prohibition on imports from South Africa's parastatal corporations, except minerals deemed "strategic" by the President.

- A ban on uranium and coal imports not covered by the above.

These are the salient features of the bill reported out of the Senate Foreign Relations Committee last July before it was stiffened on the Senate floor. Absent are the final version's bans on textiles, sugar, agricultural products and privately produced steel.

In addition, the State Department has prepared a major new aid programme for the frontline states aimed primarily at building up the Beira corridor and which the President would announce simultaneously with the new sanctions.

The deal remains fragile for two reasons. First, the Foreign Relations Committee chairman, Mr Richard Lugar, has parted company with Mr Dole on the issue and remains adamant that the President must sign the sanctions bill.

Second, the White House communications director, Mr Patrick Buchanan, who views himself as President Reagan's conservative conscience, is determined to fight any new sanctions even, according to some sources, if it means having to resign.

In a leader page article in the New York Times, Mr Buchanan wrote: "Comes now the Congress of the United States to counsel us that social justice will be advanced on this bleeding piece of earth if only the President will join hands in choking off the last industrial engine operating on the African continent?"

"The answer is no. As President Reagan told the world weeks ago (in a speech written largely by Mr Buchanan himself), we Americans will not be a party to something like that."

Also on the editorial pages was an article by the South African Ambassador, Mr Herbert Beukes. Writing in the Washington Post, he warned that Congress's sanctions "will bring to an abrupt end any ability of the United States to influence events in South Africa".



(280) 05 20/9/86 (B)

## Japan bars SA tourists

TOKYO — Japan yesterday announced a new package of limited sanctions against South Africa but said it was not in favour of comprehensive curbs on the government.

The chief cabinet secretary, Mr Masaharu Gotoda, told reporters Tokyo was banning iron and steel imports, refusing tourist visas to South Africans and calling on Japanese to avoid visiting South Africa as tourists.

However, tourists

already issued with visas will not be affected.

The package also stipulated that South African airlines would not be allowed to land in Japan and Japanese Government employees would be barred from using South African Airways.

Japan's imports of South African iron and steel goods in 1985 totalled \$196 million, accounting for about 18 per cent of South Africa's iron and steel ex-

ports, officials said

● The manager of the international division of the South African Foreign Trade Organisation (Safto), Mr David Graham, said in Johannesburg that the impact of the sanctions package should not prove dramatic.

"It may be encouraging to us that Japan has made no mention of the really major items in the huge import volumes from South Africa — coal, iron ore, platinum, vanadium and so on.

"However, we need to examine the full text of the announcement before we can be certain about the exact definition of the items being listed.

"We have been taken by complete surprise by the Japanese move on visas for South African tourists, which may mean disappointments for perhaps 100 or 200 travellers a month who have been visiting Tokyo on Far East tours," he said. — Sapa



Western disarray over leaky anti-SA steps

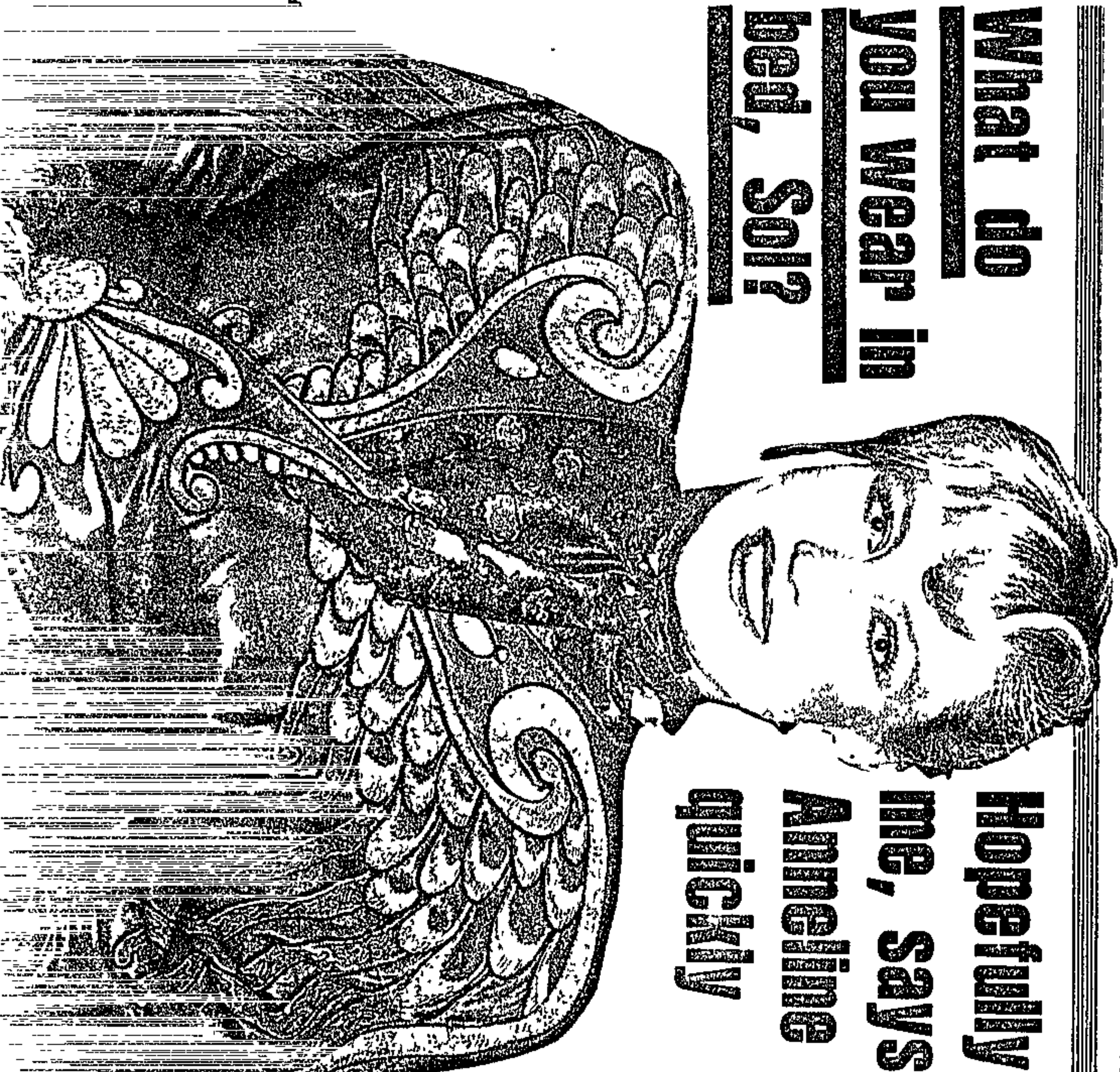
# SANCTIONS IN BIG INTENT



Reagan: Will he, won't he, use his veto?

**What do  
you wear in  
bed, Sol?**

**Hopefully  
me, says  
Anneling  
quickly**



By ANDREW GARFIELD in Brussels and  
PATRICIA CHERNEY in Washington

THE sanctions steamroller was in danger of stalling altogether this weekend as European and American leaders faced major clashes over what measures to take — and how to implement them.

• In Brussels it became clear that the hard-fought European package of measures could be even less effective as EEC officials argued over its detailed implementation.

• In Washington, Senate Republican leaders were locked in a bitter battle over Congressional attempts to toughen up President Reagan's stance on sanctions.

Meanwhile South African sources were officially taking no comfort from the disarray. But they warned that economic measures so far adopted will hurt, and worse could follow.

EEC officials were yesterday still trying to make sense of the sanctions package adopted by Common Market foreign ministers on Tuesday. The package — it omits a ban on coal imports — is much weaker than expected.

## Plugging gaps

And, officials say, a "gaping hole" has been left by Ministers in the iron and steel import ban.

Contracts for shipments signed up until September 27, the date the EEC embargo takes effect, will still be honoured after that date.

Then again, nagging has begun over what exactly is covered by the measures — what constitutes "iron" and "steel" — and does it include finished products?

Officials are also squabbling over the technicalities of the remaining two measures of the four-item package — the ban on imports of South African gold coins and on new investment.

All in all the measures affect about \$200-million worth of trade — only about two percent of what South Africa exports to the EEC.

There is a good deal of irritation among pro-sanctions elements in Brussels, not only about Tuesday's outcome, but also the manner in which it was arrived at.

The sanctions lobby is annoyed that Mrs Thatcher and West German Chancellor Helmut Kohl lost no time at Tuesday's Anglo-German summit in Bonn in disavowing the package so jauntily



HOME AGAIN

Lorna "in love at last!"  
Picture: HORACE POTTER

Lorna has  
a man on  
her mind

By DOREEN LEVIN

THREE'S no farce in the air

**Gang lock  
up staff in  
R313 000  
bank raid**

By JANINE LAZARUS

FIVE masked robbers wielding guns and knives yesterday herded staff and customers into the backroom of a bank near Johannesburg before making off with R313 000.

The robbers — dressed in drab clothes with brown polo-neck jerseys rolled up to obscure their faces — struck just before closing time at the Airport-Isando branch of Barclays Bank in what has been described as the biggest bank robbery in South Africa this year.

The men ordered the bank manager at gunpoint to open the safe, and then forced staff and customers into the back room.

## Getaway car

They also emptied one of the tills before fleeing in a silver Buick 1981, registration BPH 1651, which had been a "hit" outside.

A spokesman for Barclays Bank said the robbers made the staff and customers lie down on the floor before forcing the manager to open the safe. They then herded them into the backroom.

Lieutenant Dirk Killian, of the Beaufort West Police, said 12 to 14 people — the bank staff and two customers — were locked in the room for about 20 minutes.

"Luckily one of the women tellers triggered off the alarm and a hidden video

□ To Page 2





**WIVACIOUS JAFFNER**

**☐ To Page 2**

West Germany's Hans Dietrich Genscher and Britain's Sir Geoffrey Howe managed to keep the community unity — but only just. It is the headline pro-sanctions states that are particularly angry. Greece, Holland, Ireland, Denmark and Spain fought tooth-and-nail, against German and Portuguese opposition, for coal to be put back into the package. Meanwhile, across the Atlantic, US Senate Republican leaders are locked in a bitter struggle with the White House — and each other — over the future of the South Africa Sanctions Bill which President Reagan must sign — or veto — by next Friday. Senate majority leader Senator Robert Dole and Senator Richard Lugar, chairman of the Foreign Relations Committee, spent this week trying to reach a compromise with the White House over the controversial piece of legislation. But the signs are that the President has been receiving mixed signals from the two Senate kingpins.

what exactly is covered by the measures — what constitutes "iron" and "steel" and does it include finished products? Officials are also squabbling over the technicalities of the remaining two measures of the four-item package — the ban on imports of South African gold coins and on new investment.

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# UN endorses call for sweeping sanctions

## US and Britain still retain trump hand on the issue

UNITED NATIONS — The United Nations General Assembly has endorsed without dissent a call for sweeping sanctions against South Africa, but the United States and Britain retained the key to future action, diplomats said.

Both powers have the right of veto in the Security Council, to which the Assembly referred the proposal. They have already made plain their objections to comprehensive sanctions.

The council is expected to be summoned on the question soon.

The 126-member majority for Saturday's sanctions resolution, coupled with the fact that Western states that favoured dialogue with South Africa did not vote against it, was seen as a reflection of widespread anger at the UN over South Africa's policies.

The United States, Japan and the entire European Community were among the 24 members that abstained.

Continuing turmoil in South Africa and the country's failure to grant independence to South West Africa/Namibia — the reason for the special session of the Assembly which ended with yesterday's action — will be major themes at the regular Assembly session.

● In London, the British Foreign Secretary, Sir Geoffrey Howe, met for the first time on Saturday with the president of the banned African National Congress, Mr Oliver Tambo.

The talks lasted for nearly two hours and were the highest-level con-

tact the British Government has had with the ANC.

A Foreign Office spokesman described the talks as "a frank and serious discussion about the current situation in South Africa and the prospects for a peaceful settlement."

"Sir Geoffrey emphasised that the British Government rejected violence as a means of achieving change," the spokesman said.

Sir Geoffrey had "made it clear that the 12 member states of the European Community are united in their determination to do everything possible to promote a peaceful settlement in South Africa through dialogue and a suspension of violence on all sides."

Mr Tambo also met the United States Assistant Secretary of State for Africa, Dr Chester Crocker, here at the weekend.

Discussions covered the visit next month to Lusaka by the US Secretary of State, Mr George Shultz, who will be seeing a delegation headed by Mr Tambo.

Mr Shultz is tentatively scheduled to travel to South Africa, as well as Zambia and Botswana.

● In Washington, President Ronald Reagan rejected an invitation from the Zambian President, Dr Kenneth Kaunda, to meet the leaders of the frontline states, a White House spokesman said at the weekend.

He said Mr Reagan had schedule problems and "just didn't have the time" for a trip to Africa. — Sapa-AP-RNS

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# Chamber of Mines, union in sanctions clash

**The Argus Correspondent**

**JOHANNESBURG.** — The Chamber of Mines and the National Union of Mineworkers (NUM) are locked in a war of words over calls for sanctions against the gold-mining industry.

In a statement responding to an interview with NUM president Mr James Motlatsi on Thames Television in Britain last week, the chamber has called for clarification from NUM on its attitudes to sanctions and the disruption of the gold-mining industry.

The chamber also accused NUM leadership of being more concerned with mobilising the union for political confrontation with the Government than industrial relations on the mines.

On television, Mr Motlatsi called for sanctions which would directly affect the gold-mining industry, stating that limited sanctions which let the gold mines off the hook would be of no use.

## Responsibility

NUM, replying to chamber accusations, said it had a responsibility to defend the interests of its members on all levels, the economic and political. For this reason the union had consistently called for international economic pressure to be applied against the Government.

NUM accused the chamber of being a supporter of the Government on a number of issues and the Government's ally in maintaining key institutions of apartheid such as the hostels and migrant labour system.

The chamber has voiced concern about Mr Motlatsi's calls for sanctions against the gold-mining industry and previous calls for sanctions made by NUM general secretary Mr Cyril Ramaphosa in Germany and Wales.

"NUM leaders have made contradictory statements supporting sanctions while in the same breath threatening to strike if men are retrenched as a result of the implementation of sanctions.

"In calling for sanctions and disruption of the mining industry, the union leadership must accept responsibility for the consequences that will inevitably flow from such action.

"The industry employs 600 000 black workers with three-million dependants and supports a large service industry. If even a small percentage of these workers lost their jobs, this would have a disastrous impact on black employment in Southern Africa and on the rural areas in particular which rely substantially on the flow of income from the mining sector.

In reply, NUM Press officer Marcel Golding said the ultimate solution to the problem was the removal of apartheid.

"The apartheid policies of the Government are the major source of unemployment in this country. Instead of spending money on public sector projects like housing which provide employment, millions of rand are being spent on the army and police to maintain apartheid."

# NUM responds to call for sanctions

*Eve Post 22/1/80*

*280*

JOHANNESBURG — The National Union of Mineworkers (NUM) has responded to a call from the Chamber of Mines that the union clarifies recent statements by NUM leaders calling for "sanctions against and disruption of the gold mining industry".

The call was a response to a Thames Television interview, aired last week in England, in which Mr James Motlatsi, president of the union, called for an international boycott of South African gold.

Mr Marcel Golding, a

union spokesman, said it had a "responsibility to defend the interests of its members on all levels, the economic as well as the political".

The Chamber of Mines was a "sympathetic supporter of the Government on a number of issues and is its clear ally in maintaining key institutions of apartheid such as the hostels and the migrant labour system", he said.

"However, we clearly recognise that ultimately the responsibility for the removal of such institutions of apartheid rests

with the people of this country rather than with foreign powers."

He denied reports that Mr Motlatsi had claimed in the interview that the union had a secret plan to disrupt the mines.

"There is no secret plan. NUM is a public organisation which operates on mandates from its members and conducts its activities openly."

The journalist, concerned Mr Julian Manton, was "sensationalist and tried to promote his programme in an irresponsible manner by

claiming that he knew of a secret plan to disrupt the mines", Mr Golding said.

Responding to the chamber's statement that the union would have to take responsibility for the effects of unemployment should sanctions be applied against the gold mines, Mr Golding said the removal of apartheid was the solution to the problem.

"The apartheid policies of this Government are the major source of unemployment. Figures that up to six million may

be unemployed clearly indicate that instead of spending money on public sector projects, such as housing, that provide employment, millions of rands are being spent on the army and police to maintain the institutions of apartheid."

This was another reason for the policy on international pressure that had been adopted by the union.

The NUM had a membership of more than half the total workforce, he said. — Sapa



Ascherson suggested that if O'Brien now used his five weeks in SA to "teach and help" the people who were trying to organise an "alternative education system," he would deserve three cheers for his visit instead of two "and I would buy the warrior-scholar a bottle of the hard stuff on his return".

Anxious to take the debate further, I put some questions to anti-apartheid campaigners. Why, I asked, if a scholar was known to be an opponent of apartheid, couldn't an exception be made for him? What was the grand strategy behind boycott? What should a SA academic do to make himself acceptable?

The answers, paraphrased, are roughly as follows: first, it is impossible for a SA member of an organisation to make himself acceptable at an international conference, because whether he likes it or not, he is there as a 'representative' of sorts of SA.

Second, the strategy of boycott is to achieve SA's untouchability. Exceptions blur the issue and hinder this achievement.

Take, for example, the question of whether apartheid is reformable or not. If it is accepted that it is reformable, this will drain the militancy out of the anti-apartheid struggle. Apartheid, therefore, must be seen as wholly evil — and unreformable.

would have assumed to be immune to it.

"The writer, I felt, was agreeing with a kind of intellectual mob, for fear of being considered an apologist of an abominable system if he failed to agree."

In a final flourish, O'Brien announced that he was off to UCT, and would be glad to have his visit taken as a demonstration of solidarity with UCT staff and students and as "a gesture of defiance against an intellectually-disreputable attempt to isolate what I know to be an honest, open and creative intellectual community".

You must say this for academics: as practitioners of the art of withering scorn, they are unsurpassed.

The following Sunday, Ascherson again devoted his entire *Observer* column to replying to O'Brien, under the headline: "Intellectual rot about SA". He stuck to his guns. There was a wider issue, he said, than the unfairness the SA archaeologists felt had been visited on them by the ban.

"Those who want a boycott are saying that they will not accept at international gatherings delegations, official or semi-official, representing areas of SA life which are connected with government or in some sense form part of the apartheid system."

"SA official research and education, denying knowledge and enlightenment to the majority of the population, are plainly such an area. That is not altered by the fact that within the system there are large numbers of academics and students fighting to change and extend it."

If South Africans want to make themselves acceptable internationally they must join the struggle against apartheid. It is not sufficient any longer for them merely to declare their opposition to it. South Africans have to do something.

Such as what? I asked. Join the UDF, came the reply. South Africans must take one side or the other and contribute to the struggle with more than words. It's a process of polarisation — no more straddling the fence.

The question is no longer whether you are against apartheid, but what you are doing about it. So it was explained to me.

One of the spokesmen agreed with Ascherson that if O'Brien were to use his five weeks in Cape Town to plunge himself into the alternative education system, he could "redeem" himself. If O'Brien had been invited to SA by the UDF, of course, that would be all right.

But, I persisted, if a liberal academic went to teach in SA, surely he would spread enlightenment among students? No, came the reply; it was too late in the day for this — by now no white South African should need that kind of enlightenment.

So there it is. Personalities don't count. Everything is subsumed in the wider issue. The squeeze is tightening.

African participants let it be known that they, too, would boycott the congress, and there were similar indications from India.

So the British organising committee, with some reluctance, decided that the South Africans could not attend. Then the balloon went up. There were protests, resignations and letters to *The Times*.

The British committee clearly had broken the rules of the International Union of Prehistoric and Proto-historic Sciences (IUPPS), laid down in the Thirties, which stated that there could be no discrimination against bona fide scientists on grounds of "nationality, philosophical conviction or religious faith".

The IUPPS's executive committee met in January this year and decided to withdraw its support from the Southampton congress and hold an "official" congress at Mainz early next year.

The British committee, obviously, had little choice. If it had not banned the South Africans, there would have been so many withdrawals that the congress would have been (in Ascherson's word) an "absurdity".

Ascherson acknowledged that there was "an almost tragic element" — most SA archaeologists were strong opponents of the apartheid regime.

"In fact, their work has knocked away one of the ideological props of apartheid, by demonstrating that white settlement did not take place in a land inhabited only by a few Bushmen but that Bantu settlement in the region is at least 1 000 years old."

So what did Ascherson think of the ban? "It seems to me," he wrote, "that Professor Ucko (head of the British organising committee) has been right all along the line..."

In the first place, the grand and overdue idea of shifting the whole focus of archaeological debate away from Europe and the Americas was simply not worth losing for the sake of the South Africans.

"Second, the injustice done to SA scholars has limits. Living in that country is still a matter of choice for a white scientist or professor, which it is not in the case of — for example — the Soviet Union."

"It is a choice with a price. From now on, a part of that price will be increasing exclusion from the world's academic communities... There is no need piously to condemn those who choose to stay and work in that country, but neither is there any need to feel especially sorry for them."

"The World Archaeological Congress is the first body to face a challenge which will soon face most international scientific bodies. It has lost some dignity, but managed to take the right course."

Well, O'Brien then hit the roof. In an article in *The Times*, he warned: "Obviously, the implications of this affair go beyond the boundaries of archaeology or any single discipline. They may reach into every branch of intellectual life in Britain."

Recording his respect for Ascherson, O'Brien nevertheless added: "As I read him, I came to feel that a certain kind of rot in British intellectual life has gone further than I would have believed possible, and is affecting people whom I

22/9/86

**D**r CONOR CRUISE O'BRIEN, noted Irish academic, diplomat and former newspaper editor, has arrived in Cape Town to take up a five-week assignment at UCT lecturing on "Communities under Siege".

In doing so, he places his formidable reputation at risk, because he is defying the international anti-apartheid ban on academics accepting teaching jobs in SA. O'Brien has not slipped quietly into SA. This is not in his character. He has gone in defiantly, dismissing the academic boycott as "silly and unjust — I am happy to break it".

O'Brien said he had never heard that Dublin University supported the boycott. If it was so, he would resign immediately as its Pro-Chancellor.

"Stuff them," he declared. "I am not going to have my conscience run for me by Kader Asmal" (the SA-born law professor at Dublin University who is former chairman of Ireland's Anti-Apartheid Movement).

O'Brien has also gone public on the banning of the entire SA delegation of 26 archaeologists from the World Archaeological Congress, recently held in Southampton. He thinks it was deplorable.

O'Brien, in case you are not familiar with his record, is no closet admirer of apartheid. His views on racism are impeccable (and he has an 18-year-old black son who is with him in Cape Town now).

He also believes in international action against apartheid, including economic sanctions "and eventually going beyond those".

The reason why he is embroiled in a row over the academic boycott is that he has an intellectually rigorous mind and his academic integrity tells him that if he thinks the boycott is wrong, he — as a scholar — must say so, publicly, even if it means that in future some people feel he has tainted himself.

The whole controversy began when the London Sunday *Observer's* gifted columnist Neil Ascherson wrote an article about the banning of the SA contingent from the World Archaeological Congress.

Ascherson explained that the congress was meant to be the first genuinely "world" congress, with special emphasis on archaeology in Africa and Asia.

Late last year, however, problems arose. Southampton City Council, the Anti-Apartheid Movement, the local students' union and the Association of University Teachers declared that they would not accept the presence of South Africans at the congress. They would withdraw financial support and accommodation. They would demonstrate.

At the same time, most of the

230  
WARRIOR SCHOLAR BUST  
ON SA ACADEMIC BOYCOTT



# Gold surge offsets effect of sanctions

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22/5/81

JOHANNESBURG — The South African economy, significantly bolstered by the recent surge in its biggest foreign exchange earner, gold, has largely shrugged off the latest sanction measures imposed against Pretoria.

An economist, Mr John Banos, said: "In the light of the recent increase in the gold price and the decision of the European Economic Community (EEC) not to include a ban on coal imports, the sanctions package is unlikely to have a significant or material effect."

But Mr Banos, of stockbrokers Simpson, Frater, Stein and Strong Inc, said more sanction measures

could follow.

Japan and the EEC last week announced new measures aimed at putting pressure on SA to end apartheid.

The EEC formally endorsed a weakened package of economic sanctions and undertook to consider a ban on coal imports from SA at a later date.

Japan banned pig iron and steel imports and said details of the sanctions move would be given later this month.

Gold has surged in recent weeks, hitting a three-year-high at \$430 an ounce on Friday in London, on combined fears for the future of

gold supplies and the dollar.

News that the EEC had decided to delay the proposed boycott of SA coal caused a sharp rally in coal mining shares with the coal index on the Johannesburg Stock Exchange leaping 160 points to close the week at 1 461.

The SA Chamber of Mines, representing the country's major mining houses, said it was pleased to be relieved of the sanctions threat "for the moment".

Coal is SA's second most important export after gold, which accounts for half of its foreign earnings. — Sapa-Reuter



# NUM taken to task

JOHANNESBURG —

The Chamber of Mines last night called on the National Union of Mineworkers (NUM) to clarify its attitude on sanctions and "the disruption of the gold mining industry".

The call was a response to a British television interview in which the president of the NUM, Mr James Motlatsi, called for an international boycott of SA's gold.

The chamber said its concern was reinforced by statements in favour of sanctions by the NUM's general secretary, Mr Cyril Ramaphosa.

"If these statements correctly reflect the policies of Mr Motlatsi and Mr Ramaphosa, the chamber can only conclude that they are abusing their positions of leadership in the union."

"The industry employs 600 000 black workers with three million dependents and supports a large service industry. If even a small percentage of these workers lost their jobs, this would have a disastrous impact on black employment in Southern Africa," the chamber said. — Sapa

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By Neil Lurssen, The Star Bureau

WASHINGTON — President Reagan has five days to decide whether or not to support the South Africa sanctions Bill sent to him by Congress last Monday.

The Reagan Administration is doing everything it can to persuade Congress to abandon the Bill, but is having little success.

The weekend meeting in London between African National Congress leader Mr Oliver Tambo and US Assistant Secretary of State Dr Chester Crocker may have been part of that effort — a demonstration to both South Africa and Congress that the Administration is serious about improving ties with SA blacks.

If President Reagan does nothing further this week, the Bill — which bans imports of coal, uranium, textiles, agricultural goods, gold coins, iron and steel, and halts South African Airways landing rights — will become law automatically on September 27.

If he vetoes the measure — which his top aides suggest he may — he is bound to have the veto overridden in both chambers of the

# Reagan has five days to thwart SA sanctions Bill

Congress, the Senate and the House of Representatives.

The focus this week will be on whether President Reagan can drum up sufficient political support to issue a strongly-worded executive order that would add to the sanctions he has already imposed, but allows him to hold off some of the Bill's more damaging measures, such as the ban on coal, agricultural goods and textiles.

The President, supported by some of his most influential officials, including Secretary of State Mr George Shultz and Communications Director Mr Pat Buchanan, opposes strongly any move that will weaken the SA economy and jeopardise blacks' jobs.

He hopes Republican conservatives will support a presidential veto of the Bill if the executive sanctions order is tough enough.

But negotiating over this course has split the leadership of the Republican Party.

The Senate Majority Leader, Senator Robert Dole, is willing to give it a try. But another key Republican, Senator Richard Lugar, has told the White House: "No way."

Senator Lugar was responsible for getting liberal Democrats to drop an even tougher Bill than the one that is on the President's desk now.

If he were to support a veto at this stage, he would lose a great deal of personal credibility as well as damage the bipartisan ap-

proach he has pursued on South Africa.

Thus President Reagan is being opposed by important congressional allies as he tries to find a way to hold off damaging US sanctions.

It is likely he will announce his decision before September 27. He is to deliver a major speech before the United Nations in New York this evening but it is not expected he will say much about South Africa on this occasion. It is more likely to come later in the week.

The meeting between Dr Crocker and Mr Tambo in London is seen as evidence that there will be a Tambo-Shultz meeting during the Secretary of State's tour of Africa next month.

The London meeting was the highest-level contact yet between the Reagan Administration and the ANC — contact that disturbs American conservatives because of the ANC's ties to Moscow and its use of violence in South Africa.

President Reagan's guidelines for the contacts are that the ANC must be made aware of American opposition to civic violence.

STN 22/7/86 286

# Coke will take its secret with it

The Star Bureau  
WASHINGTON — Coca-Cola's big secret will go with it when it withdraws from South Africa in protest against apartheid.

But the drink will be readily available because Coke in Atlanta, Georgia, will be shipping tankers of the famous syrup for the country's thirsty.

And it all makes good business sense. Coca-Cola is estimated to sell \$50 million (about R125 million) worth of syrup yearly to South African bottlers. Coke would not discuss this, but confirmed it had about 75 percent of the South African soft drink market.

The company will close its South African concentrate plant when it disinvests within nine months for political reasons.

## APARTHEID

The act was a "statement of our opposition to apartheid".

With the closure of the syrup factory in South Africa goes the Coke recipe which has been kept secret for 100 years. All bottling plants will do in South Africa after Coca-Cola's withdrawal, company officials say, is soda.

And Coke is smugly confident nobody will be able to discover their secret recipe:

"No-one has ever been able to do it," said Mr Randall Donaldson at Atlanta headquarters.

Doubtless, with today's technologies, chemists could establish the drink's ingredients.

"But nobody can tell you the way it goes together."

Coke's syrup is exported to many countries and transported to private bottlers throughout the United States which mix and market the drink. South Africa is one of several regions worldwide which has a syrup plant.

Some ingredients of that magic formula are still, however, mixed in the United States and shipped to the plant in South Africa where they are added to contents available locally.

Asked how secrecy was kept at those foreign syrup plants, Mr Donaldson said: "Secrecy is maintained probably because we do not talk much about it."

At stake is the recipe of pharmacist Dr John Stythpemberton of Atlanta who started it all in a backyard kettle in 1886. Now it sells in 155 countries at a daily rate of 400 million servings.

It was dispensed from a soda fountain in Jacobs Pharmacy from May 8, 1886, at 5c a glass. Revenue in the first year was \$35. It is now billions.

Thousands of Coke employees from around the globe met in Atlanta in May to celebrate the drink's centennial. At the party, Dr Pemberton's original recipe book containing his research notes was on display.

But it remained a carefully closed book to viewers who were kept at a safe distance by tight security measures.

## East Cane hush fires are



# NUM and Chamber in battle over sanctions

22/9/86 SPR

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The Chamber of Mines and the National Union of Mineworkers (NUM) are locked in a war of words over calls for sanctions against the gold-mining industry.

In a statement responding to a Thames Television interview with NUM president Mr James Motlatsi on Britain's Channel Four last week, the Chamber has called for clarification from NUM of its attitudes to sanctions and the disruption of the gold-mining industry.

The Chamber also accused the NUM leadership of being more concerned with mobilising the union for political confrontation with the Government than industrial relations on the mines.

On television Mr Motlatsi called for sanctions which would directly affect the gold-mining industry, stating that limited sanctions against South Africa which let the gold mines off the hook would be of no use.

Mr Motlatsi said: "If the international world won't impose more sanctions, we have got another remedy but I won't tell you what it is at the present moment."

The NUM, replying to Chamber accusations, said it had a responsibility to defend the interests of its members on all levels, the economic and political. For this reason the union had consistently called for international economic pressure to be applied against the Government.

## Secret plan denied

The union denied, however, that it had a secret plan to disrupt the gold-mining industry.

The NUM accused the Chamber of being a sympathetic supporter of the Government on a number of issues and of being the Government's ally in maintaining key institutions of apartheid such as the hostels and migrant labour system.

The Chamber has voiced concern about Mr Motlatsi's calls for sanctions against the gold mining industry and about previous calls for sanctions made by NUM general secretary Mr Cyril Ramaphosa in Germany and Wales.

"The Chamber is, however, not aware that the union has canvassed its own membership on the subject," the statement said.

"NUM leaders have made contradictory statements supporting sanctions while in the same breath threatening to strike if men are retrenched."

"The industry employs 600 000 black workers with three million dependants. If even a small percentage lost their jobs, this would have a disastrous impact on black employment."

In reply, NUM Press officer Marcel Golding said: "The apartheid policies of the Government are the major source of unemployment in this country."

# UN urges mandatory sanctions against SA

The Star's Foreign  
News Service

NEW YORK — The United Nations General Assembly has urged the Security Council to impose mandatory sanctions on South Africa for its illegal occupation of Namibia.

A vote of 126-0, with 24 abstentions, brought a four-day special session on Namibia to an end.

It marked a significant victory for American diplomacy. Before the vote two critical references to the United States were removed.

This was as a direct result of an intervention by Malawi and Togo. Delegates from Ghana and Nigeria failed to block the pro-American stand.

Most Western nations abstained on the Namibia resolution because of their objection to declaring Swapo the sole representative of the Namibian people.

Both the United States and Britain will probably veto any suggestion of mandatory sanctions as they did last June.

The chief American delegate, General Vernon Z Walters, rejected criticism levelled at his country during the special session, the 14th in UN history.

## NO RIGHT

General Walters said: "My Government does not believe the resolution will advance Namibian independence in any way. It seems to reject by inference a peaceful resolution."

Cuba, whose soldiers are stationed in Angola, had no right to determine the conditions for the removal of its troops from Africa.

At the recent Non-Aligned Summit in Harare, the Cuban leader, Mr Fidel Castro, had pledged his troops would remain in Angola "for as long as apartheid exists in South Africa".

The United States did not have a solution for Angola's internal problems. The administration saw August 1 of this year as an opportunity, not a deadline, to reach agreement.

"My Government rejects all accusations that hold the United States responsible. The Luanda Government failed to use the opportunity of the proposed August 1 date to implement resolution 435," General Walters said.



# Tokyo ban 'leaves firms untouched'

JAPAN'S package of economic sanctions will have virtually no effect on private enterprise in SA, says a leading SA expert on trade with Japan.

The ban on imports of pig iron and steel materials was designed to affect the SA government and its agencies, while leaving the bulk of trade with private SA firms untouched, said Godfrey Busschav of Japan Consultants, which advises 140 local firms doing business with Japan.

Japan has also said no SA planes would be permitted to land in Japan, but an SA Airways spokesman said that ban would

Business Day Reporter

have no effect as no SA aircraft had landed in Japan for years.

The package also stops the Japanese from issuing tourist visas to South Africans, but leaves the door open for SA businessmen to visit on business visas.

Although about 4 000 South Africans visited Japan each year for business, Busschav said no more than 400 might have gone as tourists in 1986, because of the falling value of the rand.

Busschav said the pig iron and steel sanctions might represent at most 8% of the total trade between SA and Japan.

AP-DJ reports the Japanese government has informed SA that Education Minister F W de Klerk will not be welcome in Japan.

A Japanese Foreign Ministry official said in Tokyo the message to Pretoria asking De Klerk to cancel his visit was relayed through the SA consulate-general in Tokyo.

He said De Klerk was planning a private visit to Japan some time next month. But SA had been told that a visit by him, private or otherwise, would be highly inappropriate in view of the present circumstances.

# 'National strategy needed' **Sanlam calls for sanctions tactics**

By AUDREY D'ANGELO  
Assistant Financial Editor

COMPREHENSIVE sanctions could seriously disrupt the SA economy and it will be vital to have a national strategy to deal with them, Sanlam says in its September economic review.

It warns that "we shall have to move away from a market-orientated policy with respect to some aspects of the economy — with more direct government action and management of the economy".

But, it says, "the private sector will also have to pull its weight. Imaginative investment projects will have to be launched.

## **Job creation**

"A less uncertain political and economic environment will be needed for this.

"In addition, we shall have to make sure that our savings effort is channelled into investments with great job creation possibilities.

"Co-operation between the public and private sectors is now more essential than ever."

Discussing the need for a purposeful anti-sanctions strategy, it says that economic growth must be promoted by inward industrialization.

The government's current expenditure must be strictly controlled. "Strict discipline will have to be applied in respect of salary increases in the public sector — following the example set by the private sector, which will be obliged to do so because of market forces.

"It should be clearly understood that sanctions will require sacrifices from all South Africans, even those who are not directly affected by market conditions."

Sanlam says import control will have to be made stricter "since a shortage of foreign currency will be a

major problem. *CMK Times 23/9/86*  
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"As regards exports, we shall have to concentrate on goods of which the origin is difficult to identify."

"In addition, everything must be done to bring about the maximum addition of value to goods in the Republic, particularly with a view to the creation of jobs."

The review also calls for tax concessions to encourage savings, and says "it must be ensured that interest rates do not reach levels which will discourage investment."

Discussing the present economic situation, Sanlam says the recovery seems to be gaining momentum.

"According to preliminary information for the third quarter, it appears that the improvements of the previous three months are being maintained.

"It is nevertheless clear that these more favourable tendencies remain restricted largely to the trade sector and that they are linked to an important degree to the normalization of expenditure by blacks, the easing in hire purchase conditions, the lower interest rates on bonds and the repayment of the loan levy."

It believes that consumers have "undergone a slight change of sentiment lately" and that this is slowly but surely paving the way for a more favourable business climate.

"It is too soon to say whether these trends will be lasting ones."

## **Bond rate**

Discussing inflation, it says the prospect of further declines in the bond rate should help bring down the inflation rate.

On the other hand, the earlier weakening of the rand will in time be reflected in higher consumer prices.

"At this stage we expect an average inflation rate of about 18% for 1986 and one of around 16% for 1987."



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# *EC ban on S A's steel imports jolts producers*

## **Mercury Correspondent**

**JOHANNESBURG**—The ban imposed on iron and steel imports from S A, announced first by the European Community (EC) and followed by a similar announcement from Japan, has severely jolted S A's steel producers, even though it has been threatened for some time.

And in spite of the subsequent confusion over how effectively these sanctions decisions will be implemented, they are being taken extremely seriously, according to Iscor spokesman Mr Piet du Plessis.

## **Recession**

As a result of the prolonged recession in S A, and the depressed domestic demand for its products, steel producers like Iscor have been concentrating their efforts on exports to maintain their viability.

It has been variously estimated that the closure of these two foreign markets could cost the steel industry at least R300m a year and place some 50 000 jobs in jeopardy.

'There seems to be no doubt we are in danger of losing important and very valuable markets,' confesses Mr Du Plessis.

So far, these threats have not been translated into punitive action.

'We are not contemplating shutting down plants and laying off people yet.

Our strategy is to keep the steel plants operating, but it is a difficult situation,' he said.

Iscor is currently increasing its efforts to seek out alternative foreign markets for its products, particularly in the Far East.

The strengthening of the rand on foreign exchange markets is not destined to

help this effort much, and, with the sanctions effort looming closer, exporters have started calling on Government to take steps to ensure the rand rate does not strengthen too significantly.

Although the situation remains unclear, the sanctions ban does not extend to iron ores.

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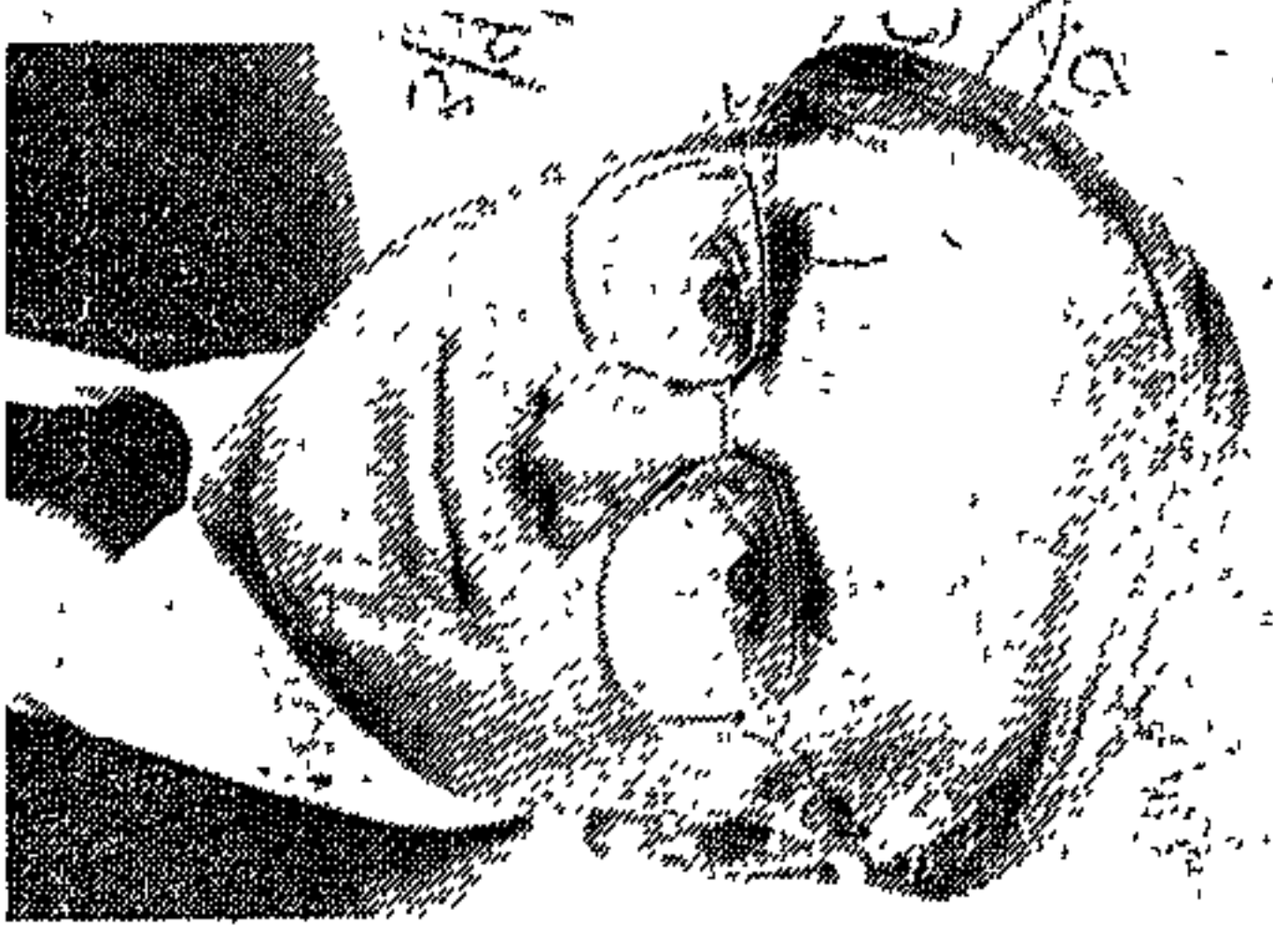
# Aussie Opposition split as SA sanctions debate rages

have taken a much more under-  
standing position on South Africa,  
much the same as that of the  
British Government.  
Despite this shift a significant  
section of the Liberal Party, the  
major coalition member, has  
privately maintained support  
for the Fraser position and has  
been fighting behind the scenes  
to re-establish that position.  
In his statement Senator Hill  
said since the opposition had

formulated its policy, world  
opinion on sanctions against  
South Africa had shifted and it  
was now appropriate for the Op-  
position to review its policy.  
He said it now seemed likely  
the US would adopt a harder  
line on sanctions and Britain has  
agreed to the package of sanc-  
tions adopted by the European  
Community.  
"The Australian Opposition,  
which has always vigorously op-

posed apartheid, should be part  
of these international efforts.  
Pressure that Australia can con-  
tribute towards peacefully dis-  
mantling apartheid gives the  
moderates a chance — possibly  
a last chance," he said.  
Senator Hill's statement  
brought a careful response from  
the Opposition's senior foreign  
policy spokesman, former Aus-  
tralian Foreign Minister Mr An-  
drew Peacock. He said sanc-

tions were a sensitive issue and  
the Opposition supported the  
moves taken by the European  
Community. But he said it was  
not sensible to impose sanctions  
It was essential in interna-  
tional affairs that every action  
taken by the international com-  
munity be thought through and  
he did not believe advocates of  
mandatory economic sanctions  
had done that.



Mr John Howard: a more "un-  
derstanding" position on South  
Africa.



# Anti-apartheid India found to have SA links

The Star's Foreign News Service

DELHI — While India's Prime Minister Mr Rajiv Gandhi has been castigating the world, and Britain in particular, for maintaining trading links with South Africa, the Indian Press has been uncovering his own country's dealings with the "hated apartheid regime."

Press reports have concentrated, in particular on the links Indian industry has established with the South African diamond trade. The *Sunday Observer* said that while Mr Gandhi was telling Mrs Thatcher not to give human rights and freedom second place to material gains, the diamond trade between India and South Africa continued to flourish.

*Sunday Magazine* said that in 1985-86 India imported 34.23-million carats of uncut diamonds worth more than R2 200-million, compared



Prime Minister Rajiv Gandhi... castigated the world for SA trade links.

with 26.3-million carats in 1984-85.

The rough stones were polished and processed by about 400 000 jewel trade workers, mainly in and around Bombay, and were re-exported to bring in about R2 900-million of foreign exchange.

Where, the writers asked, do these diamonds come

from?

The answer they give is at least partly from South Africa. The diamonds are bought mainly through the Diamond Trading Corporation (DTC) of London and its associated company, the Central Selling Organisation. Both are the arms of major South African exporters such as De Beers.

Though the stones they buy are described as of mixed origin and though DTC trades in stones from many other sources, a large proportion of them come directly from the South African mines.

Since the revelations that Indian traders are like American women — whom US Secretary of State Mr George Shultz feared would not be prepared to give up buying diamonds — the Bombay industry has been asked to buy its stocks from the DTC in Switzerland instead of London.

But the *Sunday Observer* reports traders as saying that it

does not matter where they

get the raw diamonds from. The paper also reports that India's External Affairs Ministry feels that given the stranglehold De Beers has on the international market, it would be very difficult for India to plug the loopholes.

Loopholes in regulations governing trade other than diamonds have also attracted Press attention. Many have pointed out a curiosity in the spice trade, which has shown a startling rise with countries like Zambia, Mozambique, Malawi and Tanzania.

In 1982-3, for example, *Sunday Magazine* noted, Zambia imported rich curry spices worth R24 000 — enough, the magazine suggested, for the few thousand Indians living in that country of 5.1-million people. The very next year the trade went up more than sixfold.

Simultaneously, the spice trade increased with the other Frontline states. Mozambi-

que's purchases doubled, Malawi's went up four times and Tanzania increased its trade from nil to R220 000.

It is not, the magazine suggests, that culinary tastes in black Africa have suddenly changed in favour of curry and rice, nor has there been an influx of people of Indian origin.

The answer is that a cheap and reliable supply of spices has opened up for the million or more residents of South Africa who are of Indian stock.

The interception of one cargo of spices in 1985 indicates the way Indians have been beating the formal ban on trading with South Africa.

The spices were loaded in Bombay and marked for export to Mozambique. They were labelled Maputo (D). But the D was a code for Durban, and when the ship called at Colombo, the crates were unloaded and reloaded on to a Durban-bound vessel.

# NUM SPEAKS OUT ON SANCTIONS

THE National Union of Mineworkers has responded to a call from the Chamber of Mines that the union clarify recent statements by NUM leaders calling for "sanctions against and disruption of the gold mining industry".

Mr Marcel Golding, a spokesman for NUM, said the union had a "responsibility to defend the interests of its members on all levels, the economic as well as the political."

For this reason the union had consistently called for "international economic pressure", to be applied against the SA Government and "has raised this call in a number of forums."

The Chamber of Mines was a "sympathetic supporter of the Government on a number of

issues and is its clear ally in maintaining key institutions of apartheid such as the hostels and the migrant labour system," he said.

"However we clearly recognise that ultimately the responsibility for the removal of such institutions of apartheid rests with the people of this country rather than with foreign powers."

## Denied

However he denied reports that Mr Mottlasi had claimed in the interview that NUM had a secret plan to disrupt the mines.

"There is no secret plan. NUM is a public organisation which operates on mandates from its members and conducts its activities openly."

The journalist, Mr Julian Manyon, was "sen-

sationalist and tried to promote his programme in an irresponsible manner," Mr Golding said.

Responding to the Chamber's statement that the union would have to take responsibility for the effects of unemployment should sanctions be applied against the gold mines, Mr Golding said the removal of apartheid was the solution to the problem.

"The apartheid policies of this government are the major source of unemployment. Figures that up to six million may be unemployed clearly indicate that instead of spending money on public sector projects, such as housing, that provide employment, millions of rand are being spent on the army and police to maintain the institutions of apartheid." — Sapa.



# Mixed-morals charge as SA wool link stays

The Star's Foreign News Service

SYDNEY — The Australian Government has been accused of "mixing its morals" for deciding to continue its wool promotion with South Africa.

The Australia South Africa Trade Association, welcoming the maintenance of wool links, also said the Australian Government was being hypocritical.

"The Government's stance over the wool promotion is amazing and shows that the Prime Minister, Mr Bob Hawke,

is not honest in his thinking," said the association's secretary, Mr Allan Dexter, in Sydney.

"If the wool ties remain, why ban agricultural products from South Africa and withdraw landing rights for SA Airways?"

"In reality, the Hawke Government is concerned that its electoral stocks are low. With an election less than two years away, banning the wool promotion would prove disastrous."

The Government has given Australian woolgrowers R43 million to spend on wool promotion with South Africa,

New Zealand, Uruguay and Brazil, the International Wool Secretariat countries.

Despite the sanctions planned against South Africa, the Government bowed to pressure from its own Department of Foreign Affairs, the Department of Primary Industry and the Australian Wool Corporation.

All agreed it would be counter-productive to end the 50-year association with South Africa.

Australia, dominant country in the International Wool Secretariat, funds 67 percent of the

body's promotions. South Africa contributes 9 percent of costs.

Officials of the Australian Wool Corporation said Australia would lose millions if South Africa were forced out.

The Australia South Africa Trade Association believed sanctions could mean widespread job losses in Australia.

"Members of our association with trade links with South Africa are campaigning to have the sanctions lifted. Many Australian companies spend a lot of money in South Africa.

"Not long after Mr William McMahon became Australian Prime Minister in 1971 he urged Australian businessmen to invest in South Africa. Now the present Government is doing its best to tear down the bridges we have built up.

"Our members will be campaigning to defeat the Government at the next national election, due in 1988," he said.

"But this does not mean we are in any way supportive of the South African Government's policies on apartheid."

## American Catholic university votes for divestment

S.M. 23/9/86.  
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WASHINGTON — The directors of Georgetown University, the oldest Roman Catholic university in the United States, have voted to divest the university of \$28,6 million dollars (about R63,5 million) in holdings in companies that do business in South Africa.

The announcement yesterday said the action was taken on the recommendation of the South African Catholic Bishops Conference, the Conference of Catholic Bishops in the United States and Georgetown University's Committee on Investments and Social Responsibility.

The administrative board of the US conference has urged all Catholic institutions to divest themselves of holdings in companies which do business in South Africa.

Mr George Houston, the university's vice president for financial affairs and treasurer, said the holdings were spread among 45 companies. He said the divestment involves about 16 percent of the university's endowment.

Georgetown said its decision would not apply to companies that are in the process of withdrawing from South Africa. — Sapa-Associated Press.



# Two airlines want flights to Gaborone

The Star Bureau

LONDON — British Caledonian has denied seeking to bypass South African air sanctions, on the first day of a hearing into its application, with British Airways, for a licence to start flights to Gaborone.

It had been accused of dressing up the application as purely economic, but really wanting to mop up the passenger trade in the event of sanctions.

The allegation came from Mr David Railton, representing British Airways at the public hearing into the proposed new air routes between London and the Botswana capital.

"Caledonian is trying to dress up its case as economic. But we will say that its economic case is not a good one. It wants to get hold of the South African traffic in the event of direct air links being stopped," he said.

Earlier, Mr Railton had failed to get the entire hearing held in secret on the grounds that the application by both airlines for licences to fly to the country was politically sensitive.

Meanwhile, it is known that British Airways itself is hoping to be granted a licence to fly to Botswana, a route it will use if all direct air links to South Africa are halted.

# Zimbabwe ends gold agreement

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MELBOURNE. — Zimbabwe has withdrawn its gold-refining business from South Africa and given it to Australia in a multimillion rand deal.

The Zimbabwean Reserve Bank has signed a contract with the Western Australian Development Corporation (WADC) to refine Zimbabwe's gold output at the Perth Mint.

The first shipment of an 18-ton consignment of ore is expected to arrive in Perth early next month. The deal means no more Zimbabwean gold will be refined at the Johannesburg refinery.

"It's a big contract and we won it against stiff international competition," said a WADC spokesman.

## US aid for Southern Africa

In Washington the Reagan administration is considering a \$500-million (about R1 100-million) injection into Southern Africa's black states.

Countries benefiting from the new aid would include members of the Southern African Development Co-ordination Conference (SADCC), but possibly exclude Angola and Zimbabwe, with which the Reagan administration has frosty relations.

The announcement of a five-year aid package is expected soon, coinciding with President Reagan's move by midnight on Friday against a Bill approved by Congress ordering severe economic sanctions against South Africa.

Observers in Washington believe a spectacular aid grant to black Southern African states would better arm Mr Reagan when he says "No" to the Bill. It may sway the votes of some representatives.

## Beira Corridor

The aid would be earmarked especially for roads and ports, including work on Tanzania's Dar es Salaam. According to a report here, "rapid" work would also be financed on the northern Mozambican ports of Beira and Nacala.

Priority would be given to the development and repairing of transport lines from those ports to inland markets, including the strategic Beira Corridor, the oil pipeline, road and railway between Zimbabwe and the Mozambican port.

Sources in the administration confirmed independently that aid like this was being considered at senior levels. The State Department would not confirm it directly.

## "Certain recommendations"

A spokesman, Mr Bernard Kalb, said Mr Reagan, in his speech on South Africa on July 22, indicated he wanted the Secretary of State, Mr George Shultz, and the head of the Agency for International Development, Mr Peter McPherson, to study America's aid role in Southern Africa.

Mr Kalb said Mr McPherson visited the region in mid-August and "certain recommendations have been made which are under study". Mr Kalb hinted he might have something further to say on this subject later.

The aid package would also help Mr Shultz in his expected trip to Africa to argue strongly against anti-South African sanctions and to explain the Reagan administration's persistent stance against them.

Mr Shultz is expected to start his African tour early next month — October 8 has been suggested — and be in South Africa before the middle of the month to apparently meet Government and black leaders.

## Pretoria enthusiastic

The aid plan has been welcomed with enthusiasm in Pretoria.

Deputy-Foreign Minister Mr Ron Miller said today that the plan to spend \$500-million, mainly on reactivating the Beira Corridor, would be of great benefit to the prosperity and stability of the region. At the same time the scheme would only marginally affect the interdependence among South Africa and its neighbours.

Mr Miller said the South African Government objected to the American government's inappropriate coupling of aid to Southern Africa and sanctions against Pretoria. However, he said, South Africa welcomed any moves to renovate the Beira Corridor.

"Anything which can bring about the development of Southern Africa is welcome. A project like this will create jobs which will bring about economic stability and in turn potential political stability," he said.

● President Reagan has rejected an invitation from Zambian President Kenneth Kaunda to meet leaders of the frontline states.

"There will be no meeting with the President," White House spokesman Mr Larry Speakes told reporters — The Argus Foreign Service, Political Staff and Sapa-Reuter.



THE National Union of Mineworkers (NUM) has reaffirmed its support for "international economic pressure" against SA in a further response to calls by the Chamber of Mines for clarity on its stand on sanctions against the gold-mining industry.

But it argues that the debate on sanctions within SA is taking place on fallacious grounds.

NUM Press officer Marcel Golding says he does not dispute economic measures would exacerbate unemployment levels. But "apartheid, and government's monetary and fiscal policies are the major reason for SA's structural unemployment problem".

And he finds it "ironic" that the chamber is expressing concern about black workers, given that the mining industry has been a pace-setter in the

## NUM repeats sanctions stand

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ALAN FINE

use of "apartheid institutions", like the migrant labour system.

Golding says the NUM accepts the efforts of people within SA are the most important aspect of the struggle to end apartheid. But international economic pressure would aid the process by weakening the ability of government to finance its policies, and by isolating SA in international forums.

Workers believe these pressures are sufficiently effective to make the unemployment sacrifice worthwhile.

TUC switches  
pressure to  
pension funds

JOHN BATTERSBY

LONDON — The Trade Union Congress is urging pension funds to end all investments in SA-linked companies.

The plea follows a TUC report arguing for an end to all direct investment.

Pension fund investment in SA-linked companies is about £3bn. Direct investments are worth about £2.5bn.

Pension fund trustees are told there is a financial as well as moral reason for ending investments.

It points to growing "financial insecurity" in SA.



# Reagan responds to SA sanctions with Frontline aid package

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would be interpreted by government as "an act of war". University's Institute for American Studies director Carl Noffke said the effect of the aid to the projects still had to be evaluated in the light of Reagan's policy to reduce Soviet exposure in the area. He said: "The biggest problem is not MNR activity in the area but the deploable state of facilities." See Page 6.

HAMISH McINDOE  
and SIMON BARBER

MASSIVE US and Allied economic aid to Frontline states, aimed primarily at reactivating the beleaguered Beira Corridor, is set to be included in President Ronald Reagan's response to Congress' anti-SA sanctions Bill this week. The move is part of a new programme worked out between Washington and its European partners to reduce Frontline state dependence on SA.

Foreign Affairs deputy minister Ron

Miller last night described as "totally inappropriate" the Reagan Administration's coupling of US aid to Southern Africa and sanctions against Pretoria. But, he made it clear that Pretoria welcomed any moves to build up the corridor, which links Zimbabwe and the Mozambican port of Beira.

Senate sources said the Reagan administration intended to request as much as \$500m for the project — ten

times the Southern Africa aid level — with the lion's share of funds devoted to the Beira project. Details of the project are expected to be discussed when Secretary of State George Shultz visits the region next month. The State Department confirmed yesterday that Shultz's visit could in-

clude a meeting with African National Congress president Oliver Tambo. As matters stand, the Beira project is arousing much controversy from US political quarters that militantly oppose any aid to Marxist Mozambique. Some Reagan advisers, citing Pretoria's continued support for the MNR, fear the move could lead to serious conflict with SA. But Miller dismissed speculation that aid to reactivate the corridor

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# Steel producers jolted by bans announcement

CHRIS CAIRNCROSS

steel plants operating, but it's a difficult situation," Du Plessis says.

Isacor is currently increasing its efforts to seek out alternative foreign markets for its products, particularly in the Far East.

The strengthening of the rand on foreign exchange markets is not destined to help this effort much and, with the sanctions effort loom- ing closer, exporters have started calling on government to take steps to ensure the rand rate does not strengthen too significantly.

Although the situation remains unclear, the sanctions ban does not extend to iron ores.

Isacor notes that its mining opera-

THE ban imposed on iron and steel imports from SA, announced first by the European Community (EC) and followed by a similar announcement from Japan, has severely jolted SA's steel producers, even though the ban has been threatening for some time.

And despite the subsequent confusion over how effectively these sanctions decisions will be implemented, they are being taken extremely seriously, says Isacor spokesman Piet du Plessis.

As a result of the prolonged recession in SA and depressed domestic demand, steel producers such as Isacor have been concentrating on exports to maintain their viability.

It has been variously estimated that closure of the EC and Japanese markets could cost SA's steel industry at least R300m a year and place about 50 000 jobs in jeopardy.

"We are not contemplating shutting down plants and laying off people yet. Our strategy is to keep the

tion at Sishen is working to full capacity, but this isn't sufficient, on its own, to secure the viability of the Sishen-Saldanha rail link.

The rail link continues to operate at a loss, despite strenuous efforts by SA Transport Services to increase use of the line. Capacity of the line and bulk port at Saldanha could top 20-million tons a year.

Isacor's usage continues to amount to about 10-million tons a year, or about 700 000-800 000 tons a month. Use of the line has been broadened to include concentrates from Gold Fields' Black Mountain mining operation, and ores from Associated Manganese.

Plans are now in the pipeline to extend the services at Saldanha Bay.



# Swiss opposed to sanctions-busting

BERNE — Switzerland is prepared to take measures to stop the country being used to bypass sanctions against SA.

But it reiterated yesterday it would not follow the European Community (EC) in imposing sanctions.

Government spokesman Achille Casanove said in an interview the decision was "an essentially political one". Berne would decide concrete measures if it were proved that materials covered by sanctions were passing through

Switzerland, he said.

Switzerland has traditionally refused to join in economic or military sanctions against other countries, apparently afraid its neutrality and wide-ranging economic interests would be hit.

However, it has also taken measures in the past to prevent the country being used for sanctions-busting.

In a statement, the government said it didn't want its refusal to join sanctions to be seen in any way as showing

support for apartheid.

Switzerland is one of Pretoria's major trading partners, and much of SA's gold production passes through the country.

Japan said on Friday it was joining the EC in imposing limited economic sanctions against SA.

The US Congress has also agreed on sanctions, but the move is expected to be vetoed by President Ronald Reagan.

— Sapa-Reuter

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# Call by TUC on pension investments

Post Correspondent

LONDON — Britain's Trade Union Congress (TUC) is urging pension funds to end all investments in South African-linked companies — regardless of whether they observe the EEC Code of Conduct or not.

This represents a further tightening of the TUC campaign against investment in South Africa by urging a total ban on indirect and direct investment.

At the current exchange rate pension fund investment in South African-linked companies is estimated at £3 billion (about R9,75 billion).

The TUC move will further undermine the already discredited EEC Code of Conduct, which is regarded as redundant in anti-apartheid circles.

Many Labour-controlled local councils have already voted in favour of their pension funds disinvesting in South Africa but the implementation can take months — or even years — because of complex legal restrictions on pension fund trustees.

From Washington it is reported that the directors of Georgetown University have voted to divest the university of \$28,6-million (about R63,5-million) in holdings in companies that do business in South Africa.

Mr George Houston, the university's vice-president for financial affairs and treasurer, said the holdings were spread among 45 companies and valued at \$28,6-million as of June 30.

● In New Haven, police arrested 21 anti-apartheid demonstrators at Yale University yesterday after a sit-in to protest the school's \$400-million (about R888-million) investment in companies doing business with South Africa. — Sapa-Reuter-AP.



# \$500-m US plan for Beira link

Simon Barber

WASHINGTON—President Reagan is set to unveil a major multi-million-dollar plan to build up the Beira corridor, which links Mozambique and Zimbabwe, when he makes his formal response to Congress's South African Sanctions Bill this week.

The move, which was foreshadowed by Secretary of State George Shultz in testimony to the Senate Foreign Relations Committee last July, is part of a new programme worked out between Washington and its European partners to reduce front-line state dependence on South Africa.

Some of the President's advisers, citing South Africa's alleged continued support for Renamo, fear it could lead to serious conflict with Pretoria.

'There are some people who say South Africa would see it as an act of war,' a senior official explained.

Mr Shultz called the corridor linking Zimbabwe and the Mozambican port of Beira 'an economic, if partial, alternative to dependence on South Africa for states as far away as Zaire, which now sends 43% of its mineral and metal exports through the South African road and railway system'.

## Vital interest

According to Senate sources, the Administration intends to request as much as \$500 million (about R1,2 billion) for the programme overall — 10 times the current southern Africa aid level — with a large proportion of the funds being devoted specifically to the Beira project.

Details of the programme are expected to be discussed when Mr Shultz visits the region next month. The State Department confirmed yesterday the trip could include a meeting with ANC president Oliver Tambo.

The Beira plan is controversial both within the Administration and on Capitol Hill where Senate Republicans opposed to any aid to marxist Mozambique are vowing to fight it.

Mr Shultz told the Foreign Relations Committee that the corridor, which has been the target of repeated attacks by Renamo, was 'a subject of vital interest'.

'Development of the corridor could be vital to the future economic growth of the region, lowering export costs and improving terms of trade, regardless of what happens in South Africa. These investments would also reduce the extent to which we depend on South Africa for access to the region's mineral supplies.'

# Alternatives to sanctions sought by trade partners

23/9/86 SPAC (280)

Political Staff

CAPE TOWN — An international rethink is taking place among South Africa's major trading partners with a search for an alternative to sanctions to force the Government to speed up reform.

In Government circles there is quiet optimism that the worst of the mandatory sanctions imposed by foreign countries have been imposed.

There is still considerable concern, however, about indirect sanctions caused by public pressure on companies with investments in South Africa.

Dealing with the issue at the National Party Transvaal congress at the weekend the State President, Mr Botha, said sanctions were being rolled faster and faster, like a snowball down a steep hill, but he appreciated "the more realistic view recently taken by a few Western lead-

ers to stop this mad course of irrational action".

The European Community decision not to impose a coal boycott and the "nominal" Japanese sanctions are being seen as a significant breakthrough.

Government spokesmen are reluctant to comment publicly on the current position as it is felt it could stimulate further action.

## PRESSURE

Diplomatic sources in South Africa are talking openly about reasons why sanctions would not work and how it was clear they were a double-edged sword.

Diplomatic sources say another form of pressure would have to be found to force the Government to reform its policies and negotiate urgently with blacks.

The major reasons why South Africa's major trading partners are resisting sanctions were:

- The damage it could bring to their own economies by stimulating unemployment, pushing up costs by using more expensive alternative sources and reducing their own exports.

- The Government was more likely to slow down reform than capitulate.

- South Africa would in any event be able to overcome sanctions in a number of fields.

A number of countries have also been losing credibility in their pressure for sanctions. Australia, in particular, was using sanctions for the purely selfish reason of stimulating her own flagging economy

And the Frontline states, while calling for sanctions, were not prepared to impose them.

Meanwhile Mr Pik Botha said in an interview that the Japanese sanctions could have been far worse if he had not visited the country



# Police arrest anti-apartheid demos at Yale

NEW HAVEN — Police arrested 21 anti-apartheid demonstrators at Yale University yesterday after a sit-in to protest against the university's R888 million investment in companies doing business with South Africa.

The demonstrators occupied the university's office of investments for about three hours and blocked the pavement outside.

Miss Beth Paulo, a spokesman for the Yale Divestment Campaign, which staged the protest, said: "We have called for a moratorium on university investments in South Africa. The university has refused to respond so we took the matter into our own hands."

"They go beyond the bounds of freedom of expression," said Mr John Wilkinson, secretary of the university. "It's something we won't tolerate." — Sapa-Reuter.

# Norwegian leader calls for mandatory sanctions

NEW YORK — The Norwegian Prime Minister, Mrs Gro Harlem Brundtland, called on the United Nations yesterday to impose comprehensive and mandatory sanctions on South Africa.

In a speech to the General Assembly, Mrs Brundtland also said the UN should help protect South Africa's neighbours from any retaliation for sanctions.

She condemned South Africa for imposing a state of emergency and for its occupation of Namibia.

"The Norwegian Government therefore urges the Security Council to impose comprehensive mandatory sanctions against South Africa," Mrs Brundtland said.

Those sanctions, she said, might include an oil embargo.

Thus far, the Security Council has only imposed an arms embargo against South Africa and has recommended a number of selective, voluntary sanctions.

The United States and Britain, who have veto power in the 15-nation council, have blocked more comprehensive sanctions.

Norway's Parliament is scheduled to consider imposing an economic boycott against South Africa, Mrs Brundtland said. — Sapa-AP.



Mrs Gro Brundtland . . .  
condemned the state of  
emergency.



# Sanctions Veto

Notes 24/9/86

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## But Reagan undecided on further action over SA

From ALAN DUNN

The Argus Foreign Service

WASHINGTON. — President Ronald Reagan intends vetoing a Bill containing severe economic sanctions against South Africa.

This was confirmed by his White House spokesman, Mr Larry Speakes, who said Mr Reagan had not decided yet on accompanying action to strengthen his stand against Congress on the issue

The White House, however, had received a R1.25-billion aid plan for Southern African states. Mr Reagan would review it shortly with recommendations from National Security Council advisers, he said.

At a news briefing yesterday Mr Speakes repeated Mr Reagan's "No" to sanctions, but lent more clarity and finality to the veto, probably on Friday, hours before a midnight deadline

### Choosing options

Mr Speakes suggested Mr Reagan could split his veto announcement and one on further actions involving South Africa: "The President still has not made a decision on it (an expanded executive order) and may not until some time next week," he said.

Mr Reagan would have to digest what the European Community had decided about South Africa and developments — or lack of them — in choosing options on how to act.

While he considers the issue senior White House aides are working furiously at winning 18 votes in the Senate to his anti-sanctions view, thus thwarting congressional intent to override his veto in a required two-thirds ballot.

Aides are concentrating on the Republican-controlled Senate, which voted 84-14 last month for the sanctions package. Two sena-

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R G W

24/9/86

Therefore he needs 18 others to total the 34 required to beat the veto override in that 100-body chamber.

### **Tough battle**

Mr Speakes yesterday repeated his description of the campaign to sustain a veto as a "tough uphill battle".

It is not known exactly when the Reagan administration will announce the appointment of Mr Edward Perkins, now the US Ambassador to Liberia, as the first black Ambassador to South Africa, or the itinerary of the visit to Africa early next month by the Secretary of State, Mr George Shultz.

Mr Pik Botha, South Africa's Minister of Foreign Affairs, said yesterday that the South African Government accepted further sanctions as inevitable, but still hoped President Reagan would veto the latest Congress Bill.

Speaking at a Press conference in Pretoria to discuss the sanctions issue, Mr Botha hit out at the US for interfering in the country's domestic affairs, saying the Government had shown its willingness to reform.

Mr Botha said mainly black jobs would be affected by sanctions which would harm the country "but will not kill us".

He said the Congress legislation containing 23 punitive measures amounted to a general foreign-policy statement, but said it contained some positive aspects.

Provisions which the Government welcomed included a call on the African National Congress to suspend violence and condemnation of necklace "executions".

The Bill also calls for a report on ANC operations and the influence of the South African Communist Party in the organisation, and this would enable US citizens to see the "truth" about the banned organisation.

Mr Botha said he welcomed the possibility of a R1100-million US aid package to Southern African countries, saying "we are painfully aware of the need for development".



# Pik sees Reagan veto on sanctions



● BOTHA

US President Ronald Reagan was likely, as matter of principle, to veto the sanctions Bill sent to him by Congress last week, Minister of Foreign Affairs Pik Botha said yesterday. Sapa reports he told a news conference in Pretoria that Reagan would probably have to increase existing punitive measures in an executive order against SA to win enough senatorial support for his veto.

If the sanctions Bill survived Reagan's

veto and became law, "we are prepared to accept it as inevitable", said Botha.

"It will have a damaging effect on the jobs of possibly many people, black and white, and it will harm us, but it will not kill us," he said.

Government rejected the Bill because it amounted to interference in SA's internal affairs.

It was, however, ironic that there were a number of positive provisions in the legislation that had not received so much publicity and which government supported wholeheartedly.

It was a pity Reagan was constitution-

ally prevented from vetoing the sanctions measures, while supporting the constructive provisions, Botha said.

Among these was a provision that would make it US policy to support an immediate end to violence in SA and calling on the ANC to suspend, abandon or end violence.

Another outcome of the Bill, if it became law, would be an in-depth investigation, with Central Intelligence Agency assistance, of the ANC and its affiliates,

● To Page 3



## Pik predicts Reagan veto

and of the extent of communist influence and actions in SA.

Botha said government would welcome this because the US public would

then be able to see once and for all who was refusing to negotiate and who was behind the violence.

● From Page 1

## Sanctions create opportunities

# Altech, Altron profits soar

*CME Taxis*  
*24/9/86*  
*280*

By AUDREY D'ANGELO  
Assistant Financial Editor

THE NEED for import replacement may bring new opportunities for electronics giants Altech and Altron, their chief executive, Bill Venter, pointed out yesterday.

And a spokesman said he did not believe sanctions would stop plans to increase income from exports.

"It is our stated intention to have 20% of our profits coming from exports by 1988 and we are moving in that direction", he said by telephone from Boksburg.

Both groups lifted profits in the six months to August.

Allied Technologies (Altech) lifted earnings by 28% to 276,5c (219,2c) a share. Pre-tax profit was R51,6m (R42,3m) and net profit R27m (R21m).

Allied Electronics Corporation (Altron) lifted earnings for the half year by 20% to 112,4c (93,7c), pre-tax profit to R70,1m (R60,2m), and net profit to R20,1m (R16,7m).

Ventron Electronics Corporation (Ventron), which has a 55% controlling

shareholding in Altron, lifted earnings for the half year to 42,5c (35,4c). Pretax profit was R70,1m (R60,2m) and net profit R11,2m (R9,3m).

Venter said both groups were "well positioned to take advantage of local manufacturing opportunities that might arise from the threat of economic sanctions."

He added that the performance of both groups "should continue to be satisfactory for the remainder of the current financial year."

A spokesman said he thought this forecast was "an understatement".

### Many channels

Discussing import replacement opportunities, he said sanctions could make it possible for the groups to supply components and systems which were uneconomic to manufacture at the moment.

He said the groups were still looking at export opportunities. "It has been shown around the world that there are many channels, although one never feels comfortable in the situation we are in at the moment."



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24/9/86.

# Corridor plan 'little threat to Durban'

## Mercury Reporter

THE multi-million-dollar plan to build up the Beira corridor which links Mozambique and Zimbabwe poses little threat to Durban in the short or medium term.

This is the opinion of the

programme director for the South African Institute of International Affairs, Mr Leon Kok, who said in an interview yesterday he hoped the Reagan Administration would go ahead with the plan.

The move is part of a new programme worked out between Washington and its European partners to reduce front-line state dependence on South Africa.

It was yesterday greeted philosophically by Pretoria in spite of previously expressed fears that the South African Government might see any such move as 'an act of war'.

South Africa's Deputy Foreign Minister, Mr Ron Miller said any attempt to develop front-line states was to be welcomed, but if the Beira corridor scheme was meant to make these states less dependent on

South Africa it would not work.

'Any attempt to force them to buy from overseas is going to increase costs. There is no way that the front-line states can afford to buy from Europe and other countries,' he said.

Mr Kok said he did not think the Beira development was in any way a threat to the amount of traffic controlled by South Africa.

## Benefit

There was a limit to the amount of traffic the Beira line could take and the \$500 million (about R1,2 billion) that the American Administration intended requesting for the programme overall was 'a drop in the ocean'.

'It would cost three or four or even five times what the Americans are prepared to pay,' he said. In

addition, Beira was a very small port and at least R2 to R3 billion would have to be spent to extend it.

Mr Kok said he felt South Africa would be very narrow minded if it tried to interfere with or abort the Beira plan as any development taking place in the front-line states was to the country's benefit. Development in these states would create new markets and investment opportunities.

Referring to news that American Senate Republicans opposed to any aid to marxist Mozambique are vowing to fight the Beira corridor plan, Mr Kok said he thought they were being 'extremely narrow minded'.

Mr Miller said the Government had nothing against the programme but found it 'totally inappropriate' that improvement of the Beira corridor should

be coupled with sanctions being imposed against South Africa as the only people who would really suffer if sanctions were imposed were 'the blacks of South Africa and the front-line states'.

He said that it was possible that Durban and other South African ports might suffer a slight reduction in turnover.

According to reports from Harare, the Beira Corridor Group, a company formed in Zimbabwe to promote the development of the Beira corridor is to go public next month. About 250 organisations will be invited to take up shares of 5 000 Zimbabwe dollars (R6 800) each in the company which has already borrowed R17 million to improve the railway line through the corridor.

● See Editorial Opinion

# Sanctions veto likely, says Pik

JOHANNESBURG—President Reagan is likely to veto the South African sanctions Bill sent to him by Congress as a matter of principle, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday.

But he told a news conference that the US President would probably have to increase existing punitive measures in an executive order against the Republic to gain sufficient Senatorial support for his veto.

If the sanctions Bill survived President Reagan's veto and became law, 'we are prepared to accept it as inevitable'.

'It will have a damaging effect on the jobs of possibly many people, black and white, and it will harm us but it will not kill us,' Mr Botha said.

The South African Government rejected the Bill, containing 23 specific punitive measures against it, on principle because it amounted to foreign interference in the internal affairs of the country.

## Positive

It was, however, ironic that there were a number of positive provisions in the legislation that had not received so much publicity and which the SA Government supported wholeheartedly.

Among these were a provision that would make it US policy that violence in South Africa should cease immediately, and calling on the African National Congress to 'suspend, abandon or end violence'.

Another result of the Bill if it became law would be an in depth investigation, with Central Intelligence Agency assistance, of the ANC and its affiliates, and of the extent of communist influence and actions in South Africa.

Explaining why he believed President Reagan would veto the Bill before it automatically became law on September 27, Mr Botha said there had been a tendency recently for Congress to move into the domain of foreign policy, which was considered by the White House to be the exclusive preserve of the President.

## Six steps

'I believe the White House would like to maintain foreign policy decisions in the President's hands'.

The Bill calls on South Africa to repeal the state of emergency, release Nelson Mandela and other political prisoners, unban political parties, set a timetable to eliminate apartheid, negotiate the future political system with representatives of all racial groups, and to end military and para-military activities aimed at neighbouring states.

Mr Botha said his Government was not in principle against these six steps, but that President Botha had made it clear the

abandonment of violence was a prerequisite for the lifting of the state of emergency, and the release of Mandela and others.

If Congress told the ANC to stop violence, 'virtually all these steps could be taken'.

Simon Barber reports from Washington that President Reagan is due to make a final decision today on sanctions and will announce it on Friday.

The State Department is pushing for a package of new sanctions plus aid to the front-line states that would win enough support in the Senate to enable a successful veto of the sanctions Bill now awaiting the President's signature.

President Reagan's White House advisers are pushing for a veto without compromise, even though it is almost certain to be overridden.

The proposal to supply \$500 million (R1.2 billion) worth of aid for the front-line states has already run into heavy flak in the Senate.



# Reagan set to blunt SA sanctions

CART 7/11/86

24/9/86

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PRESIDENT Ronald Reagan is due to make a final decision today on South African sanctions — and the South African Minister of Foreign Affairs, Mr Pik Botha, yesterday predicted that he would veto the bill as a matter of principle.

But Mr Botha added that if the sanctions bill survived President Reagan's veto and became law, "we are prepared to accept it as inevitable".

Speaking at a press conference in Pretoria yesterday afternoon, Mr Botha said: "It will have a damaging affect on the jobs of possibly many people, black and white, and it will harm us but it will not kill us".

Simon Barber reports from Washington that President Reagan will make his decision public on Friday. Meanwhile the State Department, desperate to avoid having Congress run its foreign policy through legislation, is pushing for a package of new sanctions and aid to the frontline states that would win enough support in the Senate to enable a successful veto of the "Comprehensive Anti-Apartheid Act" now



Mr Pik Botha

awaiting the President's signature

The State Department is making the case that the combination of aid and sanctions would co-ordinate US policy with the European Community and thus add up to a far more effective approach than Congress is demanding.

Meanwhile Sapa-AP reports Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, said yesterday that the US would be seen as an apologist for apartheid unless economic sanctions legislation became law.

He told reporters he urged the President on Friday to sign the sanctions legislation but that Mr

Reagan remained opposed to the bill which the House of Representatives and Senate had passed by large majorities.

Senator Lugar said Mr Reagan was still considering whether to issue an executive order incorporating some of the sanctions adopted by Congress in a bid to persuade enough senators to switch their votes and sustain a veto.

Sapa reports that Mr Botha told the news conference in Pretoria that there were a number of positive provisions in the legislation that had not received so much publicity and which the SA Government supported wholeheartedly.

Among these were a provision that would make it US policy that violence in South Africa should cease immediately, and calling on the African National Congress to "suspend, abandon or end violence".

Mr Botha said his government would welcome this because the US public would then be able to see "once and for all" who was refusing to negotiate and who was behind the violence.

The bill's 23 punitive measures against South Africa include bans on imports of coal, uranium,

textiles, agricultural goods, iron, steel and gold coins, and it halts SA Airways landing rights.

Mr Botha said that in terms of the bill the US would encourage the government to repeal the state of emergency, release Mr Nelson Mandela and other political prisoners, unban political parties, set a timetable to eliminate apartheid, negotiate the future political system with representatives of all racial groups and to end military and paramilitary activities aimed at neighbouring states.

Mr Botha said his government was not in principle against these six steps, but that the State President, Mr P W Botha, had made it clear the abandonment of violence was a prerequisite for the lifting of the state of emergency.

If the Congress told the ANC to stop violence, "virtually all these steps could be taken".

## Howe plea to Pretoria

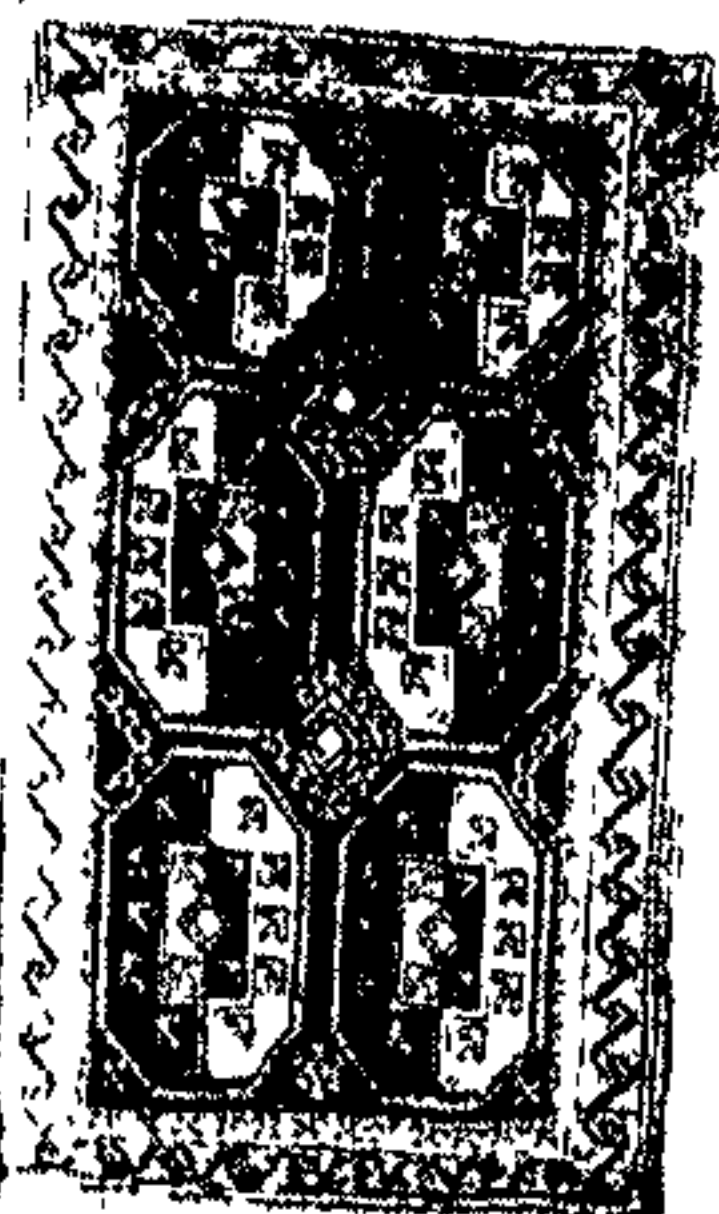
NEW YORK. — British Foreign Secretary Sir Geoffrey Howe yesterday made a last-ditch appeal to Pretoria to start negotiations with blacks to avoid a whirlwind.

He was addressing the 41st session of the UN General Assembly on behalf of the European Economic Community.

Sir Geoffrey warned that time was short. He urged Pretoria to accept that fundamental change was inevitable.

In London, Minister of State at the Foreign Office Mrs Lynda Chalker told top businessmen the British Government and businessmen had to make it clear to Pretoria that it was in South Africa's interest to promote change while it could still be achieved peacefully. — Sapa-Reuter and Own Correspondent

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Mrs Helen Suzman, the P.P.'s spokeswoman on law and order, said

CM 7/15 24/9/86

# Apartheid worse than sanctions'

Labour Reporter 280

THE effect of international sanctions on unemployment would be "negligible" compared to the effects of apartheid, says the press officer for the National Union of Mineworkers (NUM), Mr Marcel Golding.

He was responding to a challenge from the Chamber of Mines for NUM to clarify its stance on sanctions.

Mr Golding said NUM had "consistently called for international economic pressure against the South Afri-

can Government and the ruling class". He said the existing arguments against sanctions were based on "incorrect grounds".

"Certainly unemployment may increase in the short term as a result of sanctions, but not to the extent that it has already been generated by apartheid," he said.

● NUM is to conduct a strike ballot among its 300 000 members following a deadlock in wage negotiations.

The union is demanding a 26 percent increase, compared to the chamber's offer of between 18 and 22 percent.



EMERGENCY detainees held at Johannesburg Prison (Diepkloof) have accused the Department of Education and Training (DET) of brainwashing, indoctrinating and depoliticising detainees at its controversial youth camps.

The accusations were made in a letter smuggled out of the prison this week, giving the first response to the camps from detainees and the first details of how prisoners are being approached about the camps while in custody.

The detainees also accuse the DET of sowing seeds of division and blackbaiting detainees by offering conditions such as release after 10 days of attending the camps and the promise of better food and accommodation during training; or the chance of a lengthy detention if they refuse.

In the letter, the detainees, all members of organisations affiliated to the United Democratic Front, give details of their first encounter with officials from the camps.

In late July, according to the letter, detainees were divided into groups, one group consisted mainly of youths.

When they sought an explanation, the head of the prison allegedly told them this was done on command from Pretoria for the purpose of introducing "certain recreational facilities for the different groups and TV and videos for the youth".

Later a certain Chris Coetzee, who claimed he was from the DET, came to see the youths, the letter notes, and when he was asked whether he had consulted with "people's organisations", lawyers and parents he said he was not a politician and could not contact political organisations.

He also explained his mission was to help the youths to be "responsible leaders" and that the youths would be released after 10 days of training. The training would be run outside prison at a very comfortable venue and during the training period they could be visited by their parents as often as possible.

"Detainees here immediately dismissed the man and rejected all his

# Detainees accuse DET of 'blackmail' in smuggled letter

By SEFAKO NYAKA

which the system disregards and undermines people's commitment to their organisations and democratic struggle," the document reads.

A second man, apparently from Victory Park, a Keith Turner, came but was — and still is — ignored by the detainees, according to the letter.

"We want to assure all progressive organisations and people that our freedom and commitment is not compromised for the venomous niceties dangled by the system," the detainees said.

In the letter, they demand their freedom, the release of all prisoners and detainees, the immediate "handing over" of education to the people and the launching of "people's education", the removal of the SA Defence Force from the townships and the immediate resignation of all councillors "who have occasioned the killing of our people".

"How can the government expect us to accept its offer while they're locking us up in their dungeons,

indiscriminately killing our people, evicting our families and closing our schools?"

"It is our strong belief that as long as the government ignores the above-mentioned demands the present socio-political crisis in the country will exacerbate and lead to more unnecessary conflict."

Meanwhile, the hunger strike involving more than 60 Emergency regulation detainees at the Diepkloof Prison outside Johannesburg is expected to end today.

The group has been on strike since Wednesday in protest against their continued detention.

Major S J Jacobs, liaison officer of the Prison Services, confirmed yesterday that a number of detainees were on a hunger strike.

"It is interesting to note that several enquiries were received on the same morning that the so-called hunger strike commenced and serve to strengthen the belief that these hunger strikes are orchestrated propaganda stances,

"Prisoners who refuse to eat are provided with three meals a day. They are treated strictly in accordance with the internationally accepted guidelines pertaining to the handling of those persons as is embraced in the Tokyo Declaration," he said.

In a memorandum sent to the Minister of Law and Order, Louis le Grange, and Commissioner of Police General Johan Coetzee two months ago by the detainees now on hunger strike, they say their continued detention is not only a "gross violation of our common law rights but is also disruptive of our social, familial educational and/or financial positions."

"Our continued detention must also be adversely affecting the economy of the country at a time when it is in dire straits."

"The State of Emergency was apparently passed to contain any activity that would endanger maintenance of law and order in the country during the period June 16 and June 26, which period has since passed without such apprehension being realised or being in any way connected to our usual rightful public political activity," the memorandum reads in part.

The detainees say Le Grange and/or Coetzee did not exercise his mind properly when he detained them or extended their detention "and we therefore demand our immediate release and the lifting of the State of Emergency".

They also called for the withdrawal of Security Forces from the township.

Imports from hostile countries.

● See Page 13

Mr Speakes yesterday repeated his description of the campaign to sustain a veto as a "tough uphill battle".

## US funds black students

A leading black educationist, Mr T W Kambule, has welcomed the decision by the US to provide R6 million for the Educational Opportunities Council (EOC) for university bursaries for black South Africans.

In a statement yesterday the EOC said the money would provide 137 new undergraduates and graduate scholarships over the next six years.

The project is part of a programme started last year by the US Agency for International Development to help overcome the financial and educational difficulties of black students.

Successful applicants study at universities of their choice and receive aid for three to six years. There are currently 38 students enrolled at 14 universities.

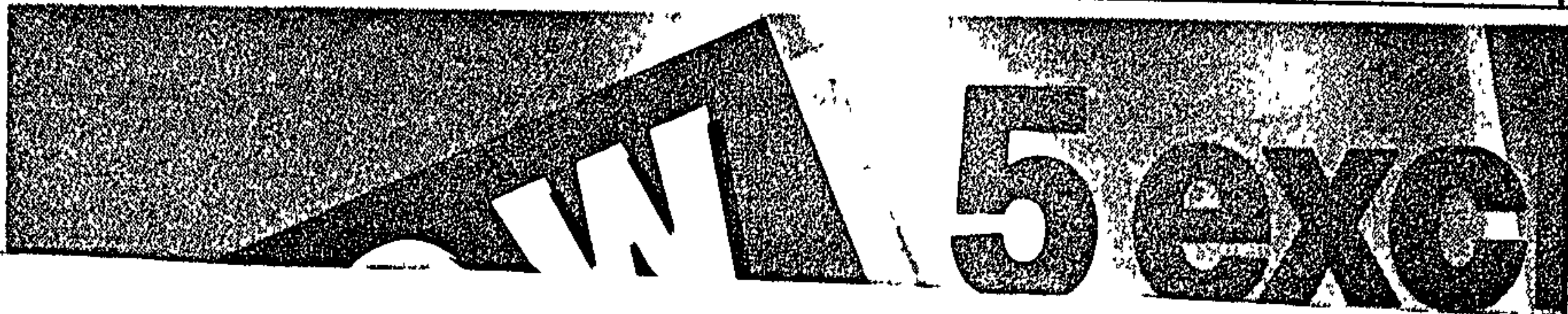
Scholarship recipients are chosen by the EOC.

## Dutch church to sell Shell, Philips shares

LEUSDEN (Netherlands) — The Dutch Reformed Church plans to sell off its share holdings in Philips and Royal Dutch Shell Group because of their involvement in South Africa, a church spokesman said yesterday.

The church has about R3,3 million invested in the firms.

The Reformed Church tried unsuccessfully to persuade Philips and Shell to withdraw from South Africa. — Sapa-Reuter.





## Pik admits further sanctions inevitable

The South African Government accepted further sanctions as inevitable but still hoped US President Ronald Reagan would veto the latest Congress Bill, Minister of Foreign Affairs Mr Pik Botha said yesterday.

Mr Botha, speaking at a Pretoria Press conference, attacked the US for interfering in South Africa's domestic affairs even though the Government had shown its willingness to reform.

He said it was impossible to quantify the effects of sanctions but black jobs would be affected the most. Sanctions would harm the country "but will not kill us".

He said legislation before the US Congress contained 23 punitive measures but also had positive aspects.

### INFLUENCE

Provisions which the Government welcomed included a call on the African National Congress to suspend violence and condemnation of "necklace" executions.

The Bill also called for a report on ANC operations and on the influence of the SA Communist party in the organisation.

This, Mr Botha said, would show American citizens the truth about the banned organisation.

Mr Botha welcomed the possibility of a R1 100-million US aid package to Southern Africa: "We are painfully aware of the need for development."

The Government did not believe in boycotts, he added, but it was possible it would limit imports from hostile countries.

● See Page 13

# Reagan is still set on vetoing sanctions

The Star Bureau

WASHINGTON — President Ronald Reagan intends to veto a Bill containing severe economic sanctions against South Africa.

This was confirmed by his White House spokesman, Mr Larry Speakes, who said Mr Reagan had not yet decided on accompanying action to strengthen his stand against Congress on the issue.

But the White House had received a \$500 million (R1 115 million) aid plan for Southern African states. Mr Reagan would review it shortly with recommendations from National Security Council advisers, he said.

At a news briefing yesterday, Mr Speakes reiterated Mr Reagan's "No" to sanctions but lent more clarity and finality to the veto which will probably be on Friday, hours before a midnight deadline.

Mr Speakes suggested that Mr Reagan could split his veto announcement and one on further actions involving South Africa: "The President still has not made a decision on it (an expanded executive order) and may not until some time next week," he said.

Mr Reagan would have to digest what the European Community had decided on South Africa and the developments — or lack of them — in South Africa, in choosing options on how to act.

### Tough battle for votes

While the President considers the issue, senior White House aides are working furiously at winning across 18 votes in the Senate to his anti-sanctions view, thus thwarting congressional intent to override his veto with the required two-thirds majority.

They are working behind the scenes, apparently pulling out all stops to avert what could be a major foreign policy defeat for Mr Reagan if Congress shuns his stand.

Aides are concentrating on the Republican-controlled Senate which voted 84-14 last month for the sanctions package. Two senators not present for that vote are thought to back Mr Reagan's stand. Therefore he needs 18 others to give him the 34 required to beat the veto override in that 100-member chamber.

Mr Speakes yesterday repeated his description of the campaign to sustain a veto as a "tough uphill battle".

# Reagan Sanctions Veto Likely — Pik



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**WASHINGTON — President Reagan is due to make final decision today on South African sanctions and will announce it publicly on Friday, administration officials said yesterday.**

In Pretoria, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday President Reagan was likely to veto the bill as a matter of principle.

The State Department, desperate to avoid having Congress run its foreign policy through legislation, is pushing for a package of new sanctions and aid to the frontline states that would win enough support in the Senate to enable a successful veto of the Comprehensive Anti-Apartheid Act now awaiting the President's signature.

The department is making the case that the combination of aid and sanctions would co-ordinate US policy with the European Community (EC) and thus add up to a far more effective approach than Congress is demanding.

Mr Reagan's White House advisers, including his national security adviser, Admiral John Poindexter, and his communications director, Mr Patrick Buchanan, are pushing for a veto without compromise, even though it is almost certain to be overridden.

The proposal — backed by the Secretary of State, Mr George Shultz — to provide \$500 million worth of econ-

omic aid to the frontline states, and primarily the Beira Corridor, has already run into flak in the Senate.

State Department officials argued that if Congress was so anxious to penalise South Africa, it should be prepared to repair the damage sanctions were likely to cause in the rest of the region. "Unfortunately, sanctions are cheap, and aid isn't," one said.

One possible scenario is that the President will tell Congress that he is prepared to accede to a set of sanctions similar to those approved by the EC last week, but only if the legislators are prepared to grant the administration's aid request.

Mr Botha said at a press conference the South African Government rejected the bill on principle because it amounted to foreign interference in the internal affairs of the country. He believed President Reagan would veto it on principle.

It was ironic that there were a number of positive provisions in the legislation that had not received so much publicity and which the government supported.

Among these was a provision that would make it US policy that

violence in South Africa should cease immediately, and calling on the African National Congress to "suspend, abandon or end violence."

Another result of the bill which the government would welcome would be an in-depth investigation, with Central Intelligence Agency assistance, of the ANC and its affiliates, and the extent of communist influence and actions in South Africa.

The bill's 23 measures against South Africa include bans on imports of coal, uranium, textiles, agricultural goods, iron, steel, gold coins, and halts South African Airways' landing rights.

Calling the bill "totally unwarranted," Mr Botha said the purpose of the bill was to bring about reforms leading to a non-racial democracy, but no mention was made of a one-man-one vote system, although all communities should be able to participate in the government of the day.

"The South African Government is not against that."

In London, the Minister of State at the British Foreign Office, Mrs Lynda Chalker, yesterday called on the government and the business sector to make it clear to South Africa that change was inevitable and that it was in their interest to promote it while it could still be achieved peacefully.

"South Africa will only achieve stability and normal relations with the rest of the world when the government changes course and moves towards genuine dialogue," Mrs Chalker told a group of 80 businessmen.

This had to be reciprocated by a willingness on the part of black organisations to suspend violence, Mrs Chalker said.

Western government and business sources must also continue to argue patiently and coherently for genuine, national dialogue and against measures which led only to polarisation and chaos.

Mrs Chalker said the British Government remained resolutely opposed to general economic sanctions — DDC-Sapa



NEW YORK — Reforms in South Africa were "too few and too slow" to stem the bloodshed, and the state of emergency worsened prospects for peaceful change, the British Foreign Secretary, Sir Geoffrey Howe, said yesterday.

In an address to the United Nations General Assembly on behalf of the European Community, of which Britain is the current chairman, he called for conditions in which dialogue could begin in South Africa.

The Norwegian Prime Minister, Mrs Gro Harlem Brundtland, called on the UN to impose comprehensive and mandatory sanctions against South Africa.

She also said it should help protect South Africa's neighbours from

## Howe: reforms too few, too slow

any retaliation for sanctions, and condemned the imposition of the emergency and the continued occupation of SWA/Namibia.

Meanwhile, the Washington Post reported yesterday that Georgetown University's board of directors had voted to sell the institution's holdings in companies doing business with South Africa.

The vice-president for financial affairs, Mr

George Houston, was quoted as saying the Jesuit university had stock holdings in 45 corporations doing business in South Africa, with a market value of \$28,6 million.

The resolution approved by the board calls for selling stock in the corporations, which include IBM, Mobil and General Motors, if they do not pull out of South Africa within 90 days of their next annual board meetings.

● The National Council of Churches (NCC) has cancelled a governing board meeting at the Hyatt Regency in New Brunswick, New Jersey, because of the hotel's ties to South Africa.

Instead, the group will hold its autumn meeting in Chicago. — Sapa-AP

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# Final showdown on SA sanctions

From SIMON BARBER

WASHINGTON. — Confusion reigned within the Reagan administration and on Capitol Hill yesterday as conflicting factions squared off for the final showdown on SA sanctions.

White House officials caught the State Department by surprise with their suggestion that President Reagan meet Chief Mangosuthu Buthelezi next week as part of his effort to sustain a veto of Congress's sanctions bill.

The idea, floated as a counterpoint to Secretary of State Mr George Shultz's probable meeting with ANC president Mr Oliver Tambo next month, was apparently to have Chief Buthelezi publicly denounce the sanctions legislation as he emerged from the Oval office.

The State Department was also thrown off guard when White House spokesman Mr Larry Speakes announced that although Mr Reagan had decided to cast a veto on Friday, he would not reveal what additional steps he was prepared to take to strengthen his veto until next week.

The State Department had sent Mr Reagan a draft speech for delivery tomorrow in which he would have announced the veto while unveiling a series of his own measures that would include elements of the European Community's package and a five-year, \$500-million (about R1 136m) request

for aid to the frontline states.

Clarifying the aid proposal, details of which are being closely guarded, State Department spokesman Mr Charles Redman said yesterday that Congress would not be expected to vote on it this year and that none of the proceeds would go to Angola.

He also emphasized that it would not be used solely to develop the Beira corridor in Mozambique, but for regional economic development as a whole.

A number of Republican legislators, led by Senators William Roth and Mitch McConnell, were expected to sign a stiffly worded letter opposing the programme.

Senate majority leader Mr Robert Dole meanwhile continued to plead with the president to expand his existing executive order as a means of winning the 34 of 100 Senate votes required to make the veto stick.

Mr Dole, who supported the sanctions bill, also hinted that he might support a filibuster to save the veto. "It is my view the president should speak for the nation on this and not a divided Congress."

However, Senate Foreign Relations Committee chairman Mr Richard Lugar and Africa subcommittee chairman Ms Nancy Kassebaum kept up their demand that Mr Reagan sign the bill because anything less would be overridden.

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# Flights from SA cannot land on island

Post Correspondent  
JOHANNESBURG

TFC Tours confirmed today that their flights to the Seychelles have been cancelled because of a ban on landing rights from flights out of South Africa.

The flights were stopped because of the withdrawal from an agreement by President Albert Rene's Government.

After the Seychelles Government told TFC Tours of the cancellation of the agreement to permit the company's tour flights to land in mid-September, the chairman, Mr John Foggitt, flew to the Seychelles to seek clarification.

"Mr Foggitt was told there was no objection to tourists from South Africa, but that no flights from South Africa would be permitted to land," a spokesman said.

"Our tour flight planes are not registered in South Africa."

"They are registered in Hong Kong."

Seychelles authorities have, however, remained firm that no flights from South Africa would be permitted.

TFC Tours has received information that the withdrawal of landing rights was linked to a loan secured by the Rene Government, which was conditional on a severance of links with South Africa.

**P**RESBYTERIAN Churchmen meeting in Harare have included support for selective sanctions and disinvestment among measures the denomination's 70 000 members throughout southern Africa could adopt to help end apartheid.

However, a tenuous reference to a possible economic boycott of South Africa was counter-balanced — or contradicted — by an unequivocal call to the church to encourage 'those who are striving to maintain or to create employment opportunities'.

### Theme

Presbyterians have been urged by the traditionally conservatively minded church to consider participation in civil disobedience, joining in consumer boycotts, or refusing to serve in the South African Defence Force, but the general theme of resolutions adopted at its general assembly in Harare this week was reconciliation and communication.

The 150 delegates from South Africa, Zimbabwe and Zambia resolved to send a message to the State President, Mr P W Botha, and the Minister of Law and Order, Mr Louis le Grange, expressing dismay at indiscriminate arrests which had netted respected members of the Presbyterian church, and also at recent security legislation reducing the power of the courts.

The message voiced con-

# Presbyterians call for reconciliation

Michael Hartnack HARARE

cern at the South African Government's alleged failure to 'address the real causes of the country's problems,' concluding with a call for a firm undertaking to dismantle apartheid totally.

Other resolutions adopted urged support for detainees, participation in the End Conscription Campaign, and less harsh treatment of conscientious objectors.

The assembly urged the South African Government to permit all who object to wearing uniform to complete a maximum of four years' alternative service with religious or welfare organisations. Religious convictions should not be the sole ground for conscientious objection.

The assembly also demanded reduction in the period of imprisonment that can be imposed on an objector.

The assembly adopted a resolution urging 'critical consideration' of the Kairos document drawn up mainly by black theologians, and of the Presbyterian Church's 'relationship to the struggle for liberation'.

This was the nearest the church has so far come to

any expression of understanding for the stance of the African National Congress and Pan Africanist Congress.

Delegates pointedly dropped earlier plans to resolve that they 'cannot endorse the call for uncritical solidarity with the liberation movements contained in chapter five of the Kairos document'.

But a Presbyterian report on *Church and Nation in South Africa* endorsed by the assembly says that although the document contains 'many profound and true things' about modern South Africa it falls into 'self-righteousness' by seeing those who fight for liberation as 'absolutely good' and those who oppress as 'absolutely evil'.

'The document thus opens the door to that self-righteous fanaticism which regards one's enemies as God's enemies, so that any measures against them are justified.'

'The Bible has in the past been twisted to support the anti-Christian ideology of apartheid. Let us beware of twisting it now to make it something that backs political fanaticism on the other side,' the report warns. — (Sapa)

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The Portuguese Ambassador in South Africa, Dr José Manuel Villas-Boas, signs the visitor's book in the mayor's parlour, watched by the Mayor of East London, Mrs Elsabe Kemp.

## Minister: sanctions a signal

### Dispatch Reporter

EAST LONDON — Portugal's participation in limited sanctions was merely a signal to the South African Government that reform was the only solution to the country's problems, Lisbon's secretary of state for Portuguese communities abroad, Dr Manuela de Aguiar, said in an interview here last night.

Dr De Aguiar was interviewed at a civic reception given by the mayor, Mrs Elsabe Kemp.

"Sanctions are not a solution to this country's problems, but, as a

member of the European Community, we have agreed to limited sanctions merely as a signal to Pretoria, said Dr De Aguiar who passed through the city on her way to Cape Town where she will preside over the three-day congress of the Council of the Portuguese Community in Africa which starts tomorrow.

Dr De Aguiar was accompanied by the Portuguese Ambassador to Pretoria, Dr Jose Manuel Villas-Boas, the Portuguese vice-consul in East London, Mr Fernando Alves, and the di-

rector of the Institute of Portuguese Communities, Dr Elvira Brandao.

The function was also attended by the MP for East London City, Mr Peet de Pontes, the senior city councillor, Mr Robbie de Lange, and the town clerk, Mr Les Kumm.

Dr De Aguiar said Portugal stood firm in its stand on the sanctions issue and explained that her portfolio was more culturally orientated than political.

"I'm in South Africa to preside at the council meeting which is basically a forum for Portu-

guese communities abroad to tell the Lisbon government about their problems. The councils — there is one for Europe, North America and Latin America — are independent bodies set up by the local communities.

"They are not controlled by the Portuguese government at all and they merely tell us their problems. This is largely a forum where we discuss matters of cultural interest such as the teaching of the Portuguese language."

Asked whether matters of a political nature that affected the more than 600 000-strong Portuguese community in South Africa could be raised, Dr Aguiar said it was a possibility.

She said there were Portuguese Government ministers who would be at the congress to reply to such questions.

Earlier Mrs Kemp welcomed the delegation and said it was an honour for East London to receive such important dignitaries from the Portuguese Government.

After the civic reception, Dr Aguiar and her party met members of the Portuguese community from Transkei and the Border area at a dinner held in her honour.

## States hold health talks

### Dispatch Reporter

PRETORIA — South Africa and several national states held discussions on health and welfare here yesterday.

The meeting was chaired by Dr J. P. McCutcheon of Venda.

The meeting, part of continuing "consulative initiatives" by South Africa, Transkei, Bophuthatswana, Venda and Ciskei (SABTVC), was attended by Dr F. P. Retief of South Africa, Mr J. T. Saule of Transkei, Mr G. S. P. Mabale of Bophuthatswana and Dr B. I. Granger of Ciskei.

Discussions were held on the progress made with the creation of government structures to implement community development projects and

to stimulate the concept of population development programmes.

The delegates agreed to meet again early in 1987 to exchange ideas as these aspects of the joint work programme were becoming a major priority in co-operation between the SABTVC states.

Issues relating to the nursing profession were also discussed.

Malnutrition in the SABTVC states received a large amount of attention, and it was recommended all the states conduct surveys similar to those undertaken by the Regional Health Organisation of South Africa (Rhosa), to provide a complete overview of malnutrition in Southern Africa.

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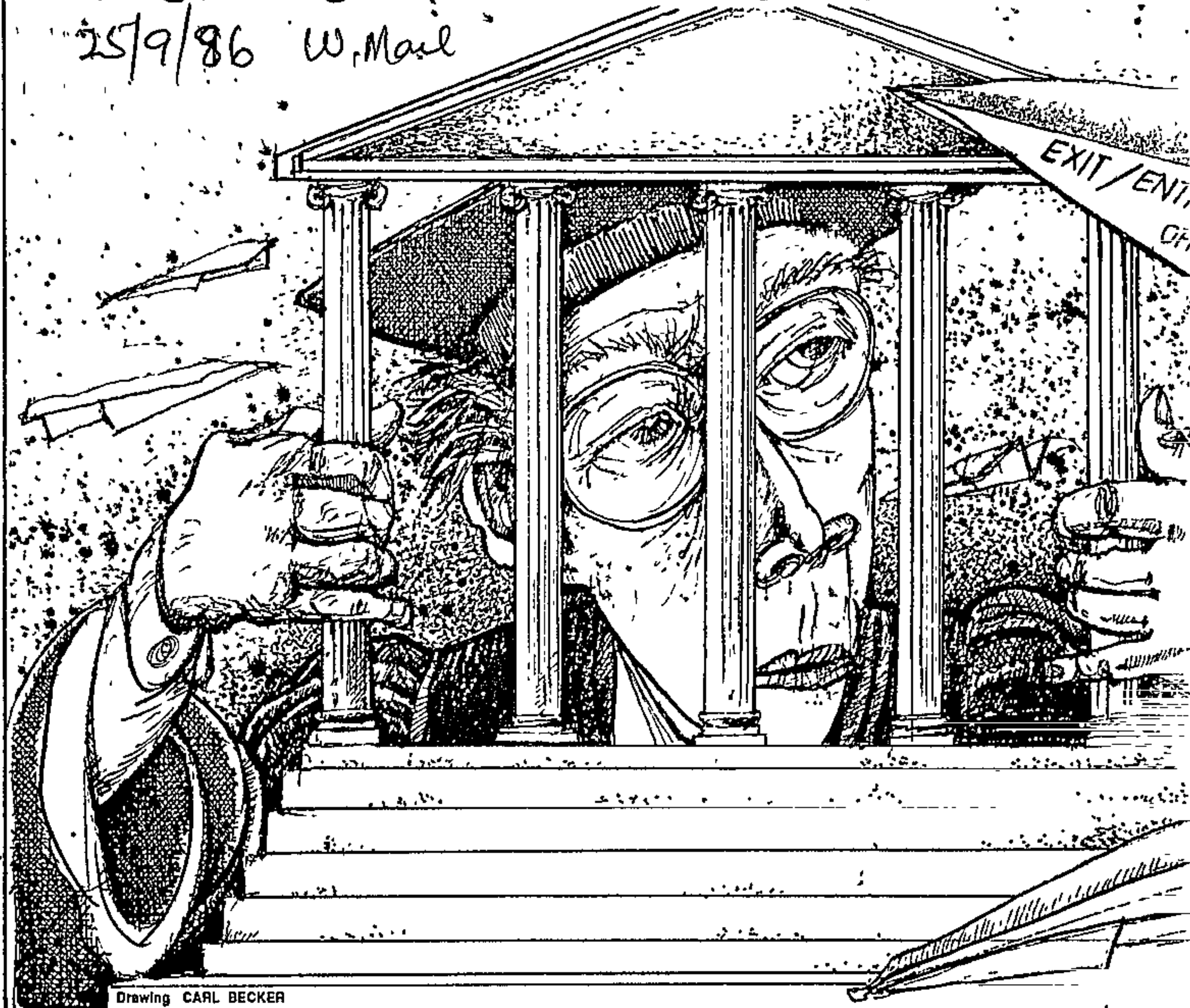
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# SCHOLARS UNDER

25/9/86 W. Mail



## AN INTERNATIONAL BOYCOTT OF SOUTH AFRICAN UNIVERSITIES

DUNCAN INNES and SHAUN JOHNSON

WHEN Nico Cloete and Johan Muller of the University of the Witwatersrand received a telex from the International Sociological Association (ISA) saying they had been "cleared" to attend the Association's conference this year in India they thought their troubles were over. They were just beginning.

Their story highlights the deep confusion among South African academics: boycotts of South African university teachers going abroad are now a regular reality, and no clear response — even among the academic "Left" — has been formulated.

The ISA telex meant Cloete and Muller had overcome the hurdles which the Association, under pressure from the Indian government, had put in the way of South African-based academics wanting to attend the conference.

At the outset, South Africans had to submit statements to the ISA secretariat giving their views on apartheid. These were sent to the African National Congress in Lusaka for screening. At this point most of the South Africans found themselves excluded from the conference, either because they failed the "statement test" or because they refused to submit to it.

Cloete and Muller passed — though they still don't know precisely what they said that did the trick.

They obviously didn't graduate with flying colours, however they were subsequently asked to say "what they had done recently to help bring an end to apartheid".

"We have interviewed the National Education Crisis Committee and its affiliates while preparing a report on the role of the university in a changing society," they replied.

Says Muller "We believe this was an important factor in winning our clearance, but don't know for sure."

Whatever the reason, it produced the magical telex from the ISA saying the Indian government, on the advice of the ANC, was prepared to grant them visas to enter India.

But at New Delhi airport, an immigration official was decidedly unimpressed by the telex. He had never heard of the ISA and wasn't about to let any stray South African academics into the country. He wrote out an immediate deportation order.

At this point, fate intervened in the form of an air hostess who assisted the bemused pair to contact the Indian Foreign Office. They were granted 72-hour visas.

At the conference they found themselves at the centre of another major controversy, with Indian delegates demanding their immediate expulsion and wanting to know why the ISA secretariat had agreed to allow "Pretoria's agents" to attend. Another statement on apartheid was called for; Cloete and Muller obliged again, this time adding that they had been cleared by the ANC.

The Indian press, which had been hostile, now hailed them as champions of the struggle against apartheid. Most delegates concurred, though a minority circulated a petition against them. They took part in the conference.

This bizarre tale is but one example — rather unusual, but representative nevertheless — of the welter faced by South African universities and the individuals who teach within them. Its message is quite clear: the boycott has finally arrived on campus.

It is not a bolt from the blue. Professor Colin Gardner, head of the University Teachers' Association of South Africa (Utas), says "the problem has been simmering for some time." He believes the upsurge in American consciousness on South African issues has been catalytic. "Where

before most United States academics were not even sure of where South Africa was, now they are often more scrupulous in excluding South Africans than the British. Local academics have felt the effects."

It is also spreading into new academic disciplines. "Whereas boycotts were known in the humanities and social sciences," says Gardner, "other scientists are now shocked to find it happening to them. They thought they were part of an international academic community which was above such 'petty political concerns'."

The issues are vexed, far from being clear cut, the boycott is shrouded in confusion and

controversy in its application.

To take an important example the ANC's position as spelt out by its education representative, H Makgothi, in the "Perception of Wits" report issued earlier this year, seems unambiguous. "It is ANC policy to isolate white-dominated South Africa in all areas, including sport, investment, trade, entertainment and teaching. We refuse to lift the barriers by making exceptions. This hard line is based on experience."

There is an apparent incongruity between this public position, which was echoed by the Non-Aligned Movement at its recent conference, and Cloete and Muller's experience. Barriers were

lifted in their case, and the ANC played a key role in lifting them.

Even more confusing is speculation over the ANC's role in a conference on South Africa After Apartheid, to be held next week at York University, England. Some 12 prominent South African-based academics and non-academics are to attend the conference. Although there has been no overt screening of those attending, conference organisers say the ANC has agreed to send a delegation. The ANC itself said this week that no decision had been taken as yet.

Perhaps this is why the Association for Sociology in Southern Africa (ASSA) recently decided they should visit Lusaka "to investigate current positions held by the ANC." The proposed ASSA visit, which it is hoped will be funded by the Ford Foundation, is prompted by a desire to try to overcome ASSA's isolation in the face of the academic boycott.

Similarly, a University of Cape Town delegation led by vice-chancellor Stuart Saunders returned last week from Lusaka where its members consulted with the ANC.

But just as there seems to be no rigid and rigorous policy towards South African academics which holds sway outside the country, so academics here are divided over the principles and practice of the boycott.

Most oppose it, that is only to be expected. But there is a large group who are more ambivalent: some who simply accept it as inevitable, and others whose own attitudes to apartheid make them broadly sympathetic to moves to isolate the present government by whatever means.

Within these latter groups there are disagreements about the scope and implementation of the boycott. A crucial debate is developing among these academics, one that will hopefully lead to a coherent, considered, canvassed and unified policy platform.

A primary concern is that the process of "selection" or "screening", which is willy-nilly a reality after the events in Delhi, places tremendous

## Conor Cruise fuels the boycott brouhaha

By SHAUN JOHNSON

THE media brouhaha surrounding the visit of Dr Conor Cruise O'Brien to the University of Cape Town has added fuel to the already smouldering fire of the academic boycott controversy.

O'Brien, as it has repeatedly and correctly been pointed out, cannot be glibly dismissed as another academic apologist for apartheid. He is a former president of the Irish Anti-Apartheid Movement and, according to one commentator, "his views on racism are impeccable."

O'Brien's image as "boycott buster" is further confused by the fact that he supports international "measures" — including economic — to bring pressure to bear on Pretoria.

He has stated the reasons for his decision in several lengthy newspaper articles, both here and abroad: essentially he believes that one should not isolate what he calls "honest, open and creative intellectual communities" (like that of UCT) because of the government of their country. He was quite happy to have his actions interpreted as "a gesture of defiance" against the "intellectually disreputable" application of an indiscriminating boycott.

The dissenting stand of the "warrior scholar", who has been characteristically open rather than secretive about his decision to lecture at UCT,

throws into sharp relief a central dilemma facing protagonists of a blanket boycott.

Is it ever legitimate for an academic to come to South Africa? Do his or her reasons for doing so cut any ice?

In O'Brien's case, the answers from important anti-apartheid and resistance organisations amount to a resounding "no".

The Irish academic, diplomat and former newspaper editor has been accused of being "politically inconsistent", tactically naive and of taking an unjustifiably individualistic approach to the question of isolating South Africa internationally.

His position is complicated by the fact that, whatever his own reasons and motivation for coming to South Africa, these inevitably take second place as he is feted by the local press as a "boycott buster".

ANC representative in Lusaka, Tom Sebina, told the Weekly Mail. "O'Brien has no moral right to call for sanctions and still visit UCT. This is a sign of political inconsistency on his part and is unacceptable" to the ANC. This stance is consistent

with the ANC's attitude that no reasoning — no matter how sophisticated — can justify visits to South Africa by foreign academics.

Murphy Morobe, the UDF's acting publicity secretary, said O'Brien's decision was "a contradiction in terms. We can't accept a situation where he argues for the economic isolation of the country and in the same breath would rather come and teach here than not. We are forced to ask the question: what is in it for him, what is he getting out of it? He has gone against the Anti-Apartheid Movement, and I can say that we don't take kindly to his presence."

The AAM itself says O'Brien is "an open and shut case. He is totally out of step and misguided in breaking the academic boycott."

AAM campaigns officer Karen Talbot said his actions "mean that he will be subjected to severe criticism by the movement on his return to the UK. He will have great difficulty in justifying what he has done."

O'Brien, who could not be contacted this week despite repeated attempts by the Weekly Mail, can safely be expected to respond to some or all of these charges in his own pithy fashion.

He is likely to say again, as he has said in print before: "Stuff 'em."



# UNDER SIEGE



## SOUTH AFRICAN UNIVERSITIES BEGINS TO BITE

the ANC's education

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A primary concern is that the process of "selection" or "screening", which is willy-nilly a reality after the events in Delhi, places tremendous

power in the hands of non-academics. This worries Doug Hindson, a Wits University lecturer who will be attending the York conference. He believes "people who are not academics and therefore do not fully understand academic work should not have these powers of selection".

He acknowledges that "academics are not outside of society", but argues "they need to protect their independence. They must establish their right to be able to decide what teaching work is appropriate".

Wits colleague and former Utaasa council member Jonathan Paton says "There are mixed feelings and an air of caution about screening. Who screens? Could it just turn into a choice between Pretoria and Lusaka?" Paton says there is no debilitating "split" within Utaasa over the issue, but academics desperately need to debate the problem and be given definite direction.

But if political organisations are not to control the selection process, should it be left up to the individual academic to decide?

Hindson strongly opposes this idea, as do Cloete and Muller. "Our conclusion, based on recent experience, is that it can't be done on an individual basis," argue Cloete and Muller. "As individuals you get sucked into either one political pole or the other. It is also extremely difficult for international organisations who know very little about you to judge you as individuals".

What kinds of proposals are emerging from this debate which is so clearly occupying the attention of "progressive" academics? One approach currently being pushed on English-language campuses does not seek to confront the boycott issue directly — not at this stage, anyway. Rather, it acknowledges that South African-based academics as a body have not done enough to promote change, either within their universities or in the country as a whole, and seeks to address this issue.

"At the most basic level", says Alan Mabin, head of the Wits Academic Staff Association, "this includes the whole direction of our universities — how are they contributing to the creation of nonracialism in South Africa? We must guard

against letting the boycott issue — important as it is — divert us from this task".

Cloete and Muller argue that one path out of the current chaos is the formation of a new academic organisation or union. "An organised union of academics could clarify the terrain and stake of the academic. It could clarify the relation of a democratic union to the larger union movement and national politics. It could also clarify the relation of the struggle for democracy within the university with larger democratic struggles outside".

Hindson concurs, saying that through such an organisation "we must take up the issues that confront us on campus, such as police harassment, detention of students and staff, state interference in research funding patterns within universities and recruitment and selection policies".

"And by creating our own organisation," says Hindson, "we are in a position to respond to broader issues as an organisation, not individually. We can forge practical links with other educational and non-educational organisations. Out of these activities a national union of university teachers should emerge".

Of course, it needs to be said that academics are not the easiest of people to organise. The emphasis they place on their individual rights, not to mention the delight they take in the niceties of intellectual argument, incline them to resist organisational discipline. But this problem aside, even were such a union or organisation to be formed, how would it relate to the boycott issue?

"If a selective boycott is to work effectively", says Hindson, "it would have to be implemented by academics inside South Africa as well as outside".

Some academics have argued that although there are no plans to do this, it might be possible for a local academic union to screen foreign academics coming to South Africa, to decide what funding to receive and what to reject and to decide what research should and should not be done. Without prescribing to international bodies, it might also be possible to liaise with them on which locally-based academics should be accepted overseas.

It is too early to tell how successful moves to create an academic union will be. Existing academic organisations have not been outstandingly successful in defending their members' rights, either at the basic level of employment practices or indeed politics.

At the political level, state harassment of academics through detentions, bannings or passport withdrawals, has not produced any co-ordinated resistance on the part of existing academic organisations.

There is also the immediate problem of how the new union or organisation would relate to existing bodies like the university staff associations and professional bodies like ASSA. Alan Mabin, who supports "in principle" the concept of a national academic organisation, warns against a new group emerging "self-appointedly" and expresses some doubts as to "whether it could function in a democratic way". He believes serious consideration should be given to improving the role of existing organisations "because they have never attempted to play such a role, they have always been concerned with trying to defeat academic boycotts in a blanket fashion". This could change, he says.

Some academics, notably at the University of Natal, favour working within existing structures. Colin Gardner of the Pietermaritzburg campus says there is a body of opinion which favours the development of Utaasa to fill the role. "Many think Utaasa must evolve a kind of declaration. This might interest some overseas universities in applying a selective boycott, both coming in and going out. Many of our members believe progressive academics urgently need backing from an academic organisation in South Africa with clearly stated principles".

"Generally, I think it is safe to say that people in Utaasa tend to support the idea of a selective academic boycott if it can be sensibly devised. I think this is often a reason behind people who support a blanket boycott: an efficient and just selective boycott is so difficult to implement".

Utaasa, which claims to be representative of the English language campuses, holds a council meeting in Durban next month where the accelerating crisis will be fully discussed. The organisation is clearly entering a period of intense introspection and flux. Anything is possible, Gardner doesn't even rule out the long term possibility that the association could align itself formally with an organisation like the United Democratic Front (UDF).

The Joint Academic Staff Association of the University of Natal is — alone among university staff associations — already a UDF affiliate.

One of the glaring ironies of the lack of clarity surrounding the boycott is that while anti-apartheid groups have had some success in restricting the flow of South African based academics abroad, their effect on foreign-based academics coming into this country has been very one-sided.

Says Alan Mabin "Progressive academics,

## The ANC line: No exceptions

THE African National Congress (ANC) plays a pivotal role in determining the extent and effect of the academic boycott of South Africa. And all indications are that its influence is set to increase in the coming months.

Although the organisation's "no exceptions" stated policy to "isolate white-dominated South Africa" — academics specifically included — has been consistent, many university teachers and observers are unclear as to what this means in practice.

There has also been little direct information on the policies of other important organisations, here and abroad.

The ANC's position is complicated by the fact that the organisation has not only been prepared to receive South African academic delegations in Lusaka (witness the recent visit by a contingent from the universities of Cape Town and the Western Cape), but appears to have endorsed the attendance of selected South African academics at overseas conferences (witness the "clearance" of two Wits University lecturers for the Delhi sociology gathering).

In an attempt to gain further clarity on the ANC's policy, and thereby facilitate some progress in the local debate among academics on the boycott, the Weekly Mail put a series of questions to the ANC's representative in Lusaka, Tom Sebina.

Sebina confirmed that the ANC had been asked to screen South African delegates to the International Sociological Association's annual conference in New Delhi. Asked who had been designated by the organisation to undertake the screening, Sebina said decisions were made on the basis of "consultation between ANC offices in London, Lusaka and Delhi". Advice was also sought "from people in South Africa", he said.

He also confirmed that the recent "hard line" policy statement on South African academics by ANC education officer JJ Makgathi remained unchanged (see main story).

Responding to reports which suggested the ANC was to send a delegation to next week's "South Africa after Apartheid" conference in England, Sebina said: "No decision has been taken yet on the York conference".

He came out strongly against overseas academics visiting South African universities. Asked whether there were any cases in which the ANC believed academics could legitimately visit South Africa from abroad, he said: "There can be no justification for such visits".

The British Anti-Apartheid Movement (AAM) supports a blanket academic boycott, and says it allows "no qualifications" to this position.

According to London AAM Campaigns Officer Karen Talbot, "We have a very clear position in support of a complete boycott by British academics of South Africa and Namibia, and also by South African and Namibian academics living in the United Kingdom".

Talbot said the AAM would not diverge from or dilute this policy, and "constantly appealed to student unions and teachers' unions in Britain to be vigilant and on guard against South African academics who are invited to their institutions".

The United Democratic Front has recently discussed the academic boycott in some detail, according to acting publicity secretary Murphy Morobe. The UDF supported the boycott and did not encourage foreign academics to visit South Africa. "Despite the argument that this cuts universities off from some of the finest brains in the world, we believe that the isolation of the government is more important."

As far as allowing progressive South African academics access to an overseas audience was concerned, Morobe said the UDF was developing a policy of "tactical flexibility".

"It is the regime we want to isolate," he said, "and to achieve that we support the boycott. But of course there are cases when inflexibility is not appropriate. What is important to us is that progressives are screened in some way by the broad democratic movement — including the UDF and Cosatu. They must enjoy the support of the movement."

Shaun Johnson

hostile to apartheid, tend to heed the boycott call. Right wing academics, who just ignore it, go in and out quite freely. Indeed, it is felt in many academic circles that the stream of visiting academic "apologists for apartheid" continues unabated.

Whatever the difficulties, and they are manifold, many academics are today facing up to the fundamental need for new direction. The unprecedented current debate itself might be instrumental in providing a progressive, internal South African input into the academic boycott conundrum — and may just help to eradicate some of the confusions and anomalies. The task is of the utmost significance for the short- and long-term future of the South African academic world.



# But the Iezzi Trump Card for Reagan?

Dispatch Bureau  
WASHINGTON — Confusion reigned  
within the Reagan administration and on  
Capitol Hill yesterday as conflicting fac-  
tions squared off for the final showdown  
on South African sanctions.



# Mineworkers

# and sanctions

Article 25/9/86

280

**T**HE wide gulf between unions and employers on sanctions and disinvestment has once more been emphasised by National Union of Mineworkers (NUM) calls for sanctions against the gold mining industry.

With world attention focused on the mining industry after last week's Kinross disaster, NUM president, Mr James Mollatsi, in an interview on Thames Television in Britain, called for sanctions which would directly affect the industry.

The Chamber of Mines then accused the NUM of being more concerned with mobilising the union for political confrontation with the Government, than industrial relations at the mines.

The NUM is the largest union in the 500 000-strong Congress of South African Trade Unions (Cosatu) which, at its inauguration, supported "disinvestment or divestment" as an "essential and effective form of pressure on the South African regime", and many of the "progressive" unions outside Cosatu have the same position.

Their position is quite clear. Eliminate apartheid and there would be no need for sanctions and everyone could get on with the job

**N**O union movement in the world wants its members to lose jobs, but progressive unions in South Africa are in the apparently contradictory position of seeking full employment at a living wage and supporting the pressures for sanctions and disinvestment which could cost jobs. To the union movement there is no contradiction — Labour Reporter DICK USHER explains why.

of creating a united and prosperous country

**B**UT the unions also dispute the importance of investment for job creation

Foreign investment is calculated at about 30 percent of the total capital invested in South Africa, about one-third of it direct investment.

Direct investment is regarded as the money with the potential to create new jobs, while indirect investment is seen as made up of loans to the Government, the selling of shares and leasing arrangements for new machinery, equipment and technology, and playing little part in job creation

But, since 1973, there has been a decline in the importance of direct investment. Between 1973 and 1979, it is calculated, the share of direct

investment in total foreign holdings fell from 54 percent to 45 percent, according to a paper on disinvestment by Professor Mike McGrath and Mrs Carolyn Jenkins, of the University of Natal, presented last year at an Economics Society of South Africa conference.

Also, the amount of investment has fallen. One estimate is that between 1970 and 1977, the annual average net capital inflow was R616-million, while between 1978 and 1984 it was only R26.6-m

Most of this was to fund deficits in the balance of payments, or the country's current account, rather than job creation.

At the same time, the past two decades have brought very little new direct funding into the country, most of it coming from reinvested profits.

Meanwhile, with the relaxation of foreign exchange controls in 1983, R25 816-m from South Africa had been invested in foreign countries by 1984 — nearly double the level in 1980.

Most of this however, in contrast to foreign investment in South Africa, was direct investment.

This the unions regard as manifestly unjust: Profits made by South African workers are being invested in creating jobs in other countries from which the companies reap profits without creating jobs in South Africa.

They also argue that, because most unemployment in South Africa is structural, foreign investment cannot solve the problem.

Structural unemployment arises from the need of capital to make profits and the inappropriate political and economic policies of the Government.

Most foreign investment is indirect, and has little to do with job creation, nor can it solve the problem of structural employment — a direct shift in Government policy is needed for that.

The bottom line in the argument, as stated in the aims and objectives of Cosatu, is that the unions want the economy restructured "in the interests of the working class".

## Swedish imports from SA down

The Star's Foreign News Service  
STOCKHOLM — Sweden's trade with South Africa has fallen sharply in the past six months, according to a report from the Central Statistics Office

The value of imports from South Africa dropped 73 percent to R28 million in the first half of 1986 while exports fell 29 percent.

Unlike its Nordic neighbours, Denmark and Norway, Sweden did not come out with promises of a trade boycott this summer, on the grounds that unilateral trade sanctions would be a violation of international law.

Instead, the government appealed to Swedish companies to look elsewhere for new markets and suppliers, and introduced a licensing system for imports and exports with South Africa.

South Africa is not an important market for Sweden. Swedish exports last year totalled \$30,198 billion of which \$107 million or 0,35 percent went to South Africa

Imports of agricultural products from South Africa have been banned since January. But South Africa is still the main source of iron alloys and nickel



# Sanctions? A golden boon to Brazil

WEEKLY MAIL

By PATRICK KNIGHT

MINING Companies in Brazil are stepping up activities — with gold the main attraction — as pressure for sanctions against South Africa mounts.

Brazil is set to become one of the world's leading gold producers, ensuring the maintenance of supplies regardless of the South African outcome.

The British Petroleum group, for example, has been spending up to \$15-million (R37-million) a year prospecting for minerals in Brazil for at least a decade.

The company recently announced that it is to spend \$30-million (R75-million) on developing its first mine and plans to extract two tons of deep-mined gold from a deposit in Mato Grosso state by 1988.

Anglo American Mining and Gencor are also developing new mines, which should push up Brazil's output of deep-mined gold, now running at about eight tonnes a year, to 30 tonnes by the early 1990s.

Most of Brazil's gold has been dredged from rivers, or dug from veins by over 400 000 small-scale miners, though their day may be coming to an end.

Brazil's mining boom is not restricted to gold. It has proven reserves of at least 11 of the 15 minerals which Pretoria exports to the world.

Evaluation of mineral resources is still at an early stage in Brazil, which has reserves of vanadium, chromium, manganese, titanium, nickel, and zirconium, in addition to an estimated 35 000 tons of gold.

To make it additionally attractive to miners, it has some of the world's largest reserves of bauxite, used for making aluminium, and is the world's largest producer of iron ore.

It also has plenty of coal, one of South Africa's major exports, although most of Brazil's coal is of poor quality.

Uranium has been found in such abundance that identification of further reserves has been suspended.

It has increased its output of non-ferrous metals by at least a quarter every year for the past five years. It has become a major exporter of aluminium, manganese and tin, and should soon become self-sufficient in copper, the only metal now imported in any quantity.

Because deposits are usually hidden beneath thick jungle, or under soils exposed to the harsh tropical sun and rain, it has been more difficult and costly finding them than in countries such as South Africa, Australia and Canada, where indications of minerals are more easily detected on the surface.

Brazil also lacks roads, railways and navigable rivers. The energy needed to develop the mines often has to be generated locally, adding to costs and causing what is known in mining circles as the "Amazon factor", which increases costs. —Gemini News

## BUILDING TRAN

### 3. Provident Fund Coverage

Worker Contribution  
Employer Contribution

### 5. Leave Fund Coverage

Worker Contribution  
Employer Contribution  
Annual leave covered

### 6. Sick Fund Coverage

Worker Contribution  
Employer Contribution  
Annual payment for 5  
Annual payment for 6  
Qualifying period  
Waiting period  
Percentage of wage p  
Maternity days per p

month period ending June by October.

Pienaar also confirms that Vetsak has asked member co-operatives for financial contributions and says debentures are being issued to obtain additional capital.

Heyns, meanwhile, remains positive about Vetsak's fortunes after "a few good months" and the rationalisation that has already taken place. "Good wheat prospects in the Free State," he adds, "should also help." ■

FLNMMW

GOLD SALES

Coining it 26/9/86

The Krugerrand is dead, long live gold. While the European Economic Community sanctions package seems to have put the final nail in the Krugerrand coffin, at least as far as foreign sales are concerned, Chamber of Mines marketing arm Intergold is not sitting idly by.

Demand for fine gold for coinage and jewellery is strong in many parts of the world and Intergold is doing everything it can to encourage the trend. Among other benefits, gold held in personal collections will remove stocks from the bullion markets and help support the price.

Sales of the Krugerrand slumped to 786 000 oz last year from 2,6m oz in 1984 and 6m oz in 1978 and marketing support for the coin has been withdrawn by the South African gold mining industry.

Intergold now mints only 6 000 of the gold coins a week for the local market and only mints to order for foreign sales.

But, says chief executive Chick Hood, Intergold still has a responsibility to maximise consumption of South African gold, which represents almost 56% of free world production. It has thus turned its attention to promoting gold jewellery through extensive TV advertising, the exploitation of gold coin launches in other countries and to encouraging gold accumulation by private investors.

Hood says there's excellent potential for increased jewellery demand worldwide because of low inflation, low interest rates and a strong demand for luxury products.

Gold accumulation programmes, too, are gaining popularity. They are aimed at people who wish to protect paper investments, to secure their pensions or to build savings. The concept is simple: in fact, a physical gold unit trust.

Regular monthly savings are placed with the plan holder — a bank or any other financial institution — and the accumulated gold holding appreciates in value in line with the increase in the price of the metal. These plans are now offered in Europe, the US and Hong Kong, with the average participant accumulating 45 oz of gold at the current price.

Intergold acts as a catalyst in the field, creating demand through advertising campaigns featuring the name of the selling institution, and by providing the expertise to set up plans.

However, the most lucrative area still looks to be the promotion of gold coins. Even if they're not minted in SA they consume South African fine gold.

Winfried Kilp, investment division manager of Intergold in Switzerland, says 15m people were first-time bullion coin buyers in the Seventies and that there is potential to win three to four times as many buyers with the introduction of new coins in the next six months. Among these are the Japanese Emperor, the Australian Nugget, the American Eagle, and the Luxembourg Lion.

More than 10m Emperors are to be minted this year, consuming some 200 t of fine gold, or 15% of the estimated world supply to the market. The Western Australian Development Corporation which is to market the Nugget has set a "conservative" sales target of 300 000 oz-500 000 oz a year, but Kilp says this may well be exceeded by 50%.

Eagles are to be re-introduced after more than 50 years and it is estimated that the treasury will capture half of the US gold coin market — some 3m oz-4m oz a year. And, while estimates for the Lion have not yet been released, Kilp says the Luxembourg project would require sales of at least 100 000 oz a year to be commercially viable.

In addition, China is slowly increasing sales of its Panda, with a target of 3 t this year, Taiwan will mint about 15 t of coins to commemorate Chiang Kai Shek's birth and South Korea is producing gold coins for the 1988 Olympics.

Consolidated Gold Fields reports that before the introduction of Krugerrands, the use of gold for official coinage was 45 t a year. Since then, legal tender gold coin production has averaged 170 t a year, with peaks of 290 t in 1974, 1978 and 1979. Now the Japanese demand alone will exceed the average and, with clever marketing, SA is set to sell more fine gold than it did before Krugerrand sanctions. ■

## VETSAK

### Strapped for cash

Vetsak acting GM Hannes Heyns says there is nothing disquieting or sinister in the fact that the central co-op has sought permission to delay publication of its financial report for the year to December 1985.

But he confirms that the co-operative giant is seeking extra cash. The report, for the 18-month period to the end of June, is now expected next month.

Heyns was responding to rumours in agricultural circles that the huge co-op was in ill-health after lean years of drought and the June departure of the previous GM MA Louw.

#### Impractical

He tells the *FM* the previous calendar year accounting period was impractical as it cut across the normal production cycle in northern summer-rainfall areas. The timetable has now been changed for purely practical reasons, he adds.

"It was extremely difficult to budget correctly for farmers' input demands while crops were still on the land and we had no certain indication of crop sizes," he says.

Heyns says Vetsak has asked member co-ops in the Transvaal, Free State and Natal for some R20m and that he is confident, at this stage, of receiving at least 70% of this amount. "This is normal procedure as central co-ops cannot issue shares or borrow on the financial markets," he says.

Registrar of Co-operatives Nico Pienaar confirms that he has granted Vetsak a six-month extension for its year-end report, and he now hopes to receive the report for the 18-



SA not off the hook, but...

# US, German body blows to sanctions

PROSPECTS of meaningful sanctions against SA suffered another blow yesterday in two major international developments.

In Washington, White House spokesman Larry Speakes said President Ronald Reagan would veto a tough Congressional Bill of economic sanctions against SA today.

And in Bonn, the West German Parliament rejected opposition proposals urging comprehensive economic sanctions on SA.

But this does not let SA off the sanctions hook.

The White House is expected to announce a package of new US measures against SA at the same time in a bid to avert a Congressional override of the President's veto.

And Chancellor Helmut Kohl said the Bonn government would consult the US, Japan and European Community (EC) members to search for a political way to solve the apartheid problem.

Speakes last night told reporters Reagan had told Senate Republican leader Bob Dole and others he planned to veto

Own Correspondent  
and Sapa-Reuter

the Bill. Asked if there was any possibility Reagan would change his mind, he replied: "In my opinion, no."

The congressional package calls for a ban on imports of textiles, coal, steel, iron, uranium and agricultural products, severing of air links, denial of consular facilities and an end to new US loans and investments.

Congressional aides said the White House planned to announce its own package of measures in a bid to stop Congress overriding the presidential veto.

That could include appointment of a black ambassador to Pretoria, \$500m in aid for SA's black neighbours, severed air links or denial of consular facilities.

Kohl's advisers said after the debate he was aiming at an international conference, chaired by the Western nations or the United Nations. Bonn wanted the West to invite the SA government as well as the African National Congress (ANC).

● To Page 2. ➡

## Sanctions body blows

including imprisoned Nelson Mandela.

The 197-148 vote, in the West German parliament turned down calls from the left-wing Social Democrats and Greens for more far-reaching sanctions than those the West German government had already approved in tandem with other EC nations.

During the debate, Kohl said tough sanctions would worsen the living conditions of the black majority population in SA — a sentiment, according to Dole, echoed by Reagan. Dole said Reagan had telephoned him to inform him of the decision. He said: "The President said he just didn't think it (the sanctions Bill) was the right way to go."

Kohl said he had only gone along with the EC sanctions last week for the sake of European harmony.

He also said West Germany would provide a special education budget for the underprivileged in SA.

As far as US sanctions are concerned, the White House has been threatening a veto for a week, but that was the first word from Reagan that he would reject the measure and send it back to Congress.

Reagan, long a staunch opponent of what he calls punitive economic sanctions as a way to help end apartheid, said such measures would only hurt those America sought to help — the black majority.

The question now is whether the measures Reagan intends to announce today will satisfy a sufficient number of his Republican Senate allies and persuade them to uphold his veto.

It takes a two-thirds vote by both chambers of Congress for a vetoed Bill to become law.

● From Page 1. ⬅



THE different dimensions to the sanctions debate are very often ignored when politicians start predicting what sanctions will do, or achieve in South Africa. It is on the level of prediction where confidence and ignorance blend with confounding ease.

ARGUS 26/9/86

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# How confidence and ignorance blend

ONE of the most difficult things to do is to predict large-scale political, social or economic developments.

Yet nothing is done with greater confidence and ignorance by politicians and ideologues than precisely this

They specialise in telling us what is definitely going to happen, as well as explaining why it did not, when it does not.

Nowhere is this more evident than in the so-called "sanctions debate" on South Africa.

Before I state some of the most current "predictive certainties" concerning the impact of sanctions, I wish to place them within the context of a few broader issues.

The first issue concerns the extent to which sanctions has become a factor in the domestic politics of a foreign country.

Especially if there is no bipartisan policy towards South Africa, political parties find themselves clinging to party postures and attitudes where they dare not change without sacrificing the support of their respective constituencies

Very often, these positions, or postures, have little to do

## THE VAN ZYL SLABBERT COLUMN



with the actual outcome of the measures propagated for South Africa. It is useless for an outsider to participate rationally in this local debate, because antagonists, for the time being at least, simply cannot afford to concede on their public postures.

THEN, here is the issue of attitudes towards sanctions between countries.

Again, irrespective of the merits of a particular position on sanctions, or its possible consequences for South Africa, country A is damned if it is going to change its position which contradicts the position adopted by country B, particularly if powerful leading personalities, or matters of "national pride" are at stake.

Only the gullible, or romantic outsider, would attempt to influence this debate.

Another dimension on the sanctions issue involves differences in the strategic relationship between different countries towards specific interests in South Africa.

All countries will be unanimous in their condemnation of apartheid and that "something must be done", but if country A needs coal from South Africa more than country B, one can be sure that commendably moral reasons will be found why it simply does not make sense to boycott coal imports as well as steel, etc, etc.

Finally, countries differ on the scope and quality of sanctions that should be applied to South Africa.

Some are in favour of comprehensive, mandatory sanctions (the "big stick" approach), others in favour of selective escalating sanctions (the "sliced salami" approach), and so on.

These different dimensions to the sanctions debate are very often ignored when politicians start predicting on what sanctions will do, or achieve in South Africa.

It is on the level of prediction where confidence and ignorance blend with confound-

ing ease. The most common predictions

■ Sanctions will bring the South African government to its senses or its knees;

■ Sanctions will make blacks suffer and give them moral comfort;

■ Sanctions will strengthen the government in the short-term, but also shorten the struggle for liberation in the long-term.

Elementary logic would have it that the same cause cannot have all possible or contradictory effects without "the cause" becoming spurious or simply useless as a basis for prediction.

Yet pro and antagonists of sanctions cheerfully proceed from the sober world of prediction to the loftier one of ethics, and with great fervour conclude that if one is "for" or "against" their positions, you either support or oppose apartheid, or you are patriotic or unpatriotic; for or against "the struggle" etc.

THAT is why it was so refreshing to read the interview that Dr Conor Cruise O'Brien had with a newspaper a few days ago.

He was in favour of sanctions, and he stated his position in provocatively clear terms.

He also did so with a logical consistency and a modesty about the predictive outcome of his position that was commendable. I disagree with his position, but before I can explain why, let me state it, in its barest essentials:

The key problem of South Africa is continued white domination. In the final analysis, there are only two ways in which it can be got rid of: Internal collapse of the regime, or external intervention. Internal collapse must imply a substantial disintegration of the state security apparatus. External intervention must imply direct superpower intervention.

Of the two possibilities, internal collapse is the less likely in the foreseeable future. Therefore, he prefers external intervention

External intervention must begin with an attempt at sanctions so that their failure as an instrument of change can become evident.

Sanctions will weaken internal resistance to apartheid and strengthen the government and therefore the outside world will realise that stronger measures are necessary.

Stronger measures must necessarily imply an effective blockade of South Africa.

An effective blockade is only possible through unilateral or bilateral super power intervention.

Only such intervention will be sufficient to get rid of white domination.

How sure is Dr Conor Cruise O'Brien that this is going to happen? Not very sure, but of the two strategies, external intervention or internal collapse, the former for him seems the more plausible and likely, and thus worthy of support.

And, I might add, he appears to support it with a great deal of moral trepidation and ambiguity.

THE reason why I disagree with his position is the one I have always felt when considering the efficacy of external intervention. It focuses all attention and expectation on external pressure, and paralyses and weakens internal dissent and opposition.

In effect, Dr O'Brien tells those of us who suffer under, and oppose, white domination and apartheid, that there is precious little we can do except wait while the government becomes so brutal and strong in its repression that the superpowers in an act of consensus, will perforce intervene and "liberate" us. (Perhaps I overstate, but the point needs to be made.)

Although I disagree with his position, the manner in which Conor Cruise O'Brien put it, does not leave me unchallenged. For, in effect he is saying to me, and all of us who would want a non-racial democratic South Africa: What are we prepared to do, not to reform apartheid or adjust white domination; but to bring about the collapse of both through internal opposition and action?

But more, not only what are we prepared to do, but what can we do?



# Sanctions: Thatcher defends views

From JOHN

BATTERSBY

LONDON — The British Prime Minister, Mrs Margaret Thatcher, was involved in a new controversy last night over Britain's differences with the Commonwealth on sanctions against South Africa.

In front of the Queen, who had just opened the annual conference of the Commonwealth Parliamentary Association in Westminster Hall, Mrs Thatcher told the delegates from over 100 Commonwealth national

and local legislatures:

"We have a legitimate right to hold our own views without our motives being questioned."

Mrs Thatcher's comments raised eyebrows among the several hundred delegates as she launched into a spirited defence of Britain's opposition to sanctions during what is normally a non-controversial occasion

Following the Queen, who opened the conference with a short speech, Mrs Thatcher said:

"We all detest the system of apartheid in South Africa and want to see it demolished as soon as possible."

"We don't quite agree how best to do it."

means. "It was never envisaged that the Commonwealth would be or become an instrument for joint executive action."

"As free and independent sovereign states we have a legitimate right to our own views."

"And the right, too, to hold those views without our motives being questioned," Mrs Thatcher said

In contrast the Queen's speech appeared to have been drafted to dispel any notion that there were abiding differences between the Monarch and the Prime Minister.

There was a protracted public controversy between Buckingham Palace and Downing Street in the run-up to the Commonwealth mini-summit in

London last month following the publication of reports claiming that the Queen was distressed with Mrs Thatcher's approach to South Africa.

In an oblique reference to Commonwealth differences over South Africa in her speech yesterday the Queen said:

"All too often the divisions between nations

are given more significance than the things which unite them."

"This makes it more important to cherish the links which we do have."

"From the family relationship comes the capacity to disagree without breaking up," she said.

Delegates at the Liberal Party's annual conference in London yesterday voted overwhelmingly for comprehensive mandatory sanctions against South Africa, reports Sapa

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ARGUS 26/9/86

# Reagan's midnight veto 280 needs a political miracle

The Argus Foreign Service

WASHINGTON. — As the clock ticks towards a midnight deadline on United States economic sanctions against South Africa, President Ronald Reagan remains determined to veto the measure today.

But only a political miracle will stop a rebellious United States Congress from throwing out the veto next week — and snatching US policy toward South Africa from the hands of Secretary of State George Shultz's assistant, Dr Chester Crocker.

But as the deadline approaches the White House has been forced to admit that it has failed to persuade sufficient senators to stop the Bill.

President Reagan must act before midnight to prevent it from becoming law automatically. Aides say he will veto the Bill.

Some of the President's supporters had hoped that Chief Mangosuthu Buthelezi would travel to Washington next week to help to sustain the veto.

They had wanted Chief Buthelezi to convey the message that most South African blacks oppose sanctions — but Chief Buthelezi's decision not to leave for Washington has sent the anti-sanctions campaigners back to the drawing-board.

## Pace of reform

To sustain the veto Mr Reagan needs 34 of the 100 Senate votes but, by the most optimistic of counts, he is still four short.

When the Bill was passed by the Senate only 14 senators supported Mr Reagan's view that the sanctions — which ban new investments and a range of imports from South Africa — would slow the reform pace and put blacks out of work.

Most of the heavy lobbying and arm-twisting is being directed at Republicans, since none of the 47 Democratic senators is expected to support Mr Reagan.

To make it easier for senators to switch their sanctions vote, President Reagan may today extend his executive order on South Africa, introducing tougher measures than those he already has in place.

He is also expected to announce the appointment of Mr Edward Perkins, a black career diplomat, as next US Ambassador to South Africa.

There is a possibility that he will launch a five-year plan to inject R1,25-billion into the economy of the frontline states. But this scheme has run into serious opposition.



BONN — The West German Chancellor, Mr Helmut Kohl, yesterday called for a new international political initiative to dismantle apartheid in South Africa.

Speaking in a parliamentary debate on sanctions against South Africa, he said a new initiative was needed "to find a negotiating table inside or outside South Africa — at which interested parties in the widest sense of the word can sit down and talk.

## Call for initiative on SA

"My government is not prepared to support measures that will create an army of unemployed in South Africa and its neighbouring states — and ruin once and for all the already difficult chance of a peaceful solution."

Mr Kohl also announced plans for a West German-funded job training scheme for young black South Africans to supplement European Community schemes he said did not go far enough.

He said he hoped the programme, designed as a "positive measure" to assist victims of apartheid, could be funded by West German industry as well as the government — but did not say how much money was involved. — Sapa-RNS



# Rev Sullivan's SA threat more rhetoric than reality

THE Rev Leon Sullivan's recent calls for American companies to disinvest from SA operations by next May could cause a damaging rift in the Sullivan organisation here.

Representatives of major US subsidiaries in SA say they would actively oppose disinvestment if Sullivan persisted in lobbying for it. In addition, they say, many Sullivan signatories ultimately could disassociate themselves from the organisation.

"I don't think there will be consensus on the issue," said one top executive at a US affiliate. "I don't think Sullivan can tell companies where they can be and where they can't be."

In a recent speech at Dartmouth College in New Hampshire, Sullivan said: "If by May 31, 1987, apartheid is not abolished and blacks do

not have the right to vote, I will call on all US companies to leave, and I will call for a total American embargo against SA, no matter what the President or Congress says."

Sullivan, a Baptist clergyman, is author of the Sullivan Principles, a corporate code of ethics defining behaviour for US companies operating in SA. Close to 200 companies have agreed to follow the principles and are monitored annually on their performance.

Some executives have suggested that Sullivan's latest stand on disinvestment could weaken his position in SA.

"There's no doubt that he has played a large part in the corporate social responsibility move-

## ECONOMICS REPORTER

ment, and he's a big factor in the sanctions movement," said Sperry marketing director Neal Harding. "But he's not the only factor."

In the long run, Harding said, "Sullivan will see that, by suggesting disinvestment, he'll be damaging what has been a very worthwhile exercise."

Harding and others questioned the motivation behind Sullivan's disinvestment strategy, some suggesting that the call was more rhetoric than reality.

Sullivan may retreat from his stand next year if he senses that no political change is forthcoming and that continued confrontation would damage his organisation, they said.

If Sullivan persists in pressuring

for disinvestment, said Simon Middleton, chairman of the Sullivan Association's Northern Projects Group and human resources manager at Hewlett-Packard, "he'll have set up a very difficult situation".

By next May, Middleton said, a retreat by Sullivan from his current position "may be perceived by the media as a sort of climb-down".

Human resource officers objected to disinvestment, per se, as counterproductive — eliminating the effects of educational and training programmes that the Sullivan Principles had helped to initiate.

The executives' comments indicate that, while Sullivan has acquired considerable influence in

determining US corporate policy in SA, that influence is limited mainly to the shaping of social responsibility programmes. He probably will have less success in determining when and where companies should operate.

"We are against disinvestment, no matter where the call may come from," said American Chamber of Commerce director Ken Mason. He said it was "highly unlikely that, even if Sullivan withdraws, that other groups wouldn't come in to take its place".

"We share the Rev Sullivan's sense of urgency; however, time-tables are not in our opinion the best way to deal with the problems in SA. A more effective policy is for US companies in that country to work actively for peaceful change," said an IBM spokesman in Armonk, New York.



26/9/86  
WORLD

WEDNESDAY  
UK Liberal Party  
supports sanctions

LONDON — Delegates at the Liberal Party's annual conference voted overwhelmingly yesterday for comprehensive mandatory sanctions against SA.

The party has 19 seats in the House of Commons and has consistently supported the sanctions campaign.

Voting on the resolution became somewhat farcical when some delegates attempted to delay it by referring it back to the party council — not because they disagreed with its terms, but in protest against the way the conference was being handled by the party's steering committee.

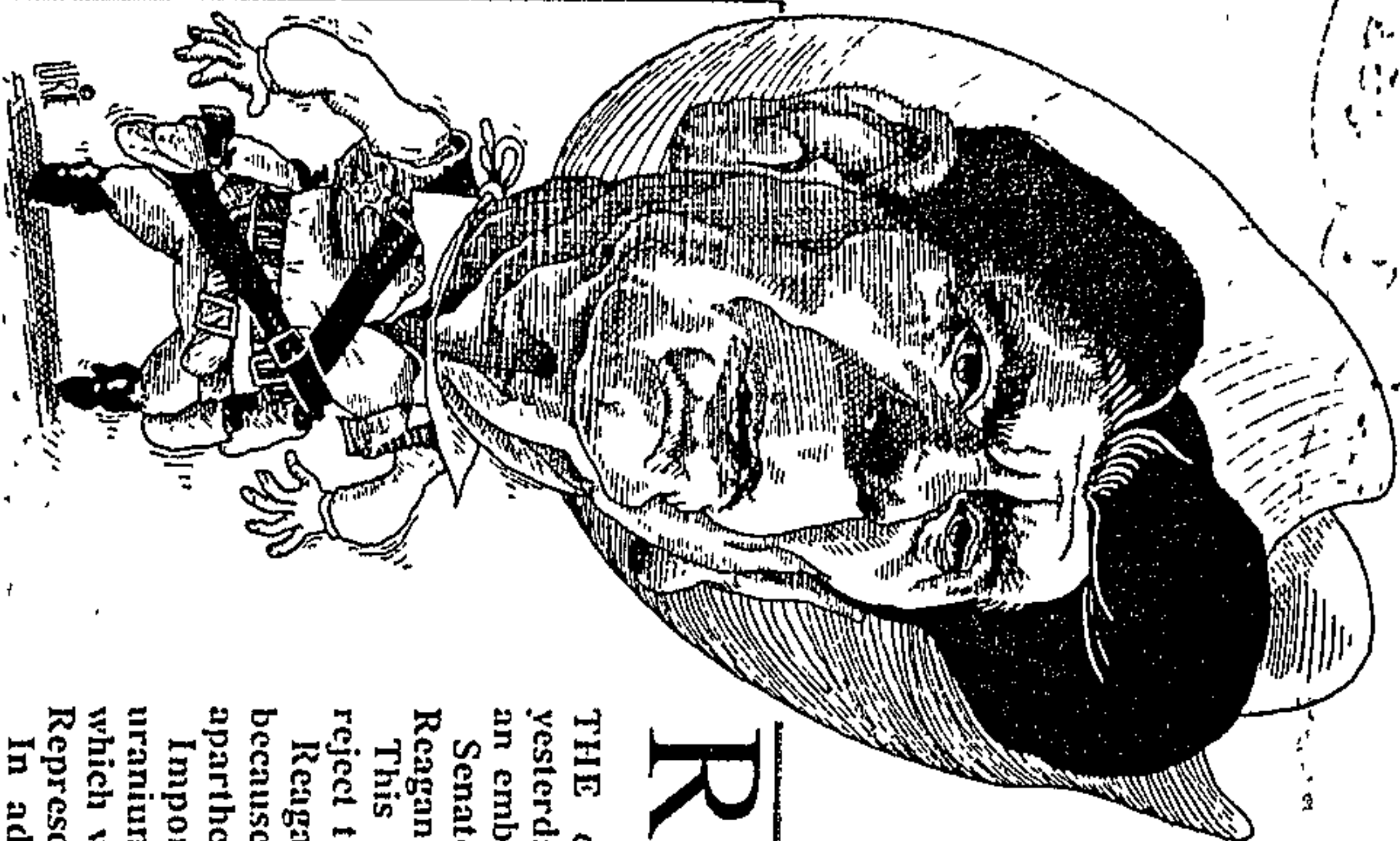
Earlier this week, the SA embassy in

London became embroiled in a row after its representatives, attending as observers, distributed letters to delegates urging them to vote against sanctions.

The letter from SA ambassador Denis Worrall noted that Liberal Party leader David Steel was going to visit SA next month — a fact the delegates didn't know until they read the letter.

Steel said he was "astonished" by the disclosure and accused Worrall of "undiplomatic behaviour".

Steel's criticism was rejected by the SA embassy. — Sapa.



# THE WHITING

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## Reagan shoots down sanctions bill

THE decision by United States President Ronald Reagan yesterday to veto a sanctions Bill leaves the White House facing an embarrassing rebuke if Congress votes to override his veto. Senate Republican leader Robert Dole yesterday told reporters Reagan had telephoned him to say he would carry out his veto. This is the first direct word from Reagan on when he would reject the measure, sending it back to Congress. Reagan has threatened to veto a Bill calling for full sanctions because of his opposition to punitive sanctions as a way to end apartheid. Imports of South African textiles, coal, steel, iron and uranium and agricultural products would be banned by the Bill, which was passed by the Republican-led Senate and the House of Representatives, controlled by the opposition Democrats. In addition, gold coin imports from South Africa would be prohibited and new bank loans to South African businesses would be barred under the legislation. Dole added he thought "it would be hard to sustain a veto", meaning Congress might override the presidential rejection. This would require a two-thirds majority in both houses of Congress. Political observers believe legislators have been prepared to break with Reagan because of forthcoming elections in November. They would rather risk the President's wrath than defend a policy which most of their constituents clearly oppose. Political observers previously speculated Reagan would attempt to placate his opponents with a softened version of the Bill, rather than confront them with a veto. His lone Ranger action could leave him riding alone into the sunset. — Sapa-Reuter



500 g.

STAR  
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## Too few black US diplomats, says Shultz

The Star Bureau

WASHINGTON — An announcement, possibly today, of Mr Edward J Perkins as United States Ambassador to South Africa comes amid concern at a shortage of blacks in the American Foreign Service.

Secretary of State Mr George Shultz, describing the number of women and minorities in his department as "unacceptably low", has approved a vigorous programme to remedy this.

Mr Perkins (58), Ambassador to Liberia, is one of five black American ambassadors in Africa. There are only six in the United States foreign service.

Mr Perkins was the third black approached by the Reagan Administration for the post. The first two turned it down.

The Foreign Service has 4 014 employees, 254 of them black.

Of 142 ambassadors, only six are black.

Black content of Foreign Service staff will be publicly examined by the Congressional Black Caucus next month.

The issue has sparked an attempt by six black members to take the State Department to court for racial discrimination. The complainants charged that blacks were routed to dead-end jobs or to small or difficult backwoods posts.

Mr Shultz sent a 32-point instruction to all embassies earlier this month describing steps to improve the status of black officials. He said:

"My commitment to equal opportunity and a Foreign Service system based exclusively on merit is firm and unshakeable.

"We cannot tolerate any form of discrimination or accept anything less than a truly representative Foreign Service."

# Sanctions: Reagan 'in need of a miracle'

26/9/86  
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By Neil Lurssen, The Star Bureau

WASHINGTON — As the clock ticks towards a midnight deadline on American economic sanctions against South Africa, President Ronald Reagan remains determined to veto the measure today.

But only a political miracle will stop a rebellious United States Congress from throwing out the veto next week — and effectively snatching US policy toward South Africa from the hands of Secretary of State Mr George Shultz and Dr Chester Crocker.

President Reagan's aides and his Republican allies in the Senate have worked hard to make the miracle come true.

But, as the deadline approaches tonight, the White House has been forced to admit that it has failed to persuade sufficient Senators to stop the most damaging anti-SA sanctions Bill yet approved by the full Congress.

### Reagan can claim only 20 safe votes

To sustain the veto, Mr Reagan needs 34 of the 100 Senate votes but, by the most optimistic of counts, he is still four short. Some Senate sources say that it is more realistic to say that the President has 20 safe votes rather than 30.

When the Bill was passed by the Senate, only 14 Senators supported Mr Reagan's view that the sanctions — which ban new investments and a range of imports from South Africa — would slow down the pace of reform and put blacks out of work.

Most of the heavy lobbying and arm-twisting is being directed at Republicans as none of the 47 Democratic senators is expected to support Mr Reagan.

Republican Senator Richard Lugar, who refuses to support a veto, said yesterday that he had enough votes to kill a presidential veto before the scheduled adjournment of Congress on October 4. He is also expected to have the 60 votes that will be necessary to prevent a filibuster against a veto over-ride vote.

To make it easier for senators to switch their sanctions vote, President Reagan may extend his executive order on South Africa, introducing tougher measures than those he already has in place.

Rutholezi 'not



THE FREEZE ON SA UNIVERSITIES

# SCHOLARS UNDER S

WHEN Nico Cloete and Johan Muller of the University of the Witwatersrand received a telex from the International Sociological Association (ISA) saying they had been "cleared" to attend the Association's conference this year in India they thought their troubles were over. They were just beginning.

Their story highlights the deep confusion among South African academics: boycotts of South African university teachers going abroad are now a regular reality, and no clear response — even among the academic "Left" — has been formulated.

The ISA telex meant Cloete and Muller had overcome the hurdles which the Association, under pressure from the Indian government, had put in the way of South African-based academics wanting to attend the conference.

At the outset, South Africans had to submit statements to the ISA secretariat giving their views on apartheid. These were sent to the African National Congress in Lusaka for screening. At this point most of the South Africans found themselves excluded from the conference, either because they failed the "statement test" or because they refused to submit to it.

Cloete and Muller passed — though they still don't know precisely what they said that did the trick.

They obviously didn't graduate with flying colours, however. They were subsequently asked to say "what they had done recently to help bring an end to apartheid".

"We have interviewed the National Education Crisis Committee and its affiliates while preparing a report on the role of the university in a changing society," they replied.

Says Muller: "We believe this was an important factor in winning our clearance, but don't know for sure."

Whatever the reason, it produced the magical telex from the ISA saying the Indian government, on the advice of the ANC, was prepared to grant them visas to enter India.

But at New Delhi airport, an immigration official was decidedly unimpressed by the telex. He had never heard of the ISA and wasn't about to let any stray South African academics into the country. He wrote out an immediate deportation order.

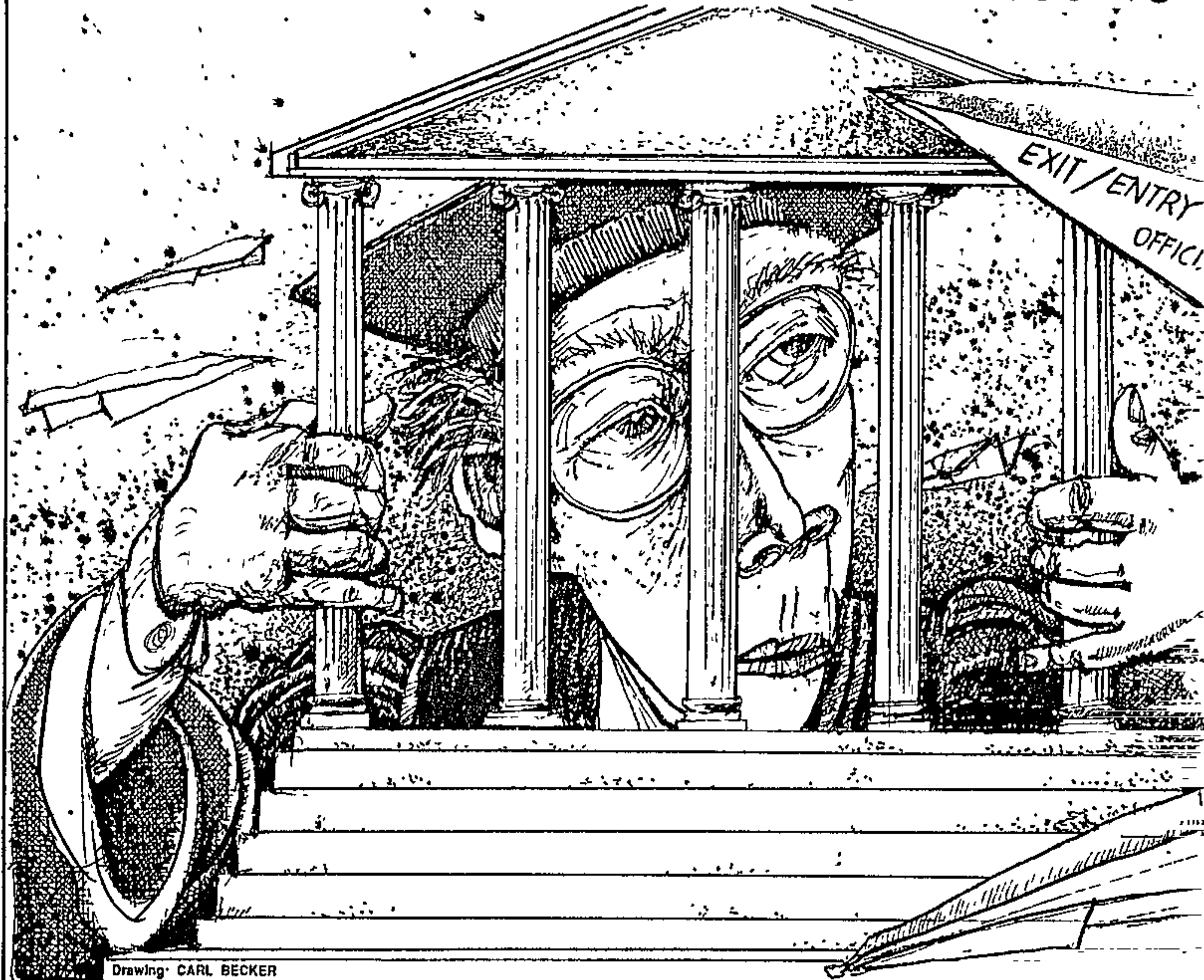
At this point, fate intervened in the form of an air hostess who assisted the bemused pair to contact the Indian Foreign Office. They were granted 72-hour visas.

At the conference they found themselves at the centre of another major controversy, with Indian delegates demanding their immediate expulsion and wanting to know why the ISA secretariat had agreed to allow "Pretoria's agents" to attend. Another statement on apartheid was called for. Cloete and Muller obliged again, this time adding that they had been cleared by the ANC.

The Indian press, which had been hostile, now hailed them as champions of the struggle against apartheid. Most delegates concurred, though a minority circulated a petition against them. They took part in the conference.

This bizarre tale is but one example — rather unusual, but representative nevertheless — of the welter faced by South African universities and the individuals who teach within them. Its message is quite clear: the boycott has finally arrived on campus.

It is not a bolt from the blue. Professor Colin Gardner, head of the University Teachers' Association of South Africa (Utas), says "the problem has been simmering for some time." He believes the upsurge in American consciousness on South African issues has been catalytic. "Where



Drawing: CARL BECKER

## AN INTERNATIONAL BOYCOTT OF SOUTH AFRICAN UNIVERSITIES

DUNCAN INNES and SHAUN JOHNSON

before most United States academics were not even sure of where South Africa was, now they are often more scrupulous in excluding South Africans than the British. Local academics have felt the effects.

It is also spreading into new academic disciplines. "Whereas boycotts were known in the humanities and social sciences," says Gardner, "other scientists are now shocked to find it happening to them. They thought they were part of an international academic community which was above such 'petty political concerns'."

The issues are vexed, far from being clear cut, the boycott is shrouded in confusion and

controversy in its application.

To take an important example, the ANC's position as spelt out by its education representative, H Makgothi, in the "Perception of Wits" report issued earlier this year, seems unambiguous. "It is ANC policy to isolate white-dominated South Africa in all areas, including sport, investment, trade, entertainment and teaching. We refuse to lift the barriers by making exceptions. This hard line is based on experience."

There is an apparent incongruity between this public position, which was echoed by the Non-Aligned Movement at its recent conference, and Cloete and Muller's experience. Barriers were

lifted in their case, and the ANC played a key role in lifting them.

Even more confusing is speculation over the ANC's role in a conference on South Africa After Apartheid, to be held next week at York University, England. Some 12 prominent South African-based academics and non-academics are to attend the conference. Although there has been no overt screening of those attending, conference organisers say the ANC has agreed to send a delegation. The ANC itself said this week that no decision had been taken as yet.

Perhaps this is why the Association for Sociology in Southern Africa (ASSA) recently decided they should visit Lusaka "to investigate current positions held by the ANC." The proposed ASSA visit, which it is hoped will be funded by the Ford Foundation, is prompted by a desire to try to overcome ASSA's isolation in the face of the academic boycott.

Similarly, a University of Cape Town delegation led by vice-chancellor Stuart Saunders returned last week from Lusaka where its members consulted with the ANC.

But just as there seems to be no rigid and rigorous policy towards South African academics which holds sway outside the country, so academics here are divided over the principles and practice of the boycott.

Most oppose it, that is only to be expected. But there is a large group who are more ambivalent: some who simply accept it as inevitable, and others whose own attitudes to apartheid make them broadly sympathetic to moves to isolate the present government by whatever means.

Within these latter groups there are disagreements about the scope and implementation of the boycott. A crucial debate is developing among these academics, one that will hopefully lead to a coherent, considered, canvassed and unified policy platform.

A primary concern is that the process of "selection" or "screening", which is willy-nilly a reality after the events in Delhi, places tremendous

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## Conor Cruise fuels the boycott brouhaha

THE media brouhaha surrounding the visit of Dr Conor Cruise O'Brien to the University of Cape Town has added fuel to the already smouldering fire of the academic boycott controversy.

O'Brien, as it has repeatedly and correctly been pointed out, cannot be glibly dismissed as another academic apologist for apartheid. He is a former president of the Irish Anti-Apartheid Movement and, according to one commentator, "his views on racism are impeccable."

O'Brien's image as "boycott buster" is further confused by the fact that he supports international "measures" — including economic — to bring pressure to bear on Pretoria.

He has stated the reasons for his decision in several lengthy newspaper articles, both here and abroad: essentially he believes that one should not isolate what he calls "honest, open and creative intellectual communities" (like that of UCT) because of the government of their country. He was quite happy to have his actions interpreted as "a gesture of defiance" against the "intellectually disreputable" application of an indiscriminating boycott.

The dissenting stand of the "warrior scholar", who has been characteristically open rather than secretive about his decision to lecture at UCT,

By SHAUN JOHNSON

throws into sharp relief a central dilemma facing protagonists of a blanket boycott.

Is it ever legitimate for an academic to come to South Africa? Do his or her reasons for doing so cut any ice?

In O'Brien's case, the answers from important anti-apartheid and resistance organisations amount to a resounding "no".

The Irish academic, diplomat and former newspaper editor has been accused of being "politically inconsistent", tactically naive and of taking an unjustifiably individualistic approach to the question of isolating South Africa internationally.

His position is complicated by the fact that, whatever his own reasons and motivation for coming to South Africa, these inevitably take second place as he is feted by the local press as a "boycott buster".

ANC representative in Lusaka, Tom Sebina, told the Weekly Mail "O'Brien has no moral right to call for sanctions and still visit UCT. This is a sign of political inconsistency on his part and is unacceptable" to the ANC. This stance is consistent

with the ANC's attitude that no reasoning — no matter how sophisticated — can justify visits to South Africa by foreign academics.

Murphy Morobe, the UDF's acting publicity secretary, said O'Brien's decision was "a contradiction in terms. We can't accept a situation where he argues for the economic isolation of the country and in the same breath would rather come and teach here than not. We are forced to ask the question: what is in it for him, what is he getting out of it? He has gone against the Anti-Apartheid Movement, and I can say that we don't take kindly to his presence."

The AAM itself says O'Brien's is "an open and shut case. He is totally out of step and misguided in breaking the academic boycott."

AAM campaigns officer Karen Talbot said his actions "mean that he will be subjected to severe criticism by the movement on his return to the UK. He will have great difficulty in justifying what he has done."

O'Brien, who could not be contacted this week despite repeated attempts by the Weekly Mail, can safely be expected to respond to some or all of these charges in his own pithy fashion.

He is likely to say again, as he has said in print before: "Stuff 'em."



# UNDER SIEGE



## OUTH AFRICAN UNIVERSITIES BEGINS TO BITE

ANC's role in lifting them. Even more confusing is speculation over the ANC's role in a conference on South Africa After Apartheid, to be held next week at York University, England. Some 12 prominent South African-based academics and non-academics are to attend the conference. Although there has been no overt screening of those attending, conference organisers say the ANC has agreed to send a delegation. The ANC itself said this week that no decision had been taken as yet.

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Within these latter groups there are disagreements about the scope and implementation of the boycott. A crucial debate is developing among these academics, one that will hopefully lead to a coherent, considered, canvassed and unified policy platform.

A primary concern is that the process of "selection" or "screening", which is willy-nilly a reality after the events in Delhi, places tremendous

power in the hands of non-academics. This worries Doug Hindson, a Wits University lecturer who will be attending the York conference. He believes "people who are not academics and therefore do not fully understand academic work should not have these powers of selection."

He acknowledges that "academics are not outside of society", but argues "they need to protect their independence. They must establish their right to be able to decide what teaching work is appropriate."

Wits colleague and former Utasa council member Jonathan Paton says "There are mixed feelings and an air of caution about screening. Who screens? Could it just turn into a choice between Pretoria and Lusaka?" Paton says there is no debilitating "split" within Utasa over the issue, but academics desperately need to debate the problem and be given definite direction.

But if political organisations are not to control the selection process, should it be left up to the individual academic to decide?

Hindson strongly opposes this idea, as do Cloete and Muller. "Our conclusion, based on recent experience, is that it can't be done on an individual basis," argue Cloete and Muller. "As individuals you get sucked into either one political pole or the other. It is also extremely difficult for international organisations who know very little about you to judge you as individuals."

What kinds of proposals are emerging from this debate which is so clearly occupying the attention of "progressive" academics? One approach currently being pushed on English-language campuses does not seek to confront the boycott issue directly — not at this stage, anyway. Rather, it acknowledges that South African-based academics as a body have not done enough to promote change, either within their universities or in the country as a whole, and seeks to address this issue.

"At the most basic level," says Alan Mabin, head of the Wits Academic Staff Association, "this includes the whole direction of our universities — how are they contributing to the creation of non-racism in South Africa? We must guard

against letting the boycott issue — important as it is — divert us from this task."

Cloete and Muller argue that one path out of the current chaos is the formation of a new academic organisation or union. "An organised union of academics could clarify the terrain and stake of the academic. It could clarify the relation of a democratic union to the larger union movement and national politics. It could also clarify the relation of the struggle for democracy within the university with larger democratic struggles outside."

Hindson concurs, saying that through such an organisation "we must take up the issues that confront us on campus, such as police harassment, detention of students and staff, state interference in research funding patterns within universities and recruitment and selection policies."

"And by creating our own organisation," says Hindson, "we are in a position to respond to broader issues as an organisation, not individually. We can forge practical links with other educational and non-educational organisations. Out of these activities a national union of university teachers should emerge."

Of course, it needs to be said that academics are not the easiest of people to organise. The emphasis they place on their individual rights, not to mention the delight they take in the niceties of intellectual argument, incline them to resist organisational discipline. But this problem aside, even were such a union or organisation to be formed, how would it relate to the boycott issue?

"If a selective boycott is to work effectively," says Hindson, "it would have to be implemented by academics inside South Africa as well as outside."

Some academics have argued that although there are no plans to do this, it might be possible for a local academic union to screen foreign academics coming to South Africa, to decide what funding to receive and what to reject, and to decide what research should and should not be done. Without prescribing to international bodies, it might also be possible to liaise with them on which locally-based academics should be accepted overseas.

It is too early to tell how successful moves to create an academic union will be. Existing academic organisations have not been outstandingly successful in defending their members' rights, either at the basic level of employment practices or indeed politics.

At the political level, state harassment of academics through detentions, bannings or passport withdrawals, has not produced any co-ordinated resistance on the part of existing academic organisations.

There is also the immediate problem of how the new union or organisation would relate to existing bodies like the university staff associations and professional bodies like ASSA. Alan Mabin, who supports "in principle" the concept of a national academic organisation, warns against a new group emerging "self-appointedly" and expresses some doubts as to "whether it could function in a democratic way." He believes serious consideration should be given to improving the role of existing organisations "because they have never attempted to play such a role, they have always been concerned with trying to defeat academic boycotts in a blanket fashion." This could change, he says.

Some academics, notably at the University of Natal, favour working within existing structures. Colin Gardner of the Pietermaritzburg campus says there is a body of opinion which favours the development of Utasa to fill the role. "Many think Utasa must evolve a kind of declaration. This might interest some overseas universities in applying a selective boycott, both coming in and going out. Many of our members believe progressive academics urgently need backing from an academic organisation in South Africa with clearly stated principles."

"Generally, I think it is safe to say that people in Utasa tend to support the idea of a selective academic boycott if it can be sensibly devised. I think this is often a reason behind people who support a blanket boycott: an efficient and just selective boycott is so difficult to implement."

Utasa, which claims to be representative of the English-language campuses, holds a council meeting in Durban next month where the accelerating crisis will be fully discussed. The organisation is clearly entering a period of intense introspection and flux. Anything is possible, Gardner doesn't even rule out the long-term possibility that the association could align itself formally with an organisation like the United Democratic Front (UDF).

The Joint Academic Staff Association of the University of Natal is — alone among university staff associations — already a UDF affiliate.

One of the glaring ironies of the lack of clarity surrounding the boycott is that while anti-apartheid groups have had some success in restricting the flow of South African-based academics abroad, their effect on foreign-based academics coming into this country has been very one-sided.

Says Alan Mabin: "Progressive academics,

## The ANC line: No exceptions

THE African National Congress (ANC) plays a pivotal role in determining the extent and effect of the academic boycott of South Africa. And all indications are that its influence is set to increase in the coming months.

Although the organisation's "no exceptions" stated policy to "isolate white-dominated South Africa" — academics specifically included — has been consistent, many university teachers and observers are unclear as to what this means in practice.

There has also been little direct information on the policies of other important organisations, here and abroad.

The ANC's position is complicated by the fact that the organisation has not only been prepared to receive South African academic delegations in Lusaka (witness the recent visit by a contingent from the universities of Cape Town and the Western Cape), but appears to have endorsed the attendance of selected South African academics at overseas conferences (witness the "clearance" of two Wits University lecturers for the Delhi sociology gathering).

In an attempt to gain further clarity on the ANC's policy, and thereby facilitate some progress in the local debate among academics on the boycott, the Weekly Mail put a series of questions to the ANC's representative in Lusaka, Tom Sebina.

Sebina confirmed that the ANC had been asked to screen South African delegates to the International Sociological Association's annual conference in New Delhi. Asked who had been designated by the organisation to undertake the screening, Sebina said decisions were made on the basis of "consultation between ANC offices in London, Lusaka and Delhi". Advice was also sought "from people in South Africa", he said.

He also confirmed that the recent "hard line" policy statement on South African academics by ANC education officer H. Makgathi remained unchanged (see main story).

Responding to reports which suggested the ANC was to send a delegation to next week's "South Africa after Apartheid" conference in England, Sebina said: "No decision has been taken yet on the York conference."

He came out strongly against overseas academics visiting South African universities. Asked whether there were any cases in which the ANC believed academics could legitimately visit South Africa from abroad, he said: "There can be no justification for such visits."

The British Anti-Apartheid Movement (AAM) supports a blanket academic boycott, and says it allows "no qualifications" to this position.

According to London AAM Campaigns Officer Karen Talbot, "We have a very clear position in support of a complete boycott by British academics of South Africa and Namibia, and also by South African and Namibian academics living in the United Kingdom."

Talbot said the AAM would not diverge from or dilute this policy, and "constantly appealed to student unions and teachers' unions in Britain to be vigilant and on guard against South African academics who are invited to their institutions."

The United Democratic Front has recently discussed the academic boycott in some detail, according to acting publicity secretary Murphy Morobe. The UDF supported the boycott and did not encourage foreign academics to visit South Africa. "Despite the argument that this cuts universities off from some of the finest brains in the world, we believe that the isolation of the government is more important."

As far as allowing progressive South African academics access to an overseas audience was concerned, Morobe said the UDF was developing a policy of "tactical flexibility".

"It is the regime we want to isolate," he said, "and to achieve that we support the boycott. But of course there are cases when inflexibility is not appropriate. What is important to us is that progressives are screened in some way by the broad democratic movement — including the UDF and Cosatu. They must enjoy the support of the movement."

Shaun Johnson

hostile to apartheid, tend to heed the boycott call. Right wing academics, who just ignore it, go in and out quite freely." Indeed, it is felt in many academic circles that the stream of visiting academic "apologists for apartheid" continues unabated.

Whatever the difficulties, and they are manifold, many academics are today facing up to the fundamental need for new direction. The unprecedented current debate itself might be instrumental in providing a progressive, internal South African input into the academic boycott conundrum — and may just help to eradicate some of the confusions and anomalies. The task is of the utmost significance for the short- and long-term future of the South African academic world.



# Swaziland won't be a conduit for SA sanctions-busting

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The Star's Africa  
News Service

MBABANE — Swaziland will not allow itself to become a conduit for South African imports and exports attempting to break through any sanctions net.

Minister of Commerce, Industry and Tourism Mr Derek von Wissell said yesterday that the Swazi government would have no sympathy with businessmen trying to make easy money out of the country because it is a "grey area".

"Government is aware of and takes a very serious view of some alleged illegal practices which take place in and outside Swaziland.

"I would like to state clearly that the broader interests of the country are paramount, and we will not let the country's inter-

ests be jeopardised for the sake of a few individuals who want to make easy money.

"Genuine investors will be helped and supported by the Swazi government, while those who operate in the grey area will receive little sympathy."

Mr von Wissell's speech was read for him by a representative of Prime Minister Bhekimpipi's office at the opening of a textile manufacturing company in which a large interest is held by the South African businessman, Mr Natie Kirsh, who has long had investments in Swaziland.

Mr von Wissell has previously said that his government would not let Swaziland be used as a re-labelling centre for South African exports affected by sanctions. At the same time it would welcome SA investment in pro-

duction in Swaziland.

In his speech yesterday Mr. von Wissell congratulated Swaziland-born Mr Kirsh for his foresight in backing the cotton spinning mill of the National Textile Corporation of Swaziland.

The mill will process most of the cotton grown in Swaziland. Other backers are the Commonwealth Development Corporation, the International Finance Corporation and the Industrial Development Corporation of Swaziland.

Mr Kirsh said the mill would initially employ 250 people and later would provide more than 1 000 jobs for Swazis. He said R60 million would be spent on weaving, printing and finishing facilities and the mill would eventually produce clothing designed in Swaziland.



# Reagan to veto bill on sanctions

WASHINGTON — The American President Mr Ronald Reagan says he will veto a congressional bill imposing fresh economic sanctions on South Africa, according to Senate Republican Leader Robert Dole.

The Kansas Republican told reporters Mr Reagan telephoned him to tell him when he would carry out his veto.

Mr Dole also said that he thought "it would be hard to sustain a veto," meaning that Congress might override the presidential rejection.

Any attempt by Congress to override a presidential veto requires a two thirds vote opposing Mr Reagan by both the 100-member Senate and the 435-member House of Representatives.

Mr Reagan has virtually no hope of getting more than a third of the Democratically-controlled House to side with him against the sanctions bill.

He has accordingly been concentrating his lobbying efforts on the Republican-controlled Senate where 34 votes against the bill will be sufficient to sustain a veto.

Imports of South African textiles, coal, steel, iron and uranium and agricultural products would be banned by the bill.

In addition, gold coin imports from South Africa would be prohibited and new bank loans to South Africa businesses would be barred.

Mr Reagan has been opposed to what he describes as punitive sanctions as a way to end apartheid.

Congressional aides said the White House planned to announce its

own package of measures in a bid to stop Congress overriding the presidential veto.

This could include appointment of a black ambassador to Pretoria, \$500 million (about R1,25 billion) in aid for South Africa's black neighbours, severed air links or denial of consular facilities.

The congressional package is a response to increased racial violence in South Africa and what many legislators view as South African intransigence to reform.

The European Community agreed a week ago to ban new investment in South Africa and imports of South African iron, steel and gold coins but it decided against banning coal imports, considerably weakening the force of its package.

● In Ulundi, yesterday the KwaZulu Chief Minister, Chief Mangosuthu Buthelezi, "emphatically" denied he was to go to the United States next week as part of an effort to sustain a Presidential veto of the US Congress's South African Sanctions Bill.

In a statement, Chief Buthelezi said: "I state emphatically that I have no trip to the United States planned for this week or next week or even next month."

Chief Buthelezi was reacting to a press report from Washington which said he would visit the US next week.

● In Bonn, the West German parliament yesterday rejected opposition proposals urging the government to impose comprehensive economic sanctions on South Africa. -DDC-SaparNS-AP.

See also P19



PRESIDENT REAGAN



## THE ECONOMY

LESOTHO'S new military government, headed by Major-General Justin Metsing Lekhanya, is coming to terms with ensuring the country's economic survival amid the increasing threat of trade sanctions by South Africa.

The two countries' economies are closely integrated. Lesotho is a member of the Southern African Customs Union and the Rand Monetary Union, which governs financial flow in the sub-region. South Africa dominates both.

Out of 300 000 foreign black workers employed in South Africa, nearly half (142 000) come from Lesotho.

They comprise 20-25 percent of the workforce on the mines and money sent home by Basotho migrants is estimated to provide 50 percent of the gross national product.

Despite the country's economic dependence, former Prime Minister Leabua Jonathan maintained an opposition to apartheid and a commitment to granting political asylum to South African refugees.

Lately the policy has changed. Since the coup last January, Lesotho has handed over almost 200 refugees to Tanzania and Zambia.

South Africa's partial blockade in January brought home the bitter truth of its dependence on the apartheid state.

# Sanctions? Lesotho's more closely entangled than ever

Nine weeks after coming to power Lekhanya visited South Africa — one of the few African heads of government to do so in many years. Talks with President PW Botha were preceded by ministerial contacts.

South Africa's counter-sanctions threats against its weakest neighbours have led to increased trade talks between Maseru and Pretoria.

One source estimates that every rand spent in Lesotho is "worth 80 cents to South Africa". In the nearby Free State town of Ficksburg, commercial activity is expanding at a rate of 30 per cent a year as a result of cross-border business.

One reason for Ficksburg's boom and the rapid acceleration of "capital leakage" from Lesotho is the rise of migrant remittances following pay rises in the South African mines.

Maseru's new government recognises the importance of this huge capital source. Recently it warned migrants in South Africa against taking part in industrial action organised by the Congress of South African Trade Unions (Cosatu).

Sanctions are having ironic repercussions upon countries beyond our borders. The Free State town of Ficksburg is enjoying boom times thanks to expanding trade with a Frontline state. And South African mining houses are developing lucrative new gold mines which are guaranteed safe from any threat of sanctions. They're in Brazil ...

Lesotho's business community is increasingly anxious about the conciliatory tone of Lekhanya's government towards South Africa and possible negative effects on international aid, which dramatically increased after the 1976 uprising in Soweto.

Jonathan carefully maintained a militant posture in the region to impress Lesotho's international creditors. Between 1966 and 1981 aid rose from \$8.6-million (R21.5-million) to \$48.4-million (R121-million), often on easy terms.

One objective of aid is ostensibly to reduce Lesotho's economic

dependence on South Africa, but there is scepticism that it can achieve this.

Instead it is speculated that this has drawn the South African business attention to the large sums of money now at the Lesotho government's disposal.

Growing economic co-operation between Lesotho and South Africa is indicated by the decision to go-ahead with construction of the \$1.3-billion Highlands Water Scheme. The scheme has been discussed for 20 years, but South Africa was not prepared to pay the price for the water which would have made the project viable.

The scheme will divert water for sale to South Africa from the upper Malibamatso and Orange Rivers (which rise in Lesotho) and generate enough hydro-electric power to meet Lesotho's own energy needs, currently imported entirely from South Africa.

The scheme involves building five storage dams, a 60-mile tunnel through the mountains, three power stations and a pumping station in the north.

It will boost Lesotho's economy immensely. Energy needs for industrial development will be assured, and from 1995 huge earnings will accrue from water sales, while dam building will provide thousands of jobs.

The scheme will open many parts of the highlands, with lakes formed by storage dams providing for water sports and fishing and adding to holiday resort attractions.

Because of Lesotho's vulnerable position, attempts are underway to open up to the rest of Africa.

Last September a new jet-age airport — Moshoeshoe International — was opened. Finance came from the European Community, Finland, the OPEC Fund, African Development Bank, and the Arab Bank for Economic Development in Africa.

When fully operational the airport will handle short-range jets like the Airbus and Boeing 737. Lesotho Airways plans to connect with Lusaka, Harare and Nairobi. Air Zimbabwe, Air Botswana and Zambia Airways may extend their routes to Maseru.

If sanctions stop Western-based airlines flying to South Africa, Moshoeshoe International could become an alternative connection point to and from Jan Smuts and other South African airports. — Gemini News

Sanctions? A golden boon to Brazil



# Sanctions? A golden boon to Brazil

By PATRICK KNIGHT

MINING Companies in Brazil are stepping up activities — with gold the main attraction — as pressure for sanctions against South Africa mounts.

Brazil is set to become one of the world's leading gold producers, ensuring the maintenance of supplies regardless of the South African outcome.

The British Petroleum group, for example, has been spending up to \$15-million (R37-million) a year prospecting for minerals in Brazil for at least a decade.

The company recently announced that it is to spend \$30-million (R75-million) on developing its first mine and plans to extract two tons of deep-mined gold from a deposit in Mato Grosso state by 1988.

Anglo American Mining and Gencor are also developing new mines, which should push up Brazil's output of deep-mined gold, now running at about eight tonnes a year, to 30 tonnes by the early 1990s.

Most of Brazil's gold has been dredged from rivers, or dug from veins by over 400 000 small-scale miners, though their day may be coming to an end.

Brazil's mining boom is not restricted to gold. It has proven reserves of at least 11 of the 15 minerals which Pretoria exports to the world.

Evaluation of mineral resources is still at an early stage in Brazil, which has reserves of vanadium, chromium, manganese, titanium, nickel, and zirconium, in addition to an estimated 35 000 tons of gold.

To make it additionally attractive to miners, it has some of the world's largest reserves of bauxite, used for making aluminium, and is the world's largest producer of iron ore.

It also has plenty of coal, one of South Africa's major exports, although most of Brazil's coal is of poor quality.

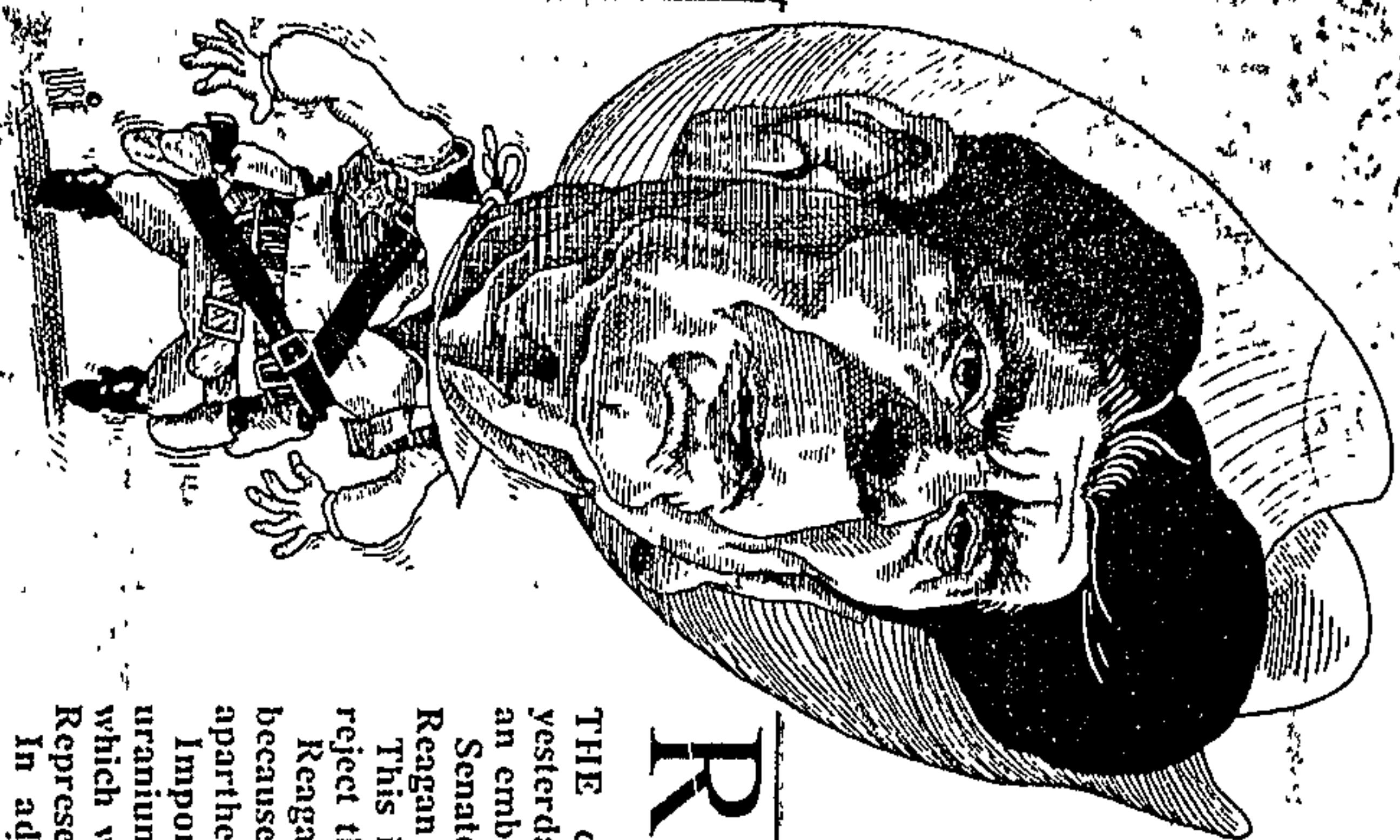
Uranium has been found in such abundance that identification of further reserves has been suspended.

It has increased its output of non-ferrous metals by at least a quarter every year for the past five years. It has become a major exporter of aluminium, manganese and tin, and should soon become self-sufficient in copper, the only metal now imported in any quantity.

Because deposits are usually hidden beneath thick jungle, or under soils exposed to the harsh tropical sun and rain, it has been more difficult and costly finding them than in countries such as South Africa, Australia and Canada, where indications of minerals are more easily detected on the surface.

Brazil also lacks roads, railways and navigable rivers. The energy needed to develop the mines often has to be generated locally, adding to costs and causing what is known in mining circles as the "Amazon factor", which increases costs. —Gemini News

## Executive Director: Equal Opportunity Funds



**THE**

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## Reagan shoots down sanctions bill

THE decision by United States President Ronald Reagan yesterday to veto a sanctions Bill leaves the White House facing an embarrassing rebuke if Congress votes to override his veto.

Senate Republican leader Robert Dole yesterday told reporters Reagan had telephoned him to say he would carry out his veto.

This is the first direct word from Reagan on when he would reject the measure, sending it back to Congress.

Reagan has threatened to veto a Bill calling for full sanctions because of his opposition to punitive sanctions as a way to end apartheid.

Imports of South African textiles, coal, steel, iron and uranium and agricultural products would be banned by the Bill, which was passed by the Republican-led Senate and the House of Representatives, controlled by the opposition Democrats.

In addition, gold coin imports from South Africa would be

prohibited and new bank loans to South African businesses would be barred under the legislation.

Dole added he thought "it would be hard to sustain a veto", meaning Congress might override the presidential rejection. This would require a two-thirds majority in both houses of Congress.

Political observers believe legislators have been prepared to break with Reagan because of forthcoming elections in November. They would rather risk the President's wrath than defend a policy which most of their constituents clearly oppose.

Political observers previously speculated Reagan would attempt to placate his opponents with a softened version of the Bill, rather than confront them with a veto.

His Lone Ranger action could leave him riding alone into the sunset. — Sapa-Reuter

at a loss?

THE BUREAU QUIETLY



...in most cases, Mr Mitchell said.

# Thatcher in new sanctions row

London Bureau

**BRITISH Prime Minister Margaret Thatcher was involved in a new controversy last night over Britain's differences with the Commonwealth on sanctions against South Africa.**

In front of Queen Elizabeth, who had just opened the annual conference of the Commonwealth Parliamentary Association in Westminster Hall, Mrs Thatcher told the delegates

from more than 100 Commonwealth national and local legislatures: 'We have a legitimate right to hold our own views without our motives being questioned.'

Mrs Thatcher's comments raised eyebrows among the several hundred delegates as she launched into a spirited defence of Britain's opposition to sanctions during what is normally a non-controversial occasion.

Following the Queen, who opened the conference with a short speech, Mrs Thatcher said:

'We all detest the system of apartheid in South Africa and want to see it demolished as soon as possible.'

'We don't quite agree how best to do it.'

'There is nothing unusual in agreeing the end but disputing the means.'

'It was never envisaged that the Commonwealth would be or become an instrument for joint executive action.'

'As free and independent

sovereign States we have a legitimate right to our own views.'

'And the right, too, to hold those views without our motives being questioned,' Mrs Thatcher said.

In contrast, the Queen's speech appeared to have been drafted to dispel any notion that there were abiding differences between the monarch and the prime minister over sanctions and South Africa.

## Reject

There was a protracted public controversy between Buckingham Palace and Downing Street in the run-up to the Commonwealth mini-summit in London last month following the publication of reports claiming that the Queen was distressed with Mrs Thatcher's approach to South Africa.

Sapa-Reuter reports from Washington that President Reagan will veto the tough congressional Bill of economic sanctions against South Africa today.

The Senate Republican

leader, Mr Bob Dole, said yesterday that Mr Reagan telephoned him to inform him of the decision. 'The President said he just didn't think it (the sanctions Bill) was the right way to go,' Mr Dole said.

The White House had been threatening a veto for a week but this was the first word from Mr Reagan of when he actually would reject the measure and send it back to Congress.

## Kwazulu to take over towns

### Mercury Reporter

KWAZULU is to take over the full functioning of 37 towns and townships in Natal from next year.

This was confirmed from Ulundi last night by Dr Dennis Madide, Kwazulu's Minister of the Interior, following a meeting he had in Pretoria yesterday with Dr Gerrit Viljoen, the Minister of Education and Develop-

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PER

(280) 26/9/86

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# Australian protest over editorial

**HARARE** — Australia's High Commissioner to Zimbabwe, Mr C. A. Edwards, has urged that his country be excluded from the list of "racist allies" of South Africa.

In a letter to The Herald newspaper, Mr Edwards took exception to a recent editorial which attacked "the West" in general terms, without naming Australia, for its failure to apply sanctions.

"I can sympathise with, and indeed share, the frustration of people in Southern Africa at the slow progress towards abolishing apartheid. I would hope that in future you would not make a general criticism of 'the West' for not standing up against apartheid, as Australia and other Western countries have been in the forefront of the struggle to end apartheid," he wrote.

He reminded The Herald of his government's commitment not only to the Commonwealth package of sanctions agreed at the London mini-summit in August, but to a comprehensive embargo. This would be "at economic cost to Australia".

Ambassadors and high commissioners in Zimbabwe do not normally write to newspapers except to correct specific errors of fact published about their countries. — Sapa

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# Canada cuts SA imports

CAN Times 27/9/86 280

CANADA has banned the importation of South African agricultural products, uranium, coal, iron and steel from October 1.

And Italy said last night it was banning import of scrap iron and steel products from South Africa as part of joint European action to pressure Pretoria to abolish apartheid.

A brief statement from the Italian Foreign Trade Ministry to Sapa-AP said the move was in line with a common European stance against "the refusal of the South African Government to adopt concrete measures against racial segregation".

The Canadian decision, announced by its embassy in Pretoria yesterday, will cost South Africa about 87,5 million Canadian dollars (about R145 million) a year in foreign trade.

But last night, spokesmen for the agricultural sector in the Western Cape said the ban would have little effect on local farmers.

The chairman of the Deciduous Fruit Board, Mr Louis Kriel, said Canada's decision would affect less than five percent of the Western Cape's fruit exports.

The chief marketing executive of KWV, Mr J van Niekerk, said almost all the Canadian provinces had al-

ready banned the import of South African wine and brandy.

"I think it is just British Columbia that's left, so the loss will hardly be felt in the wine industry, although Canada used to be a lucrative market until about a year ago."

Canada's Secretary of State for External Affairs, Mr Joe Clark, said his country hoped the measures would become "part of a wider programme of international action".

Such action would "spur authorities in Pretoria to initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government in a united and non-fragmented South Africa".

Mr Clark said Canadian importers would have to apply for permits to import the listed goods and that these would "not normally be granted".

To soften the blow for companies which rely on South African imports for the bulk of their business, goods which are already in transit on October 1 will be allowed into Canada.

Arrangements were also being made to give entry to goods covered by binding contracts entered into before August 5. — Staff Reporter and Sapa-AP

# Reagan to veto sanctions and lose?

CAPL Times 27/9/86 280

From SIMON BARBER

WASHINGTON. — With hours to go before sanctions legislation would become law by default, President Reagan's top foreign-policy advisers gathered at the White House in an atmosphere of crisis yesterday to hammer out a response to Congress.

Already taken, according to White House spokesman Mr Larry Speakes, was a decision to veto the sanctions bill as soon as the House of Representatives adjourned for the weekend late last night.

The delay would give the administration another two or three days to lobby senators to sustain the veto.

Also decided was the appointment of Mr Edward Perkins, the career black diplomat who is currently US Ambassador to Liberia, as the next envoy to Pretoria.

Under dispute was whether the President should offer to adopt some elements of the bill as part of a new executive order in the hope of winning the 34 votes to sustain the veto.

The President had until midnight to sign the bill, veto it or see it become law automatically.

Present at the meeting were Secretary of State Mr George Shultz, National Security Adviser Admiral John Poindexter, White House chief of staff Mr Donald Regan, communications director Mr Patrick Buchanan, spokesman Mr Speakes and Dr Chester Crocker, the Assistant Secretary of State for Africa.

According to sources familiar with the proceedings, Mr Buchanan and Mr Speakes were arguing for a veto without compromise, even though the veto would thus be overridden.

Given the President's personal opposition to sanctions, it looks as though Mr Buchanan's group was going to win with Mr Shultz outvoted four to one, a well-placed source said.

That means the veto will be overridden, and sanctions will become law. President Reagan will be able to say he stood his ground.

Meanwhile, Sapa-AP reports from San Francisco that the Governor of California, Mr George Deukmejian, signed a bill yesterday to sell \$11 billion (R26 billion) in state investments in firms with South African connections.



**US President lays his reputation on the line**

# REAGAN

W/C ARGUS 27/9/86 280

Weekend Argus Foreign Service

WASHINGTON. — President Ronald Reagan has put his political reputation on the line for South Africa this weekend.

He has entered a David and Goliath struggle with the United States Congress over economic sanctions — and this time it is the President who is in the unfamiliar role of little David.

If he loses the struggle, it will be a major foreign policy defeat for Mr Reagan — a huge failure for a two-term presidency that has been in most other respects phenomenally successful.

If he wins, it will be another astonishing victory against all the odds for a man whose easy popularity in the White house continues to perplex his many detractors.

But, this weekend, things don't look too promising for president Reagan in the sanctions fight.

When he vetoed the Anti-Apartheid Act of 1986 late on Friday night — just hours before it would have become law — he was still short of the 34 votes he needs to sustain the veto in the 100-seat Senate.



President Reagan

Estimates vary on the votes he can count on next week when the veto will be challenged. They range from 20 to 30. His aides and allies are working hard this weekend, arm-twisting and cajoling their way hopefully up to the magic 34.

His opponents argue that the loss of jobs is a small price to pay in a struggle for a fairer, more equal racial system.

President Reagan's answer is that "declaring economic warfare against the people of South Africa would be destructive not only of their efforts to peacefully end apartheid, but also of the opportunity to replace it with a free society."

President Reagan has told Congress that he has no quarrel with the aims of its South Africa sanctions legislation — to end apartheid — but that he cannot add to the suffering of the people.

Sending the Comprehensive Anti-Apartheid Act of 1986 back to the Congress without his signature of approval, the President said: "Punitive economic sanctions would contribute directly and measurably to the misery of people who have already suffered enough."

"Using America's power to deepen the economic crisis in this tortured country is not the way to reconciliation and peace."

## Economic collapse

"Black South Africans recognise that they would pay with their lives for the deprivation, chaos, and violence that would follow an economic collapse."

"That is why millions of blacks and numerous black leaders in South Africa are as firm in their opposition to sanctions as in their abhorrence of apartheid."

In an editorial today The New York Times says: "As Congress has already made plain with its lopsided votes, the President who vetoed its angry, calibrated sanctions against South Africa does not speak for the American people."

"His continued resistance makes him appear apartheid's virtual defender. The repugnant symbolism of his veto calls for instant protest."

"What if 1 800 whites had been killed by some regime somewhere in the world. Have we got to such a stage that we accept as normal for racist security forces to kill blacks?"

"To that terrible question, Mr Reagan's veto of

**CRISIS**  
e with stand against sanctions

280 27/9/86

## Canada tightens clamp on imports from SA

PRETORIA — The Canadian Government yesterday announced a tough clampdown on the importation of agricultural products, uranium, coal, iron and steel from South Africa.

A statement by the Canadian Embassy quoted the Canadian Secretary of State for External Affairs, Mr Joe Clark, as saying the measures would come into effect on October 1 — and followed a commitment made to Commonwealth heads by Canada.

It went on: "The minister mentioned that, pursuant to the provisions of the Export and Import Permits Act, arrangements have been made to place agricultural products, uranium, coal, iron and steel of South African origin on the import control list."

The statement said Canadian importers would need an import permit

to import the products. "Mr Clark noted that permits will not normally be granted.

"The minister pointed out that this decision will affect, on the basis of 1985 shipments, some \$87,5 million dollars worth of Canadian imports."

The statement said the minister noted that some companies might incur losses and resort to lay-offs

"To alleviate some of this hardship, Mr Clark mentioned that provisions have been made to allow entry to those goods which, on October 1, are in transit.

"Arrangements are being made to allow, until the end of the year, the entry for goods which are covered by a binding contractual commitment entered into prior to August 5." — Sapa



# Reagan risks policy defeat

## Congress could override veto

WASHINGTON — The US President, Mr Ronald Reagan, was ready last night to veto a sanctions bill against South Africa, risking a major foreign policy defeat by a Congress seemingly poised to override his verdict.

Congress has decided only sanctions can force Pretoria to halt apartheid, while Mr Reagan argues the opposite, saying they will hurt black South African workers.

The White House said Mr Reagan would veto the bill and announce measures of his own against South Africa. He was clearly hoping to sway the 20 Senate votes needed to keep Congress from enacting its tougher sanctions into law.

Congressional aides said Mr Reagan could nominate America's first black ambassador to Pretoria, approve \$500 million in US aid to South Africa's neighbouring countries, and impose some of the non-economic sanctions in Congress's bill.

Overriding a presidential veto requires a two-thirds vote by both chambers of Congress. The Senate Republican leader, Mr Robert Dole, said the Senate and the House of Representatives could still muster the required two-thirds.



MR REAGAN



ARCHBISHOP  
TUTU

"It's going to be hard to sustain a veto," he said.

A House aide put it bluntly: "Some of them he (Mr Reagan) can buy off, but I don't think he could buy off 20."

Mr Reagan needs 20 more Senate votes because it takes 34, just over one-third of the 100 senators, to sustain his veto. Only 14 supported him when the Senate approved the sanctions.

The Democrat-controlled House was virtually certain to override his veto but he would still win if the Republican-led Senate supported him.

Congress's sanctions would ban the import of textiles, coal, steel, iron, uranium and agricultural products from South Africa and prohibit new US loans and investments in the country.

Mr Reagan has adamantly opposed such economic sanctions but a senior administration official said the President favoured non-economic sanctions targeted to put pressure on Pretoria to end apartheid.

These could include severing commercial air links, restricting US visas to South African officials and limiting consular operations in the US.

Meanwhile, Archbishop Desmond Tutu sharply rebuked Mr Reagan yesterday for his decision to veto the bill.

"As a victim of apartheid, I would say that he doesn't feel, he doesn't think that I am human, as human as a white person," Archbishop Tutu, the Anglican Primate of South Africa, said in an interview broadcast by Cable News Network.

The interview was conducted by telephone from Cape Town.

Asked what he would say to Mr Reagan if he were in the Oval Office as the President was preparing to sign the veto, Archbishop Tutu replied:

"I'd say: 'Sir, you have to make a moral decision. Are you on the side of justice or injustice? Are you on the side of the oppressed or are you on the side of the oppressor? Know that you are going to have to make a moral decision'."

Archbishop Tutu pooh-poohed Mr Reagan's logic for opposing sanctions.

"I'd much rather people came out more firmly and more clearly and more honestly and said blacks are expendable, and not give us all this wonderful gas about their being concerned that blacks are going to suffer, as if, at the moment, we are living in clover," he said. — Sapa-AP

Reagan (280)  
vetoes WTE Post  
stringent 27/9/86  
SA Bill ~~SA Bill~~

WASHINGTON — President Reagan last night vetoed a Congressional Bill imposing stringent sanctions on South Africa, saying the United States must not "cut and run" but work for constructive change in Pretoria's apartheid policy.

"Punitive economic sanctions will contribute directly to the misery of people who have suffered enough."

He said the proposed legislation would tie his hands in dealing with "a gathering crisis in a critical sub-continent where the Soviet bloc clearly sees historic opportunity".

President Reagan could support some of the Bill's features, such as affirmative measures to eliminate apartheid and providing assistance to its victims, and for blacks in business.

"The Bill also contains useful, realistic provisions such as those calling on the ANC to re-examine its Communist ties, and mandating a report on the activities of the Communist Party in SA and the extent to which it has infiltrated SA political organisations."

— Sapa-AP



# Canada bans SA products

By Alan Dunn,  
The Star's  
Foreign News Service

WASHINGTON — Canada has announced bans on imports of South African agricultural products, uranium, coal, iron and steel from October 1.

This was announced last night by the Canadian External Affairs Minister, Mr Joe Clark, in keeping with an agreement with other Commonwealth members in London last month.

In another development yesterday, Archbishop Desmond Tutu accused President Ronald Reagan of racism.

"As a victim of apartheid, I would say that he doesn't feel, he doesn't think that I am human, as human as a white person," he said.

He was speaking on cable TV

in a phone interview from Cape Town as Reagan aides were deliberating how to veto a Congressional Bill containing stiff sanctions.

Asked what advice he would give Mr Reagan, Archbishop Tutu said:

"I'd say, 'Sir, you have to make a moral decision. Are you on the side of justice or injustice? Are you on the side of the oppressed or are you on the side of the oppressor? Know that you are going to have to make a moral decision.'"

● From Rome, Sapa-Associated Press reports that Italy announced yesterday it was banning import of scrap iron and steel products from South Africa as part of joint European action.

● From Athens, The Star's Foreign News Service reported yes-

terday that a conference of European Parliament members and representatives of 66 African, Caribbean and Pacific nations had called for tougher sanctions against South Africa.

● The US Government yesterday agreed to provide R192 000 to help black South Africans gain greater access to the legal system.

● Sapa reports from Gaborone that the vice-president of Botswana, Mr Peter Mmusi, said South Africa's major trading partners who failed to impose sanctions should not use Southern African Development Coordination countries as an excuse.

He said Botswana would not stand in the way of those who decided to impose sanctions, as it was aware of the urgent need to resolve the problems of apartheid.

(280) 00279/86

## Call for tougher economic measures

ATHENS — A conference of European Parliament members and representatives of 66 African, Caribbean and Pacific (ACP) nations yesterday passed a resolution calling for tougher sanctions against South Africa.

The resolution, passed by a large majority at the conference, said measures taken by the European Community (EC) earlier this month to bring pressure on the South African Government were inadequate.

The conference lamented that the Community had failed to agree on imposing a ban on South African coal imports. EC and ACP states were asked "to impose stronger measures so that more pressure can be brought to bear for peaceful change", and the conference repeated warnings "that a bloodbath may be imminent if such change does not take place".

- South Africa's major trading partners who failed to impose sanctions on Pretoria should not use Southern African Development Co-ordination Conference (SADCC) countries as an excuse for their inaction, the Vice President of Botswana, Mr Peter Mmusi, said yesterday.

Speaking at a function in honour of visiting Swedish minister for international development co-operation, Mrs Lena Hjelm-Wallen, in Gaborone, he said Botswana would not stand in the way of those who decided to impose sanctions.

- The Governor of California, Mr George Deukmejian, signed a bill yesterday to sell 11 billion dollars in state investments in firms with South African connections.

"I think our strong action will make a difference," the governor said.

- Australia's Trade Minister, Mr John Dawkins, has said his country could suffer from sanctions against South Africa if the Republic turns its attention to Asian markets.



# Canada bans list of S A products

PRETORIA—The Canadian Government yesterday announced a decision to ban the importation of agricultural products, uranium, coal, iron and steel from South Africa.

Meanwhile President Reagan was ready to veto a United States sanctions Bill against South Africa, risking a major foreign policy defeat by a Congress seemingly poised to override his verdict.

A statement by the Canadian Embassy quoted Mr Joe Clark, Canada's Secretary of State for External Affairs, as saying the measures would come into effect on October 1.

'Mr Clark indicated that this action followed up the commitment made at the Commonwealth heads of government review meeting in London,' the statement said.

The statement reported Mr Clark as saying arrangements had been made to place agricultural products, uranium, coal, iron and steel of South African origin on the import-control list in terms of Canada's Export and Import Permits Act.

'Accordingly, Canadian importers wishing to import these goods will be required to obtain an import permit as a condition to entry.

'Mr Clark noted that permits will not normally be granted.'

Mr Clark said the decision would affect, on the basis of 1985 shipments, some 87.5 million Canadian dollars (about R125 million) worth of imports from South Africa.

In making the announcement, the minister welcomed last week's decision by the European Economic Community and Japan to impose sanctions against South Africa.

In Washington, the White House said President Reagan would veto the sanctions Bill and would announce measures of his own against South Africa.

He was clearly hoping to sway the 20 Senate votes needed to keep Congress from enacting its tougher sanctions into law.

Congressional aides said Mr Reagan might nominate America's first black ambassador to Pretoria, seek \$500 million in U S aid to South Africa's neighbouring countries and impose some of the non-economic sanctions in Congress's Bill.

Overriding a presidential veto requires a two-thirds vote by both chambers of Congress.

Senate Republican leader Robert Dole has said the Senate as well as the House of Representatives might still muster the required two-thirds.

'It's going to be hard to sustain a veto,' Mr Dole said. — (Sapa-Reuter)

the rise

# Joint-venture deals find a way around many problems

WHERE political and economic pressures have caused a potentially hostile environment for companies, it has become increasingly popular — if not necessary — for them to seek to change public notions about their operating and investment activities.

Consider the multinational company which has a South African subsidiary, and which faces political pressure because of its investment in this country.

Assuming the company finds it necessary to build a factory or office but does not want to be seen to be investing in SA, how would it solve the problem?

## Anonymity

The company could seek investment anonymity. The vehicle for this would be a special-purpose legal entity called a joint venture or joint financing company.

UAL Merchant Bank's Gavan Ryan says: "This company can, in turn, raise the finance to provide facilities to the multinational's specification. On completion, it will rent these to the multinational over an agreed rental period."

The multinational does not own the new premises, but will pay for their use.

In terms of a buy-back arrangement though, it would have the right to acquire ownership of the property

at a pre-determined price. In this way the multinational could escape the attentions of the disinvestment lobby.

Although the concept of joint-venture finance is not new, it is pertinent. For the uninitiated, this is how it works:

The joint-venture entity would comprise a company whose share capital is owned partly by the corporation concerned and partly by other friendly companies or institutions.

## Minor disclosure

The various shareholdings would be structured in such a way as to avoid the need for the corporation to consolidate the entity's activities into its financial accounts. The relevant investment would not appear in its balance sheet, although other minor disclosures would be required in terms of generally accepted accounting practice.

Invariably, the funding of the entity's activities is undertaken by the corporation's bankers with or without friendly participants and may, in certain cases, be partially funded by the corporation itself, depending on circumstances.

This arrangement could be structured to allow the corporation the flexibility of re-acquiring ownership of the assets in question by buying the shares held in the finance company from its co-shareholders should it be necessary to do so at a

later stage.

Mr Ryan says this type of restructuring is also useful for a corporation wishing to purchase and stockpile strategic raw materials without disclosing the fact.

## Mining aspect

Another area where it can be used is where a mining company instead of buying mining options would look to secure immediate ownership of mineral-bearing deposits for future processing — without necessarily including the burden of the non-productive asset and the financing in its financial accounts.

Large corporations which have large sums invested in non-productive assets, such as staff housing or property, also use joint financing.

Mr Ryan says: "These assets could be bought by a special-purpose entity, releasing the funds to the corporation yet allowing it to retain control over the possible capital appreciation of the properties."

Such transactions also improve certain key operating ratios, such as the corporation's return on total assets.

## Uncluttered

Trust Bank's Derek Cohen says that "Borrowings are also reduced. A JFC may be structured which does not impact on the local borrowing capacity of foreign-owned companies.

"The use of a JFC results in the

balance sheet not being cluttered by non-operational activities, such as financing debtors and inventories, which detract from the company's true trading performance."

Mr Ryan says: "Although joint-financing arrangements are seen to always involve special-purpose companies, more recently use has also been made of partnerships and trusts to optimise the use of tax and legal objectives.

"As these three entities vary considerably in terms of their structure, it is important that both the advantages and disadvantages of each be considered at the outset of the proposed transaction."



Gavan Ryan... how to beat disinvestment lobby



# Sanctions Veto Seen

## as Reagan's veto hangs in the balance

THE future of the hard-fought South Africa Sanctions Bill, vetoed on Friday by President Reagan, hangs in the balance this weekend as the White House fights to win over enough senators to sustain the unpopular veto.

The Senate override attempt "could go either way", according to the Bill's author and most vigorous supporter, Republican Richard Lugar.

"I believe there are the votes in the Senate to override the veto but I say that very reluctantly," Senator Lugar said on CBS "Morning News", on Friday.

The White House delayed announcing the veto until the House of Representatives had ended business on Friday to avoid a quick override vote.

Mr Reagan needs 34 out of 100 Senate votes to kill the legislation which demands the most stringent sanctions ever.

Since only 14 senators voted against the Bill originally, 10 more will have to change their minds if the President is to win.

Until late this week it seemed unlikely the President would be able to do it, but there were signs on Friday that some long-time Reagan supporters in the Senate were returning to the fold.

Senator Alan Simpson, the man Mr Larry Speakes said it would be "very difficult" to round up enough votes and that he would not fight if it appeared certain he would lose.

### 'Difficult'

"Doing nothing has always been an option."

"It's very difficult to shift that many votes on senators who have already cast their vote in the other direction."

Archbishop Desmond Tutu, in a cable news network telephone interview from Cape Town, was sharply critical of Mr Reagan's veto.

"As a victim of apartheid, I would say that he doesn't feel, he doesn't think that I am human, as human as a white person."

### 'Immoral'

"I'd much rather people came out more firmly and more clearly and more honestly and said blacks are expendable, and not give us all this wonderful gas about their being concerned that blacks are going to suffer," he added.

White House proposals to give \$500-million (R1 250-million) to SA's black neighbours to withstand the consequences of sanctions are meanwhile considered a dead duck in Washington.

Republican senators this week circulated a letter pointing out that the US's foreign aid coffers were empty and charging that some of the potential proposed beneficiaries - Zimbabwe, Zambia and Mozambique, "could hardly be called America's best allies."

# Saw



# The first to suffer sanctions

ARCUS 29/9/86  
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ON television, you don't sense the daily squalor, the filth, the dehumanising way people are just thrown together, said a stunned Archbishop of Canterbury, as he toured the Crossroads squatters camp near Cape Town. "It's so much more dramatically squalid than I had expected."

Yes, it is — and these impoverished workers who came to Cape Town in search of jobs will be the first fatalities of the economic war that Congress has just declared upon South Africa.

Why are we doing this? Because, comes the arch reply, we want to stand up against Botha's regime — and stand with all the people of South Africa. But the people of South Africa, black and white, are opposed to sanctions. According to *The Sunday Times*, of London, a plurality of blacks and virtually the entire white populations is begging us not to join this international cartel to cripple the economy upon which they both depend for survival.

Congressional sanctions are targeted directly at South Africa's mining industry, where some 600 000 blacks are employed. Shut down those mines, and the dependent families of migrant workers could starve back home in Malawi and Mozambique. Will these black labourers then think better of the United States? When the Xhosa and Zulu peoples, confined in their segregated townships, are also jobless and hungry, will we all sleep better in Chevy Chase and Georgetown?

Suppose, during the Great Depression, Britain declared she would lead a worldwide boycott of American steel and coal until President Roosevelt desegregated the South and moved America to one-man, one-vote. Would the destitute American workers have welcomed that as the act of a trusted and reliable friend?

**S**ANCTIONS will advance democracy, our legislators insist. But if so, why are lifelong South African democrats like Helen Suzman and Alan Paton so passionately opposed to them? Why is every anti-democratic element

by PATRICK J BUCHANAN,  
Assistant to President Reagan  
and White House Director of  
Communications,  
in WASHINGTON

from the South African Communist Party to the Soviet bloc — demanding their imposition?

And if sanctions advanced democracy, why not impose them upon Zimbabwe, where Prime Minister Robert Mugabe is moving toward a single-party Marxist state, where the state of emergency has lasted six years, where perhaps as many people were massacred by government troops in Matabeleland in 1983 as have died in all the racial violence in South Africa these past two years? Yet, the same Congress that voted economic sanctions against South Africa has annually approved economic assistance for Mr Mugabe.

Well, sanctions are designed to make a political and moral statement, we are told. But what political message is sent when the world's richest nation sets about systematically destroying the economy of a developing country that has done no harm to the United States? What moral message is sent when Congress votes to close down to South African Airways the same airports we are opening up to Aeroflot?

When Senator Malcolm Wallop urged the Senate, in the name of some moral symmetry to impose upon the Soviet Union the same sanctions we impose upon South Africa, moderate Republicans threw in with liberal Democrats to defeat him.

"How can anyone who favours sanctions for Nicaragua oppose them for South Africa?" the Press asks.

**T**HE answer is simple. While South Africa's racial sins (like our own) are scarlet, she has not adopted as her ruling ideology the century's most odious form of tyranny over the mind of man, she has not endorsed the decade's most monstrous crime in Afghanistan, she has not converted her territory into a staging area for the export of Communist revolution, she has not aligned herself with a regime that has 9 000 ballistic missile war-

heads pointed at the United States.

South Africa has never sought to be an enemy of the American people. In two World Wars, and Korea, her soldiers fought alongside ours. When American pilots attacked the terrorist base camps of Colonel Muammar Gaddafi, South Africa was almost alone among third world nations to applaud the American action.

What have the people of South Africa done to us that we are now anxious to collude with the most despotic regimes on earth in waging economic war against them? Is it necessary to destroy this country in order to save it?

Surely, Americans can "make a statement" against the discredited doctrine of apartheid without adding to the suffering of its victims. Surely Americans can manifest their distaste for Pretoria's racial policies without collaborating with a jackal pack of hypocritical despots and Marxists, whose ambition is to bring down the South African republic.

One wonders exactly which country on the continent Congress wishes South Africa to emulate. Which government in the neighbourhood should serve as role model for the South African republic, so that she, like so many of them, can qualify for Western approbation and aid?

"Black Africa has become a theatre of barbarism and exported political sentimentality," writes Bruce Anderson in *The Spectator*. "Throughout the continent, governments are robbing, oppressing, incarcerating, flogging, torturing and murdering their subjects, but no one in the West gives a damn."

Comes now the Congress of the United States to counsel us that social justice will be advanced on this bleeding patch of earth — if only President Reagan will join hands in choking off the last industrial engine operating on the African continent.

The answer is no. As President Reagan told the world, we Americans will not be a party to something like that.

(This article first appeared in *The New York Times* on September 18)



**'SA blacks must get hope'**

# Grand plan is needed to stall Congress

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The Star Bureau

LONDON — If President Reagan is to ward off Congressional sanctions, he must produce a plan for positive intervention in South Africa, *The Times* of London says today.

The plan would have to offer some hope of advancing the rights and improving the livelihood of black South Africans. That means, says *The Times*, an ambitious and costly programme of assistance to black education, training, housing, employment, trade unions and businesses — carried on outside the structures of apartheid.

"President Reagan has left it very late to promote a new Marshall Plan for black South Africa. But the alternative is to saddle America and his own administration with Federal legislation which is perverse, damaging and counter-productive."

The newspaper says the sanctions envisaged by Congress have no prospect whatsoever of bringing a speedy end to apartheid — "they are indeed more likely to entrench it by weakening the relatively liberal political influence of businesses involved in international trade and encouraging the growth of industries with an interest in economic autarky and political isolation ..."

## **'President is courting humiliation'**

In the meantime, they would impoverish the black majority still further and strangle its efforts at economic self-improvement.

*The Guardian* newspaper believes President Reagan's veto will be overruled, and says he appears to be courting humiliation "to appease the right wing in Washington."

"This time, pre-emptive, milder measures from the White House in the form of an executive order, even including aid for the Frontline states ... seem unlikely to mollify Congress", it says.

The *Daily Mail* has not concerned itself with sanctions, but reminds its readers instead of President Kaunda's denunciation of British Prime Minister Mrs Margaret Thatcher for not caring about the democratic rights of South African blacks.

It then draws attention in a leader to the Zambian refugee lawyer who has accused the Kaunda government of imprisoning, beating and torturing him ... "with just as much brutality as if he had been in the hands of the South African Police", the paper adds.

It comments: "That, if true, doesn't excuse apartheid. But it does remind us of just how selective is the conscience of many of our own liberals."

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DAILY DISP

## Ban to cost SA R144m

### Dispatch Correspondent

JOHANNESBURG — There is to be no stay of execution by the Canadian Government on the import ban on South African goods which will cost this country about R144 million a year in lost exports.

The commodities involved are coal, iron, steel, uranium and agricultural products.

A spokesman for the Canadian embassy in Pretoria said the action was the result of a policy decision taken by his government and quoted Canada's Secretary of State for External Affairs, Mr Joe Clark, as saying the measures would come into effect on Wednesday.

A spokesman for a Toronto import house said his company's business would be drastically affected

"But the government (Canadian) has indicated that contracts already signed will be allowed to run their course"

The embassy spokesman said some companies might have to resort to short-term layoffs, while others might lose profitability.

Provisions have been made to allow entry to goods which are in transit on October 1, and goods which are covered by a contract entered into before August 5.



# Reagan's SA sanctions veto faces tough ride in Congress

WASHINGTON — The US Congress is expected to make a start today on overriding President Ronald Reagan's veto of his SA sanctions package.

There seems no doubt that the Democrat-controlled House of Representatives will easily muster the two-thirds majority needed to override Reagan's veto, announced on Friday.

Reagan and White House officials are concentrating their lobbying efforts on the Senate, which must also override the veto for the sanctions to become effective.

Several leading senators said at the weekend that they were confident the veto would be overturned, handing Reagan one of the worst foreign policy defeats of his presidency.

If an override is approved, the sanctions — including a ban on all new US investment in and bank loans to SA — will be enforced, despite Reagan's veto.

In addition to banning US investment and bank loans, the legislation would terminate landing rights in the US for SA

aircraft and prohibit US imports of SA uranium, coal, steel, textiles, military vehicles, agricultural products and food.

Presidential spokesman Larry Speakes said it would be very difficult to round up enough votes for Reagan and indicated he would not wage an all-out fight if it appeared certain to lose.

The SA government has declined comment on Reagan's veto of the Bill.

Foreign Minister P.W. Botha said in a brief statement that the government had repeatedly stated its views on sanctions

and that a further comment would "not at this stage be in the interests of the country".

Announcing his veto on Friday, Reagan said the US must not cut and run, but work for constructive change in Pretoria's policy.

"Punitive economic sanctions would contribute directly and measurably to the misery of people who have already suffered enough."

"While we vigorously support the purpose of this legislation, declaring eco-

nomie warfare against the people of SA would be destructive, not only of their efforts peacefully to end apartheid, but also of the opportunity to replace it with a free society," he said.

Reagan said he was ready to work with Congress to devise measures maintaining US opposition to apartheid.

Reagan said the legislation would tie his hands in dealing with "a gathering crisis in a critical subcontinent where the Soviet bloc... clearly sees an historic opportunity."

— Sapa-Reuters-AP-DJ.



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The Natal Mercury, Monday, S

# US warned of S A sanctions 'retaliation'

NEW YORK—President Ronald Reagan's top aide said yesterday that South Africa could cut commercial ties with the United States if Congress imposed sanctions against the Pretoria Government.

There was a 'distinct possibility' of retaliation if Congress overrode Mr. Reagan's veto of the sanctions Bill, said the presidential chief-of-staff, Mr. Donald Regan, speaking on the CBS television network's 'Face the Nation' programme.

Mr Reagan vetoed the sanctions on Friday. Congress is expected to vote this week to override the veto.

If so, the sanctions, including a ban on all new US investment and bank loans in South Africa, will be enforced in spite of Mr. Reagan's objections.

## 'Normal thing'

In addition to banning US investment in South Africa and bank loans, the new legislation would terminate landing rights in the US for South African aircraft and prohibit US imports of South African uranium, coal, steel, textiles, military vehicles, agricultural products and food.

Mr Regan said South Africa had not threatened retaliation, but it could be expected.

'It's a normal thing. If you put sanctions on, another country retaliates,' he said. 'If they did it to the front-line states, they did it to Zimbabwe, they might do it to us.'

Pretoria imposed stiff border controls on its neighbours in southern Africa last month after the so-called front-line states had imposed sanctions on trade with South Africa.

Front-line leaders have said they are willing to make sacrifices to help bring about an end to apartheid.

Members of Congress who support the US Bill say most black South Africans want sanctions and that although such action will bring short-term hardship, it will hasten an end to apartheid.

Mr Regan said Congress was 'posturing' and 'ignoring the consequences of their action'. — (Sapa-AP)



# Tutu condemns Reagan's veto

Mercury Correspondent

CAPE TOWN—The Anglican Archbishop of Cape Town, Bishop Desmond Tutu, said yesterday President Ronald Reagan would be 'judged harshly by history' for his veto of a Bill imposing economic sanctions on South Africa.

In a statement Archbishop Tutu said Mr Reagan had 'made his moral position quite clear'.

The Archbishop's statement follows Mr Reagan's veto of the sanctions Bill on Saturday night, when the President said he would not approve legislation that amounted to 'economic warfare against the people of South Africa'.

'He gives the ritual verbal condemnation of apartheid and expresses his abhorrence of it, but the man who has applied sanctions against Poland, Nicaragua and Libya at the drop of a hat refuses steadfastly to take any effective action against one of the most vicious policies the world has known,' the archbishop said.

'I am not surprised... and I am glad that the people of the United States have a different view to that of their president.'

'Apartheid will be dismantled and its victims will remember those who helped to destroy this evil system,' he added.

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# No stay in Canada's import ban on S A

Mercury Correspondent

JOHANNESBURG—There is to be no stay of execution by the Canadian Government on the import ban on South African goods which will cost this country about R144 million a year in lost exports

A spokesman for the Canadian Embassy in Pretoria said the ban would go ahead and the embargo would come into effect on Wednesday.

Commodities involved are coal, iron, steel, uranium and agricultural products

The spokesman said the action was the result of a policy decision taken by his Government, and quoted Canada's Secretary of State for External Affairs, Mr Joe Clark, as saying the measures would come into effect on October 1.

'Mr Clark recognises that some Canadian businesses which rely on South African imports will be substantially affected as they seek to find alternative sources of supply.'

A South African Foreign Affairs spokesman said on Saturday that the country's position on sanctions had been stated repeatedly 'We have nothing further to add.'

A spokesman for a leading import house in Toronto said his company's business would be affected drastically.

## Alleviation

'But the Canadian Government has indicated that contracts already signed will be allowed to run. 'What the ban means to us is that no further contracts will be signed.'

The Canadian Embassy spokesman said some companies might have to resort to short-term layoffs, while some others might incur losses in profitability.

'To alleviate some of this hardship, Mr Clark mentioned that provisions had been made to allow entry to those goods which on October 1 are in transit.

'Additionally, arrangements are being made to allow until the end of the year the entry for goods covered by a contractual commitment entered into before August 5.'

He said Mr Clark welcomed the decision by the European Economic Community and Japan to impose sanctions against South Africa.

'It is our hope that these measures will become part of a wider programme of international action and spirit authorities in Pretoria to initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government.'



# Deported priest appeals for sanctions at Labour service

**The Star Bureau**  
LONDON — The traditional church service launching Labour's conference week in Blackpool was marked by an appeal for sanctions from

a Catholic priest deported from South Africa.

Labour leader Mr Neil Kinnock nodded vigorous agreement throughout the sermon in which Father Theo Kneifel (44) condemned the "illegitimate and unjust Government in South Africa".

The North Shore Methodist congregation applauded the German-born priest, arrested under the state of emergency at his seminary near Pietermaritzburg and imprisoned for five days before being deported.

Later left-wing National Executive member Mr David Blunkett warned of widespread tax increases if the party won the next election.

His forecast contrasted with the picture painted by deputy leader and shadow chancellor, Mr Roy Hattersley, who says that only the top five per cent will pay more.

Mr Blunkett's remarks were just the kind of

shock Mr Kinnock had hoped to avoid at what is expected to be the last Labour Party conference before the next election.

Another policy Mr Kinnock had hoped to keep in the shadows at Blackpool was the party's stance on nuclear weapons.

But attention was focused on it by a leaked warning from United States Defence Secretary Mr Caspar Weinberger (to be broadcast tonight) that it would be difficult to hold together the 16-nation Nato alliance if Labour were to impose unilateralist policies and close down US nuclear bases in Britain.

Mr Kinnock underlined his commitment to a non-nuclear defence policy. He said a Labour Government would not only scrap nuclear weapons in Britain and close down United States nuclear bases, but would also reject the protection of the US nuclear umbrella.

## Eglin on German anti-sanctions visit

CAPE TOWN — Progressive Federal Party leader Mr Colin Eglin left for Hamburg, West Germany at the weekend to put the case against sanctions at an international conference on free trade, organised by the Frederick Naumann Foundation.

Mr Eglin will stay on in Hamburg to represent the PFP at the annual conference of the Liberal International at which the international prize for freedom will be presented to Mrs Sheena Duncan, former president of the Black Sash.

Mr Eglin is expected to be away for 10 days but has made arrangements to return immediately should the State President, Mr Botha, call an election for November 26. — Sapa.



# Reagan makes sanctions offer

By Alan Dunn, The Star Bureau

WASHINGTON — President Reagan opened the bidding in intense political bargaining this week over sanctions on South Africa.

At stake are a congressional Bill containing harsh sanctions, and a great deal of Mr Reagan's personal prestige which runs the danger of severe damage if his veto of the Bill is defeated.

Yesterday, the White House made a counter-offer suggesting that Mr Reagan would impose some of his own measures against South Africa if that would sway sufficient senators to sustain his veto.

The White House said the South African Government would break commercial relations with the United States if the stiff sanctions were approved. It also voiced the fear that Pretoria might withhold its strategic minerals.

The opening offer was disclosed by the White House chief of staff, Mr Donald Regan, as the House of Representatives prepared today formally to receive the Reagan veto and act against it. A two-thirds vote overriding Mr Reagan's veto seems sure in the Democrat-controlled House.

Reagan aides have aimed their efforts, however, at the Republican-dominated Senate where the President needs 34 votes to sustain his veto.

Senate consideration of the veto could take place on Wednesday.

Mr Regan told CBS Television the President was willing to work with Congress in modifying his executive order in some way.

The President was not prepared for the Bill's "very harsh" sanctions, measures which would be punitive to black people, Mr Regan said.

The President has said that a Bill drafted by the Senate Foreign Relations Committee was "something that we could work with". That draft, sharply amended when it reached the full Senate last month, banned SA uranium, coal, commercial air links, goods produced by Pretoria-run agencies, and new investment in South Africa.

2 BUSINESS DAY, Monday, September 29 1986

Measures take effect on October 1

# No delay on Canadian ban of SA imports

MICK COLLINS

THERE is to be no stay of execution by the Canadian government on the import ban on SA goods, which will cost SA about R144m a year in lost exports.

A Canadian Embassy spokesman in Pretoria said at the weekend the embargo would come into effect on Wednesday.

Commodities involved are coal, iron, steel, uranium and agricultural products.

The action was the result of a poli-

cy decision taken by Canada. External Affairs Secretary of State Joe Clark has confirmed the measures will come into effect on October 1.

The Pretoria spokesman said: "Clark recognises that some Canadian businesses, which relied on SA imports, will be substantially affected as they seek to find alternative sources of supply."

A spokesman for a leading Toronto import house has said his company's business will be drastically affected.

"But the government (Canadian) has indicated that contracts already

signed will be allowed to run their course.

"What the ban means to us is that no further contracts will be signed."

He has declined to say if his company had any sanctions-busting in mind.

The embassy spokesman said some companies might have to resort to short-term layoffs, while others might incur losses in profitability.

"To alleviate some of this hardship, Clark mentioned that provisions have been made to allow entry to those goods which, on October 1, are in transit.

"Additionally, arrangements are being made to allow, until the end of the year, the entry of goods covered by a binding contractual commitment entered into prior to August 5."

He said Clark welcomed last week's decision by the European Community and Japan to impose sanctions, and hoped the measures would spur Pretoria to initiate dialogue for a non-fragmented SA.

## Sanctions may hurt Aussie coal

LONDON — Australian coal could be hurt by sanctions against SA, if SA turns its attention to Asian markets, says Trade Minister John Dawkins.

"It may harm us — SA may be driven out of the European market for coal and it will make them even more active in our traditional markets in north Asia," he said in London at the weekend.

"That would, therefore, drive the price down and we may not only lose a market share, but almost certainly see a price reduction in that market."

Dawkins defended his government's sanctions policy as "a totally principled action, as part of the Commonwealth, in order to secure, in as bloodless a way as we can, a change in SA's political system". — Sapa.

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(scribble)



# Republicans in disarray over SA

THE battle between President Reagan and Congress is expected to develop within the next day or two over US sanctions against South Africa.

If President Reagan's veto of the Congress sanctions bill is overturned by Congress, the defeat will be interesting less for what it means for South Africa than for what it says about the administration's waning days.

This is a White House in disarray run not by politicians or professionals, but by truculent, unyielding and fundamentally undemocratic ideologues who would happily destroy everything to secure the victory, however Pyrrhic, of their own, private visions.

These are people who would sooner throw themselves off a cliff than admit the existence of gravity, so sublime is their arrogance.

Worse, they even seem to enjoy the havoc wrought by their intransigent dogmatism, as though the resultant suffering was somehow redemptive. Their favourite phrase as they die their umpteenth political death is: "Well, at least we defined that issue."

## Bread and butter

Forget for a moment the merits, or otherwise, of Congress's sanctions bill.

Consider instead that a democratically elected body of senators chose to support it by 84 votes to 14.

Now senators may often be cowardly, craven and demagogic but they are also, for this is their bread and butter, extremely sensitive to the feelings of the constituents who employ them.

The reasonable man, when confronted with such an overwhelming margin of criticism from his peers, might be expected to sound out their concerns and see if agreement might be reached. Not the likes of White House communications director Patrick Buchanan and his crew.

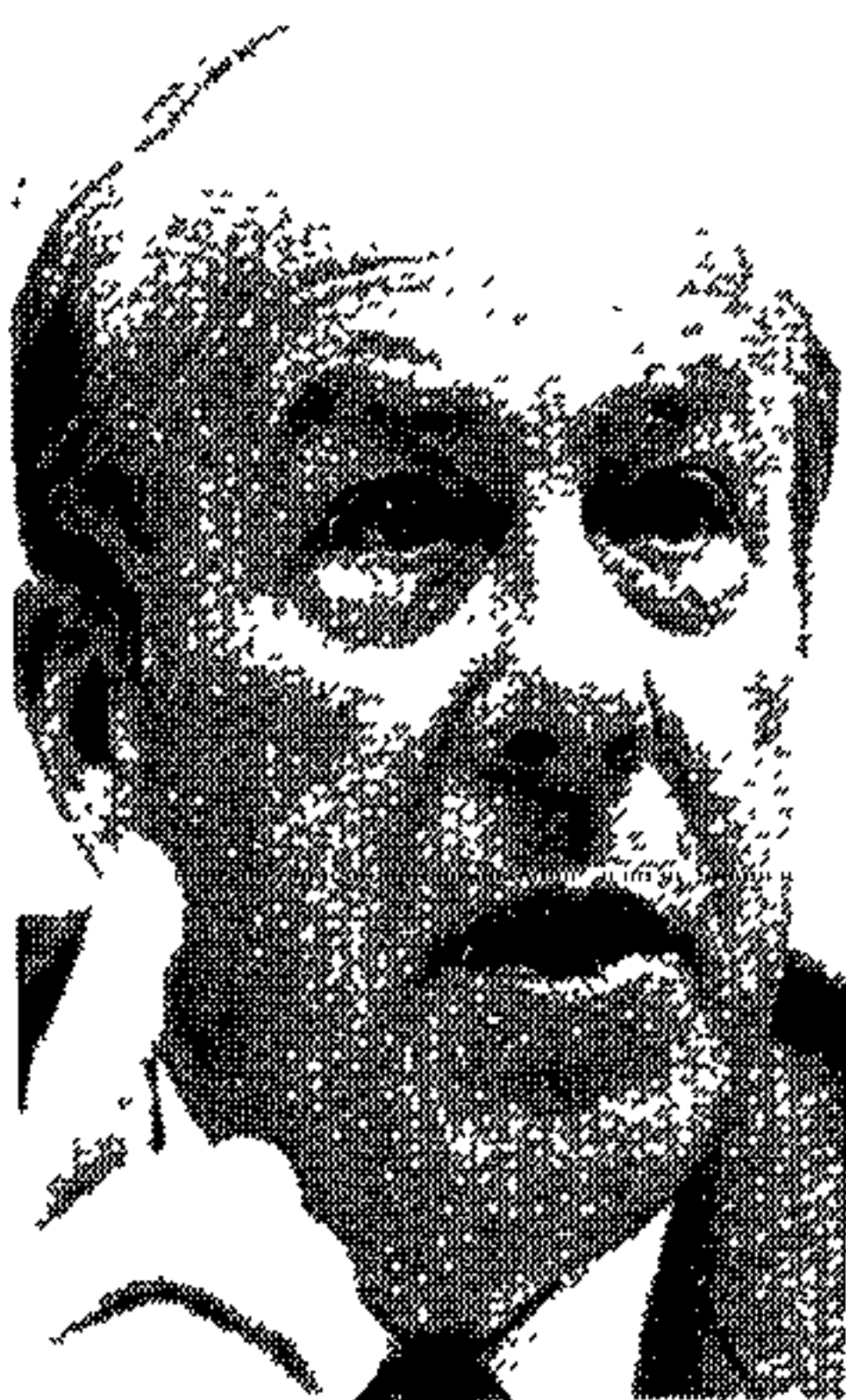
Like the MOVE zealots who were firebombed by police in



**Washington Letter**  
by SIMON BARBER

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Mr George Shultz

Philadelphia last year, they are the kind who let themselves, their wives and children get incinerated in the rubble of their neighbourhood rather than treat with the opposition.

In his 11th-hour veto message to congress last Friday night, President Reagan offered a number of extremely good reasons why his veto should be sustained.

Not least, disrupting South Africa's economy and creating more unemployment will only fuel the cycle of violence and repression that has gripped the country. It will not improve prospects for negotiations.

The tragedy is that many of the 35 Republicans who voted for the bill suspect that this may indeed be the case.

The word is out to conservative columnists that Senator Richard Lugar, chairman of the Foreign Relations Committee and hero of the Philippines succession, is a traitor who must be removed from his post.

Not surprisingly, considering it was he who rescued the President from a milder sanctions bill last year, he is bitter and his determination to see this year's version become law redoubled.

Not only will Buchanan and his allies not negotiate with their own party on Capitol Hill, they have also done their best to crush moderation within the administration and especially Secretary of State George Shultz, a man deeply respected by the very senators Reagan must reach to make his veto stick.

While Shultz was in New York last week trying to unravel the Daniloff mess, the stormtroopers were busy behind his back trying to arrange for Chief Mangosuthu Buthelezi to meet and endorse Reagan in the Oval Office this week.

It did not occur to them that South Africa's most charismatic moderate might not find it in his political interest to be seen as the man who saved Reagan's bacon. Fortunately the State Department found out in time and called a halt to the lunacy.

The open rift between the White House and the National Security Council on the one side and Shultz and the State Department on other, has, in itself, made getting a compromise more problematic because in their talks with the Secretary and his underlings, senators now genuinely doubt

that he can deliver on any deal that might be worked out.

Time and again State Department proposals and draft speeches under which the President would expand his existing executive order in return for his veto being sustained have been torn up at the White House.

Buchanan trashed the speech the Department prepared for Reagan to deliver on July 23 and did so again this week with the president's veto message.

As written by the State Department, the message would have announced sanctions similar to those accepted by the European Community with several additions, chiefly a ban on South Africa landing rights. At the same time, it would have called for a new, five-year, \$500-million aid programme for the frontline states.

Couched as a new initiative to align American ideals with the deteriorating situation on the ground, it might have marked a sufficiently brave (while regionally undamaging) departure to win back the party and not just the 34 votes needed to sustain the veto.

## In case of fire

But no, Buchanan and Co remained determined to cut it out — to lose if necessary or to win by the barest and most inconclusive of margins, twisting arms, calling in favours, and, belatedly, hinting at faint cosmetic shifts — anything, in fact, rather than give ground.

Shultz may still prevail. The veto message did contain one grudging sentence, a small hammer to break the glass in case of fire: "I believe we should support (the ECC's) measures with similar executive actions of our own and I will work with Congress toward that goal."

It was hardly a daring offer, and it implied the White House was still intent on doing the minimum required for the minimum victory.



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# Sabta bosses under fire

**Stand  
against  
trade  
curbs  
draws  
ire**



MR JAMES Ngcoya

**SOUTHERN Africa** Bus and Taxi Association president, Mr James Ngcoya, has come under fire from political groups for speaking on sanctions at the organisation's conference held recently at Sun City in Bophuthatswana.

**BY NKOPANE  
MAKOBANE**

to the Government gallery" at the conference. According to a member of one of the disgruntled regions, Mr Ngcoya should not have involved the organisation in the sanctions issue because it is a political matter.

Addressing the Sabta annual convention, Mr Ngcoya said his organisation was totally opposed to sanctions and asked if they knew what

sanctions would do to black people of southern Africa. A spokesman for the Azanian People's Organisation (Azapo) said Mr Ngcoya had been ill-advised to make a statement committing his association's opposition to sanctions.

"It is a fact that taxi people are more in touch with the community than most political and civic organisations by virtue of their work. That some members are disassociating themselves from his statement, shows that it was not representative of the feelings and sentiments of Sabta members".

Mr Frank McIntjies, Press Officer of the Congress of South African Trade Unions, said that because some Sabta members were disassociating themselves from Mr Ngcoya's statement, the onus was on him to put the record straight. "We feel that Mr Ngcoya must correct the misleading statement he made publicly. He must first canvass among his members and get the true picture of how they feel.

"We know that Sabta, like any organisation in the country, faces a problem in that it can not openly campaign for sanctions. However, it has members who are organised and politicised and clearly favour economic pressure. "Cosatu's position has been that we need stronger international pressure to help bring the apartheid system and exploitation to an end," he said.

A spokesman for the Azanian National Youth Unity (Azanyu) said Mr Ngcoya does not represent the interest of the taxi operators but was "pleasing his masters".



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● Part of the audience of delegates at the Cape congress of the National Party which opened at the Orient Theatre last night.



**Dispatch Reporter**  
**EAST LONDON —** The objectives of some politicians and officials depended on the continuation of the campaign against South Africa, the State President, Mr P. W. Botha, said at the congress.

Some countries in the forefront of the sanctions campaign were there to protect and expand their own economic interests.

"Are sanctions being considered against Zimbabwe because the country is fast moving towards a Marxist dictatorship?"

"Are sanctions being considered against India as a result of the terror and oppression of the Sikhs?"

"Are sanctions being considered against the large group of countries which do not only have undemocratic systems, but strive for the destruction of democracy?" Mr Botha asked.

He went on to say that it appeared that the

## Sanctions drive is hypocritical, says president

Western world was unconcerned about the realities of the South African situation while the communists were seeking the downfall of democracy and the existing order.

South Africa's task was therefore to look at its own situation and to find answers to the challenges facing it.

Mr Botha also dealt at length with the concept of diminishing democracy and said there now was "madness" in that those who were trying to defend democracy were being pictured as "oppressors."

"They are being isolated and weakened while those who are bent

on the destruction of freedom and western civilisation are presented as the freedom fighters of the world," said Mr Botha.

"When nations who are striving to keep the flame of democracy alive have to adopt measures which do not accord with a utopian end-ideal of democracy and human rights, they are cursed by those who seek their destruction."

South Africans who believed in freedom were sick and tired of the treacherous tricks of subtle supporters of the left, communism and socialism who try so hard to appear as if they are apostles of peace and defenders of democracy.

"Democracy has become its own biggest enemy because those who wish to destroy it have the freedom to do so, and they attempt it in the very name of democracy," he said.

He could understand countries behind the Iron Curtain supporting such action but he found it strange that so many politicians and officials in Western countries are doing exactly the same.

"We must learn our lesson from this kind of short-sighted madness," said Mr Botha. "Every country must fight its own battles and combat its own problems."

Mr Botha said people who sought the Republic's downfall recognised each other instinctively.

"Therefore we must ourselves display these qualities and create opportunities for all people of similar persuasion and with similar capacities to come together to do what needs to be done," he said.



# Heavy defeat for Reagan on sanctions veto

WASHINGTON — The House of Representatives dealt President Reagan an overwhelming blow last night over his veto of economic sanctions against South Africa as he braced for a showdown with the Senate on the issue.

Easily registering the two-thirds majority required to override his sanctions veto, the House voted 313-83 against Mr Reagan's "no" to a Bill containing stiff sanctions.

But Mr Reagan and his aides are aiming their efforts to sustain his veto at the Republican-dominated Senate which could vote as early as today, but probably tomorrow, on whether to overrule the White House.

Mr Reagan told senators he was prepared to issue an order banning SA iron and steel and imposing other measures should the Senate sustain his veto. In a letter yesterday to the Senate's Republican leader, Mr Bob Dole, Mr Reagan offered a package of measures against South Africa far weaker than the sanctions in the Bill he vetoed.

The letter sharply rebuked Pretoria: "In the last several months, the South African Government, instead of moving further down the once promising path of reform and dialogue, has turned to internal repression.

"There would be strong sanctions in my new order, sanctions that I earnestly wish were unnecessary," he told Mr Dole. They were aimed at the enforcers of apartheid and not at the victims, and included measures recently adopted by US allies, he said.

Mr Reagan was referring to the vote for sanctions by European Community members earlier this month.

But observers said Mr Reagan's counter-offer had left most senators unmoved and only private, personal appeals by Mr Reagan to certain lawmakers might do the trick.



# OAU calls on Reagan to back sanctions

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NEW YORK — The president of the Organisation of African Unity (OAU) said yesterday he will press President Ronald Reagan to support strong sanctions against South Africa.

"This is Africa's message that I would like to transmit to President Reagan: the time has come for America to show its solidarity with Africa," said Congo's President Denis Sassou-Nguesso, head of the OAU.

Mr Reagan vetoed a bill on Friday that would have imposed tougher US sanctions on South Africa, but there was a possibility that Congress would override the veto this week.

The African leader also said he will seek international financial support for South Africa's neighbours so they can weather the effects of any sanctions.

Mr. Sassou-Nguesso, who is to address the United Nations General

Assembly today, spoke at a news conference yesterday in New York.

The Zimbabwean Prime Minister, Mr Robert Mugabe, who is also in New York, called on the United States yesterday to impose economic sanctions on South Africa to force the government to dismantle "the heinous system" of apartheid.

In an interview on the NBC-TV network's Today programme, Mr Mugabe said President Ronald Reagan's administration "should do a lot of things" to help bring an end to apartheid.

But first, there must be a genuine acceptance by the Reagan administration that apartheid was an inhuman policy and that the system had to go, he said.

In Lusaka, Zambia's Foreign Minister, Mr Luke Mwananshiku, accused President Reagan of trying to "buy" black nations by offering them

aid while vetoing a congressional bill that would impose economic sanctions on South Africa.

Referring in a Zambian newspaper interview to Mr Reagan's offer of \$500 million in aid to black-ruled nations in Southern Africa, Mr Mwananshiku said: "Zambia cannot be bought" in the manner the US was attempting to do as this was tantamount to selling the blacks in South Africa.

In London, the Commonwealth Secretary-General, Sir Shridath Ramphal, accused South Africa of disrupting the economies of black states to the tune of \$10 billion between 1980 and 1984.

"It (South Africa) has disrupted alternative transport networks in order to force regional trade through its own, more expensive, routes," he told the Commonwealth Parliamentary Conference yesterday. — Sapa-AP

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WASHINGTON — The US House of Representatives has overwhelmingly rejected President Ronald Reagan's veto of a Bill imposing tough sanctions against South Africa, despite a last-minute Administration proposal for new US measures.

# President Reagan has veto rejected

The outcome was widely expected in the House, which is led by opposition Democrats and has headed a year-long battle between Congress and the White House over how best to end apartheid.

The Senate, led by President Reagan's Republican Party, is to vote today or tomorrow.

The House vote was 313 to 83, well over the two-

thirds margin required to override a presidential veto.

But the outcome in the Senate, despite a 84-14 vote in favour of sanctions, was less certain.

The White House is hoping Mr Reagan's new measures, released shortly before the House vote, could help persuade

enough Republicans to switch their votes, uphold his veto and hand him a narrow victory.

If all 100 senators are present and voting, Mr Reagan would need the support of a minimum of 34 members to sustain his veto. If he succeeded and the Senate killed the sanctions Bill, Mr Reagan

would implement his milder package in an executive order.

The President's package includes some of the sanctions contained in the congressional Bill, such as a ban on imports of SA iron and steel and a prohibition on new US investments in SA.

But a spokesman for Senator Richard Lugar, an Indiana Republican who played a key role in drafting the Bill, said Mr Reagan's package was too little, too late.

He said Mr Lugar believed the Senate would vote to override the veto and enact the sanctions into law.



# Expulsion of SA called for

WASHINGTON — A call was made yesterday by developing nations for the IMF to sever its ties with SA.

The semi-official Group of 24 (G-24), chaired by Ethiopian Finance Minister Tesfaye Dinka, demanded in a commu-

unique that the IMF "include urgently in the agenda of the board of governors an item which would specifically deal with the fund's relationship with SA".

It was believed to be the first time

that fund members had made such an overt call for ouster of a fellow member. It injected a rare political note into the proceedings.

While SA has maintained its contributions to the fund, the World Bank and their related organs, it has had no effective vote on the IMF's executive committee since being dropped from the Pacific rim voting bloc at Australia's request.

The G-24 communique requested the board of governors to consider SA's continued IMF membership in the light of the "relevant resolutions of the UN General Assembly and . . . the Articles of Agreement between the UN and the IMF".

SIMON BARBER

# Reagan bans new investment

WASHINGTON — President Ronald Reagan announced a set of new US measures against South Africa yesterday, including a ban on new investment and on imports of iron and steel.

The new measures were contained in a letter to the Senate majority leader, Mr Robert Dole, and released by Mr Dole's office shortly before the House of Representatives was to vote to override Mr Reagan's veto last Friday of a stiff congressional sanctions bill.

Mr Reagan said other measures he would include in an executive order would ban US bank accounts for the South African Government and its agencies and provide \$25 million in aid to victims of apartheid.

Mr Reagan, who has long opposed punitive economic sanctions against the Pretoria government, said his measures were "directed at the enforcers, not the victims of apartheid".

"My intention is to make it plain to South Africa's leaders that we cannot conduct business as usual with a government that mistakes the silence of racial repression for the consent of the governed," Mr

Reagan said.

There was no immediate announcement from the White House of the new measures. The release of the letter, dated yesterday, came as Mr Reagan was away from Washington on a domestic political trip.

In his veto message on Friday, he said he would impose some new measures against South Africa in an attempt congressional aides said was aimed at persuading enough of his Republican allies in the Senate to sustain his veto.

The Senate could vote as early as today on the veto.

House aides said there was no chance the new measures, which fell far short of the congressional sanctions bill, would influence the House. They said the veto would be rejected by a wide margin.

The Senate Foreign Relations committee chairman, Mr Richard Lugar, who played a key role in drafting the sanctions bill, has said any measures Mr Reagan could impose would be viewed as a victory by South Africa's State President, Mr P. W. Botha. — Sapa-RNS



# Business asks for govt co-operation

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BUS DAY  
30/10/86

STEPHEN ROGERS

THE PRIVATE sector has made urgent representations to government to co-operate in the development of counter measures to combat the sanctions campaign.

In a document sent to the Minister of Trade and Industry last month by a committee comprised of leading members of the export community, government was urged to consult with the private sector on the sanctions issue.

The report estimated that a "compromise" sanctions package — including bans on exports of iron, steel, coal, uranium, and agricultural products — was likely to be introduced by the US, Europ-

ean Community and most Commonwealth countries before year end.

Furthermore, more punitive sanctions — which may affect all SA trade, financial transactions, shipping and aircraft movements — could be mandated under Chapter 7 of the United Nations Charter at the start of 1988.

The report suggested that recent estimates that multi-lateral sanctions may result in more than one-million jobs lost and reduced exports of R3,2bn may have seriously underestimated the eventual

cost to the SA economy.

It was therefore prudent to act well before these developments to limit their likely effects. As a counter measure, an aggressive export marketing campaign was advocated.

Other measures advocated included diversifying exports into alternative markets.

The report also suggested using the dispute settlement and conciliation machinery of GATT to combat countries which use sanctions to gain a trade advantage. However, the effectiveness of that avenue may be limited if sanctions were declared under the UN charter.

# Church urged to disinvest

The Star Bureau

LONDON - The Anglican Church in Britain is under "renewed pressure to withdraw its investments from companies with a financial interest in South Africa.

Clergymen are being asked to sign a petition calling on church commissioners to take more sweeping steps to disinvest.

STAR 30/9/88  
The End Loans to Southern Africa group will present the petition at the general synod in November. The question of investment in South Africa will be high on the agenda.

The Anglican Church is being asked to sell their shares in Shell - which Eltsa claims amount to more than R65 million - and to reduce to below R3 million their shareholdings in the 65 UK companies involved in South Africa.

The petition also urges the 10 British companies most involved in South Africa to formulate a clear, timed plan to withdraw by Easter next year.



# New Jersey in disinvestment spree

20/9/86  
SMK 280

NEW YORK — The State of New Jersey has in the last year sold \$1.5 billion of pension fund investments in companies doing business with South Africa, and has increased the amount it plans to withdraw from South

Africa-related investments from \$2.7 billion to \$4.3 billion

Of the 20 US states that have voted to sell South African investments, New Jersey's programme is the second biggest after California recently

announced plans to sell over \$11 billion of investments

It has been estimated that planned sales by state, city and university bodies in the United States could top \$30 billion over the next

few years.

New Jersey is ahead of many states in its programme of selling South African investments. The programme is due to be completed by August 27, 1988.

According to a report by the state division of investment it is selling stocks and bonds in over 100 companies on a list that is constantly changing.

General Electric, for example, which had been considered a suitable investment has been put back on the blacklist after its takeover of RCA Corporation which has business ties with South Africa.

# Sanctions won't bring liberation Nickel

30/9/86 S.M.K.  
The view that the United States of America should "jump on the sanctions and disinvestment bandwagon" — irrespective of the economic and political consequences — was short-sighted, the outgoing US ambassador to South Africa, Mr Herman Nickel, said today.

Addressing the 30th annual convention of the Institute of Personnel Management in Johannesburg, Mr Nickel said he doubted whether the suffering from sanctions would bring liberation. It would probably produce more polarisation, more violence and misery for future generations.

"Given the abysmal suspicions between the parties, it may well take the assistance of an honest broker to get the process of negotiation started. But, of course, this requires the co-operation and goodwill of both parties," Mr Nickel said.

The US had helped South Africa in "tangible and practical ways". With resources of up to R20 million a year the US had helped in the fields of education, legal assistance and community-based self-help and human rights projects.

Mr Nickel said the Government's "evident impasse" in moving towards a meaningful political dialogue with all black leaders was the "most alarming aspect of the South African scene".

He added: "Any effort, any scheme by one side to impose

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its control on the others, no matter how cosmetically disguised, carries within itself the seeds of continued conflict and therefore is doomed to failure."

Political will, vision and boldness were needed to break out of the deadlock South Africa had reached.

The development of human resources in South Africa was critical to the stability of this country. Mr Nickel blamed the wastage of manpower on the apartheid system.

The "unnecessary" duplication of services, the diversion of resources, a "bloated bureaucracy and the tangle of red tape" had been the source of frustration and anger.

He added that a "great deal needed to be done on an urgent basis" to make better use of human resources in South Africa. During his four-and-a-half-year term as ambassador, there had been much progress in removing discrimination in the work place.

"As an American I am proud that the Sullivan Code played an important role," he said. But, despite some improvements, South African labour productivity was about one third that of the United States.

"Clearly what has been called 'the outdated concept of apartheid' must bear a major share of responsibility for this waste of human and financial resources."



ZIMBABWE

## Sanctions set-back?

Slower growth is forecast for the Zimbabwe economy in 1986-1987 in the latest Standard Chartered Bank *Economic Bulletin*. It predicts growth in GDP will fall to 3,5% this year and to 2% in 1987, from 6,5% in 1985. The bank recalls it warned clients a year ago that the escalating South African crisis was likely to have adverse spillover effects on Zimbabwe's economy.

It says it is impossible to quantify these effects but warns that downside risks are bound to predominate. Nor does it see much stimulus from a sluggish world economy though strong tobacco, gold and coffee prices will help export earnings this year and next.

The main reason for the slowdown in 1986 is the forecast of agricultural growth slowing to 5% from 55% last year — a massive reduction. Last year was a rebound year for the farming sector and although above-average rains were experienced in most parts of the country last season, maize and cotton deliveries will be lower and the main growth will come from tobacco.

The tobacco price is currently averaging Z323c/kg but prices normally weaken towards the close of the sales. To date, some 96m kg of flue-cured leaf have been sold and an estimated 23m kg (almost 20% of the crop) has still to be marketed. Last year, tobacco earned some US\$180m or US166c/kg. With almost 20% of the crop still to be sold, this year the total income is US\$183m and the average price is up 14% at US190c/kg.

The expectation is that the price will slip back to around US185c for the year, which would mean tobacco earnings will be up US\$40m at around \$220m. Lower cotton, beef and maize deliveries will offset much of the tobacco gains, so total farm production

P.T.O.



**Prime Minister Mugabe ... to be hoisted by his own sanctions?**

will rise by about 5%.

Standard sees little growth in mining in 1986. This is mainly the result of a weaker Zimbabwean dollar and a stronger bullion price. Gold is Zimbabwe's second-largest export these days after tobacco.

The bank is also bearish on manufacturing, where it seems growth slowing from 11,5% in 1985 to not much more than 3% this year.

Slower growth is being accompanied by faster inflation. Standard forecasts 1986 inflation at 15% compared with 9% last year. It warns of rising import prices, reflecting the depreciation of the Zimbabwean dollar, faster money supply growth, strong demand at a time of static import quotas and of the costs of diverting trade and traffic away from SA.

The bank sees some "disconcerting" developments on the BoP and fiscal side. It points out that after the splendid recovery in the current account of the BoP in 1984 (when the deficit was slashed to only Z\$100m from more than \$500m previously) the deficit widened modestly last year to around \$150m. At the same time, after reducing the budget deficit to 9% of GDP, the 1986-1987 forecast is for a deficit of at least 12% of GDP.

Just how much the Zimbabwean economy will suffer from the South African sanctions campaign remains to be seen. PM Robert Mugabe continues to toughen his stance against Pretoria at a time when his Frontline State partners — led by President Kaunda of Zambia — are pulling back. Mugabe has said his sanctions will be imposed sometime in the final quarter of the year. Although businessmen certainly won't admit it publicly, there are very real worries that sanctions will lead to reduced import quotas and slower growth next year.

Much is going to depend on the weather. Good rains would be something of a mixed blessing to the extent that the maize stockpile estimated at 2 Mt by early 1987, would grow still further. But this would be a far better outcome than drought resulting in

reduced maize, tobacco and cotton production, and no growth in agriculture. Given the stagnant import quota situation, agriculture will again have to be the main engine of growth for the economy. ■



## THE ECONOMY

LESOTHO'S new military government, headed by Major-General Justin Metsing Lekhanya, is coming to terms with ensuring the country's economic survival amid the increasing threat of trade sanctions by South Africa.

The two countries' economies are closely integrated. Lesotho is a member of the Southern African Customs Union and the Rand Monetary Union, which governs financial flow in the sub-region. South Africa dominates both.

Out of 300 000 foreign black workers employed in South Africa, nearly half (142 000) come from Lesotho.

They comprise 20-25 percent of the workforce on the mines and money sent home by Basotho migrants is estimated to provide 50 percent of the gross national product.

Despite the country's economic dependence, former Prime Minister Leabua Jonathan maintained an opposition to apartheid and a commitment to granting political asylum to South African refugees.

Lately the policy has changed. Since the coup last January, Lesotho has handed over almost 200 refugees to Tanzania and Zambia.

South Africa's partial blockade in January brought home the bitter truth of its dependence on the apartheid state.

# Sanctions? Lesotho's more closely entangled than ever

Nine weeks after coming to power Lekhanya visited South Africa — one of the few African heads of government to do so in many years. Talks with President PW Botha were preceded by ministerial contacts.

South Africa's counter-sanctions threats against its weakest neighbours have led to increased trade talks between Maseru and Pretoria.

One source estimates that every rand spent in Lesotho is "worth 80 cents to South Africa". In the nearby Free State town of Ficksburg, commercial activity is expanding at a rate of 30 per cent a year as a result of cross-border business.

One reason for Ficksburg's boom and the rapid acceleration of "capital leakage" from Lesotho is the rise of migrant remittances following pay rises in the South African mines.

Maseru's new government recognises the importance of this huge capital source. Recently it warned migrants in South Africa against taking part in industrial action organised by the Congress of South African Trade Unions (Cosatu).

Sanctions are having ironic repercussions upon countries beyond our borders. The Free State town of Ficksburg is enjoying boom times thanks to expanding trade with a Frontline state. And South African mining houses are developing lucrative new gold mines which are guaranteed safe from any threat of sanctions. They're in Brazil ...

Lesotho's business community is increasingly anxious about the conciliatory tone of Lekhanya's government towards South Africa and possible negative effects on international aid, which dramatically increased after the 1976 uprising in Soweto.

Jonathan carefully maintained a militant posture in the region to impress Lesotho's international creditors. Between 1966 and 1981 aid rose from \$8.6-million (R21.5-million) to \$48.4-million (R121-million), often on easy terms.

One objective of aid is ostensibly to reduce Lesotho's economic

dependence on South Africa, but there is scepticism that it can achieve this.

Instead it is speculated that this has drawn the South African business attention to the large sums of money now at the Lesotho government's disposal.

Growing economic co-operation between Lesotho and South Africa is indicated by the decision to go-ahead with construction of the \$1.3-billion Highlands Water Scheme. The scheme has been discussed for 20 years, but South Africa was not prepared to pay the price for the water which would have made the project viable.

The scheme will divert water for sale to South Africa from the upper Malibamatso and Orange Rivers (which rise in Lesotho) and generate enough hydro-electric power to meet Lesotho's own energy needs, currently imported entirely from South Africa.

The scheme involves building five storage dams, a 60-mile tunnel through the mountains, three power stations and a pumping station in the north.

It will boost Lesotho's economy immensely. Energy needs for industrial development will be assured, and from 1995 huge earnings will accrue from water sales, while dam building will provide thousands of jobs.

The scheme will open many parts of the highlands, with lakes formed by storage dams providing for water sports and fishing and adding to holiday resort attractions.

Because of Lesotho's vulnerable position, attempts are underway to open up to the rest of Africa.

Last September a new jet-age airport — Moshoeshe International — was opened. Finance came from the European Community, Finland, the OPEC Fund, African Development Bank, and the Arab Bank for Economic Development in Africa.

When fully operational the airport will handle short-range jets like the Airbus and Boeing 737. Lesotho Airways plans to connect with Lusaka, Harare and Nairobi. Air Zimbabwe, Air Botswana and Zambia Airways may extend their routes to Maseru.

If sanctions stop Western-based airlines flying to South Africa, Moshoeshe International could become an alternative connection point to and from Jan Smuts and other South African airports. — Gemini News



SANCTIONS

# Backs to the wall

The compromise deal on sanctions so bitterly thrashed out by the EEC foreign ministers in Brussels provides cold comfort for two of SA's major employers.

It also shows the determination of some Western countries not to be seen to be paying mere lip-service to embargoes on trade (see *Current affairs*).

While some businessmen will take heart from the rearguard fight against coal sanctions — particularly by major trading partner, West Germany, which buys about 2 Mt of South African coal a year — some 150 000 jobs are still on the line.

## Temporary relief

The decision to exclude coal provides a measure of temporary relief for the R5 billion a year industry, which last year exported 44,3 Mt worth some R3,183 billion in foreign exchange.

However, unless the South African government makes some move to meet the West's expectations, opponents of a cut in coal imports will have an even tougher fight when the EEC reviews the position of the fuel six months hence.

The 57,5% of SA's coal exports that go to the EEC are secure only for that period.

Coal exports this year are said to have been cut by about 17%, mainly through unilateral action by France and Denmark.

At the same time, the price has been depressed by the oil glut and pressure from foreign buyers in anticipation of sanctions.

Nevertheless, the Chamber of Mines has warned that sanctions alone, if the threats are fulfilled, will put 40 000 jobs in jeopardy.

And in the metal industry, the Steel and Engineering Industries Federation (Seifsa)

estimates that if sanctions are successfully imposed, around 93 500 jobs — 20% of all employees in these industries — could lose their jobs.

About 47 500 of these jobs are in the basic metal, metal products, machinery and transport equipment sectors, and about 46 000 in ancillary activities.

Seifsa director, Sam van Coller, says the imposition of sanctions is a "serious blow" to the iron and steel sectors.

So far, Iscor is putting on a brave face.

Public Relations manager, Piet du Plessis, says retrenchments are not being considered at the moment, and the corporation will continue to search for new markets.

Europe imports about 4 Mt of iron ore worth R100m — 40% of SA's exports — annually. It also imports 300 000 t of steel, about 10% of total exports.

All eyes now turn to the US, where President Ronald Reagan is considering how far to go along with the Sanctions Bill, already agreed on by both houses of Congress.

No doubt, he will take note of the EEC decision, which seems to make it more likely that he will adopt a tougher stance, particularly in a congressional election year.

A coal ban would hit limited exports of 600 000 t a year, but Japan, in importer of more than 7 Mt a year, will probably follow his lead.

Gencor coal CE, Graham Thompson, is "cautiously optimistic" that the full weight of sanctions will not be implemented by the EEC.

He expects that the whole spectrum of sanctions, from the wholly voluntary to the legally binding, will be implemented by various countries.

However, this week's disagreement makes mandatory sanctions across the board less likely.

He says there will not be any immediate impact on the depressed price of South African coal, which is 10% lower than its nearest competitor, as there is an over-abundance on the world market.

## Price fall

The cost of a ton of coal, fob Richards Bay, has declined from \$32 to \$24 in the last year, mainly because of the falling oil price.

The world price would probably climb sharply if SA was knocked out of the market. It currently produces one-third of the world's internationally traded steam coal and this would have to be replaced by more expensive supplies from the US and Australia.

Amcoal MD, Dave Rankin, predicts that the world price could rise by \$10/t if South African exports were curtailed.

That threat alone is probably the best disincentive that we could have against comprehensive sanctions.

## SORGHUM BEER

# Break-up brewing

Commercial brewers will not have long to wait for the green light to move in on SA's lucrative sorghum beer industry, worth an estimated R400m a year in sales.

Plans to privatise the breweries, formerly the main revenue source of the now defunct black administration boards, are well advanced. Volkskas Merchant Bank is preparing the offer documents, and MD Jean Brown says he hopes to meet the deadline of going to the market by April next year.

Enabling legislation was due to go through parliament this year, but has been held up. A spokesman for the Sorghum Beer Committee says the delay will make no difference to the privatisation plans, as the legislation is likely to be enacted early next year.

Originally, the plan was to privatise the breweries on a phased basis to allow government to keep a limited equity position and avoid dumping the 14 or so breweries on the market at one time.

Now, however, the thinking is that the breweries, already consolidated into eight separate consortia, should be consolidated further and offered for sale on a tender basis to private sector brewing interests which are keen to get a foothold in the sorghum beer market.

Brown admits the proposals "won't suit everyone" — particularly those who are keen

## BIDDING FOR CASH

Financial publication *Finance Week* is going for a rights issue, ending weeks of speculation on how it would raise capital for marketing and expansion after a tumble in its circulation.

Editor Alan Greenblo says the issue, underwritten by Rand Merchant Bank (RMB), is expected to raise R600 000 — increasing share capital five-fold. The plan, he says, is for RMB to place the new shares "in friendly hands" over a period of time.

Stewart Murray, a founder of the magazine who holds some 16% of the present share capital, will warehouse his shares with RMB and become non-executive

chairman of the company.

Audit Bureau of Circulation figures just released show that the publication's sales in the January-June half-year averaged 13 649 a week, a 7,7% fall on the previous six months and 5,5% below sales in the first half of last year. In May *Finance Week* increased its cover price from R1,12 to R2 an issue, including tax.

The *FM*'s average sale in the first half of this year was 32 106 a week, 2,1% down on the previous six months but 4% up on the figure for the corresponding period last year. During this period, the *FM*'s tax-inclusive cover price increased from R2 to R3.



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## SANCTIONS

# The writing on the wall

South Africa is on probation. After years of threats, the sanctions door has been slammed on at least some of SA's major exports by some of the most powerful trading nations in the world. And the US seems certain to follow the EEC and Japan at least some of the way down the sanctions path.

Initial assessments of the limited packages already agreed are that they will hurt, but the effects will be far from terminal for any sector. The message is, however, clear: it's now up to the South African government to be seen to be moving forward on the critical political issues facing the country if it is to avoid more punitive measures.



Sam van Coller

Whatever comfort South African businessmen may take from the fact that both the EEC and Japan exempted coal and important iron and steel sector products from the boycott, it cannot be disputed that sanctions will hurt and they will be intensified unless there's political progress.

The initial cost of moves against iron, steel and Krugerrands can be measured in millions — hardly a body blow when the value of total exports, excluding bullion, jumped by 42.2% in rand terms to R36,4 billion last year. In 1985, exports of the steel products covered by sanctions were worth some US\$105,6m from EEC countries and \$196m from Japan. Worldwide Krugerrand sales, have, of course, already slumped heavily.

The cost to SA's economy of the ban on new investment is still impossible to quantify, largely because of varying definitions of "new investment" throughout the EEC. Japan, of course, has had regulations for years banning direct investment.

Furthermore, it has not yet been decided whether new investment and gold coin sanctions will be implemented at EEC, or national level. Britain's Foreign Office says their guidance is that new investment will apply only to direct investment. It will not, for instance, prohibit the reinvestment of remittable earnings by South African subsidiaries of UK companies or to portfolio investment.

Asked whether UK investors would be barred from subscribing to rights issues by UK companies,

It would be too easy to scoff at the moderated sanctions packages coming our way. Without serious political negotiation between representative blacks and whites, the crisis in South Africa is likely to intensify as world opposition to apartheid grows into a fullscale moral crusade.

or whether a South African Eurobond issued by a Swiss Bank — hypothetical at present — would represent direct or portfolio investment, an official could only say: "These are the kind of questions we have to sort out." Nobody seems in any great hurry, particularly as the UK announced a voluntary ban on new investment and tourism promotion at the Commonwealth meeting more than six weeks ago.

Similarly, the French, who banned coal imports last year, have done little on the investment curb. The FM has been told there's "complete confusion" over the investment ban, which was never precisely defined.

Moves by Washington and Bonn in the same area will be closely watched.

Effective and wide-ranging investment curbs would push the cumulative cost of sanctions — if they were maintained for any length of time — into critical areas. The loss of even some jobs in sanction-hit industries,

at a time when Pretoria admits that it needs to create 300 000 jobs a year just to keep pace with population growth, adds a dangerous new element.

But perhaps the most serious implication of the EEC's sanctions is that they've been imposed at all. As Sam van Coller, director of the Steel and Engineering Industries Federation, says: "Once the door has been opened it will be that much easier for other countries to follow suit." Now that the EEC has acted, it will be easier for the grouping to exert pressure on other countries in which it has influence.

With the framework in existence, sanctions can be extended more easily to other sectors and gaps in the net will be more quickly sewn up. The move will encourage anti-South African lobbies throughout the world to step up demands for their own governments to follow the lead of the big powers.

In this scenario, the steps to be taken by the US are critical.

Whether or not the US Congress overrides President Ronald Reagan's sure-to-come veto of South African sanctions legislation will not make much of a difference where it really counts — in US corporate boardrooms.

While Washington politicians last week debated the merits of the White House going head-to-head with Congress over the issue of sanctions, the process of US withdrawal from South African affairs continued independent of the legislative stand-off.

Coca-Cola, once the US's second largest employer in SA, announced it was cutting ties in protest against apartheid. The cool-drink manufacturer joined a long list of US companies who have pulled out in the past year — but it was the first to cite political reasons for doing so. The company said it would sell its operations in the Republic, including a 30% stake in Amalgamated Industries Ltd, to a group of unnamed black businessmen.

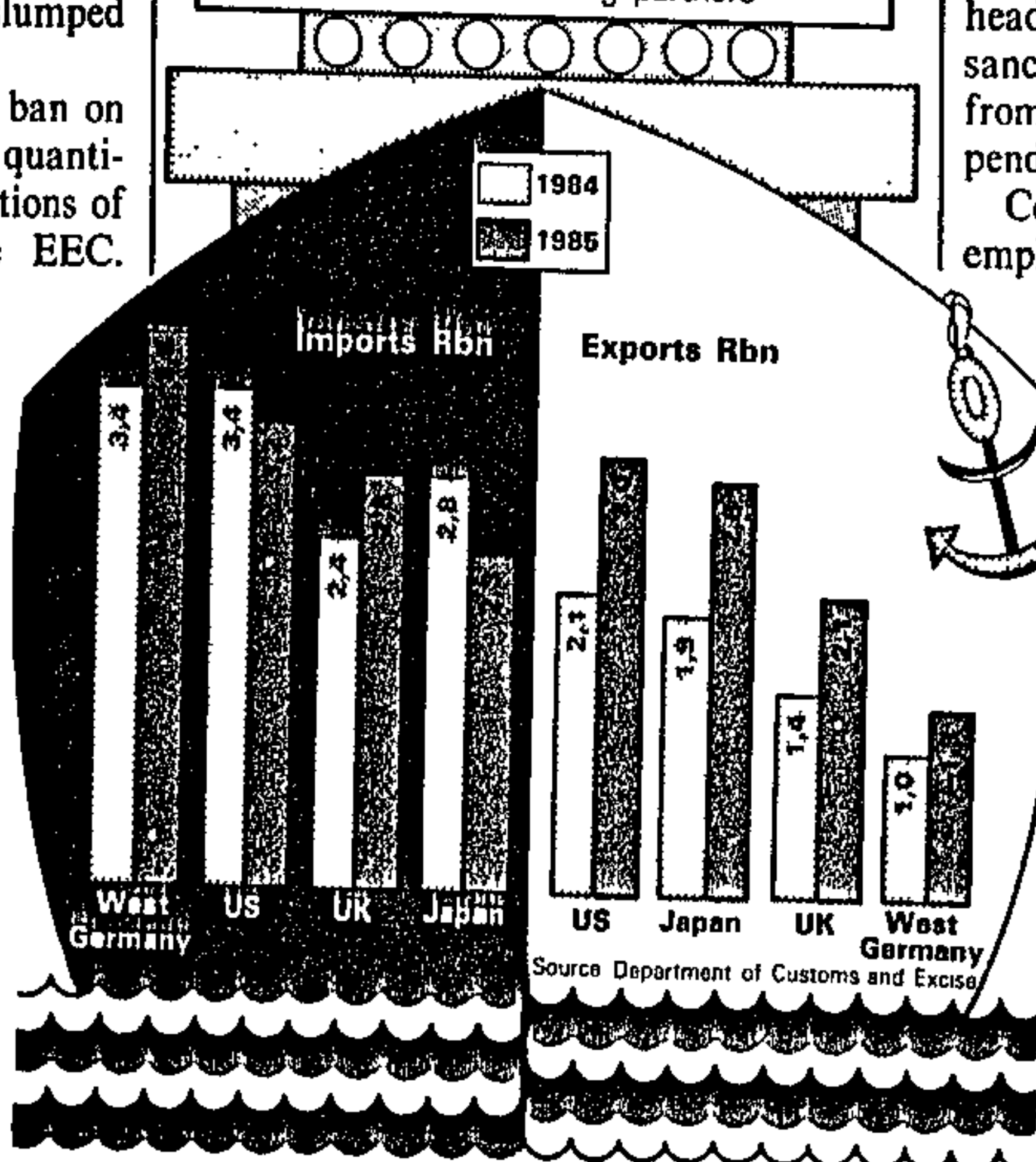
The Atlanta manufacturer's decision to back out of SA illustrated the obvious — no matter what happens in Washington, US companies will continue to feel the pressure from activist shareholder groups which have kept US corpor-



Coretta King

### Buyers and sellers

SA's main trading partners





ate operations in SA in an embarrassing spotlight.

One irony in all of this is that another Atlanta force, Coretta Scott King, returned from SA last week with what appeared to be a less-than-firm commitment to sanctions. The widow of slain civil rights leader Martin Luther King told reporters that sanctions must be complemented by massive economic aid to SA's neighbouring states if they are to work. Reagan might go along with this.

Reagan, as much as he is opposed to US

withdrawal, cannot stop the US corporate exodus; but he can try and halt a weakening of Washington's official connections. By September 25, the president must either veto the House and Senate sanctions legislation, or sign it. The congressional sanctions bill includes a total cutoff in future US investment in SA, and prohibits South African imports of uranium, coal and textiles, among other punitive measures.

Chances are that Reagan will veto the measure, and at the same time announce a series of mild additions to his executive sanctions order, which

few believe will be strong enough to dissuade enough members of Congress from voting for an override.

The president is expected to limit SAA landing rights and impose a few other harmless sanctions; as well as appointing a black foreign service officer — Liberian Ambassador, Edward J Perkins — as the new US envoy to SA; and send Secretary of State George Shultz to Pretoria next month.

The Shultz stopover and the appointment of Perkins are designed to underscore the Reagan administration's commitment to dialogue with the Pretoria government and its desire to increase talks with black opposition leaders. The symbolic sanctions, which may follow the EEC's watered-down version, will add to the executive order Reagan signed last year banning Kruggerand sales in the US. The president's aides, have, however, indicated that he has still not decided whether to include, as the Common Market package did, a ban on South African iron and steel imports.

Congressional sources say the president must include all the measures approved by the EEC and more, or he will be overridden. For one, Republican Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, promised House leaders earlier this month that he would fight for an override even if Reagan strengthens his

executive order. House Democrats cast aside their own tough piece of sanctions legislation and adopted the Senate's milder version only after Lugar agreed to work for an override should the President veto the bill.

Certainly, Congress appears to have the two-thirds majority needed to throw out Reagan's veto — the Senate originally passed the bill 84-14, while the House mustered a 308-77 landslide — but this is an election year and *anything* could happen between now and October 3, when Congress adjourns for the campaign season.

Reagan feels so strongly about sanctions against SA that even his aides cannot convince him to give up the fight against what everyone else perceives as a losing battle. However, his instincts have served him well before and may do so again. With the help of a little election year arm-twisting, the president may be able to convince enough Republican senators to back him.

Locally, it has come as some relief to coal producers that Japan announced its sanctions moves, in broad outline, immediately

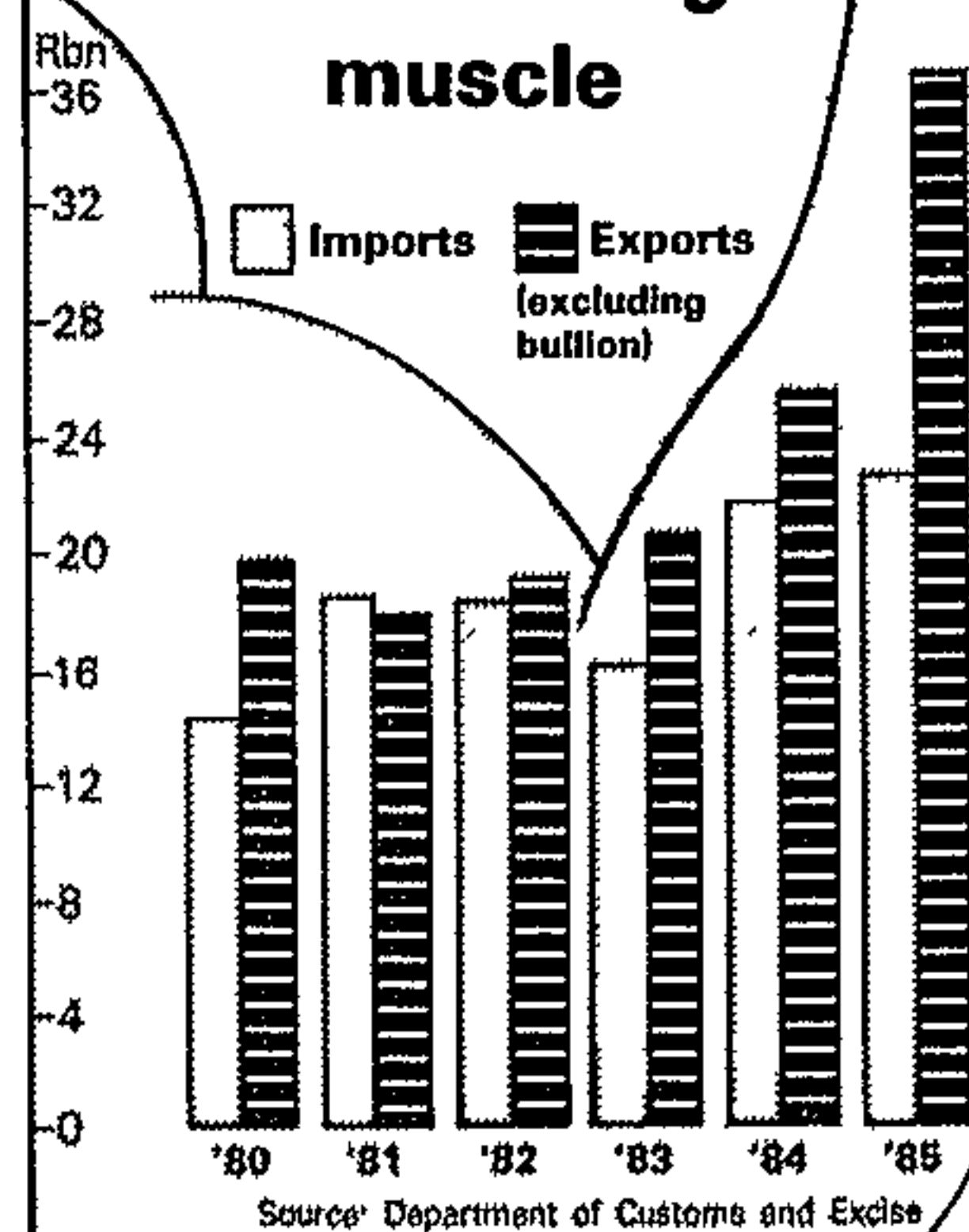
after the EEC decision rather than wait for the US. If the US decides to ban coal imports from SA, exports of some 600 000 t a year will be hit. But if Japan stopped its coal imports, sales of 7 Mt a year would be lost.

Certainly Transvaal Coal Owners Association MD Les Weiss sees the EEC's decision to review the situation on coal imports in six months as providing some breathing space: "Provided nothing dramatic happens in SA, the chances are that we will be able to



**TCOA's Weiss ... business as usual?**

## SA's trading muscle



continue business as usual to a large extent."

Weiss believes that foreign buyers with the threat of sanctions hanging over them will be unlikely to increase purchases at this time because of the short-term view they'll inevitably take of the trade. But at least coal producers still have a foot in Europe.

The EEC takes about half of SA's total coal exports, which were worth nearly R3.2 billion last year. The loss of this market would push the cost of sanctions to SA into the billions bracket, but it would also put the jobs of 40 000 miners, and the living standards of 200 000 dependants on the line.

The imponderable remains: we now know Pretoria's schedule of limited reforms, and may have a general election which could give P W Botha, and his successor, a wider mandate than even he may expect. But will that be enough for the world? It seems unlikely. And if sanctions pressure intensifies, the prospect for peace in southern Africa will diminish. We have not yet seen the wrath of the *bittereinders* of the Eighties. ■

## THE FINE PRINT

The US Congress decision could include:

- A ban on agricultural products, iron, steel, uranium, coal and textiles;
- An embargo on the export to SA of crude oil and refined petroleum products from the US;
- No new investment in South African companies, although short-term trade credits are allowed and profits from on-going business in SA can be re-invested;
- Imports from companies owned or controlled by the government or State corporations will be barred;
- Landing rights for SAA would be cancelled; and

- Use of US banks by South African diplomatic and government personnel in the US would be restricted.

Additional measures to be implemented, if no significant progress towards the elimination of apartheid is made, could include prohibition of US military aid to countries that supply SA with military goods, and a ban on US imports of strategic materials.

All sanctions would be terminated should SA free Nelson Mandela, lift the State of Emergency, legalise democratic political parties, and release all political prisoners.



1986

# SANCTIONS

## October

# EPG 'could still play broker role'

Political Staff

THE Commonwealth's Eminent Persons Group could still play a role as an honest broker in negotiations between black and white South Africans, according to one of its chairmen, General Olusegun Obasanjo.

He said sanctions were the only option short of violence which would be effective. Violence would result in "colossal waste of life and property" but sanctions would hit ordinary white citizens who would in turn pressurize the government to change.

However, blacks "wouldn't come running" if, after sanctions, Pretoria wanted to negotiate.

For this reason, a body would be needed to arrange talks and the EPG should be made dormant, but not extinct "because we are a body that knows South Africa reasonably well".

The other EPG chairman, Mr Malcolm Fraser, said that if the Commonwealth and the United States did not introduce positive, sharp moves to bring pressure to bear on South Africa, black leaders would decide they were "on their own, that there is no substantive support for their cause from the West — and this is a great betrayal and a great tragedy if it works out this way".

Mr Fraser, the former Australian prime minister, also said the government had turned sharply against negotiation when they realized that both Mr Nelson Mandela, the jailed ANC leader, and Chief Mangosuthu Buthelezi, the Chief Minister of Kwa-Zulu, wanted a united black view at the negotiating table.

"The government couldn't cope with it. They couldn't understand it."

Both EPG chairmen gave their views in question-and-answer interviews in the latest issue of Africa Report, the US-based magazine.



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★Cape Times, Wednesday, October 1 1986 3

## Residents 'against' open beaches

**Municipal Reporter**

A DELAY in the opening of Bloubergstrand and Melkbosstrand beaches to all races was approved by the Divisional Council yesterday after 641 local ratepayers and residents signed a petition against open beaches there.

At last month's meeting, the Divisional Council approved a motion that its beaches should be upgraded, if finance was available, so that they could be opened to people of all races in an orderly fashion.

Yesterday, Divco agreed that the delay in opening Bloubergstrand and Melkbosstrand beaches was not only due to lack of finance, but also "in consideration of the objections of ratepayers". It is not expected that the

beaches will be opened this season.

Mr P J Grobbelaar said he thought no injustice would be done if the status quo was maintained on those beaches.

"I know there are differing interpretations of democracy, but those 641 people form a high percentage of the residents there," he said.

Mr Stuart Collins suggested that any subsidization of amenities at the beaches should be withdrawn until they were opened, but Mr Louwtjie Rothman, the chairman, shot down this suggestion.

"That argument cuts both ways," he said. "Goodwood (which has no beaches) will want to withdraw its contribution too."

Post Correspondent

CAPE TOWN — The Cape has been hardest hit by a general decline which has cost thousands of employees in the hotel and related industries their jobs.

The situation has been severely affected by the drop in overseas visitors, as well as a fall off in local support.

This information is contained in a report by the Central Statistical Service in Pretoria, and a memorandum by the South African Tourism Board.

Although the industry as a whole picked up during winter, it still showed a decline against last year, with the Cape suffering one of the largest decreases.

But, significantly, inland resorts recorded increases — an indication that generally, holiday-makers are cutting out excessive travelling because of the economic recession and are motoring to resorts which are not far away.

According to the Central Statistical Service in Pretoria, although the hotel occupancy rate for June 1986 was 14 percent lower than for June 1985, a

# Cape hotels take the worst knock

seasonal improvement of 11,3 percent was noted compared with January this year.

The average occupancy rate for all hotels from April to June this year was 34 percent compared with last year's 38,9 percent.

Three of the nine tourist areas recorded increases in occupancy for June 1986 compared with the same month last year. These areas were mainly inland resorts.

The Cape suffered one of the largest overall decreases — 21,1 percent.

Other major decreases were on the Witwatersrand (33,7 percent) and the Free State (19,5 percent).

Meanwhile, thousands of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors to South Africa.

This is shown in a memorandum submitted by the South African Tourism Board to the economic affairs committee of the President's Council.

The committee, now sitting in Cape Town, is hearing evidence on job creation.

The memorandum says that in "good years" the hotel industry provides between 60 000 and 85 000 jobs. This figure has dropped to about 55 000 as a result of the decline in

the number of foreign visitors.

About 10 per cent of people presently employed in the industry are white.

The memorandum says that between 40 and 50 per cent of employees were in the semi-skilled category. In the non-hotel accommodation industry the figure was between 60 and 70 per cent.

Large numbers of people in these and related industries lost their jobs as a result of the poor economic climate and the decline in the number of foreign visitors.

The memorandum says there are 1 321 registered hotels in South Africa with a total of 91 362 beds.



# U S actions 'not those of enemy'

Mercury Correspondent

JOHANNESBURG—It would be unfortunate if measures meant to express the U S's frustration and indignation over the denial and abuse of fundamental human rights in South Africa were seen by the Government as the actions of an enemy.

But indiscriminate punitive sanctions would be a shortsighted move, said U S Ambassador to South Africa, Herman Nickel, speaking at the 30th annual convention of the Institute of Personnel Management yesterday. It was his last speech before he leaves his South African post this month.

The U S had been told that the only way to gain black confidence was to jump on the sanctions and disinvestment bandwagon irrespective of the economic and political consequences for SA and this region,' he said.

But when it became clear that the suffering it would

lead to did not produce liberation but more polarisation, more violence and misery, 'I doubt there will be a great deal of gratitude for those who advocate or implement these sanctions now,' he said.

He said the U S, to help the peace process, would have to engage all the parties while accepting that it would have to endure suspicion and criticism from them.

But the impasse in moving towards a meaningful political dialogue between the S A Government and representative black leaders was alarming, Mr Nickel said.

In spite of reform, the fact remained that in South Africa today compulsory group membership and race classification determined where one could live and own property.

The complexity of the South African problem could not be allowed to become an excuse for procrastination, he said.

Argus 1/10/87 (280)

## 'Sanctions draw out apartheid' Eglin warns

The Argus Foreign Service

HAMBURG. — Progressive Federal Party leader Mr Colin Eglin has told a gathering of international economic experts here that sanctions against South Africa would prolong rather than shorten the life of apartheid.

## Kinnock's pledge on sanctions

The Argus Foreign Service

LONDON. — Mr Neil Kinnock has promised that harsh, punitive sanctions would be imposed on South Africa if he gets to Downing Street.

The Labour Party leader's keynote speech to the party conference in Blackpool received a tumultuous ovation.

While apartheid remained, none of the people of South or Southern Africa would be really free, no one in the white minority would enjoy real security, and the black majority would have nothing approaching liberty, he said.

"That is why we want to hasten the day of change. And the lever we choose for that is strict and strong sanctions, for they are the only practical means of trying to promote an end to apartheid that is not soaked in the blood of millions.

"We will fulfil that obligation."

Mr Eglin gave his address as part of the Friedrich Naumann Stichtungs seminar on free trade and protectionism.

In an interview later Mr Eglin urged the Western world to keep criticising South Africa. The country should be constantly reminded that apartheid was unacceptable, he said.

But the imposition of sanctions would destroy the dynamism of the economy — "one of the most potent instruments for change".

Mr Eglin said sanctions would increase rather than decrease the level of violence and repression in South Africa.

"What is more, sanctions will reduce the prospects for replacing the present apartheid society with a new society which will respect human dignity, liberty and parliamentary democracy and the rule of law."

Mr Eglin's message was that "fundamental change cannot be imposed from outside".

He pointed to the changes taking place within South Africa. They were there, "however small", and they should be encouraged and strengthened.

"It would be ironic if the substance of apartheid was to live on for millions of South Africans because outsiders, in their attempts to abolish the laws of apartheid, destroyed the economy and with it the potential for socio-economic reconstruction of South African society."



# Last minute bid to ease embargo

LONDON — President Reagan and the British Government are still trying to prevent a general economic embargo of South Africa.

Mr Reagan has proposed new sanctions against SA and nominated a black as ambassador to Pretoria in what appears to be a doomed bid to avoid a major foreign policy defeat in Congress.

Meanwhile, the British Government told Commonwealth representatives in London it did not believe apartheid could be ended by sanctions that would ruin the Republic's economy and restated its policy against a general economic embargo.

Foreign Secretary Sir Geoffrey Howe told the Commonwealth Parliamentary Association's an-

nual conference yesterday: "We oppose violence by either side, and we do not believe one can defeat apartheid by wrecking South Africa's economy."

"A bankrupt South Africa is no legacy for the majority who will one day control it."

Describing apartheid as "evil" he said his government shared the belief that it must end.

"The South African people themselves will bring it about, but the rest of the world can help to encourage political reform there," he said.

In Washington the opposition Democrat-led House of Representatives has rejected Mr Reagan's overtures, voting overwhelmingly on Monday to overturn his veto of a tough congressional sanctions Bill.

And, barring any additional last-ditch efforts by Mr Reagan, even the Republican-dominated Senate looks likely to follow suit when it votes on the veto.

"The (SA) Government has made clear that anything less than the congressional Bill would be a victory," said Republican Senators Mr Richard Lugar and Miss Nancy Kassebaum.

"Regardless of what the United States says or how many executive (presidential) orders are issued, we would be perceived as apologists for apartheid," Mr Lugar, of Indiana, and Miss Kassebaum, of Kansas, said in a statement yesterday.

The two, who played key roles in drafting the tough sanctions bill vetoed by Mr Reagan last Friday, are leading the

Republican revolt in the Senate against what they view as Mr Reagan's failed SA policy.

The president proposed what he called strong new sanctions against the Pretoria Government in a manoeuvre he used successfully last year to avert congressional passage of stiff sanctions.

Mr Reagan's new executive order would ban imports of iron and steel, bar new investments and prohibit the SA Government from holding US bank accounts.

Earlier this month the president extended for another 12 months the limited sanctions he imposed last September in an executive order, including a ban on imports of gold coins and exports of computer and nuclear technology to Pretoria. — Sapa-AP

# Veto: Shultz warns US Senate

**Dispatch Correspondent**  
WASHINGTON — In an attempt to save President Ronald Reagan's sanctions veto from a Senate override, the Secretary of State, Mr. George Shultz, yesterday warned Senate leaders that they were undercutting the President's ability to negotiate at the forthcoming summit with the Soviet leader, Mr. Mikhail Gorbachev.

At the same time, Mr. Reagan made it official that South Africa was going to get its first black American ambassador, Mr. Edward Perkins, the 58-year-old State Department veteran who is currently envoy to Liberia.

Mr. Shultz, in a crisis meeting with Senate majority leader Senator Robert Dole aimed at heading off the override, said "it wouldn't be any help when the President sits down with Gorbachev if he was clobbered by Congress," Senator Dole reported.

Republicans were meanwhile fighting each other over South Africa as a top White House official publicly denounced the chairman of the foreign relations committee, Senator Richard Lugar, for his refusal to back President Reagan's veto.

The White House communications director, Mr. Patrick Buchanan, told cheering conservatives that Senator Lugar "wouldn't be chairman of anything were it not for President Ronald Reagan." How sharper than a serpent's tooth it is to have a thankless child.

Senator Lugar, in an article in the Washing-

ton Post co-authored with Senator Nancy Kassebaum, said that if the Senate sustained the veto, "regardless of how many executive orders are issued... we would be perceived as apologists for apartheid."

Mr. Buchanan's attack appeared to backfire as Republican senators reacted angrily to the sanctions vote becoming a litmus test of loyalty to President Reagan. Said one staff member: "Buchanan must understand this is one area where we don't want to be loyal."

The Democrat-controlled House of Representatives voted 313 to 83 to override the veto late on Monday night, despite a last minute compromise offer by the President. A similar, though less lopsided result is expected in the Senate today.

President Reagan said that he would implement a slightly strengthened version of the European Community sanctions package that would include a mandatory ban on new American investment except to black-owned businesses and firms operating under a Sullivan-type fair employment code.

Senator Dole said he expected the offer would win a "few" of the 34 votes needed to save the veto, but administration head counts yesterday indicated the White House was still well short of the target. "I'd say we're still in the low to middle twenties," one official said.



# A bankrupt SA 'is no legacy for the majority'

LONDON. — The British Government told Commonwealth representatives in London yesterday it did not believe apartheid could be ended by sanctions that would ruin the Republic's economy, and re-stated its policy against a general economic embargo.

The British Foreign Secretary, Sir Geoffrey Howe, told the Commonwealth Parliamentary Association's annual conference: "We oppose violence by either side, and we do not believe one can defeat apartheid by wrecking South Africa's economy."

"A bankrupt South Africa is no legacy for the majority who will one day control it."

Before he addressed the conference, the Foreign Office Minister of State, Lady Young, had detailed to delegates from the 49 Commonwealth parliaments the limited measures Britain had al-

LONDON. — One African in four depends on food supplies from outside the continent, the British Foreign Secretary, Sir Geoffrey Howe, told delegates from 49 Commonwealth governments yesterday. He listed food shortage as one of the world's major problems. He said huge surpluses co-existed with terrible shortages, particularly in some parts of Africa. — Sapa

ready introduced against South Africa.

"These steps leave no doubt of our views. But we do not agree that it would be right to adopt more general economic sanctions. These would only do serious damage to the livelihoods of people in South Africa, its neighbours and in Britain without bringing about the political

change we all want to see," she said.

Most Commonwealth governments favour comprehensive sanctions, although many have no trade links at all and others only minor economic connections. They believe Britain holds the key to a trade embargo and the Prime Minister, Mrs Margaret Thatcher, has resisted strong pressure to go along with the majority.

When she addressed the conference last week, Mrs Thatcher delivered an oblique warning to the Commonwealth that she had had enough of their demands.

Yesterday Lady Young backed her position. "It is a hallmark of the Commonwealth that discussions should be conducted with full respect for each others' views." — Sapa

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# Cadswep buys Bromor for R22,3m

CADBURY Schweppes (Cadswep) has acquired Murray & Roberts Holdings' Bromor Foods division — which makes and markets well-known brand name products Oros, Lemos and Moirs — for R22,3m.

The interesting part of the deal is that Anglovaal Industries' wholly-owned subsidiary Bakers SA will get a 17,6% interest in Cadswep's equity, as the 1,1-million shares to be issued to M & R at a price of R20 a share are being passed on to the Anglovaal food investment holding company.

The UK holding company's 64,4% interest in Cadswep will be reduced to

53,1% after approval of the transaction.

Cadswep Md Peter Bester said the deal should not be seen as disinvestment by the UK company as it now has a holding, although smaller, in a broader-based confectionery and soft drinks group.

The purchase price will be satisfied by the issue of Cadswep shares at a premium of 275c on the current market price of R17,25. M & R — which needs cash, not shares — asked Cadswep to find a taker. The Anglovaal group was a willing buyer as the 17,6% holding in Cadswep slots in

with Bakers' extensive food interests.

Bester says the Bromor division will increase Cadswep's earnings by 10% this financial year, which ends on January 3, 1987. As well, net asset value will be increased by about 3%.

The Bromor division's brand names will complement and broaden those in the Cadswep fold and contribute a better balance in group earnings. In particular, the acquisition will enhance its position in the soft drinks market.

The Bromor division has a strong management team and will continue to run as a separate entity.

LIZ ROUSE



# US giant sells its SA stake

BAXTER-TRAVENOL, giant American pharmaceutical conglomerate, has announced the sale of its 40% stake in its SA subsidiary, a Washington research group said yesterday.

Travenol sold its interest in Sabax-Keagrams, a pharmaceutical company that employs 886, to another SA company, according to Alison Cooper, an analyst at the Investor Responsibility Research Centre (IRRC).

The US company also sold its small, wholly owned AHSC unit, she said. Details of the sales, including the names of the buyers, were not available.

Baxter-Travenol's announcement brings to 20 the number of US corporations that have disinvested from SA operations so far this year.

Cooper said Procter and Gamble, a consumer goods conglomerate, had announced it would sell its Richardson-Vicks SA subsidiary.

Procter and Gamble acquired the local unit as part of its takeover last year of Richardson-Vicks in the US.

11/10/86 640 DMV 280

# British airlines compete for Botswana licence

TWO British airlines — British Caledonian Airways (BCal) and British Airways (BA) — are competing for the licence to provide Botswana with direct flights to Europe.

BCal applied to the British Civil Aviation Authority for a licence on the basis of providing Botswana with

THELMA TUCH

its first intercontinental air service.

However, BA objected to BCal's application and has submitted its own application. The authority held a three-day hearing on the matter last week. And its decision on which air-

line will get the licence is expected in about a month.

BCal Southern African manager Jeremy Marquand said yesterday that while BCal wanted to provide a service to the Botswana population, BA's plans were aimed at using Botswana to by-pass any restrictions on its services to SA.



# Sanctions could play havoc with insurance

SMK  
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By Michael Chester

The insurance business in South Africa would face "havoc" if its international financial links became ensnared in full-scale sanctions, an expert has warned.

Mr Robert Shaw, a director of Quest Insurance Advisory Service, sounds the warning in the latest edition of the insurance journal *Portfolio*.

While it might be possible for various other business sectors to take a go-it-alone option, "it is simply not on for insurance", he writes.

"For one thing, insurance worldwide is internationally and almost inextricably intertwined. For another, some 85 percent of South Africa's insurance and reinsurance capacity is under foreign control.

"A viable insurance industry based on South African resources alone is inconceivable. The local industry is unable to generate enough capacity to satisfy demand.

"We cannot regress into isolationism. Despite talk of some state enterprise to assist in carrying part of the reinsurance risk, international capacity will always be required. No First World nation has yet managed to insure all of its exposure within its own boundaries. It is certainly not possible for the South African economy, with its mix of First and Third World elements."

Problems in South Africa were compounded by its exposure to formidable claims stemming from natural catastrophes such as droughts, hailstorms and cyclones.

Weighing the chances of sanctions, Mr Shaw writes: "While other industries can use stockpiles, substitutes, alternatives, recycling, and even the exploitation of other resources, if access to sources is denied, similar options cannot readily be incorporated in strategic planning within the insurance industry."

"It is clear that there can be only one answer to the question 'Can the world cancel South Africa?' It is yes."

Moreover, it would not require a comprehensive and orchestrated campaign. Britain, Germany and Switzerland alone, acting in concert, could throw the local insurance industry into total disarray — "even strangle it." Whether they would do so, however, was the great imponderable.



Mr Gavin Relly . . . 'A developing South Africa will be a catalyst for growth on our sub-continent.'

## Sanctions will retard reform, says Relly

The imposition of sanctions would retard the process of political reform in South Africa, the chairman of the Anglo American Corporation, Mr Gavin Relly, said yesterday.

At the opening of the first phase of a hostel complex at the Moshoeshoe II High School at Matsieng, outside Maseru, Mr Relly said the South African Government and the business community would have to concentrate on alleviating the "hardships and miseries" which foreign pressures would "inflict on the poorer sections of our people".

"Reform is expensive," said Mr Relly, "and the policies of the international community in relation to sanctions will, I fear, contribute to revolution rather than assist evolution. It really is in the interests of all South Africa's neighbours that the South African economy remains healthy and does not at-

rophy to an economic wasteland."

South Africa should develop its "post-apartheid economy" as soon as possible, stressed Mr Relly.

"A developing South African economy will provide a catalyst for the growth of our sub-continent. This will have positive effects on economic relations between the countries of this region.

"It is in South Africa's own interests to know that its neighbours' economies are stable and growing and, with the hope of the demise of apartheid and the ushering in of a new society, I am certain that a new concord among all the states in this region can be achieved.

"I look forward to the day when Pretoria and Maseru exchange ambassadors, when it will be possible for us to share more in our respective countries' strengths and try to eliminate some of our weaknesses."



BUSDAY 11/10/86  
(280)  
'Ruining economy won't end apartheid'

# UK govt restates sanctions stand

LONDON — The British government told Commonwealth representatives here yesterday it did not believe apartheid could be ended by sanctions that would ruin SA's economy, and restated its policy against general sanctions.

Foreign Secretary Sir Geoffrey Howe told the Commonwealth Parliamentary Association's annual conference: "We oppose violence by either side, and we do not believe one can defeat apartheid by wrecking SA's economy."

"A bankrupt SA is no legacy for the majority who will one day control it."

Calling apartheid "evil", Howe said his government shared the belief that it must end.

He said: "SA's people will bring it about, but the rest of the world can help to encourage political reform there."

Earlier, Foreign Office Minister of State Lady Young had detailed to delegates from the 49 Commonwealth parliaments the limited measures Britain had already introduced against SA.

She said: "These steps leave no doubt

of our views. But we do not agree that it would be right to adopt more general economic sanctions. These would only do serious damage to the livelihoods of people in SA, its neighbours and in Britain without bringing about the political change we all want to see."

Young repeated her government's conviction that what she called "the SA problem" would be solved only when blacks and whites sat down peacefully at the negotiating table.

So far, British Prime Minister Margaret Thatcher has resisted strong Commonwealth pressure to go along with sanctions. Last week she delivered an oblique warning to the conference that she had had enough of Commonwealth demands.

Young backed her position. She said: "It is a hallmark of the Commonwealth that discussions should be conducted with full respect for each other's views."

"Those who fail to understand this, and who only seek to accentuate any differences, do nothing to bring us together." — Sapa.

# Kinnock gives sanctions pledge

The Star Bureau

LONDON — Labour Party leader Mr Neil Kinnock has repeated his demands for tough and punitive sanctions against South Africa and promised they will be imposed if he gets to Downing Street.

In his keynote speech to the party conference in Blackpool, his attack on apartheid — “truly a crime against humanity” — and his criticism of United States policy on Nicaragua stirred his audience.

While apartheid remained, none of the people of South or Southern Africa would be really free, no-one in the white majority would enjoy real security, the black majority would

have nothing approaching liberty and none of the neighbouring countries would be able to live in lasting peace, he said

“That is why we want to hasten the day of change. And the lever we choose is strict and strong sanctions against South Africa — for they are the only practical means of promoting an end to apartheid that is not soaked in the blood of millions.”

Mrs Thatcher, Chancellor Kohl and President Reagan had refused to impose robust sanctions because they said it would be immoral

Mr Kinnock said he heard a different voice. It came from the townships and homelands, from the churches and trade unions, from Nelson Mandela in prison and from Desmond Tutu in an archbishop's palace. That voice said “Shorten the day of bloodshed.”



# US House votes to override Reagan veto

WASHINGTON — The US House of Representatives voted overwhelmingly to override President Ronald Reagan's veto of a Bill imposing economic sanctions on SA.

In a 313-83 roll call, 81 Republicans joined 232 Democrats in opposing Reagan, after an hour of tepid debate. Seventy-nine Republicans and four Democrats voted to sustain the veto.

Representative William Gray (Democrat), a House leader in the sanctions fight, disputed the Reagan administration's argument that sanctions would punish SA's blacks, saying that "sanctions may hurt, but apartheid kills".

Pro-sanctions members of Congress say they want to use sanctions to pressure Pretoria into dismantling apartheid and negotiating with black leaders.

The Republican-controlled Senate, which could vote on the President's veto as soon as today, is also expected to oppose the White House.

In a letter to congressional leaders on Monday, Reagan offered to impose, by executive order, certain sanctions on Pretoria, if Congress upheld his veto.

But an aide to Senator Richard Lugar (Republican), chairman of the Senate Foreign Relations Committee, said the President's offer was too little, too late.

He predicted that the White House manoeuvre would fail to attract enough votes to thwart the override.

Two-thirds of the members voting in each chamber are needed to override a veto. — AP-DJ.

Senate gears up to override sanctions veto

# Reagan needs 'miracle' to avoid defeat

By Neil Lurssen, The Star Bureau

Washington

President Ronald Reagan is still about 10 votes short of the 34 he needs to avoid a humiliating defeat in the United States Senate over his veto of sanctions on South Africa.

White House officials are lobbying furiously for support — but are almost out of time. The issue is expected to go to the vote later today — or tomorrow at the latest.

In what may have been an attempt to persuade some undecided Senators to support his veto, President Reagan yesterday announced the nomination of Mr Edward Joseph Perkins, a black career diplomat, as the next US Ambassador to South Africa.

## Shultz's African trip postponed

The Star Bureau

WASHINGTON — The US Secretary of State, Mr George Shultz, has postponed his trip to Southern Africa this month because of the Reagan-Gorbachev meeting in Iceland on October 11.

It is unlikely that he will be able to reschedule the African trip before Christmas.

Mr Shultz had planned to be in Southern Africa from October 8 for a series of meetings with the South African Government and leaders of the Frontline states.

He was also due to meet the leader of the African National Congress, Mr Oliver Tambo, in Lusaka in what was to be the highest-level contact yet between the US Government and the banned organisation.

Southern Africa will be on the agenda at the Iceland talks — a fact that the Secretary of State tried to use yesterday in an effort to get Congress to support President Reagan's veto of the South Africa Sanctions Bill.

In a meeting with Republican senators here, Mr Shultz argued that a defeat on this issue would weaken the President in his meeting with the Soviet leader.

Observers predict the African

The nomination follows Mr Reagan's offer to beef up existing Presidential sanctions. But the moves appear to have had little impact in the Senate, where they were described as "a day late and a dollar short".

Sources say the President will need a miracle to avoid defeat — and none is in sight.

The Senate vote will be on whether President Reagan's veto should be over-ridden.

With the House of Representatives already rejecting the veto overwhelmingly, the Senate vote will be the final stage in the Congress effort to impose stiff sanctions on South Africa.

If the President is beaten, the sanctions Bill will become law, and Mr Reagan will suffer the biggest foreign policy defeat of his six years in the White House.

The dispute has caused a deep and bitter split in the Senate's Republican leadership, with Majority Leader Senator Robert Dole supporting the President, and Senators Richard Lugar and Nancy Kassebaum leading the pro-sanctions opposition.

A senior White House official is said to have remarked angrily that Senator Lugar owed his prominent position in the Senate to President Reagan and should have shown his gratitude by

## Black US envoy 'sign of support'

WASHINGTON — Career diplomat Mr Edward Perkins (58) has been nominated to be America's first black ambassador to SA.

His nomination by President Reagan, which the administration said was a sign of US support for South African blacks, was widely expected but drew a negative response.

Congressman Mr Bill Gray, a Pennsylvania Democrat, said: "We want a change in the policy, not in the messenger."

Mr Perkins, ambassador to Liberia, will replace Mr Herman Nickel if his appointment is confirmed by the Senate.

● Secretary of State Mr George Shultz was sent to Capitol Hill yesterday to give what a Republican senator called "a very strong pitch" for the Senate to sustain Mr Reagan's sanctions veto. — Sapa-Reuter.



ARGUS 2/10/86

BUSINESS

TRADE

# Lesotho offers SA firms access to export markets

BANKING

Argus Africa News Service

MASERU. — The Lesotho Government says it will not help South Africa circumvent economic sanctions — but South African firms are welcome to set up plants in Lesotho to take advantage of the preferential and duty-free access the country's exports have to overseas markets.

Lesotho wants to attract investors "from anywhere in the world, including South Africa," Mr Moletsane Monyake, managing director of the Lesotho National Development Corporation, said here

He said: "Lesotho offers a highly favourable investment environment and an attractive incentive package."

## Major element

A major element in the package was that the LNDC would facilitate international marketing for the new industrialist through preferential and duty-free access of Lesotho-manufactured goods to lucrative world markets.

Lesotho had duty-free access

for most manufactured goods to the European Community and preferential and quota-free access to North American and Scandinavian markets.

The LNDC would facilitate the marketing of Lesotho-made goods in these markets.

Another element in the package was the six-year tax holiday for new industries. The LNDC was negotiating with the government to have this extended to 10 years

The package also included facilities for bank guarantees and sub-commercial loans, training grants covering 75 percent of the total wage bill for new industries, erection of factories at fully-serviced industrial estates managed by the LNDC, project appraisals and feasibility studies for potential investors and a revolving export funding facility

Mr Monyake said Lesotho had a work force that was stable, disciplined and readily trainable and wage rates were highly competitive. The country had possibly the highest literacy rate in Africa

"The LNDC plans increased participation in international fairs to display and promote the country's industrial products to potential export markets."

## In two camps

Mr Monyake's remarks were not made in the context of sanctions against South Africa but the Lesotho Government has made it clear it cannot implement any sanctions.

Lesotho has a foot in two camps. It is a member with South Africa of the Rand Monetary Area and the Southern African Customs Union.

At the same time it is a member of the Southern African Development Coordination Conference, which seeks to promote developmental cooperation among the Southern African states while reducing their dependence on South Africa.

It also has membership in the fledgling Preferential Trade Area embracing Southern and East African states, which is now holding its first international fair in Nairobi.

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# Countdown to Senate vote: Reagan lobbies

From SIMON BARBER

WASHINGTON. — With a final Senate vote less than a day away, President Ronald Reagan yesterday began lobbying to save his sanctions veto.

But even his closest confidant on Capitol Hill, Senator Paul Laxalt, was unable to be optimistic. "I don't think the President is going to make it," he said.

Senate Majority Leader Robert Dole, reluctantly acting as Mr Reagan's chief negotiator on the Hill, succeeded in buying one more day for the administration, putting off the vote until this afternoon.

"I asked my colleagues to hold their fire and give the President an opportunity to visit with them," Mr Dole said.

The administration has a list of about 30 senators who it believes will be willing to sustain Mr Reagan's veto. Thirty-four are needed, and not even all of the 30 can be counted on.

Meanwhile, Secretary of State Mr George Shultz abandoned plans to visit South Africa and other African nations next month, said administration sources.

The main reason given was the unexpected mini-summit between Mr Reagan and Soviet leader Mr Mikhail Gorbachev, scheduled to take place in Iceland on October 11.

The trip could still take place, sources said, but not until next year.

Another problem for the White House is the Senate confirmation of the newly-named Ambassador to South Africa, Mr Edward Perkins.

The Senate hopes to recess for the rest of the year by the end of the next week, leaving little time for confirmation hearings.

If time cannot be found, Mr Herman Nickel is likely to retain his post until next year.



# Pik gets tough

## Veto Bill,

## and SA'll

## cut grain

## imports

*Everest 2/10/78*

*(280)*

**PRETORIA** — The Minister of Foreign Affairs, Mr Pik Botha, has told US senators that if they override President Ronald Reagan's sanctions veto, South Africa will cut grain purchases from the US.

In Washington, senators reacted angrily to the threats.

Mr Botha, in phone calls to US senators, said South Africa would cut off purchases of American grain and block shipments of US grain to neighbouring black states if the Senate voted to override the sanctions veto.

The calls were seen as a highly unusual step.

Senators said Mr Botha told them South Africa might buy more wheat if the Senate supported President Reagan's veto. The opposition Democrat-controlled House of Representatives has already voted to override the veto.

Senator Richard Lugar, an Indiana Republican and a key sanctions proponent in the Senate, reacted angrily to Mr Botha's move, calling it "sheer intimidation and bribery".

"I find this intrusive action by a Foreign Minister of a foreign country, calling senators off the floor, to be despicable," Mr Lugar told a news conference.

Senate majority leader Mr Robert Dole, of Kansas, also commented on Mr Botha's offer, saying: "I hope people will bear that in mind when they vote."

"This will not wreck the American farm economy, no one believes that," Mr Dole said. "But we may be asking for some problems that we weren't aware of."

Senator Edward Kennedy, who is a Massachusetts Democrat, said "We should not let the bullies and the thugs of Pretoria intimidate the United States."

Senator Nancy Kassebaum said Mr Botha had contacted Mr Charles Grassley, an Iowa Republican, and Mr Edward Zorinsky, a Nebraska Democrat, who were both from big farm states.

Senator Jesse Helms, an arch-conservative Republican from North Carolina, said later during floor debate on the veto issue that he and several other senators had received calls. He did not name them.

In a statement issued in Pretoria, Mr Botha said "I informed them (the senators) that if the Senate should reverse President Reagan's veto and legalise the ban on the export of South African agricultural products in terms of legislation passed by the US Congress, then South Africa would purchase no grain from the US."

Mr Botha said he had stated categorically this was "no threat" but would be the logical consequence of the adoption of the legislation and the rejection of President Reagan's veto.

"If South African farmers can no longer sell their products on the US market, the South African Government will have no choice but to prohibit the purchase of American grain."

This would be "regrettable" because US grain was of the highest quality in the world.

The statement said Mr Botha had made it clear in his conversations with US senators that if the sanctions legislation should be adopted "the South African transport system, which serves all the countries of Southern Africa, will transport no American grain to these countries."

Mr Botha had stressed to senators that the legislation would have "catastrophic consequences for more than 60 million people". — Sapa-Reuter

# **'Spineless' sale of stock slammed**

**Simon Barber  
WASHINGTON**

THE PRESIDENT of the highly regarded Massachusetts Institute of Technology has slammed the University of California for 'spinelessly' agreeing to sell \$3.1 billion (R6.8 billion) worth of investments in firms that do business with South Africa.

With unusual boldness, Paul Gray told MIT's annual alumni conference that 'the decision by the California regents was an extraordinary example of political expediency and spinelessness'.

## **Remote**

'While apartheid is something we all condemn,' Gray, who has steadfastly opposed divestiture at MIT, continued, 'I believe the connection between divestment as a policy and as a solution to that problem is so remote, so loose, as to make divestment practically irrelevant.'

Gray also attacked the California state government for indemnifying the state-financed UC from any fiduciary responsibility should divestment reduce the value of its portfolio.

This move, which was part of the \$11 billion (R24 billion) divestment Bill signed last week by Republican Governor Edward Deukmejian, was hypocritical and undercut whatever 'symbolic' value the sale of 'tainted' stocks might have.



# Lesotho is relying on help to beat SA curbs

By Gerald L'Ange,  
The Star's Africa News Service

MASERU — The Lesotho Government expects countries imposing economic sanctions against South Africa to ensure Lesotho does not suffer.

This was made plain by a spokesman for the office of the ruling Military Council.

Lesotho was looking at measures it could take itself to cushion the impact of anti-South African sanctions, he said, but it would have to rely heavily on the international community to come to its rescue.

"They are the ones who are insisting on sanctions and we are placing the onus on them to see that we don't suffer," he said.

The government's attitude is that while it opposes apartheid, Lesotho's economic dependence on South Africa makes it impossible to co-operate in imposing sanctions against the Republic. Government leaders have said sanctions could seriously damage Lesotho's economy.

Analysts believe the economy could be destroyed by Pretoria if it chose to do so in retaliation against international sanctions.

Officials here point out, however, that this could not be done without some economic damage in South Africa, especially in the Free State towns from which much of Lesotho's imports are obtained.

It is estimated that Lesotho annually imports about R500 million-worth of food alone from South Africa.

Measures being considered by the government to cushion the blow of sanctions include:

- Increasing the volume and expanding the variety of local production, especially of food.
- Building up strategic reserves.
- Looking for sources of supply outside South Africa and means to bring the goods through or over South Africa.
- Generating new employment in Lesotho to provide jobs for at least some of its large number of migrant workers.

The Foreign Minister, Mr Lengolo Monyake, said the international community should already be making plans to help Lesotho

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## UK Labour Party backs sanctions but not arms call

The Star Bureau

LONDON — The British Labour Party conference overwhelmingly endorsed a call yesterday for the introduction of effective and mandatory sanctions against South Africa.

However it rejected, on a show of hands, a resolution demanding that a Labour Government should provide arms and other material support to the revolutionary movement in South Africa.

Mr Syd Tierney, replying to the debate for the party's national executive committee, said this suggestion over-exaggerated not only the position of the ANC but Labour's position as well. He described the resolution as arrogant.

He said "The ANC has always tried to contain and minimise violence and the wording of the motion tells the ANC we know better than they."

Several black delegates also objected to the hardline motion.

### SELL GOLD STOCKS

Mr Mukesh Savani said "The ANC does not need to be told what the black struggle is. That is arrogance. Who is going to tell the black people how they should fight?"

Mr Denis Healey, Shadow Foreign Secretary, called on governments to sell gold stocks to bring pressure on the South African Government.

He said the price of gold would plummet and the regime's ability to import its needs would disappear. It would also harm drug traffickers who used gold in their deals.

Mr Healey, who was warmly cheered, urged a mandatory programme of sanctions through the United Nations.

Delegates unanimously carried the resolution calling for "mandatory, comprehensive UN sanctions and action through the Commonwealth and European Community" and for recognition of the ANC and Swapo.

## Sweden urges Europe to cut SA sport ties

DUBLIN — Sweden yesterday urged Western European Sports Ministers to sever sporting links with South Africa and take a clear stand against apartheid.

Swedish Sports Minister Mr Ulf Lonnqvist told a ministerial meeting in Dublin that "participation in apartheid sports condones and strengthens apartheid and becomes the legitimate concern of all governments."

He urged West European governments to stop South African athletes competing in their countries and refuse all financial help to sportsmen competing in South Africa.

He also called on sports federations "to develop links with non-racial sport bodies there."

Mr Lonnqvist's anti-apartheid sports proposals have won backing from all Scandinavian countries.

They may, however, be watered down because of British, French and West German resistance when votes are taken tomorrow — Sapa-Reuters.



# Sanctions: Pik Botha warns US

Carl Tink 2/10/86

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Own Correspondent

JOHANNESBURG. — South Africa would not import United States wheat nor transport any to other Southern African states if President Reagan's sanctions veto was overturned in the US Senate today, the Minister of Foreign Affairs, Pik Botha, warned yesterday.

Foreign Affairs spokesman Mr Awie Marais said Mr Botha had telephoned a number of US senators last night to tell them this.

Mr Marais said that Mr Botha, after consulting his colleagues, including the Minister of Agriculture and Water Affairs, Mr Greyling Wentzel, had personally spoken to a number of US senators, including Senator Ed Zorinsky.

He had informed them that if the Senate reversed Mr Reagan's veto and legalized the ban on exports to the US of SA agricultural products, in terms of legislation passed by Congress, South Africa would not buy grain from the US.

He said this was no threat, but would be the logical consequence of the adoption of the legislation and the override of Mr Reagan's veto.

He said SA and US farmers under-

stood one another and accepted that South Africa would very much wish to import more grain from the US.

But, he said, if SA farmers could no longer sell their products on US markets, the SA Government would have no choice but to prohibit the purchase of American grain.

This would be regrettable because American grain was of the highest quality in the world.

Mr Marais said Mr Botha had made it clear in his conversation with the senators that if the legislation were adopted, the South African transport system, which served all the countries of Southern Africa, would transport no American grain to those countries.

It would therefore not only be South Africa who would not buy grain from the US. All its neighbours, which depended on the South African transport system, would also no longer be able to buy US grain.

He had told the senators the legislation would have catastrophic consequences for more than 60 million people and invited Senator Zorinsky to visit South Africa.

□ Countdown to Senate vote —  
page 2

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# British Labour Party wants full sanctions

LONDON—Delegates at the opposition Labour Party's annual conference in Blackpool unanimously supported a resolution calling for comprehensive and mandatory sanctions against South Africa yesterday.

A more militant resolution that would have pledged the party to supplying arms and materials to 'revolutionary movements' was heavily defeated. It was not supported by the party's National Executive, which threw its weight behind the sanctions resolution.

The Labour Party has supported the sanctions campaign for years.

During the hour-long debate yesterday, emotional speakers demanded the party's total commitment to sanctions and contrasted wealthy white lifestyles with black poverty and 'starvation wages'.

Mr Denis Healey, the shadow Foreign Secretary who visited South Africa earlier this year, told the 1 700 delegates he was convinced there would be a black majority government within 15 years.

But without sanctions there would be 'fearful bloodshed' and he wanted a future Labour government to go to the United Nations and push a mandatory resolution through the Security Council.

He said sanctions should include international agreement that countries would sell their gold stocks, collapsing the gold price 'which Botha depends on'.

Veteran anti-apartheid campaigner Peter Hain, said the ANC should be given diplomatic status in London, and the British Embassy in South Africa should be staffed by anti-apartheid activists.

Trade union leaders blasted Mrs Thatcher's anti-sanctions policy.

The Kinross mine disaster was not left out.

'Those miners were killed by big business and apartheid,' shouted one delegate.

'The mining industry is soaked in the blood of the workers,' yelled another. — (Sapa)

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# Shacks for U'hage people

## Post Reporters

THE Kwanobuhle Town Council has started providing new shacks to house people in the Kwanobuhle resettlement area.

About 5 000 families have been moved from Kabah and Langa in Uitenhage and 200 from Despatch to Kwanobuhle since mid-July.

In an interview the Kwanobuhle Town Clerk, Mr Eddie Coetzee, said the council now also had to contend with requests from lodgers from the old section of Kwanobuhle for sites in the area where the people were being resettled.

Many of these people had no material with which to build shacks and the council could provide them with shacks. These cost R900 and could be bought from the council, with payment of between R16 and R18 a month over five years.

In addition, the council provided loans of up to R4 000 which enabled people to buy conventional building materials from the council to build their own permanent homes.

The council was also continuing with its housing project whereby it built conventional houses for people as they requested them.

For people who had no means of acquiring material the council could provide material at no cost from donations of building materials made by a Uitenhage company.

The new shacks, which were being bought by the council after it had called for informal tenders, were six metres by three metres, and had two windows and a door. The shacks were provided in five panels and were erected on the site by the town council staff.

Bigger, more expensive shacks were also available.

The material loans were not paid out in cash, but enabled home builders to obtain materials, bought in bulk by the local authority, from the council. The current limit allowed them to draw material up to a value of R4 000.

Meanwhile moves are afoot to upgrade the roads and bus shelters in Kwanobuhle.

The president of the Port Elizabeth Chamber of Commerce, Mr Carl Coetzer, said in a statement today that on Tuesday he met representatives of the Metropolitan Transport Advisory Board, the Community Services Division of the Provincial Council, the Civil Engineering Contractors' Association and Mr Coetzee. He said they resolved to arrange for:

- The calling of a R100 000 tender to reconstruct the shelters at bus terminuses
- The combining of the road building contracts of Mbandla Road and Matanzima Road into one contract.
- The granting of a R100 000 contract to effect temporary repairs to the Kwanobuhle roads while the start of the major road reconstruction is awaited.

# Cash pullout under attack

Dispatch Bureau

WASHINGTON — The president of the Massachusetts Institute of Technology, Mr Paul Gray, has criticised the University of California for "spinelessly" agreeing to sell \$3.1 billion worth of investments in firms that do business with South Africa.

Mr Gray told the institute's annual alumni conference "the decision by the California regents was an extraordinary example of political expediency and spinelessness".

"While apartheid is something we all condemn, I believe the connection between divestment as a policy and as a solution to that problem is so remote, so loose, as to make divestment practically irrelevant," he said.

Mr Gray also attacked the California state government for indemnifying the state-financed University of California from any fiduciary responsibility should divestment reduce the value of its portfolio.

This move, which was part of the \$11 billion divestment bill signed last week by the Republican Governor, Mr Edward Deukmejian, was hypocritical.



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# Labour Party committed to sanctions ticket

LONDON — Delegates at the opposition Labour Party's annual conference in Blackpool yesterday unanimously supported a resolution calling for comprehensive and mandatory sanctions against South Africa.

A more militant resolution that would have pledged the party to supplying "revolutionary movements" with arms and materials was heavily defeated.

It was not supported by the party's national executive, which threw its weight behind the sanctions resolution.

The Labour Party has supported the sanctions campaign for years and yesterday's proceedings reaffirmed its policy.

During the hour-long debate, a series of emotional speakers demanded the party's total commitment to sanctions and contrasted wealthy white lifestyles with black poverty and "starvation wages".

The shadow foreign secretary, Mr Denis Healey, who visited South Africa earlier this year, told the 1 700 delegates he was convinced there would be a black majority government within 15 years.

However, without sanctions there would be "fearful bloodshed", he said. He wanted a future Labour government to push a mandatory resolution through the UN Security Council.

Mr Healey said sanctions should include an international agreement that countries would sell their gold stocks, collapsing the gold price "which (President) Botha depends on".

A veteran anti-apartheid campaigner, Mr Peter Hain, said the African National Congress should be given diplomatic status in London and the British embassy in South Africa should be staffed "not by stuffed-shirt diplomats but by anti-apartheid activists".

The Kinross mine disaster was not left out.

"Those miners were killed by big business and apartheid," shouted one delegate.

"The mining industry is soaked in the blood of the workers," said another.

Meanwhile, the Dispatch's London Bureau reports that a resolution calling on Labour to include a specific commitment to "a lesbian and gay rights policy" in its general election manifesto will become official party policy after winning a two-thirds majority at the conference.

It is now up to national executive and the shadow cabinet to decide whether to include the commitment in the party's general election manifesto.

The Labour MP for Islington and Finsbury, Mr Chris Smith, said: "Some people might regard this issue as marginal to our concerns as a movement, but it is not.

"It is central to our socialism, because we believe in equality." — Sapa

## Sanctions: Pik warns US

PRETORIA — South Africa would prohibit purchases of grain from the United States and cut supplies of this product to all Southern African countries if President Ronald Reagan's veto of sanctions legislation was not upheld, the Minister of Foreign Affairs, Mr Pik Botha, said last night.

He had consulted with the Minister of Agricultural Economics, and

Marketing, Mr Greyling Wentzel, and had spoken personally to a number of US senators, including Senator Ed Zorinsky of the grain producing state Nebraska, Mr Botha said in a statement.

"I informed them that if the Senate should reverse President Reagan's veto and legalised the ban on the export of South African agricultural products in terms

of legislation passed by the US Congress, then South Africa would purchase no grain from the US."

Mr Botha said this was "no threat" but would be the logical consequence of the adoption of the legislation and the rejection of President Reagan's veto. — Sapa

See also pages 2, 9

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## Death knell for Separate Amenities Act

# HINTS OF CHANGE ON GROUP AREAS

PRESIDENT P W Botha yesterday paved the way for a more "flexible" application of the Group Areas Act and sounded the death knell for the Separate Amenities Act, but emphasised that separate residential areas remained the cornerstone of Government policy for the protection of minorities.

Speaking at the National Party Cape congress in East London, he said that if the Group Areas Act were scrapped in its entirety, the people who would suffer would be the poorer groups of all races.

Mr Botha, however, hinted that the Government could accept recommendations from the President's Council which would permit local option in the application of the Group Areas Act.

He pointed out that the President's Council was completing its report on its investigations into the Group Areas Act, the Separate Amenities Act, the Slums Act and the Housing Act.

### SOWETAN Correspondent

Referring briefly to the Separate Amenities Act, he said: "It has never been a practical measure."

He pointed out to the congress that schools had never been under the ambit of the Group Areas Act and group usage of them had been decided in terms of various education laws.

President Botha was replying to five motions at the congress, dealing with the protection of group areas and separate schools.

### Permits

The Group Areas Act had "never been seen as a holy cow. No law is a holy cow. The law is there to do a certain thing."

President Botha was dismissive of the term "grey area", saying it was just a nice word that did not mean anything.

He also pointed out that the Group Areas Act allowed for exceptions for areas where there was "no group character". An example was Woodstock in Cape Town. There were also other exemptions

through permits.

Hinting at local option, he said consideration should be given to delegating these decisions to other authorities at a lower level, such as the provincial authorities. He said it was difficult for a Minister to know all the practical difficulties at local level.

President Botha defended the introduction

of the Act, saying that it had paved the way for the clearance of slums on a vast scale and had given many people land ownership for the first time.

Of one thing he was convinced, and that was if the country wanted to avoid communism, property ownership had to be given to as many people as possible.

He appealed to people to be more understanding.



PRESIDENT Botha.

# Pik blamed for veto backlash

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WASHINGTON—A despairing Reagan Administration gave up hope of saving the President's South African sanctions veto yesterday after Foreign Minister Pik Botha's telephoned warning of an end to purchases of U S grain if the veto was overridden.

Treasury Secretary James Baker said in a television interview that Mr Botha 'shouldn't have done that' because it had created such a backlash even among conservative Republicans that a veto override was virtually inevitable.

Another Administration official said bitterly: 'We had a fighting chance until today. Such chances as we had ended with the telephone call.'

The Senate was scheduled to vote late last night. A two-thirds majority would defeat the veto.

Working through North Carolina Senator Jesse Helms, Mr Botha spoke on Wednesday afternoon with four farm state senators.

Before the conversations, South Africa's quiet offer to buy up to 500 000 metric tons of U S hard red winter wheat next year — more than three times this year's purchases — was fuelling a potent lobbying campaign against the sanctions Bill by the U S Wheat Growers' Association and by farm op-

officials in such states as Kansas and Oklahoma.

Republican senators up for re-election next month are facing stiff competition in the economically depressed farm belt.

## 'Despicable'

Sen Helms arranged for the three other senators to speak to Mr Botha on the telephone in the Republican cloakroom just off the Senate floor.

Sen Richard Lugar, chairman of the Senate Foreign Relations Committee, who is leading the override fight, was mistakenly summoned to speak to the Foreign Minister, but Sen Helms intervened to stop him taking the call.

Sen Lugar then told Sen Nancy Kassebaum, who made Mr Botha's effort public in a television interview. Sen Lugar himself summoned a Press conference, where he angrily denounced Mr Botha's tactics as 'despicable'.

'I cannot imagine a senator would be moved by what I call bribery and intimidation... I believe that all Americans, and especially American farmers, will condemn bribery and intimidation to change the votes of the United States Senate,' he said.

CBS television carried the report in a news flash during one of America's

## Simon Barber

most popular programmes, *Magnum PI*.

One Republican Senate aide said his senator, a supporter of the sanctions Bill, had been growing increasingly worried that the veto might succeed.

'The debate was not going well for us,' the aide said. 'Fortunately you can always count on the South Africans to bail you out. It was a golden stroke.'

Meanwhile, Sapa reports that Mr Botha has rejected the allegations that he had interfered in U S affairs by explaining to the senators the consequences of sanctions.

'This is an astounding ar-

gument,' he told a news conference. 'The Senate is making a law which will be catastrophic to millions of black South Africans and to African states in my environment.'

'And I must sit back? And when I try to persuade them not to continue along that road I'm told I'm interfering.'

'The Senate is interfering in the livelihood of our people. It is astounding that the legislators of another country can legislate for me.'

'Since when is the United States a colonial empire?' he asked.

● See Editorial Opinion



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# Cape Times

FOUNDED 1876

FRIDAY, OCTOBER 3, 1986

## Reagan veto

Crushed

**WASHINGTON. —** The United States Senate, joining with the House of Representatives, voted 78 to 21 yesterday to override President Reagan's veto and enact tougher US economic sanctions against the government of South Africa.

The crushing defeat for President Reagan in Senate came after Monday's overwhelming vote against the president in the House of Representatives.

The total was 11 more than needed to override the veto, and represented a rare foreign policy defeat for the Republican president.

The House also went overwhelmingly against Mr Reagan when it voted 313 to 87 on Monday to override his veto.

The Senate brushed aside both a last-ditch offer of less severe, new measures from Mr Reagan and a South African threat of retaliation against US grain sales.

### Climax of battle

The Senate action followed a similar House vote on Monday and marked the first time Congress has rejected a Reagan veto of a foreign policy bill.

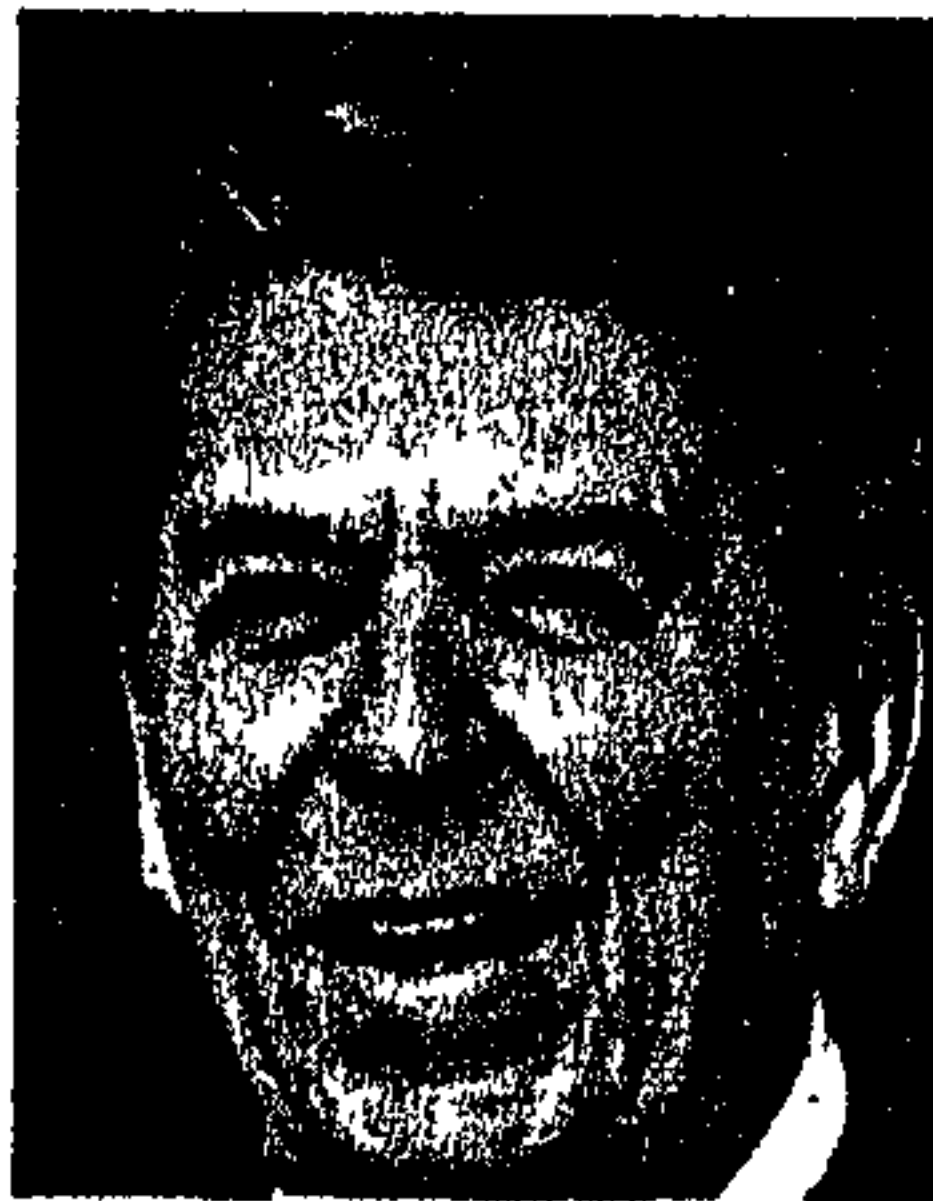
The Senate vote was the climax of a more than two-year battle between Mr Reagan and the Congress over how best to persuade Pretoria to dismantle apartheid.

Congress ignored a last-ditch offer by Mr Reagan to impose what he called strong new measures of his own against South Africa if his veto was sustained and the bill was killed.

"The bill is passed, the objections of the president to the contrary notwithstanding," Vice President Mr George Bush, who as presiding officer of the Senate attends key votes, said in announcing the vote.

The sanctions enacted yesterday include a ban on imports of South Afri-

Rare *one time*  
defeat  
for  
president  
3/10/86  
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President Ronald Reagan

can steel, iron, coal, uranium, textiles and agricultural products. It would end new US investments and loans there, cut air links between the two countries and deny consular facilities to South Africans.

The package also writes into law a set of limited measures Mr Reagan imposed in an executive order last

year, including a ban on imports of Krugerrands and on exports of US nuclear and computer technology to the South African government and its agencies.

"We are dealing with a tragic situation," said Senator Richard Lugar of Indiana, who has led the revolt in Mr Reagan's own Republican Party to impose sanctions against his will.

"We pray that the results will be satisfactory if they are not, we will revisit this issue with our president and try and do better," Senator Lugar, chairman of the Senate Foreign Relations committee, said before the vote.

But Senate Majority Leader Mr Robert Dole of Kansas, who led the fight to uphold Mr Reagan's veto, urged his colleagues not to impose their own solution on the president.

"When it comes to foreign policy matters I have always believed the president of the United States was the one with the moral authority to speak for America," he said.

Senator Donald Riegle, a Michigan Democrat, called the overwhelming vote "remarkable".

"The size of the vote says unmistakably how the people of this country feel that apartheid must end and it must end now," Mr Riegle said after the vote as anti-apartheid leaders, gathered in the Senate gallery, looked on in obvious delight.

Black leaders, including Mrs Coretta Scott King, wife of murdered civil rights leader Martin Luther King, and Mr Randall Robinson, who led more than a year of daily protests outside the South African Embassy here, smiled broadly.

But, after a member of Mrs King's group burst into applause, Mr Bush cautioned the audience that it was against Senate rules for any types of spontaneous demonstration.

The outcome came despite long-distance lobbying by South Africa Foreign Minister, Mr Pik Botha, who called four senators on the eve of the vote to tell them his country would stop buying US grain if the Senate nullified the Reagan veto.

Mr Botha's tactic was the principal

topic as the final debate opened on the sanctions issue.

Some conservatives sharply criticized the role of Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, in fighting for the sanctions bill and for opposing Mr Reagan on the override issue.

The Treasury Secretary, Mr James Baker, said in a television interview that Mr Botha "maybe shouldn't have done that" because it had created such a backlash even among conservative Republicans. He said that a veto override was virtually inevitable now.

By overriding the president's veto, Congress's bill for stiff sanctions against South Africa can now become law.

According to the United States Information Service, the sanctions package will:

- Prohibit imports of Krugerrands
- Prohibit imports of military articles

- Prohibit imports from parastatal states, except minerals deemed strategic by President Ronald Reagan and agricultural products for a 12-month period from enactment

- Prohibit computer exports to SA for use by the military, police, prison system, national security agencies, Armscor, or any apartheid enforcing agency

- Terminate, after 10 days notice, SAA's landing rights in the US

- Ban loans to the SA government except loans already agreed to or loans for use in education, housing or humanitarian benefit

### Ban of uranium

- Stop nuclear trade with SA.
- Ban US depository institutions from accepting or holding a deposit account from the SA government or any of its agencies except as authorized by the US President.

- Ban imports of uranium ore, uranium oxide, coal or textiles. This takes effect 90 days from enactment.

- Prohibit new investment in SA, except in firms owned by blacks. This takes effect 45 days from enactment.

- Disallow any US government funds being used to promote tourism in SA

- Bans the sale of items on the US munitions list from being exported to SA

- Bans the import of SA agricultural products and food

- Ban iron and steel imports.

- Prohibit exports of crude oil and petroleum products to SA

- Effective from enactment, ban imports of sugar, syrups and molasses.

A clause in the bill would require the sanctions package to be rescinded if the SA government takes certain steps towards democracy. These are the:

- Release of all political prisoners, including Nelson Mandela

- Lifting of the state of emergency.

- Unbanning of all democratic political parties

- Repeal of the Group Areas Act and the Population Registration Act.

- Government's entry into good faith negotiations with black representatives without preconditions

— Reports by own correspondent and Sapa-Reuter

## Pik Botha gets stuck with press



Mr Pik Botha

**JOHANNESBURG. —** The Minister of Foreign Affairs, Mr Pik Botha, fought a one-man crusade against United States sanctions yesterday — and spent 40 minutes stuck in a lift with nine foreign correspondents.

Mr Botha began the day at the Johannesburg studios of the SABC, where he was interviewed about the sanctions vote on the 6am to 8am breakfast television show.

He stayed there most of the day, giving interviews to television stations in the US and Europe, to foreign newspaper reporters, to foreign television networks and to local television and newspaper reporters.

Again and again he explained his view that sanctions will harm black South Africans and the country's black-ruled neighbours.

Aides shuttled back and forth with documents to be signed or read and kept him posted on the latest developments in Washington.

Steered by flustered aides into a room where a group of foreign reporters waited for a promised interview, he asked "What am I supposed to do with them?"

After the news conference, Botha stepped into an elevator with nine of the reporters and stayed there for 40 minutes — punching out an SOS signal on the alarm.

He was released finally by a black technician, who cranked the doors open with a wrench and freed him for yet another interview.

The Senate vote dominated the local news with the SABC crossing to Washington for two live broadcasts from the Senate and for reports from correspondents in the city.

Businessmen and politicians stayed home to follow the debate on television and radio.

Veteran Opposition MP Mrs Helen Suzman, who strongly opposes sanctions, said: "I will be watching. What else can I do though I think I know what is going to happen" — UPI



## Rush on gold, <sup>280</sup> platinum

*By Kent 3/10/80*  
Business Editor

FEARS of retaliation by South Africa in response to sanctions sparked off a gold and platinum rush late yesterday which continued today amid predictions of \$680 an ounce for platinum. The rand also gained with Reserve Bank support.

In late trading yesterday gold gained \$10 to close at \$433. It traded in the Far East today at \$438.25. In London it jumped to \$441.25, but eased to \$440.

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Gold and platinum prices soared in New York yesterday with the market concerned about the growing conflict between SA and the US over the sanctions vote and analysts forecast more gains for today.

Platinum soared with the October contract rising \$41.60 to \$596.60 an ounce. Other contracts climbed the \$25 limit allowed in one day's trading by the exchange.



Cape Times

3/10/86 280

## Academic boycott 'mickey mouse'

By BARRY STREEK  
Political Staff

THE impact of an academic boycott on the South African regime was "frankly nil", Dr Conor Cruise O'Brien, the controversial Irish academic and author, said yesterday.

The academic boycott was "good for a laugh" in Pretoria while the opponents of apartheid were "fiddling with mickey mouse stuff", he said.

But, he conceded at a meeting at the University of Cape Town, a case could be made for a boycott by natural scientists whose research could benefit the army and the police.

Dr O'Brien said he had contempt for those people who believed that the academic boycott would help bring the downfall of apartheid.

He said universities would be "putting political blocs on intellectual communication" if they supported academic boycotts. "That would be poison as far as the universities are concerned."

He believed there could be no secure future in South Africa unless there were non-racial, democratic elections without any race base. He did not believe the present leaders of South Africa would change unless there was heavy international pressure, so "economic sanctions are necessary to put pressure on the government".

He urged South Africa not to open itself to a "cultural revolution" and academic boycotts, promoted by ideologues, was where the rot set in.

3/10/80 (280) E. J. P. M.

## The US package

A REPORT had to be compiled on the Communist element in the African National Congress (ANC) within 90 days, the United States decided yesterday.

As part of the sanctions adopted by the US Senate, the ANC was expected to reject violence, particularly "necklacing", and to take steps to stop this.

The legislation also required the ANC to cut its ties with the Communists.

The sanctions include a ban on imports of South African steel, iron, coal, uranium, textiles and agricultural products. They end new US investments and loans in SA, sever air links between the two countries and deny consular facilities to South Africans.

The package also writes into law a set of limited measures President Ronald Reagan imposed in an executive order last year, including a ban on imports of gold Krugerrand coins and on exports of US nuclear and computer technology to SA.



# Move to open capital pools to all

3/10/82

## Pietermaritzburg Bureau

THE Pietermaritzburg Finance Committee has recommended that public swimming pools in the capital be opened to all races.

The committee, which is the city council's top policy-making body, was unanimous in its decision yesterday that the six pools in the borough should be opened to all.

The committee recommended that steps be taken to amend the swimming bath bylaws.

Once approved by council on October 16 the proposed amendment to the bylaws will have to be advertised for objections.

Earlier this year, the Indian Local Affairs Committee asked the Town Clerk, Mr Des White, to report on whether the council was legally competent under the Group Areas Act to declare council-owned public facilities multiracial.

Mr White said that ac-

cording to legal advice, the council would be contravening the Act if it opened all its public facilities to all races.

A city hall spokesman said yesterday the Finance Committee had been told that the opening of swimming pools would not contravene the Act.

The committee considered a letter from the secretary of the Berg Street Amateur Swimming Club, Mr Jay Jugwanth, who accused the council of 'dragging its feet' over the issue of shared facilities.

The Director of Parks, Mr Frank Quayle, said attendance at the Alexandra, Berg Street and Buchanan Street baths would increase by 25% if they were opened to all races.

The city council has asked the Minister of Constitutional Development and Planning, Mr Chris Heunis, to clarify the Government's intentions about the Group Areas Act.

CAT 7-13 3/10/40

# Heunis to cut his department by 1 400

By ANTHONY JOHNSON  
Political Correspondent

280

THE burgeoning bureaucratic empire of constitutional supremo Mr Chris Heunis will be a mere shadow of its former self by the end of this month.

Over the next few weeks Mr Heunis — dubbed the Minister of Everything by his colleagues — will have the staff complement of his until recently mushrooming Department of Constitutional Development and Planning trimmed from 1 700 to 327.

The posts, however, will not be eliminated but farmed out to five other government departments and the provincial authorities.

The huge dismantling process has already begun and forms part of a major transfer of executive powers, functions and manpower away from Mr Heunis's department.

Mr Heunis said in a statement yesterday that a number of the executive powers held by him had been transferred to the four provincial administrators from October 1.

Mr Heunis described the action as part of the government policy of "maximum devolution of power and the decentralization of administration."



# Pik's call angers the US Congress

WASHINGTON — A telephone warning from South Africa's Foreign Minister, Mr Pik Botha, to the US Senate on the eve of a crucial vote angered Congress and was seen as a possible factor in the Senate's historic 78 to 21 vote in favour of sanctions.

Senators called the phone call an extraordinary, last-ditch pressure tactic that broke the unwritten rules of diplomatic lobbying.

Leaders of the House and Senate said the long-distance lobbying by Mr Botha on Wednesday was a "go-for-broke", heavy-handed effort to prevent the US from imposing economic restrictions.

The Senate late yesterday afternoon voted by more than a two-thirds majority to override President Reagan's veto of the measure.

The calls to several farm state senators linked the vote yesterday on overriding President Reagan's veto with a warning that sanctions could mean South Africa would cut off its US grain purchases.

Mr Botha, in a letter from Mr Botha to the US Senate's majority leader, Sen Robert Dole, said he "learnt with dismay that certain United States senators accused me yesterday of threats and bribery in communicating with certain other senators".

He said it was accepted international practice for governments to convey their points of view to foreign governments and legislators on matters relating directly to their interests. "I see nothing

wrong in this," he said.

"American connections with South Africa go back a long way," Mr Botha said said.

"Are sanctions now to be our reward?"

Reacting to the the US Senate's decision to override President Reagan's veto on sanctions, Mr Botha said last night it had been taken on an emotional basis and it was clear there were

twisted perceptions about South Africa.

The Director-General of the South African Institute of International Affairs, Prof John Barratt, said: "Whether one likes it or not the American policy is not based on very strong reason and consistency but nonetheless we cannot disregard the attitude towards SA of the only superpower with which we have any rela-

tionship."

An Azanian People Organisation (Azapo) spokesman said: "Finally the opposition of the American people to the Pretoria regime's brutality and intransigence is being expressed.

Progressive Federal Party MP for Houghton Mrs Helen Suzman said the US decision was "disturbing but not unexpected". — Sapa-Reuter-AP

003/10/76

# Economist: sanctions largely ineffective

Dispatch Reporter

GRAHAMSTOWN — History had proved sanctions were largely ineffective and they had failed in pre-war Italy, Cuba and Rhodesia/Zimbabwe, the Professor of Economics at Rhodes University, Professor Philip Black, said at a meeting here of the Afrikaanse Leeskring.

"Where they caused economic decline, they often resulted in retrogressive political change," he said.

However, the effects of disinvestment were already reflected and public corporations like Escom were feeling the pinch.

"Because they have difficulty raising loans overseas, local tariffs are rising," Professor Black said.

Earlier this week Escom announced that tariffs would rise by 12 per

cent in January. This follows several other increases during the past 18 months.

"Under a policy of sanctions and disinvestment the South African economy can at best grow at a rate of 2,5 to three per cent a year.

"This is well below the growth rate of six per cent required to absorb the flow of new black work seekers (250 000 a year), let alone reduce the current employment level conservatively given as 1,7 million or 23 per cent of the labour force.

"We can expect selective export sanctions of items like iron and steel, and possibly coal, fresh fruit and vegetables.

"It is unlikely that gold, diamonds and strategic minerals will be affected," Professor Black said.

This could result in rising unemployment, lowered wages and a resultant snowballing effect of negative economic repercussions through other economic sectors.

It was unlikely that there would be sanctions on imports.

Export sanctions, however, would affect the ability of importers by reducing foreign exchange and pressure on the exchange rate could substantially effect the prices of imported goods.

"Import substitution is a way out but the scope for producing locally the consumer goods now imported is limited.

"We would have to produce capital and intermediate goods, for which we lack the technical know-how, so this could be a costly exer-

cise with inflationary consequences," Professor Black said.

Meanwhile, the threat and foreseeable implications of sanctions were having an adverse effect on business confidence.

Negative expectations would reduce fixed investment expenditure.

"In these conditions the government is likely to step in and increase expenditure specifically to alleviate unemployment.

"This could imply higher taxes, increases in the money supply (inflationary) or increased government borrowing," Professor Black said.

This in turn would pressure the interest rate with negative capital investment effects and a drop in private fixed capital investment.

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## Fire at factory

A FIRE destroyed a pile of paper costing R1½ million at a packaging factory near Alberton yesterday morning.

According to the regional manager of Consol, Mr Arch Mann, the cause of the fire is not yet known

# SABTA BOSS SPEAKS OUT ON SANCTIONS

THE president of the Southern Africa Bus and Taxi Association (SABTA), Mr James Ngcoya yesterday clarified his stand on sanctions.

He issued the following statement:

"It is an open secret in the township that a 'target' is anything associated with the system of apartheid, and appropriately the Southern Africa Bus and Taxi Association have launched what we refer to as 'target' sanctions.

"We fully throw our weight behind sanctions, only if they are targeted at the perpetrators of apartheid, and not the victims of the system.

"We are presently preparing a memorandum challenging international companies still operating in South Africa to stand up and be counted.

## Company challenge

"Let them immediately withdraw their direct and/or indirect support from institutes that promote the abhorred system of apartheid.

"Let them transfer their full support to the oppressed majority of this country.

The following are the first steps take by Sabta in our 'target' sanctions campaign:

- "Sabta will in the near future issue coupons to be re-sold at a subsidy by international companies to their staff members,

thus attracting a large number of passengers from the Government-owned trains and white-owned bus companies.

- "Sabta will establish service and petrol stations countrywide. International companies and black South Africa will be urged to support this endeavour, which is a programme of re-channeling capital back to the black majority.

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SABTA boss James Ngcoya.



# Harvard in new anti-SA move

*ave 280 3/10/86*

CAMBRIDGE, Massachusetts — Harvard is selling almost \$159 million (about R353 million) in stocks and bonds in eight companies because some sell to the South African military and police, the university's treasurer said.

"We tried everything we could to avoid doing this," said Mr Roderick MacDougall, who is also chairman of the Harvard Corporation Committee on Shareholder Responsibility. "We'd much rather have companies move forward in meeting anti-discrimination demands."

The \$74,7 million (about R164 million) in stocks and \$84 million (about R186 million) in bonds that Harvard is selling represent 4% of the total school endowment of \$3,8 billion (about R8,4 billion), said Mr MacDougall.

The holdings also represent 37% of \$427 million (about R948 million) in university holdings in 80 or 90 companies doing South African-related business.

Mr MacDougall said Harvard advised the companies of its intent to sell the holdings in July and August.

Among the companies are five oil concerns — Mobil Corp, Texaco Inc, Chevron Corp, Exxon Corp and the Royal Dutch-Shell group of companies — that may serve the military and police because of a law that requires companies to supply oil products at the Government's demand.

The university also rid itself of stocks and bonds in the Ford Motor Company because the car company said a subsidiary it owns 42% interest in would continue sales to the police and military.

The Harvard report noted the strong record of the five oil companies and Ford in opposing apartheid and adopting progressive labour policies.

The university is also disposing of its stock in the Schlumberger Company, which drills oil wells off the coast of South Africa.

Although the company did not render services to the military or police, it did not sign the Sullivan principles, the report said.

The code of conduct was proposed by the Rev Leon Sullivan, of Philadelphia, to eliminate racial discrimination in South Africa.

The university disposed of stocks in Phelps Dodge, a mining company doing business in South Africa, because the company did not provide the university with sufficient information about its operations after dropping its Sullivan rating to IIIA, or "needs to become more active".

Under Harvard's policy of selective disinvestment, the school owns no shares in companies that do more than a small fraction, generally 1%, of their business in South Africa. — Sapa-AP



# Feelings mixed on US sanctions

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## Rush on gold, platinum

Business Editor  
FEARS of retaliation by South Africa in response to sanctions sparked off a gold and platinum rush late yesterday which continued today amid predictions of \$680 an ounce for platinum. The rand also gained with Reserve Bank support.

In late trading yesterday gold gained \$10 to close at \$433. It traded in the Far East today at \$438.25. In London it jumped to \$441.25 but eased to \$440.

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Platinum soared with the October contract rising \$41.60 to \$596.60 an ounce. Other contracts climbed the \$25 limit allowed in one day's trading by the exchange.

JOHANNESBURG — The drastic sanctions adopted by the United States Congress against South Africa have upset white South Africans — but black anti-apartheid groups and trade unions have welcomed the move.

The SA Government has strongly condemned US interference in the country's internal affairs, and business leaders have warned of the adverse effects of sanctions on the economy and employment.

Assocom chief executive Mr Raymond Parsons said although the new sanctions ranged from weak to middling, they would be counter-productive as businessmen would have to spend more energy on avoiding prospective sanctions than on promoting reform.

The Minister of Foreign Affairs, Mr Pik Botha, said today that SA should move forward positively with a reform programme and the search for new markets.

The US Senate's decision on sanctions was an emotional one which did not take into account the reform programme in SA.

The general secretary of the Council of Unions of SA, Mr Phiroshaw Camay, said his organisation was pleased that after two years of campaigning, the Senate had decided on comprehensive sanctions.

The SA Foreign Trade Organisation (Safito) said "The sanctions package will hit hard — but it should not be devastating. In perspective, it is likely to affect no more than 5% of our total exports."

"The tragedy is that it is neighbouring black states that will suffer the worst of the impact."

A spokesman for the Afrikaner Weerstandsbeweging said the Government had itself to blame for the fact that sanctions were now a reality.

The United Democratic Front welcomed the US move, saying it should serve as a pointer to President Reagan of the popular sentiment against apartheid.

The Azanian Peoples Organisation said notice was at last being taken of the "bankruptcy" of the Reagan Administration's policy of constructive engagement.

SA business leaders said the business community should adjust to the reality of sanctions.

The president of the Afrikaanse Handelsinstituut, Mr Christo Kuhn, emphasised that the package was more serious than the European measures, but South Africans should not overreact to it.

Sanlam chairman Dr Fred du Plessis said the measure should be approached as a positive challenge in stimulating economic activity.

Mr Jaap Marais, leader of the Herstigte Nasionale Party, said "The Government has been crawling for years before the US. That is why we have American sanctions against us today — Sapa

● See Pages 2 and 6



All roads will lead to the Fairview race course at St Albans tomorrow where two premier events will be staged. Topping a 10-race programme will be the R50 000 Bertrams V O Stakes and the R20 000 TBA Fillies Stakes. Cape jockey GERRIT SCHLECHTER shows off his mount, DEBBIE LEE, for the fillies event. Preview — Page 25.



# Reagan blows

WEEKLY MAIL  
3/10/86

280

## FRANTIC APPEALS TO it SENATE FAIL TO HALT SANCTIONS VOTE

THE United States senate last night dealt President Ronald Reagan a humiliating foreign policy defeat by imposing tough economic sanctions on South Africa and severely restricting US-South African trade.

Reagan — who had been lobbying for support ever since he vetoed the Comprehensive Anti-Apartheid Act last week — was unable to muster the 34 votes required to prevent a senate override of the veto.

It was the first time Reagan had been overridden on a foreign policy issue and is believed to be the first time an American president had been overridden since President Richard Nixon in the early seventies.

Reagan was defeated despite the fact that the senate is controlled by his own party, the Republicans.

The house of representatives, which is controlled by the Democratic Party, voted earlier this week to override the veto, well above the required two-thirds majority.

Attempts by Reagan and his secretary of state, George Shultz, to link the vote with the forthcoming summit between Reagan and Soviet leader Mikhail Gorbachev in Iceland next weekend have failed.

So has an attempt by South African Foreign Minister Pik Botha to engage in the lobbying system by telephoning US senators to warn them of retaliation against US sanctions.

Botha said South Africa would not be able to buy American grain if its own products were banned.

While the Act contains the most stringent sanctions yet imposed against South Africa by a major trading partner, it leaves out two crucial areas which could be the subject of the next wave of sanctions, there is no bar on sales of strategic minerals to the US and no call for pressure for companies already in South Africa to pull out.

The Anti-Apartheid Act includes

● A ban on all new investments in South Africa. However, companies will be able to reinvest profits generated in South Africa.

By PHILLIP VAN NIEKERK

This is not regarded as hugely harmful as there has been virtually no new investment coming into South Africa from the US in three years. Analysts believe congress would have to pass a law if it wanted people to invest in South Africa.

● A ban on loans and extensions of credit to the South African government and state institutions. The ban excludes short term credits, rescheduling of existing debt and credit for educational, housing or humanitarian purposes.

● A ban on the import of agricultural products and food, uranium and coal, iron and steel, textiles, arms, ammunition and military vehicles.

● A ban on landing rights for South African Airways and a bar on US airlines flying to and from South Africa.

● A prohibition on the export of any material, parts, substances, and technical data used in connection with any nuclear power plant or other nuclear facility.

● An earmarking of \$40-million (R88 million) for assistance to South Africans "disadvantaged by apartheid". These funds may be used for scholarships, trade unions, private enterprise, alternative education and community development programmes.

● A bar on any US government agency from buying goods and services from South African parastatals.

● A prohibition on any US assistance to any groups or persons engaged in or supporting "necklacing" or engaging in other "gross violations of human rights".

The Act specifies that all sanctions imposed may be terminated if Nelson Mandela is released, if the current State of Emergency is lifted and people detained under it released, if all political parties are unbanned, if apartheid laws are abolished and if the government enters into good-faith negotiations with black leaders.

A South African worker at a warehouse which imports grain from the US. Foreign Minister Pik Botha warned yesterday that South Africa would ban imports of US grain if sanctions were imposed.

Picture: WENDY SCHWEGMANN, Reuters



NOTE: REPORTS IN THIS ISSUE HAVE BEEN RESTRICTED IN TERMS OF THE EMERGENCY REGULATIONS.



## Sanctions will intensify oppression — Eglin

HAMBURG — The leader of the Progressive Federal Party (PFP), Mr Colin Eglin, said yesterday economic sanctions would lead only to a tightening of apartheid policy.

"Full-scale or selective sanctions will intensify the level of oppression. The change will have to take place inside South Africa, without outside interference."

He is attending the Liberal International Congress meeting here, which is expected to pass a resolution today calling for sanctions similar to those passed by the US Congress.

Mr Eglin said that speeding up the evolutionary process now taking place within South African society

was more important than pressures from outside.

Economic sanctions would reduce "consumer and labour power, but the blacks' economic muscle will have to be increased to ensure their upward mobility," he said.

"Presently there is no cohesive strategy and the sanctions have developed a momentum of their own. Western governments are merely responding to their voters' desire. They (the sanctions) have become an election issue."

White South African society was way ahead of what the government wanted to do and political change was inevitable, he said. — Sapa-RNS

# FEARS BOOST GOLD PRICE

By DEREK TOMMEY  
Financial Editor

FEARS in the United States that South Africa might restrict sales of gold and platinum in retaliation to the sanctions measures have led to the price of both metals soaring.

Gold rose \$7.25 in London today to \$440.75 an ounce. This brought the rise in the metal price in the past 24 hours to \$15.25. It also restored gold to the levels of 3½ years ago.

Gold shares opened firmly on the Johannesburg Stock Exchange today.

The rise in the gold price followed sharp gains in platinum and gold in New York last night.

Platinum soared, with the October contract rising \$41.60 to \$596.60 an ounce. Other contracts climbed the \$25 limit allowed in one day's trading by the exchange. New York analysts are expecting further gains today.

## RAND UP

The rise in the gold price helped the rand, which rose to 45.20 US cents after closing at 44.95 cents last night.

Dealers in New York said the rally in golds and platinum was sparked by South African Foreign Minister Pik Botha's threat to stop importing US grain if the sanctions were approved by the Senate, reports Sapa-Reuter.

"Everyone is wondering what retaliatory measures South Africa will take, or at least threaten, in the coming weeks," a dealer said.

# Sanctions threaten to Western Cape

By PETER FABRICIUS, Staff Reporter

THE fruit, textile and clothing industries, the biggest employers in the Western Cape, stand to lose millions as a result of United States sanctions.

Annual trade in deciduous fruit worth over R30-million and R2.5-million in canned fruit will be lost.

The Western Cape now exports about 1½-million boxes of deciduous fruit to America a year — mostly Granny Smith apples.

"We are saddened by this action," Mr Louis Kriel, executive director of the Deciduous Fruit Board, said today.

"It's not so much the size of the trade with America that is important but that their example may influence other countries. That's what disturbs us most."

"The European community saw the light and realised that this was a highly labour-intensive and export-dependent industry."

"We are the biggest employer of unskilled and semi-skilled labour in the Western Cape. About 200 000 workers and over a million dependents rely on us."

Mr Kriel said the industry hoped to find new export markets and the South African market would also have to absorb more.

## Worst hit

It is not known if the ban on the import of agricultural products will include processed food, like dried fruit and fruit juices.

Mr Colin McCarthy, director of the Cape Chamber of Industries, said textiles and clothing were likely to be worst hit by sanctions.

These industries had been exporting to the United States and would undoubtedly be adversely affected.

But there had been a recent upsurge in local demand for textiles and clothing which would help to compensate for lost American trade.

The increase in demand for clothing had expanded the labour force by over 3 000 in the past three months and textile mills, which had redirected their efforts overseas during the recession, had been unable to meet it.

Mr McCarthy said about 10 percent of Western Cape





the American Senate last night that about \$350-million (R777-million), or about 16 percent of South Africa's annual exports to the US, would be affected by sanctions.

● What SA is up against —  
Page 10.

## Reagan urges SA to avert crisis

**The Argus Foreign Service**  
WASHINGTON. — A deeply disappointed and soundly beaten President Ronald Reagan has warned the United States Congress that the economic sanctions it has imposed on South Africa could backfire and lead to more violence.

The President's sombre warning came shortly after the US Senate had handed him his biggest foreign policy defeat, rejecting by 78-21 a presidential veto of the sanctions.

With the sanctions to become US law in 90 days, the vote has allowed Congress to take control of American policy toward South Africa, dumping the Reagan Administration's constructive engagement approach of friendly persuasion.

"I deeply regret Congress has seen fit to override my veto," President Reagan said.

"Punitive sanctions, I believe, are not the best course of action, they hurt the very people they are intended to help."

### REPRESSION

"My hope is that these punitive sanctions do not lead to more violence and more repression."

He urged South Africa to act with courage and good sense to avert a crisis.

The Senate's action — which hit a dam in a split in

The clothing industry in the homelands would probably be affected much more from the ban as most of its output went to America.

Mr McCarthy said the ban on US Government funds being spent on promoting tourism to South Africa would also affect the Cape.

Trade in canned fruit worth about R2.5-million could also be lost because of sanctions, but this was a fraction of the industry's R180-million annual export market.

Mr Noel Lawson, chairman of the Canned Fruit Export Board, said sanctions would not affect the industry much more than purely economic circumstances.

### Crop-failure

In the past two years between a half and ¾-million cases had been exported to the United States a year because of a crop failure there.

This dropped drastically to 150 000 this year when the American crop recovered.

"We were looking at very little next year anyway."

Mr A J van Zyl, chairman of the Dried Fruit Board, said little dried fruit was exported to the United States.

"But every rand counts"

A source in the cotton textile industry said little cotton was exported to the US.

The president of the National Clothing Federation, Mr Mike Getz, recently said three per cent of South Africa's clothing production was sent there.

### Investment

"But now while we are trying to recover any market lost is a loss of badly needed jobs."

The Argus Tygerberg Bureau reports that businessmen there have reacted strongly against sanctions, but have appealed to the Government not to take retaliatory steps.

In what has been described as an historic event, the Tygerberg and Bellville Chambers of Commerce and the Parow and Bellville Afrikaanse Sakekamers last night met for the first time to issue a joint statement on sanctions.

The statement said it was beyond question that rapid economic growth held the greatest

### The Argus Correspondent

THE sanctions adopted by the United States Congress against South Africa have stunned many white South Africans, while black anti-apartheid groups and trade unions have welcomed the move.

The Government has condemned US interference in the country's internal affairs, while business leaders have warned of the adverse effects of sanctions on the economy and job opportunities.

South African exports to the US totalled R4 600-million last year and US investments in South Africa amounted to R70 000-million in the same period.

### "BREAKTHROUGH"

The United Democratic Front and Azapo said they hoped other Western countries would take the US lead.

UDF acting-publicity secretary Mr Murphy Morobe said: "The Senate's decision is a breakthrough for those forces who have seen through the fraud that is in (P W) Botha's so-called reforms and the protectionist postures of the Reagan administration."

An Azapo spokesman said: "Finally the opposition of the American people to Pretoria's brutality and intransigence is being expressed."

Assocom chief executive Mr Raymond Parsons said although the new sanctions ranged from weak to middling, they would be counter-productive. Businessmen would spend more time and energy on avoiding prospective sanctions than on promoting reform.

### "EMOTIONAL DECISION"

The Minister of Foreign Affairs, Mr Pik Botha, said South Africa should move forward positively with reform.

# Economic curbs stun many whites

cision to override President Reagan's veto was disturbing but not unexpected.

"However, the South African Government must understand that the lack of reform, the emergency and detention without trial have led to this almost unavoidable result," she said.

The general secretary of the Council of Unions of South Africa, Mr Phiroshaw Camay, said his organisation was pleased at the Senate's move.

A spokesman for the South African Foreign Trade Organisation said: "The sanctions package will hit hard, but it should not be devastating. It is likely to affect no more than five percent of our exports."

"The tragedy is that it is neighbouring black states that will suffer most."

The chairman of Sanlam, Dr Fred du Plessis, said the measures should be seen as a positive challenge to stimulate economic activity.

The South African Airways chief executive, Mr Gert van der Veer, said the US ban on landing rights for all South African-registered aircraft might come into effect on October 12.

The airline would provide extra capacity to several points in Europe from where passengers could catch connecting flights to New York.

A spokesman for the Afrikaner Weerstandsbeweging said the Government had itself to blame for US sanctions.

Sapa reports that Archbishop Desmond Tutu said: "The sanctions are conditional. The onus is on the South African Government. If it takes the action we have all been advocating, then there will be no sanctions."

The Rev Peter Storey, past-president

Senator Edward Kennedy watches as black caucus chairman Republican Mickey Leland hugs Randall Robinson, centre, a lobbyist, after the Senate voted to override the President.

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Argus  
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# SANCTIONS AND SOUTH AFRICA

## What SA is up against

From SUE BAKER, in WASHINGTON

WASHINGTON — Congress's enactment of sanctions, overriding President Reagan's veto, puts the United States at the front of nations seeking to change apartheid.

Other measures have been adopted most notably by the 12-nation European Community (EC) and the 49 countries of the Commonwealth.

The new US measures were imposed by Congress yesterday over the strong objections of President Reagan.

Here is a summary of the measures adopted:

### UNITED STATES:

**BAN** on imports of South African uranium, coal, textiles, iron, steel, agricultural products, food, military equipment and ammunition, ban imports from companies owned or controlled by the South African Government, end new US loans, investments or other extensions of credit to the South African public and private sectors, write into law and make permanent a presidential order banning imports of Kruggerand coins and pro-

hibiting exports of US nuclear and computer technology to Pretoria or its agencies.

Write into law existing UN arms and oil embargoes, and six months after enactment, urge Mr Reagan to cut off US military aid to nations circumventing the arms embargo, terminate landing rights for South African aircraft, earmark \$40-million (about R88-million) for South Africans disadvantaged by apartheid and \$4-million (about R8.8-million) for US scholarships, bar the US Government from buying goods and services from South Africa and from promoting trade and tourism there.

The sanctions would also apply to SWA/Namibia.

Congress would allow President Reagan to lift some or all of the sanctions if Pretoria met four out of five conditions, namely the release of Nelson Mandela and other political prisoners, repeal of the state of emergency, legalisation of all political parties; repeal of Group Areas Act

and Population Registration Act, and hold negotiations with representative black leaders.

### EUROPEAN COMMUNITY

ON September 16 the EC approved a ban on imports of steel, iron and gold coins and prohibited new investment in South Africa by companies from EC nations. Last year, the community banned military and police co-operation with South Africa, refused to collaborate in its nuclear development and banned sales of oil.

### COMMONWEALTH

THE group last year banned military and police co-operation, oil sales and government-to-government loans. On August 5, six nations imposed the following further measures, and urged the rest to follow suit.

Banned new investment and bank loans to South Africa's private and public sectors, prohibited imports of coal, iron, steel and agricultural products, withdrew

landing rights for South African aircraft and denied consular facilities for South African citizens, ended government assistance to South Africa; withdrew government contracts from State-owned South African companies, barred the promotion of South African tourism.

The six are India, Canada, Australia, Zambia, Zimbabwe and the Bahamas.

Britain, at that time, agreed only to a voluntary ban on the promotion of tourism and new investment. It later agreed to the EC bans on imports of steel, iron and gold coins and no new investments.

## Votes — amid fears of South African retaliation

by ALAN DUNN, of The Argus Foreign Service, in WASHINGTON

**A**merican Senators voted strongly for economic sanctions against South Africa amid warnings from their own number of retaliation, especially counter-sanctions involving strategic minerals.

"It is my judgement that Afrikaner determination would cause them to retaliate," Senator Larry Pressler, a Republican against sanctions, told his colleagues.

Strategic minerals on which the US so strongly depended constituted only about five percent of South Africa's foreign exchange, he said, noting that retaliation was his greatest fear.

Senator Pressler, and others cautioned that a government pushed against a wall would forego diplomatic niceties.

Senator Frank Murkowski, a Republican from Alaska, who voted for sanctions, said cutting shipment of strategic minerals to the US was obviously South Africa's most effective counter-sanction.

"If pushed to an extreme, the South African government may decide it has nothing to lose but to engage in an international game of chicken — believing that we would be the first to blink," he said.

"And we may well be the first to blink. Why? Because we have allowed ourselves to become totally dependent upon foreign sources — primarily South Africa — for many of the minerals and materials that are essential to the functioning of our society.

"And the only other source for many of these commodities is the Soviet Union," Senator Murkowski said.

**M**INERALS most critical to US security, he told the senate, included Chromium (55 percent from SA), cobalt (61 percent from SA), Manganese (39 percent from SA), and platinum (49 percent from SA).

The senator said the US was also dependent on South Africa for industrial diamonds (67 percent), gold (13 percent), vanadium (54 percent), and uranium (25 percent).

"We have elected to buy these materials from cheap foreign sources rather than develop our own reserves," Senator Murkowski said. "At the same time, we have neglected our national defence stockpile to the point where it is virtually useless.

"The result is that we are at the mercy of either the South Africans or the Soviets," he said.

In terms of the Comprehensive Anti-Apartheid Act of 1986, the US President will have to report to Congress within 90 days the extent of American dependency on strategic and critical minerals from South Africa.



Senator Kennedy



Mr Botha

## Excited scenes in the senate

by NEIL LURSEN, The Argus Foreign Service in WASHINGTON

**B**lack American civil rights leaders were among the spectators who crowded into the public galleries of the United States Senate to witness yesterday's historic vote in favour of sanctions against South Africa.

Their presence underscored Senate Majority Leader Robert Dole's statement during the debate that South Africa has become an American civil rights issue rather than a foreign policy issue.

Among the leaders were Mrs Coretta Scott King, widow of Dr Martin Luther King, the Reverend Jesse Jackson, and Mr Randall Robinson — the TransAfrica leader, who launched the street demonstrations against apartheid in 1984.

They were the lucky ones. Hundreds of people were unable to get into the Senate chamber after queueing for hours.

The spectators were excited as the vote drew near — evoking several warnings from Vice President George Bush, acting as President of the Senate, that they should be quiet.

Afterwards, Mrs King said "Today Martin Luther King's dream has been advanced. He said many times that apartheid in South Africa was the worst form of institutionalised racism in the world. That form of racism has been dealt a death blow today."

**M**R Robinson, arrested twice in demonstrations outside the SA embassy, said: "There is clear hope now for democracy in South Africa. And because of that our democracy is stronger."

The vote, and the short debate before it, dominated television and radio news broadcasts throughout the US — with commentators focussing on the event as a major policy defeat for the President and on SA Foreign Minister, Pik Botha's intervention in telephone calls to farm-belt Senators.

Shortly after the vote — which had been broadcast live from the Senate on a nation-wide TV cable channel — the SA embassy issued this statement:

"Today's decision can only further polarise an already divided South African society and intensify conflict.

"It is difficult to see how greater democracy and justice can be achieved in a society where the focus of the struggle will now shift from political freedom to material survival."



# Where Pik went wrong

by ALAN DUNN, The Argus Foreign Service in WASHINGTON

**S**ENATE outrage at last-minute lobbying telephone calls of the Minister of Foreign Affairs, Mr Pik Botha, escalated yesterday, but the White House would not condemn them.

Senate claims that Mr Botha had issued threats to farmbelt senators shortly before the sanctions vote received blanket media coverage throughout the day.

Mr Botha said he found the charges and condemnation "very astonishing".

Pro-sanctions senators described his conversations by phone with senators in the senate cloakroom off the debating chamber as "despicable", "bribery and intimidation". Mr Botha told American television viewers he had not threatened or warned — his conversations with the lawmakers had been friendly.

Two farmbelt Senators alleged Mr Botha had threatened to halt purchases of American maize if the sanctions were passed, and promised to increase wheat purchases if they did not.

Speaking on the CBS Morning News, Mr Botha said his aim had been to explain the "inevitable consequences" of the sanctions. Mr Botha said he told one senator the Senate was making a "historic mistake".

"It goes beyond the grasp of my understanding that a person in my position, knowing the Americans as I do, could ever think that I could exert pressure on the United States Senate.

"But I have a right to appeal to the United States Senate. I have a right to appeal to the decency and integrity of the American people," he said.

The White House avoided differing. A spokesman, Mr Larry Speakes, would not condemn Mr Botha's attempts. Under intense questioning by newsmen yesterday, he suggested the US Secretary of State, Mr Goerge Shultz, could do the same with members of parliament in other countries:

"... When we go into other countries, we very often meet with opposition leaders, and we have discussion on various subjects," he said. Mr Speakes noted that it was up to the senators to judge whether Mr Botha's telephone calls were improper interference.

The US Treasury Secretary, Mr James Baker, said the telephone calls showed that sanctions were a "two-way street, that they sometimes have the capacity to hurt as well as to help."

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# Boycott of grain could deal blow to US farmers

## Pik phones senators in bid to uphold Reagan's veto

WASHINGTON — A South African boycott of United States grain purchases would have little impact on total American exports but would be another psychological blow to hard-pressed US farmers, agricultural analysts said yesterday.

The South African Minister of Foreign Affairs, Mr Pik Botha, telephoned US farm-state senators on Wednesday threatening to boycott purchases and block shipment by rail of US grain to the frontline states if the Senate yesterday voted to override President Ronald Reagan's veto of sanctions.

Government and private analysts estimated that the maximum impact of the boycott would be on potential

US sales of about 500 000 tons of wheat and maize to Southern Africa — less than one per cent of total US shipments of 70,6 million tons this year.

Nevertheless, US grain prices are at the lowest levels in several years and the loss of any export market is a blow, some analysts said.

So far this year South Africa has bought 161 900 tons of American wheat and private grain traders said they had hoped for sales of 300 000 tons to South Africa this year.

South Africa has bought no US maize yet this year and there was little likelihood of major purchases later in the year because the South African maize crop was expected to reach about

nine million tons, enough to allow some exports.

In the past, South Africa has been a major buyer of US maize to meet shortfalls caused by drought.

This year South Africa is expected to import only 200 000 tons of maize from all suppliers, according to the Agriculture Department.

A South African embargo on rail shipments of American wheat and maize to other African countries would affect only about 100 000 to 150 000 tons to Mozambique, Lesotho, Zambia and Zimbabwe, most of that wheat provided under food aid programmes, officials said. — Sapa-RNS



MR BOTHA



MR REAGAN

**Market glut behind threat**

Dispatch Correspondent

JOHANNESBURG —

South Africa could be using its advantageous position as buyer in a glutted international grain market as a weapon in its anti-sanctions campaign.

The world's granaries are overflowing with surplus stocks — and observers say suppliers would be so eager to find a market to get rid of them that it would be difficult for them to agree not to sell to South Africa.

The United States has surplus grain stocks — 55 per cent of the world total — to provide for its needs for more than a year.

World grain production this year is expected to reach 1,4 billion tons.

The Progressive Federal Party spokesman on agriculture, Mr Errol Moorcroft, said Mr Pik Botha had "called their bluff — and he could get away with it."

"I believe they would experience grave problems in keeping suppliers of wheat out of South Africa."

Simple economics would ensure that sales went ahead — and any government attempting to hinder this would face an outcry by farmers.

Professor Ekhart Kassier, of the department of agricultural economics at Stellenbosch University, agreed that internationally it was a buyer's market.

But South Africa would be in dire trouble if the US, Australia and Canada banned wheat exports to South Africa in a year of poor wheat and maize harvests, Pretoria experts say.

The value of South African farm exports to the US is insignificant compared to the country's total exports, say economists.

In 1984 the figure was R118 million and last year R98 million, according to a US Embassy source.

US farm exports to South Africa totalled \$108 million last year, and \$481 million in 1984, when large maize imports were required.

This year 156 000 tons was bought by South Africa from the US (less than one per cent of its total wheat exports), 55 000 tons from Canada and 90 000 tons from Australia — South Africa's three traditional suppliers.

Usually 1,9 million tons of wheat are produced annually in South Africa — and 2,2 million tons consumed — including the 150 000 tons exported to neighbouring states.

During the past few drought-stricken years, South Africa has imported about 301 000 tons annually, a departmental spokesman said.

Agriculture Minister, Mr Greyling Wentzel, is on record as saying that South Africa would have to continue importing wheat for the foreseeable future.



WASHINGTON — A despairing Reagan administration had yesterday given up all hope of saving the President's sanctions veto after Foreign

# US administration gives up on veto

SIMON BARBER

Minister Pk Botha's telephonic threats to end purchases of US grain if it was over-ridden.

The usually reserved Treasury Secretary James Baker said that Botha "maybe shouldn't have done that" because it had created a backlash even among conservative Republicans that a veto override was virtually inevitable.

Another administration official said bitterly: "We had a fighting chance until today. Such chances as we had ended with the phone calls."

The Senate was scheduled to vote late last night. A two-thirds majority would defeat the veto.

Working through North Carolina Senator Jesse Helms, Botha spoke on Wednesday afternoon with farm state Senators Ed Zorinsky (Nebraska) and Charles

Grassley (Nevada), one of Reagan's closest confidants.

Before the conversations, SA's quiet offer to buy up to 500 000 metric tons of US hard red winter wheat next year — over three times this year's purchases — was fuelling a potent lobbying campaign against the sanctions Bill by the US Wheat Growers Association and farm officials in Kansas and Oklahoma.

Republican Senators up for re-election next month are facing stiff competition in the economically-depressed farm belt, and whether or not the Senate remains in Republican hands may well depend upon their fortunes.

Administration officials said that

● To Page 2

# SA using grain as a weapon?

SA COULD be using its advantageous buyer position in a glutted international grain market as a weapon in its anti-sanctions campaign.

The world's granaries are overflowing with surplus stocks and observers say suppliers could be so eager to find a market it may be difficult for them to agree not to sell to SA.

The US has surplus grain stocks — 55% of the world total — to provide for its needs for more than a year. World grain production this year is expected to reach 1.4-billion tons.

Further momentum was given to the last-minute effort to sway the US Senate yesterday when SA Agricultural Union (Saau) president Kobus Jooste telexed senators representing farming states.

And Agricultural Minister Greyling Wentzel came out in support of Foreign Minister Pik Botha's threat to end SA's imports of US wheat if the US government applied sanctions against SA farm exports.

Progressive Federal Party (PFP) agriculture spokesman Errol Moorcroft

LINDA ENSOR  
and GERALD REILLY

said Botha had "called their bluff — and he could get away with it."

"I believe they would experience grave problems in keeping suppliers of wheat out of SA."

Simple economics would ensure that sales went ahead and any government trying to hinder that would face an outcry from farmers.

Saau's chief economist said the low grain prices on the international market and the large surpluses meant suppliers "would be climbing over each other to supply. Pik Botha must believe he has ground under his feet to speak so confidently."

Professor Ekhart Kassier of the Department of Agricultural Economics at Stellenbosch University agreed that internationally it was a buyer's market.

He agreed with the Saau economist that, if necessary, SA could become self-sufficient in wheat production. Government

● To Page 2. ➡

# SA wielding grain weapon?

ment could provide price incentives to increase production and also embark on a storage programme.

But SA would be in dire trouble if the US, Australia and Canada banned wheat exports to SA in a year of poor wheat and maize harvests.

The economists said surpluses of wheat and maize posed a greater problem than shortages as it would be difficult to find markets — especially in the light of bans by some countries on the import of SA agricultural products.

A surplus of about 2-million tons of maize is expected this season.

The value of SA farm exports to the US is insignificant compared to the

country's total exports. A US embassy source said in 1984 the figure was R118m and last year R98m. US farm exports to SA totalled \$108m last year and \$481m in 1984 when large maize imports were required.

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● From Page 1. ➡



What is affected

This may cause more violence — Reagan

By Neil Larsen, The Star Bureau

WASHINGTON — A deeply disappointed and soundly beaten President Ronald Reagan has warned the United States Congress that the economic sanctions it has imposed on South Africa can backfire and lead to more violence.

The President's sombre warning came last night shortly after the US Senate had handed him his biggest foreign policy defeat, rejecting 78-21 a presidential veto of the sanctions.

With the sanctions to become US law in 90 days, the vote has allowed the Congress to take control of US policy towards South Africa, dumping the Reagan Administration's constructive engagement approach of friendly persuasion.

"I deeply regret that Congress has seen fit to override my veto," President Reagan said.

"Punitive sanctions, I believe, are not the best course of action, they hurt the very people they are intended to help."

"My hope is that these punitive sanctions do not lead to more violence and more repression."

President Reagan urged the SA Government to act with courage and good sense to avert a crisis.

At one point yesterday, Reagan officials thought they were close to the 34 votes they needed to sustain the veto.

The president joined in the lobbying effort, phoning senators to ask for their help.

Chief Butenlezi was also a lobbyist, falling from South Africa to point out that sanctions would not help blacks in their struggle to overthrow apartheid.

CONTINUE EFFORTS

But in the end, more Republicans joined forces with Senator Richard Lugar, who led the sanctions drive, than rallied to the president's cause.

President Reagan said his Administration would implement the law but he warned that the new sanctions would not solve South Africa's serious problems.

He vowed to continue US efforts to "move forward with positive measures to encourage

- Iron and steel
- US loans in SA
- Uranium and coal
- Petroleum products
- SAA landing rights
- Arms, ammunition
- Krugers' gold
- Nuclear technology
- Farm products

Whites stunned, blacks welcome tough US move

SA braces for sanctions

Staff Reporters

The United States Senate last night overrode President Reagan's veto of sanctions on South Africa — and they will now come into effect.

This has stunned white South Africans, but black anti-apartheid groups and trade unions have welcomed the move.

The South African Government has strongly condemned US interference in this country's internal affairs, and business leaders have warned of the adverse effects of sanctions on the economy and employment opportunities.

South African exports to the US totalled R4 600 million last year, and US investments in South Africa amount to R70 000 million.

Foreign Minister Mr P. K. Botha was putting on a brave face towards the sanctions today. He said the new measures should encourage all democratically minded South Africans to get together to resolve their problems and not allow the world to punish the country.

He said South Africa would have to search for new markets.

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said South Africa had now to get to grips with meaningful political reform and the problem of economic deprivation.

'Action is counter-productive'

Mrs Helen Suzman (PFP Houghton) said the Senate decision to override President Reagan's veto was disturbing but not unexpected.

"But the South African Government must understand that the lack of reform, the emergency, and detention without trial have led to this almost unavoidable result."

The United Democratic Front and Azapo said they hoped other Western countries would take the US lead.

Assoccom chief executive Mr Raymond Parsons said the new sanctions ranged from weak to middling and would be counter-productive. Businessmen would have to spend more time and energy on avoiding sanctions than on promoting reform. The Senate's decision was an emotional one which did not take into account the reform programme in South Africa.

The general secretary of the Council of Unions of SA (Cusa), Mr Phuroshaw Camay, said his organisation was pleased that after two years of campaigning the Senate had decided on comprehensive sanctions on South Africa.

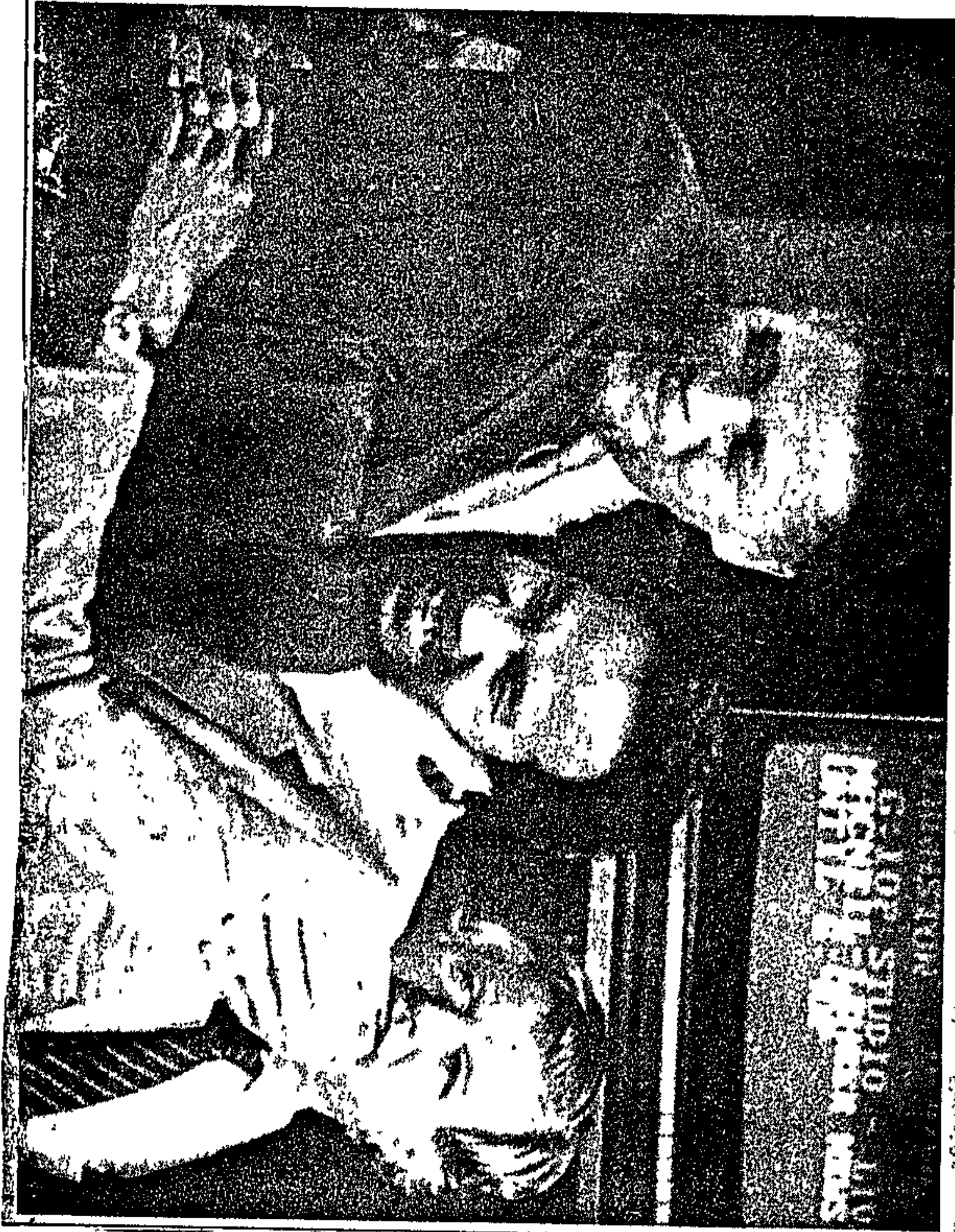
The SA Foreign Trade Organisation (Safito) said, "The sanctions package will hit hard — but it should not be devastating. In perspective, it is likely to affect only 5 percent of our total exports."

Sanlam chairman Dr Fred du Plessis said the sanctions measures should be seen as a positive challenge in stimulating economic activity.

"The US ban on landing rights for all South African-registered aircraft may come into effect on October 12," said SAA chief executive Mr Gert van der Veer.

SAA would provide extra capacity to several points in Europe, from where passengers could catch connecting flights to New York.

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But in the end, more Republicans joined forces with Senator Richard Lugar, who led the sanctions drive, than rallied to the president's cause.

President Reagan said his Administration would implement the law, but he warned that the new sanctions would not solve South Africa's serious problems.

He vowed to continue US efforts to ... "move forward with positive measures to encourage peaceful change and advance the cause of democracy in South Africa".

The vote came after a brief but highly charged debate in the Senate chamber yesterday afternoon.

A highlight was Senator Lugar's speech. Usually a key Reagan ally in the Senate, he had been subjected to intense pressure to support the veto.

"We are against tyranny and tyranny is in South Africa," he said. "We are not destroying that government. That government is self-destructing. We're saying — wake up."

Senator Lugar's colleague in the Republican leadership, Senator Robert Dole, appealed to the senators not to cut the ground out from under President Reagan.

Senator Jeremiah Denton of Alabama warned that sanctions could have a psychological effect in South Africa that could lead to a "deluge of terror and a takeover by the ANC".

Senator Jesse Helms of North Carolina described the sanctions bill as "Humpty Dumpty legislation", part of the "charade of people pretending they were trying to help beleaguered blacks in South Africa".

Senator Paul Simon said: "We made a great mistake not standing up to Hitler. I don't want to see us making the same mistake again."

## 'Action is counter-productive'

Mrs Helen Suzman (PFP Houghton) said the Senate decision to override President Reagan's veto was disturbing but not unexpected.

"But the South African Government must understand that the lack of reform, the emergency, and detention without trial have led to this almost unavoidable result."

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Assocom chief executive Mr Raymond Parsons said the new sanctions ranged from weak to middling and would be counter-productive. Businessmen would have to spend more time and energy on avoiding sanctions than on promoting reform. The Senate's decision was an emotional one which did not take into account the reform programme in South Africa.

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SAA would provide extra capacity to several points in Europe, from where passengers could catch connecting flights to New York.

According to Safto, the US last year retained its place as South Africa's No 1 overseas trading partner with exports to the US topping R3 000 million and imports running at R3 159 million.

"The sanctions package will hit hard — but it should not be devastating," said a spokesman.

"The tragedy is that it is neighbouring black states that will suffer the worst of the impact."

## Breakthrough

"It seems ludicrous that the Americans are forcing us to devote such time and effort to fighting sanctions when they really should be encouraging us to concentrate on reform issues."

"It is also nonsensical that the US should be hitting out at South African business, which had been in the forefront of reform initiatives."

The UDF has welcomed the Senate decision, saying it should serve as a pointer to President Reagan of the popular sentiment against apartheid and the South African Government.

"The Senate's decision is a breakthrough for all those forces who have seen through the fraud that is in (P W) Botha's so-called reforms and the protectionist postures of the Reagan Administration," said acting publicity secretary Mr Murphy Morobe.



Well done  
America,  
says  
Mugabe

The Star's Foreign  
News Service

NEW YORK — Zimbabwe's Prime Minister, Mr Robert Mugabe, last night hailed the new sanctions legislation by the US Congress against South Africa and said "Well done"

Speaking at a news conference shortly after his address to the UN General Assembly, he was interrupted to be handed the result of the Senate debate.

"The people in the US can no longer tolerate apartheid, even though their leader (Mr Reagan) is an ally with apartheid," he said "The leadership must take cognisance of the people"

The Reagan Administration recently cancelled more than \$13 million (about R29 million) in aid to Zimbabwe after a Cabinet Minister condemned the US for opposing anti-apartheid sanctions

Mr Mugabe indicated at his news conference that he did not expect to meet President Reagan or his senior aides in the near future

#### FRONTLINE STATES

He said the Frontline states had already begun to suffer because of South Africa and asserted "We can do it," in a reference to living with South African-imposed sanctions against his country.

"We will eat thick porridge without meat," he said.

He also threatened to nationalise some of the enterprises from which pensioners who formerly lived in Rhodesia received their monthly income

He admitted that his country remitted \$70 million to about 40 000 people "and that is a lot of money from little Zimbabwe"

Already, many people had written to him "screaming and pleading" not to stop their pension payments.

"We will not suffer to the extent that the West would like if South African sanctions are imposed," he added.

Asked how he would receive whites from South Africa who wanted to return to Zimbabwe, he said, "It is not the colour of the skin that counts. Skills of individuals should be judged."

"They are welcome, provided they come back as honest and free citizens."

## US farmers will suffer if grain imports are stopped

By Hannes de Wet

American farmers will suffer if South Africa does stop US grain imports — and South Africa would have no difficulty finding alternative sources of grain, agricultural experts said yesterday

They were commenting on Minister of Foreign Affairs, Mr Pik Botha's telephoned warning to a handful of United States senators that South Africa would stop American grain imports if the Senate overruled President Ronald Reagan's sanctions veto

Mr Neil de Villiers, manager of Agronomic Commodity Organisations at the South African Agricultural Union, said "There is an enormous wheat surplus on the world market, especially in the United States. It is so bad that American farmers are already being forced to sell some of their products at a loss"

According to Mr J Dorfling, secretary of the Wheat Board, South Africa would have no trouble finding alternative sources of wheat

Other countries from which South Africa imported wheat during the past season were Canada, Australia and Argentina

Mr de Villiers said Mr Botha would not have issued the warning if South Africa did not have such alternatives

According to Mr Dorfling, South Africa imported about 300 000 tons of wheat during the past season, of which more than 50 percent came from America

# Americans now lead sanctions campaign

By Neil Lurssen, The Star Bureau

WASHINGTON — With a comprehensive list of economic sanctions now voted into law, the United States has become the leader of the anti-apartheid drive in the West

While the promoters of sanctions claim they are more symbolic than damaging to the SA economy, they are far more stringent than any of the measures envisaged by South Africa's other major Western trading partners

Analysts believe they are likely to add to the gloomy disinvestment climate that has led several large US corporations to withdraw from the Republic

Among the key provisions in the Bill (known as the Comprehensive Anti-Apartheid Act of 1986) are

- A ban on SAA flights to the US
- A ban on all new American investments and bank loans — but companies will be allowed to reinvest their profits
- An end to US imports of South African uranium, coal, iron, steel, ammunition, textiles, agricultural products and food
- An embargo on the export of crude oil, oil products and munitions to South Africa
- Legalisation of earlier bans, by presidential executive order, on the import of Krugerrands and the export to South Africa of computers to government agencies, the supply of nuclear technology and loans to government agencies

The Bill allocates \$40 million (about R90 million) to aid the victims of apartheid, and directs the President to impose further sanctions "down the road" if the SA Government makes no progress toward ending apartheid. These include the freezing of bank accounts held by SA nationals in the US

It requires the US Government to study the use of violence, including necklacing, by the ANC and the influence of communism on the ANC

The President can lift the sanctions, with the approval of Congress, if the SA Government takes several steps, including releasing Nelson Mandela and others, ending the emergency, legalising black political parties, and scrapping statutory apartheid

Senator Nancy Kassebaum told the Senate yesterday the US imported products worth about \$2,2 billion (about R4,85 billion) from SA annually and only about \$350 million (about R770 million) would be affected

The Bill was thus more important as a symbol to SA and Africa as to where the US stood on a moral issue

Senator Malcom Wallop noted that the Bill would also prevent US investment in black-owned businesses

## US vote 'a death blow to racism'

The Star Bureau

WASHINGTON — Black American Civil Rights leaders crowded into the public galleries of the United States Senate to witness yesterday's historic vote in favour of sanctions against South Africa.

Their presence underscored Senate Majority Leader Robert Dole's statement that South Africa has become an American civil rights issue rather than a foreign policy issue

Among the leaders were Mrs Coretta Scott King, widow of Dr Martin Luther King, the Rev Jesse Jackson and Mr Randall Robinson — the TransAfrica leader who launched the street demonstrations against apartheid in 1984

Afterwards, Mrs King said "Martin Luther King's dream has been advanced. He said many times that apartheid in South Africa was the worst institutionalised racism in the world. That form of racism has been dealt a death blow today."

Mr Robinson said "There is clear hope now for democracy in South Africa"

News broadcasts focused on the event as a major policy defeat for the President and on SA Foreign Minister Pik Botha's telephone calls to farm-belt Senators

The SA Embassy said "Today's decision can only further polarise an already divided South African society and intensify conflict."

"It is difficult to see how greater democracy and justice can be achieved in a society where the focus of the struggle will now shift from political freedom to material survival"

# Decision on SAA 'is apartheid chicken roosting'



Mr J MALGOMESS

By BARBARA ORPEN  
Post Reporter

THE withdrawal of South African Airways' landing rights in America was sad, but yet "another apartheid chicken coming home to roost".

This is the view of Pro-

gressive Federal Party opposition spokesman on Transport Affairs, Mr John Malcomess. He was commenting on the decision adopted by the US Senate yesterday to cut off South Africa's United States landing rights within 10 days.

Mr Malcomess called on the Government to provide alternative services for a direct route to the US.

Condemning SAA's response to provide four extra flights on the European route as neither "adequate or desirable", he said this was unprofitable because of the cost of flying around the bulge of Africa, and it was time-consuming and expensive for the passenger.

He suggested it would be possible to find an international airline to provide a profitable service.

"Failing that, a service from neighbouring countries, such as Botswana, and New York would be almost as good.

"I know this does not help SAA, but it does help SA and I call on the Government to do everything possible to provide such a service."

●Prospective travellers with SAA to New York have been asked to make alternative travel arrangements at their nearest travel agents.

A spokesman for SAA said passengers who had already booked on SAA flights to and from New York would be contacted.

But prospective travellers should contact SAA offices or their travel agents because contact telephone numbers were not always available.

SAA is still uncertain when the US ban on landing rights will become effective.

Their legal advisers in New York were not sure last night whether the period of grace was 10 or 90 days "but because we cannot keep our passengers in suspense, we will act as if the ban will become effective within 10



# SA enters first phase of sanctions cycle

By GORDON KLING  
Financial Editor

TOUGHER sanctions approved by the US Congress and Senate have placed SA firmly in phase one of a cycle to disaster that must be broken if the economy is to survive.

Business is the key to success but it cannot overcome the cycle in the long term.

The cycle begins with a "gathering storm" characterized by both severe threats and profitable opportunities. This first phase is followed by a misleading boom, and then major structural deterioration of the economy.

## Strategy

In a comprehensive study of the issue, business and marketing consultancy, Perry and Associates, says the new circumstances arising at each stage of the cycle will require flexible corporate market strategy on the part of business, as well as quick response.

Sanctions initially subject the economy to a sharp once-off "terms of trade effect" as exporters are required to pay middlemen and develop new markets often on a price-penetration basis, the consultancy notes.

Businesses will have to invest in disguising and relabelling products, and using costly, secret distribution channels either to retain existing markets or develop

alternatives. This is the so-called sanctions discount which was estimated at between 10% and 15% during Rhodesia's UDI.

Thanks to increasing competition in world markets, the sanctions premium on imports is likely to be considerably lower than the discount on exports. That, however, would have unhappy balance of payments implications.

## Import controls

The first phase also features an intensification of rivalry between existing SA firms on the international market and at home as domestic spending power weakens.

"The bargaining power of buyers in domestic foreign markets increases substantially overnight, but within the domestic market, as import controls come into play, supplier bargaining power against buyers strengthens."

Opportunities for import substitution arise, but economic efficiency deteriorates, and it becomes more difficult to secure forex.

In phase two, the effect of sanctions diminishes. It is a lull before the storm. The export market and product diversification starts to pay dividends. Export profitability remains low, but import substitution gains strength to the benefit of employment.

opportunities and output.

Here the state of the world economy and political development abroad become highly important. MD of the consultancy

Mike Perry, thinks UK Prime Minister Margaret Thatcher will probably be replaced after two years of selective sanctions by a moderate or leftwing administration, and a US presidential election in 1988 would also mitigate in favour of comprehensive mandatory sanctions.

Phase three marks the beginning of permanent deterioration. "Again sanctions are widened, the foreign currency constraint tightens because import replacement does not save foreign exchange but merely alters the pattern of imports."

## Growth

Economic growth falls behind population growth and unemployment rises while the security threat intensifies and government has to spend more money to preserve order.

Perry conceals that under certain conditions sanctions could result in a stronger economy. He sees the biggest threat, however, as a decay in SA's technologically advanced economy.

This could only be avoided by government encouraging businesses to remain in the forefront through, for example, tax incentives.

## South Africa's major export products

Commodity	1984 \$M*	Percentage of total	1983 \$M*	Percentage of total
1 Gold bullion	6 462	52.2	5 316	50.8
2 Other minerals and metals	3 094	25.0	2 474	23.6
3 Agricultural and forest-based products	707	5.7	465	4.5
4 Food products	500	4.0	476	4.6
5 Kruggerands	456	3.7	763	7.3
6 Chemicals	236	1.9	157	1.5
7 Machinery and transport equipment	211	1.7	193	1.8
8 Other goods	713	5.8	619	5.9
Total	12 379	100.0	10 463	100.0

## South Africa's major suppliers

Country	1984 \$M*	Percentage of total	1983 \$M*	Percentage of total
1 West Germany	1 713	15.8	1 118	13.8
2 United States	1 701	15.7	1 233	15.2
3 Japan	1 401	12.9	954	11.8
4 United Kingdom	1 208	11.1	945	11.7
5 France	410	3.8	312	3.8
6 Italy	381	3.5	258	3.2
7 Netherlands	197	1.8	122	1.5
8 Taiwan	197	1.8	126	1.6
9 Switzerland	194	1.8	126	1.6
10 Belgium	169	1.6	116	1.4
Top ten countries	7 571	69.8	5 321	65.6
Rest of Africa	202	1.9	156	1.9
All other countries	3 092	28.3	2 636	32.5
Total	10 845	100.0	8 113	100.0

Compiled by Perry and Associates  
Exchange rate R1 = US\$0.50 (comparative purposes)

# This was Pik Botha's recipe for disaster

IT'S not what you do, it's the way that you do it. So go the words of the old song, and Pik Botha had better remember them next time he wants to sway international opinion.

What on earth have we done to deserve such crass and crude incompetence in the handling of our foreign relations?

One can understand the frustration of a Cabinet Minister who believes, with some justification, that sanctions really will brutalise thousands of black South Africans, and in the short term will be counter-productive in their objective of forcing faster internal reform.

One can understand his anger (and he is a choleric man at the best of times) at America's imposition of tough economic sanctions, while other nations in Africa with appalling human rights records, go unscathed.

But there is utter amazement, in Europe and America, at the way in which he has handled his last-ditch bid to stave off the Senate vote on Thursday.

Pik Botha has served as our man in Washington. He knows the American political scene like the back of his hand, or he should do.

Certainly, he should have known that the bull in a china shop personal intervention a few hours before the vote would anger Republican and Democrat senators alike. It was a recipe for disaster.

Political observers in Europe, until then talking about a knife edge result, at

From CLIFF SCOTT, of the  
Weekend Argus Bureau, in  
LONDON

once began predicting that President Reagan now faced the greatest single foreign policy set-back in his administration. They were correct.

It is now clear that there has been a firm Pretoria decision to adopt a more aggressive, full-frontal stance in propagating National Party policies overseas.

The recent letters-under-the-door approach to delegates at British political conferences may have been part of the same strategy.

But it is too utterly simplistic in its concept, and crude in its execution. Pushing pamphlets under doors, making threatening phone calls to senators in their cloakroom a few hours before the recipients are to cast a vote, will change few minds and harden many others.

It does not matter how factual the pamphlets are, how real the threats. That kind of lobbying needs to be sustained, a continuous and credible flow of information long before the votes are called. What we have seen these last few days smacks more of panic public relations.

We have learned, the hard way, that it does not work. We have learned by 78 votes to 21 in the US Senate.

And we have not heard the last of this futile fiasco.

Millions of television viewers in Europe and America saw Pik Botha on television on Thursday night telling British and American correspondents about Pretoria's reprisal plan.

We will stop buying American grain, he said. Our farmers will insist that if they can't sell their goods in America, American farmers can't sell theirs in South Africa.

Fine. The world will understand that kind of talk. Tit for tat.

Then, the biggest blunder of them all.

Incredibly, there was the South African Foreign Minister pledging that not a sack of grain would pass through South Africa to her neighbour nations.

Yes, he agreed sorrowfully, the results could be dire. Especially if there was another drought.

In the year of Band Aid, the year that saw the world's nations all pulling together for once to ease the cruel ravages of African famine, there was Pik Botha in effect saying: We will starve our neighbours out.

Apartheid attracts enough hostility. But it is a political concept, difficult for many people in far-off lands to feel personally involved with.

But Mr Botha struck home with his threat to starve out the children of Africa. Already the TV stations are using replays of skeletal Ethiopian infants suckling at their mothers' shrivelled breasts to illustrate the full horror of Mr Botha's words.



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**Sugar men  
mum on  
quota loss**

**Mercury Reporter**

THE South African Sugar Association yesterday declined to comment on the likely effect of the loss of the U S import quota.

General manager Peter Sale said: 'The association regrets the U S sanctions Bill transferring the quota to the Philippines.'

But according to the most recent figures available, South African sugar exports to the U S — worth between R12 million and R24 million each year — make up only about 5% of total sugar exports.

The amount of sugar exported each year depends on the success of the crop, local demand being satisfied first. In good years it has exceeded 1 000 000 tons.

Now  
41  
BSU

DD4/10/86 280  
Business as usual

As the chief executive of South Africa's Federated Chambers of Industry, Mr Johan van Zyl, said about the United States decision to impose harsher sanctions on this country, emotion in America won over reason. South Africans must now take care that they do not also, in their reaction, allow emotion to reduce their ability to behave reasonably — whether they are pleased or displeased by the American action.

It would be disastrous, for example, if anti-government elements here believed now that the economy will suffer so badly that it will be possible to hold the government to ransom politically. Just as it would be equally disastrous if pro-government elements believed now that they will not only be able to continue defying world opinion, but will also be justified in hitting back economically at countries applying sanctions.

Anti-government elements should note the opinion of one of the United States senators who voted for harsher sanctions. Senator Nancy Kassebaum, who is chairman of the Senate's Africa sub-committee and therefore probably knows more about this country than most of her fellow senators, said yesterday that the new sanctions would not "wreak havoc in South Africa nor bring the Botha government to its knees." She said only about 350 million dollars worth of South Africa's average annual two billion dollars worth of exports would be affected. Her view is supported by the South African Foreign Trade Organisation, which estimates that the sanctions will affect no more than five per cent of South Africa's total exports.

This is good news because the worse the effect is of sanctions on the South African economy, the slower will be the pace of reform — simply because there will be less money available for reform purposes. Yet quick reform is now more urgent than ever. Therefore, again to quote Mr Van Zyl, it is important that South African industry should commit itself to business as usual and ensure that black advancement in business is not affected.

That is the essential economic approach. The political approach should be similar, however. The government needs to proceed even faster with the task of dismantling apartheid so that it can prove what the Foreign Minister, Mr Pik Botha, said yesterday — that reports to Americans about what is happening in South Africa have been distorted and that the truth is that "we don't hate blacks".

Of course not. So let's start linking arms and moving forward together towards a united South Africa — blacks, whites and all other people who regard this country as their home.



## Aftermath of the U S sanctions vote

### Mercury Reporter

THE Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, said yesterday that the South African Government was busy destroying itself and urged the white electorate to call a halt to apartheid.

Responding to the rejection by the United States Senate of President Ronald Reagan's sanctions veto, Chief Buthelezi said it was time for major steps in a truly meaningful programme of reform.

He said comprehensive sanctions would tip the scales in favour of violence. The imposition of limited sanctions was a dangerous shift of weight along that scale.

Chief Buthelezi said many black South Africans who had called for sanctions did so with the intention of making the

## Voters

## urged to

## call end to apartheid

country ungovernable.

Behind them were those who wanted to destroy the economy to create the conditions in which they hoped a violent revolution would succeed.

He said President Reagan should now receive to-

tal, across the board support for his commitment to balance sanctions with increased humanitarian aid to the victims of apartheid.

The Roman Catholic Archbishop of Durban, Archbishop Denis Hurley, said the American deci-

sion aimed at giving South Africa a real jolt without doing too much harm to the economy.

Clearly there could be tougher jolts in future if South Africa did not make serious attempts to dismantle apartheid, he said.

The chairman of the Natal coastal district of the Methodist Church, Dr John Borman, said he did not see sanctions as likely to be effective in ending apartheid.

The acting director of the South African Institute of International Affairs, Dr Sara Pienaar, said that, in many ways, even conservatives in the United States might be quite relieved at the US Senate decision.

The sanctions package did not affect what America needed from South Africa in the way of strategic minerals.



Washington—Corretta Scott King, widow of Martin Luther King Jun., smiles after the Senate voted 78-21 to impose sanctions against South Africa. Standing with her is

Senator Edward Kennedy, also in favour of the Senate vote to override President Reagan's veto of sweeping sanctions legislation aimed at apartheid. — (Reuters)

# Thatcher 'isolated' by U S vote on sanctions

LONDON—Prime Minister Mrs Margaret Thatcher's political opponents said yesterday the U S Senate's approval of stringent sanctions against South Africa has isolated the British leader in her refusal to adopt punitive economic measures to end apartheid.

But some Thatcher allies described the Senate's vote as an attempt to woo black voters for the November U S congressional elections, and said there was no need for Britain to change its policy on South Africa.

Mrs Thatcher has consistently opposed severe economic sanctions.

'Mrs Thatcher is now totally stranded, as I said she was going to be,' said Mr Neil Kinnock, leader of the Labour Party.

But he said he doubted Mrs Thatcher would be swayed by the Senate vote.

'I would like to think she would, in this particular case, follow the Americans, as she so readily has done in many other cases,' Mr Kinnock said. 'I doubt it, however, because she has got the most perverse desire to give comfort to Mr Botha and the apartheid regime.'

Liberal leader Mr David Steel said he felt the Senate vote showed that public opinion was against Mr Reagan and Mrs Thatcher on South Africa.

'Yet again we are being treated to the unedifying sight of Mrs Thatcher standing side by side with Ronald Reagan in splendid isolation, while Western public opinion is overwhelmingly in favor of sanctions.' — (Sapa-AP)

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11/14 4/10/81



THIS is an extract from an address by the departing American ambassador in Johannesburg this week. It was Mr Nickel's last speech in South Africa.

THE realities of the South African situation demand political accommodation.

Any scheme by one side to impose its control on the others, no matter how cosmetically disguised, carries within itself the seeds of continued conflict and therefore is doomed to failure.

This is as true of the schemes of those who think there can somehow be power-sharing while retaining full control as it is of those who demand the transfer of all power, without checks and balances and constitutional safeguards.

There are those who have sadly concluded that the time for accommodation is not yet ripe. They see the present deadlock in which one side to the conflict insists on the abandonment of violence as a firm precondition for talk — while the other rejects it as a kind of unilateral disarmament — as a sign that neither side is really ready to deal.

Their pessimistic view is that this will only come once each side has fully fathomed how much pain and suffering the other side can inflict.

This is a truly terrifying scenario for the people of this country, for this entire region, and, indeed, for mankind.

# Sanctions: a parting message

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By HERMAN NICKEL



It carries the implication that by the time the antagonists have concluded, that they must come to terms with each other and stagger to the negotiating table, that table will stand in a wasteland, with countless victims of a self-destructive struggle littering the ground . . .

The image (of Lebanon) may sound lurid to some of you, but it can become grim reality if no way is found soon to break out of the vicious downward spiral of unrest and repression which has already cost this country so dearly in terms of lives and suffering, in the loss of international banking and investor confidence and the pressures for sanctions and disinvestment . . .

It struck me as a refreshing sign of Nelson Mandela's political realism that he told the Eminent

Persons Group (EPG) of the importance he attached to the participation of Mangosuthu Buthe-  
lezi.

The plain fact of the matter is that in life you don't have the luxury of picking and choosing the cards you want to play with. You have to play with the hand as it is dealt, whether you like the cards or not.

And when you want to resolve conflict you must deal with all the participants . . .

The international community has its role to play and that, of course, prominently includes the United States. Certainly, we should avoid the kind of actions that would maximize the existential fears and truculence on one side while encouraging the intransigence of the other by feeding the dangerous delusion that total victory is just around the corner.

Unfortunately there is every reason to believe that the effect — not the intention — of indiscriminate punitive sanctions would be just that. But our role might have to go beyond the mere avoidance of actions that could complicate the process. We should be prepared to play a more positive role. Like many others I regret that the government

here did not use the opportunity of the last several years — with friendly governments in Washington, London, Bonn — to move the process forward more self-confidently.

It remains a matter of great regret that the promising opportunities that seemed to open up in the course of the EPG mission were wasted before they could be further explored.

Though this first effort was abandoned, it is hard to see how the present logjam can be broken without the acceptance of the major elements of the EPG negotiating concept, to wit:

- The release of Nelson Mandela and political prisoners,

- The unbanning of the political organizations which they represent,

- The lifting of the state of emergency in order to allow normal political activity and the release of detainees, and

- Firm commitments by all parties to a process of good-faith negotiation in a context in which all parties exercise restraint and desist from violence.

We have no delusions about the tremendous difficulties and internal strains which this kind of approach would pose for all the parties. Nor do we have illusions about the odds for instant success. What is crucial, however, is that the process must get started before the grievances and bitterness engendered by continued escalating violence render it ever more difficult . . .



# Sanctions: the *cat in the* sjanbok connection

THE imposition of sanctions against South Africa by the United States was readily predictable, if not the wide margin of the Senate vote to rule out the Reagan veto.

Why should one of the world's most respected and conservative representative institutions — the United States Senate — have taken a decision which will strike most South African whites at least as irrational and bound to be counter-productive?

The die has been cast since the second half of last year when American television viewers reacted with horror at the sight of television news clips of South African police sjanboking anti-apartheid protesters and carrying on beating them as they lay on the ground.

A South African who was in the United States at the time can testify to the intensity of the reaction to scenes of gratuitous brutality of the kind which many Americans associate with the Third Reich.

In the United States, furthermore, the whip is the symbol of degradation and slavery. Its use by police in South Africa was seen as political in intent, as deliberately punitive and intimidatory and designed to crush the spirit of protest.

In the land of Simon Legree these scenes had an extraordinary impact which had to be experienced at first hand to be appreciated.

A surge of righteous indignation swept the nation as the nightly television news brought regular bulletins of police shootings of blacks, often juveniles, in the black and coloured townships.

The high point was reached when the notorious "Trojan Horse" incident hit prime time news bulletins.

Then there came the clamp-down on press and television coverage of unrest, which compounded the impression of a repressive regime — and relations between Pretoria and Washington could never be the same.

It was evident that the Reagan policy of support-



**Political Survey**  
By GERALD SHAW

ive friendliness to the Botha government would not survive.

Foreign policy in the United States is shaped by a complex interplay of forces of which public opinion is one of the most potent yet perhaps the least appreciated outside the United States.

The President and the White House have a key role, certainly, but Congress is able to assert itself, on occasion, and public opinion can be decisive.

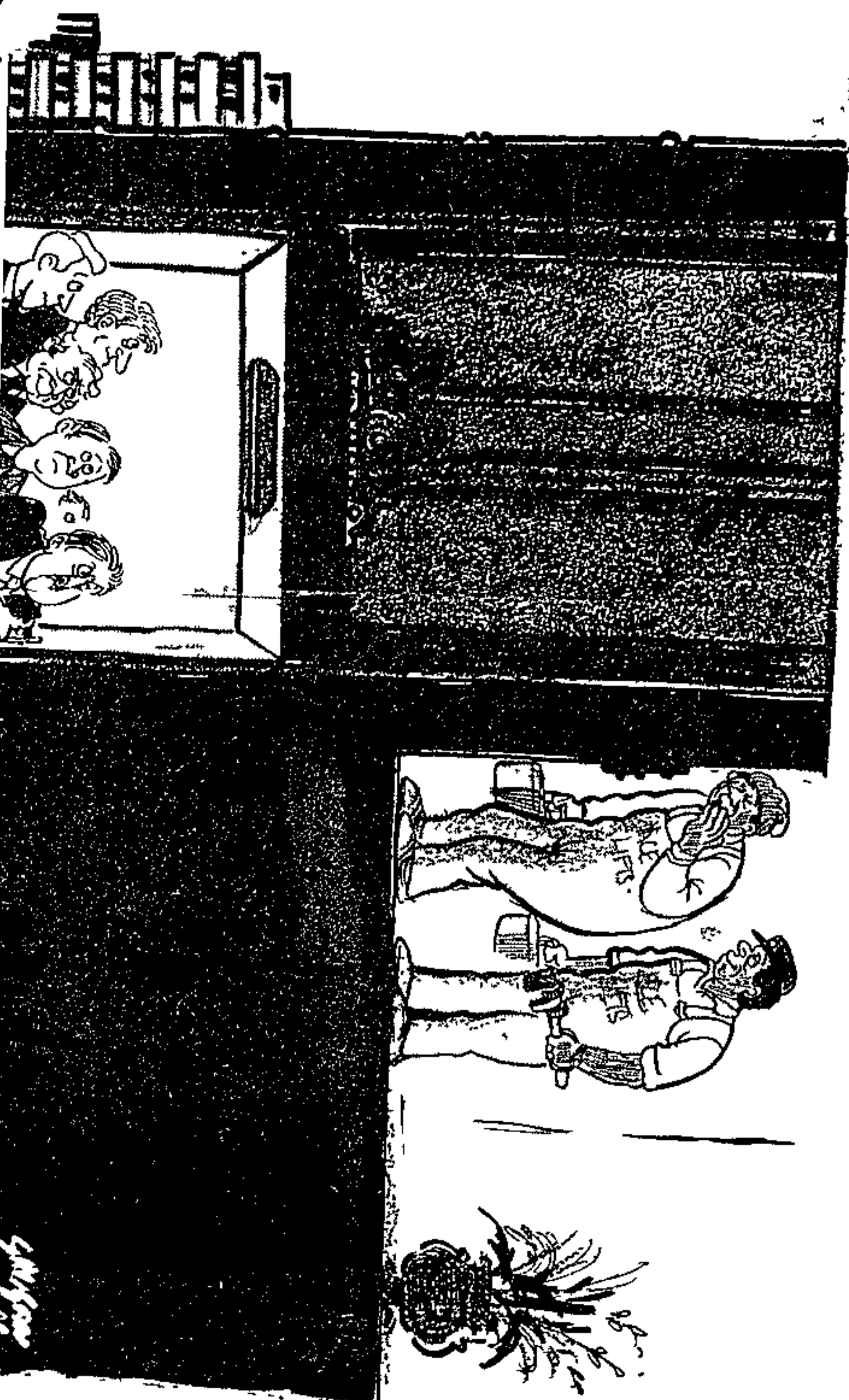
Everything that has happened since the declaration of the first 1985 emergency — notably the South African raids on neighbour states in the midst of promising Eminent Persons Group (EPG) negotiations — has conspired to produce this week's Senate vote.

In an election year the Reagan veto created a situation ripe for exploitation by Democrats at the expense of Republicans and Mr Pik Botha's heavy-handed, last-minute, arm-twisting merely made things worse.

Last year's police actions, as seen on American television, provided the catalyst to transform the South African issue into a major controversy in domestic American politics.

YET South Africa's road to isolation from its traditional Western allies began rather further back, of course — in 1948, when Dr D F Malan led Afrikaner Nationalism to victory on a platform of apartheid after long years in the political wilderness.

After World War II and the gradual revelation of the full horrors of Nazi racism, any country entrencing race as the fundamental principle of its system of government was bound to run into trouble.



"Don't regard this as a threat, Mr Botha, but unless you renounce apartheid and tell PW to release Nelson Mandela, the logical consequence might be we can't get you out."

The surprising thing is that it has taken so long — nearly 40 years — for this week's climax to be reached.

The country which the West associated with Delville Wood, El Alamein, General Smuts and the famed Springboks was too favourably entrenched in Western consciousness to be declared a pariah overnight. Even more telling, the economic links binding us to our Western allies were strong and enduring, or so we thought.

The West has hoped against hope that South Africa was turning the corner and moving decisively in a new direction. We have been given the benefit of the doubt, time after time. Finally the West has all but given up on us. The spurning of the EPG mission and the unbridled ferocity of state action to restore law and order have provided the last straws.

The sanctions which are now coming into force in Western Europe and the United States will almost certainly be much less formidable in their direct effect than might appear. Many are rather more symbolic than concrete in their thrust. But no one should underrate the symbolism and

the potentially devastating psychological effect of the Senate vote

IT is a signal to investors everywhere that South Africa is moving beyond the pale. As the Nationalist government digs in ever more fiercely, in characteristic fashion, and talk of "reform" fades, the pressure will grow for more effective sanctions to bring them to heel — and the more stubborn they will become, supported by xenophobic emotions in the white electorate.

It will be some time before all the implications of the Senate vote become clear. As we go into the cold let us hope that some of the effects, at least, will be salutary. There are obvious lessons to be learnt, not least the need for police reform and a more sophisticated understanding of public opinion in Western democracies.

Let us hope that at least some South Africans in all groups will be drawn closer together, advancing the day of negotiation.



# Sanctions not an unmixed curse

By David Braun,  
Political Correspondent

South Africa was within two or three votes of seeing the sanctions legislation defeated in the US Senate this week. Now the failure by President Reagan and Pretoria to stave off the Bill may have some spin-offs the sanctions lobby did not foresee.

Most immediate was a new surge in the prices of gold and platinum, the metal foundations of the South African economy.

Gold, high in recent months, rose US\$12 an ounce on the back of the sanctions Bill before settling at a level \$5 up on the previous day's fix.

For every \$10 the gold price rises South Africa earns \$208 million a year, according to a Chamber of Mines calculation done last night. All that would be needed to offset the cost of the latest American sanctions (\$350 million a year is threatened, according to Senator Nancy Kassebaum) would be a rise of \$18 an ounce.

Any increase over \$18, coupled to the accompanying platinum price rise, would mean sanctions actually injected money into the economy.

Another expected consequence of sanctions is Pretoria implementing its threat to ban American grain imports, at considerable cost to US farmers already battling with the international wheat glut.

South Africa's Department of Agriculture received several offers of grain from countries around the world yesterday.

Organised agriculture has asked the Government to block American food imports if South African exports are banned.

American diplomats yester-

■ To Page 2

# Call for positive sanctions reaction

JOHANNESBURG — South Africans have been urged to react positively to the latest sanctions adopted by the United States.

The measures agreed to by the US Congress on Thursday have been strongly condemned by the government and business leaders but welcomed by several anti-apartheid groups and trade unions.

While not underestimating the possible impact of the sanctions, government and business leaders emphasised their adverse effects could be lessened through positive action.

● The Minister of Foreign Affairs, Mr Pik Botha, said South Africans should not be discouraged by the sanctions legislation which should be seen as an incentive to find other markets and avenues to cope. The unacceptable alternative was surrender.

● The government has revealed that South African "sanction busters" are ready to advise businessmen on "unconventional trade" methods if the latest American or other punitive measures against this country affect them.

● The Minister of Agricultural Economics and Marketing, Mr Greyling Wentzel, said South Africa had a well-developed marketing system for the import and export of goods and farmers should be assured all steps would be taken to deal with sanctions.

He appealed to farmers who relied on foreign markets for the sale of their products not to be unduly pessimistic.

● The president of the Johannesburg Chamber of Commerce, Mr Pat Corbin, said South African exporters should give top priority to new markets. With a really dramatic programme exporters should be able to make good the export losses, but action was urgent.

● The chairman of Satour, Mr Danie Hough, said Satour would ensure tourist traffic between South Africa and the US would continue despite the ban on SAA landing rights in the US, and air travellers to the US have been assured they will be rerouted via Europe at no extra cost.

Mr Botha said he respected President Ronald Reagan for standing by his principles in vetoing the bill, and history would vindicate the US leader.

Mr Reagan's veto had been overridden by a wave of high emotions caused by months of distorted reports in the US of what was happening in South Africa. One was almost helpless against such an emotional wave.

Ironically, he said, there were aspects of the legislation with which his government concurred. A positive feature was that the

communist influence in the African National Congress was now to be investigated in depth.

There were provisions the ANC would find very hard to accept and the organisation had to be driven to the point where it had to say if it still stood for violence in South Africa, Mr Botha said.

He believed the ANC was still committed to violence, and did not want to negotiate, wanting a takeover of power and the installation of a Marxist system instead.

If, however, there were African nationalist elements in the ANC who rejected the communist influence, now was the time for them to break away and come forward, Mr Botha said.

"Then we can stop the violence, get around the negotiating table, free Nelson Mandela, unban the ANC, and get down to the serious business we must do sooner or later in the interests of

all communities, both black and white," Mr Botha said.

In the absence of the Minister of Finance, Mr Barend du Plessis, who is in Washington, the deputy minister, Mr Kent Durr, said yesterday some of the US sanctions would be less effective than others.

"The government's role is to advise — and we do — on unconventional trade methods. We have developed skills in the Departments of Trade and Industries and Finance to advise people on this level."

Mr Durr would not be drawn on the details of what he called "unconventional trade".

Mr Hough said the suspension of landing rights and attempts to stop tourism to South Africa should be viewed as "tragic" events in US history. — Sapa-DDC

More reaction P11

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OCTOBER 4, 1986

# Security business hits boom times

By SHIRLEY PRESSLY  
BUSINESS for security companies is booming as the crime rate soars.

Mr Ken Blignaut, of Superior Security Guards and Security Services, who has been in the security business for 25 years, said the past year had been his busiest.

Business had increased between 25% to 30%.

The number of security alarm calls to which he had responded had increased by 40%, indicating a similar increase in burglaries.

Mr Blignaut said security firms had mushroomed in the past few years.

His security control centre was manned around the clock. Alarms which sounded were first investigated by a patrol from his firm before the police were called.

The control room has direct lines to the Fire

## PE firms link growing number of jobless to higher crime rate

Department and to the radio room at Louis le Grange Square.

Sharp Security's Mr Peter Sharman, chairman of the Port Elizabeth branch of the SA National Security Employers Association, ascribed the increased volume of business to the need for legal, professional security.

Rising unemployment was one of the reasons for the high crime rate.

His firm provided guards, dogs and electronic security systems

Some buildings were equipped with computerised instruments which dialled through every hour to the control inspectorate.

Mr Phil Halkier, of Alert Security Guards, said business was steady. He had not noticed a dramatic increase in burglaries and said they had not reached epidemic proportions.

Mr Bob O'Neill, a senior patrolman for Sekurit Electronics, said the increase in installation of house alarms ran at about 20%.

His employer, Mr Ken Victor, had noticed a new trend in burglaries while the township curfew was in operation.

Burglaries during the curfew took place between 5.30am and 7am, not between 10pm and 4am as had been the practice before

the state of emergency was declared.

Mr O'Neill said his firm monitored 24 hours a day in the control room and sent out armed mobile patrols to investigate if an alarm sounded.

Mr Elmar Joubert, of Select Security — which provides guards and dogs to commerce and industry — said security firms were hard hit by increased costs, particularly wages.

A disturbing trend by commerce and industry was to drop insurance because of increased premiums and to rely solely on security alarms.

Others had dropped security services altogether

# SANCTIONS

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in the street. — Page 7

The effect on exporters.  
— Page 7

More reaction. — Page 7

Cycle to disaster. —  
Page 4

## *Cape Times 4/10/86* SAA ban: US flights *280* via Europe

By ROGER WILLIAMS  
Chief Reporter

SA AIRWAYS passengers to the United States are to be re-routed via Europe, at no extra cost, when the US withdrawal of landing rights from South African aircraft is enforced — probably on October 12.

The chief executive of SAA, Mr Gert van der Veer, announced late yesterday that the airline's fares and conditions would remain on the present level. Super Apex and Youth fares to the United States would also remain valid via Europe on SAA, but the transatlantic sectors must be used on aircraft operated by American Airlines only.

The public would be notified as soon as final flight details were available, Mr Van der Veer added.

● The withdrawal of landing rights will bring to an end a direct transatlantic service used by nearly 100 000 passengers a year.

SAA, the only airline at present with a regular direct service between this country and the US, operates four return flights a week between Johannesburg and New York.

Last year the airline carried 96 855 passengers and 5 702 tons of freight on this route.

### Inconvenience

Additional flying time of at least six hours and the inconvenience of no longer being able to fly direct are the price US sanctions will impose on air travellers between South Africa and the US.

Some Cape Town travel agencies were inundated with calls from intending travellers wanting to know the implications for them of the sanctions package.

"There are a lot of details we are not clear on ourselves," said one of the agents, "and we don't expect to get clarification from SAA before next week."

Mr Van der Veer had said earlier that the ban may come into effect as early as October 12, and that SAA would supply additional capacity from that date on flights to Europe connecting with flights to the US.

Passengers who had already booked on SAA flights to and from New York would be contacted, he said, but prospective travellers were requested to make alternative arrangements at their nearest SAA office or travel agent.





Chief Buthelezi . . . "time for meaningful steps in a major programme."

# Mugabe applauds <sup>4/10/85</sup> ~~US~~ <sup>STML</sup> ~~280~~ <sup>331</sup> sanctions

LONDON — Zimbabwean Prime Minister Robert Mugabe has said the American decision on sanctions "must certainly send much more than a signal to Pretoria"

Speaking in New York, where he is attending a session of the United Nations, he said it showed that "the people of the United States can no longer tolerate apartheid, even though their leader might in fact be an ally of apartheid. The people are refusing that alliance".

Mr Mugabe admitted that economic reprisals by South Africa would harm his country.

"We know that it will cause hardship on Zimbabwe and on Zambia

"But that hardship will be double-edged because South Africa earns a lot from our goods that pass through it South Africa is more dependent on us than we are dependent on them. South Africa has heavy investment in Zimbabwe — we don't have much by way of investment in South Africa.

"And South Africa, of course, earns dividends and profits from these investments, and when sanctions are declared, obviously there will be a stop. We will

stop the flow of these investments and, if the worst came to the worst, we could nationalise those enterprises."

Mr Mugabe also repeated his threat to cut off the pensions that his Government has been paying to 40 000 former Rhodesians who now live in South Africa.

"We can save on that as well," he said. "Already some of them are screaming. When I warned that we were going to do this they started writing letters pleading. These will be taken care of, I take it, by Mr Botha should sanctions be imposed."

# Protectionism, sanctions linked — Stals

W/E Areas  
4/10/86 280

By JOHN SPIRA

WASHINGTON. — Increasing protectionism in world trade was closely linked with the imposition of sanctions on South Africa, Dr Chris Stals, South Africa's Director-General, Finance, said here.

He said in an interview at the end of the IMF and World Bank meeting: "The Americans have selected a list of items for their sanctions drive against South Africa which, coincidentally, are in surplus supply

"The United States would welcome the opportunity of filling the gaps created by sanctions in the markets in question

"The same applies to other countries pushing for sanctions.

"You can be sure that they're not going to apply sanctions against goods like chrome, manganese, platinum and vanadium, because it doesn't suit them to do so.

"Sanctions against South Africa are tantamount to pursu-

ing a protectionist policy.

"Nor is the problem confined to South Africa. Protectionism makes it difficult for the Third World to export and therefore difficult for those countries to meet their loan obligations.

"It is, moreover, a problem compounded by the slowdown in world economic growth."

## Gold heading higher

Gold was heading higher on the back of renewed world inflationary pressures and the inability of the economic powers to agree on co-ordinated economic policies, Dr Stals said

He said the world banking system would not be allowed to collapse because of the Third World debt situation and the gold price was not rising as a result of that scenario.

An important factor was the changed outlook for the United States economy. Investors were taking their money out of the dollar and investing elsewhere because they believed the dollar would continue to depreciate.

They also believed that inflation would rise again in the US. At the same time lower US interest rates reduced the effective cost of holding gold.

"For these reasons, I believe the recent rise in the price of gold is not merely short-term in nature. The reasons behind the rise are too fundamental."

## Reserves put SA 'in stronger position'

By JOHN SPIRA

WASHINGTON. — The rise in South Africa's gold and foreign exchange reserves to their highest level in 14 months had put the country into a much stronger position, Dr Gerhard de Kock, Governor of the Reserve Bank, said here.

Dr de Kock, who had attended the International Monetary Fund meeting, said in an interview the September figure, a highly impressive R5-billion, would have been higher had the rand not appreciated against the dollar in the past few weeks.

The country's reserves — in effect South Africa's bank bal-

ance — were now in a strongly rising trend, having soared from a low of R3,2-billion in April this year.

As a result, South Africa was in a stronger position to.

- Support the value of the rand.
- Meet its foreign debt obligations.
- Cope with the impact of sanctions

Commenting on the United States Congress sanctions vote, Dr de Kock said that for some years South Africa had been contending successfully with oil and armaments sanctions — though not without cost.

To Page 2.

NEWS/COLUMNS

## 'Stronger position'

From Page 1. (280) 4/10/86  
South Africa had there-  
fore already adjusted to  
sanctions to some extent  
and the current buoyancy  
of the reserves would  
help

"This factor, along with the enormous strength of our reserves, has helped foreign bankers to feel comfortable over the position of their outstanding loans to South Africa."

## Economic strength

Dr de Kock referred, too, to the large attendance at the speech to the IMF of the Minister of Finance, Dr Barend du Plessis, and the subsequent reaction.

"Delegates were enormously impressed with the maturity of the Minister's speech, which drew attention to South Africa's economic strength in the face of adverse circumstances and the extent to which it has been assisted in its debt crisis and the promptness with neighbours."

## Plan to boost SA

South Africa has much to offer and the current pessimism is unjustified, says Mr John Clucas, president of the Institute of Marketing Management.

He wants more publicity to be given to the country's prospects and has been appealing to the other professional institutes to back his own in this endeavour

The response has been favourable, he says, a meeting to discuss how to develop the idea is to be held shortly

Professional bodies not yet contacted are asked to phone Mr Clucas at 25-4951, Cape Town.



Britain, (28)

Germany

say 'no' (280)  
4/10/86  
sanctions'

LONDON — The British Government said today the US Senate's vote to impose sanctions stronger than those decided by European countries would not influence its own policy.

"We have taken our decisions with our European partners," a Foreign Office spokesman said. "There are no plans for consultations outside routine meetings."

It was reported from Bonn that West Germany would continue to oppose sanctions against South Africa despite the U.S. Senate's decision to impose punitive measures.

Chief government spokesman Friedhelm Ost said: "The vote in the US Senate does not change our position. Chancellor Helmut Kohl has set out clearly our opposition to sanctions."

Sapa-Associated Press reports from Cambridge, Massachusetts, that Harvard University is selling almost R353 million in stocks and bonds in eight companies because some sell to the South African military and police.

DAILY DISPATCH, SATURDAY, OCTOBER 10, 1986

# UDF welcomes steps as a breakthrough

CAPE TOWN — The United Democratic Front hailed the US sanctions decision as "a breakthrough for all those forces who have seen through the fraud of (Mr P. W.) Botha's so-called reforms and the protectionist postures of the Reagan administration".

The UDF hoped other Western countries would follow suit.

The Congress of Unions of South Africa said the end of apartheid would be hastened by "the last peaceful option left to bring the Pretoria government to its senses", and the 500 000-member Congress of SA Trade Unions said sanctions could still be averted if the "reasonable and realistic demands of the people" were met.

These included dismantling apartheid, lifting the state of emergency, releasing prisoners and detainees, including the African National Congress leader, Mr Nelson Mandela, and unbanning the ANC.

An Afrikaner "Weerstandsbeweging" spokesman said the government had itself to blame, a view supported by the leader of the Herstigte Nasionale Party, Mr Jaap Marais, who said the US had no right to dictate to South Africa.

Chief Mangosuthu Buthelezi of KwaZulu said the government was "self-destructing" and urged the white electorate to call a halt to apartheid. — Sapa



# Gold hike 280 boost for SA economy is US spin-off 4/10/82

■ From Page 1

day confirmed they expected Pretoria to retaliate.

A third possible consequence — still no more than speculation — is that Pretoria may use the Senate decision as an excuse to call an election. This would give it a fresh mandate to continue present policies.

There was also strong speculation yesterday that the Government would swoop on activist organisations and individuals who were in the vanguard of encouraging the international community to impose sanctions.

Government politicians have meanwhile told how Foreign Minister Mr Pik Botha's last-minute attempt to persuade senators to uphold President Reagan's veto brought the numbers close to the 34 needed for the Bill to be squashed.

Starting with 21 senators against, Mr Reagan persuaded at least nine more to switch their position in a complicated series of political trade-offs.

The deal was that if 13 additional senators could be persuaded to support the veto, giving the President the 34 votes needed for victory, the individual trade-offs would go through.

If, however, the support of all 13 was not assured before the vote the deals would fall away and the senators would be released from their commitment to vote as the President wished.

With less than 24 hours to the vote, a senior congressman asked South African Ambassador Mr Herbert Beukes to get Mr Botha to phone a number of senators representing the American wheatbelt.

## CONSEQUENCES

Working through much of Wednesday night, Mr Botha made calls to point out "the consequences for American and South African agriculture if the Bill goes through".

At least one senator was persuaded that if the Bill was passed American wheat exports to Southern Africa would be blocked. He switched his vote in order to uphold the veto.

Only hours to the final vote in the Senate, both the White House and the South African Government believed it would be a cliffhanger.

The complex deals fell through when only two or three votes were still needed. The Senate voted in favour of sanctions by 78 to 21.

Now National Party sources are claiming to be relieved that President Reagan was not able to patch together the trade-off to uphold his veto.

If he had been successful, they say, he would have paid such a high price that his administration would have had to put enormous pressure on Pretoria to vindicate his position.

Conversely, because President Reagan lost his fight with the Senate, Pretoria may well have won more of a breathing space to improve relations, the sources say.

Mr Reagan will be able to say he is not to blame for the consequences (or lack of them) of the sanctions package.

Pretoria has been quick to exploit what it calls the positive aspects of the legislation.

Mr Pik Botha has pointed out provisions in the US law which, he says, now bring the African National Congress more sharply into world focus.

The law requires the US Government to study the use of violence, including necklacing, by the ANC and the influence of communism on the ANC.

# Sanctions: Battle begins

ARC Times 4/10/86 (280)

## REPORT BY SHAUNA WESTCOTT

**SOUTH AFRICANS yesterday responded to the stunning reality of tough but enduring sanctions with a diversity of opinion reflecting the country's political divisions.**

Emotion has triumphed over reason, was the reaction yesterday in business circles to the US Senate decision to defy President Ronald Reagan and impose sanctions — but grassroots movements see a victory for common sense.

A snowball affect is already underway.

The Dutch Government is to urge the European Common Market to toughen its sanctions package against South Africa in the wake of US action, the Foreign Ministry in the Hague said yesterday

The Afrikaanse Handelsinstituut regretted that "sentimental considerations" had triumphed over "reasonable rationalism", while the Federated Chamber of Industries lamented that "emotion has won over reason".

Assocom joined the FCI and the AHI in warning that businessmen forced into "survival

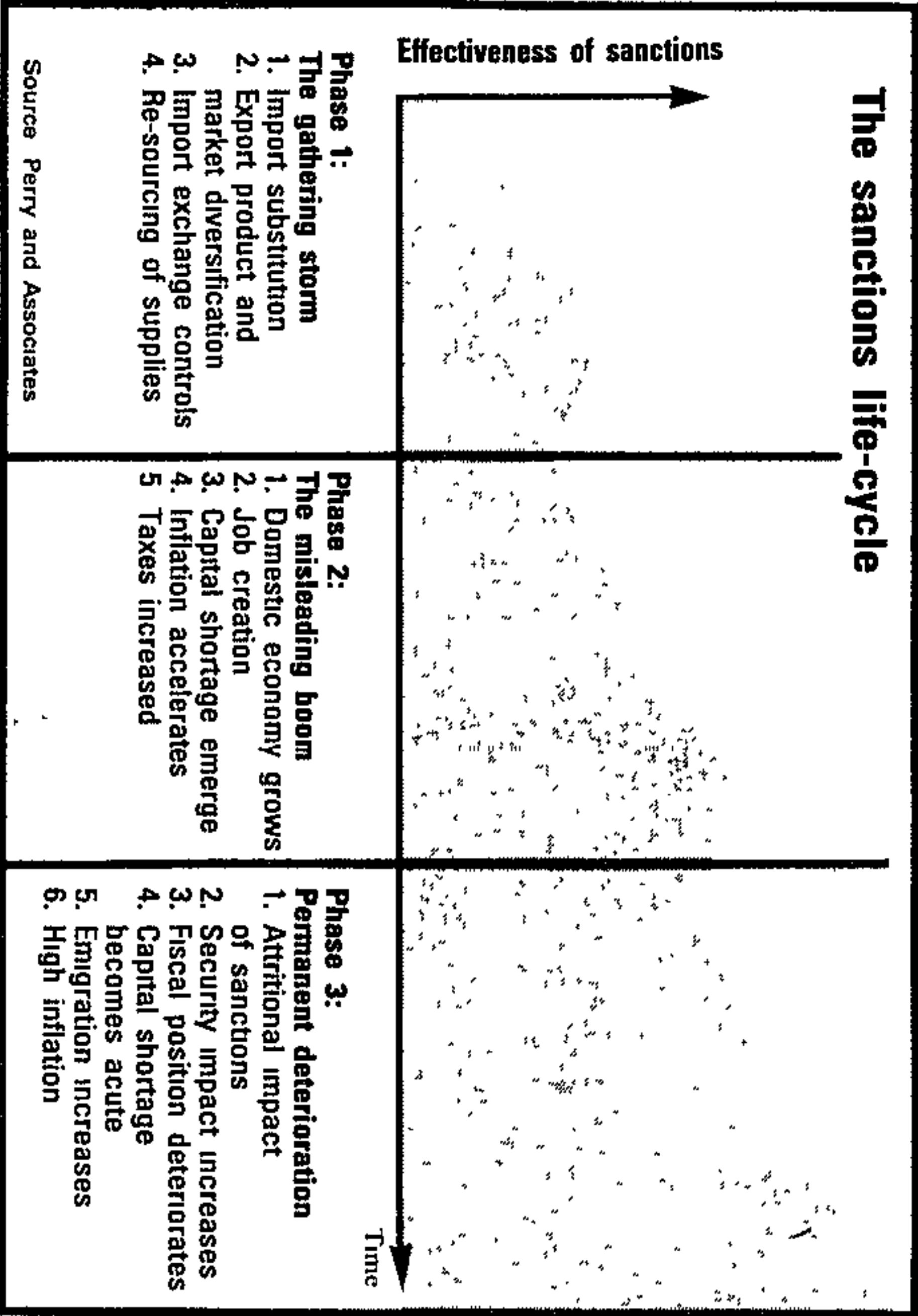
mode" would have less time to pay attention to reform.

The AHI appealed to the populace to be positive and "to combat the adverse effects of the sanctions through hard work, innovative thought in respect of exports, an active process of import replacement and support for a buy-South African campaign".

Some business leaders, like Sanlam chairman Dr Fred du Plessis, think US sanctions should be approached as a challenge to stimulate economic activity while top businessmen at an International Monetary Fund meeting in Washington emphasized that South Africa should not take retaliatory steps.

Most receptive reaction to the sanctions decision came from the United Democratic Front which hailed it as "a breakthrough for all those forces who have seen through the fraud of (Mr PW) Botha's so-called reforms and the protectionist postures of the Reagan administration".

The Congress of Unions of South Africa said the end of apartheid would be hastened while the Congress of SA Trade Unions said sanctions could still be averted if the "reason-



able and realistic demands of the people" were met.

The Anglican Archbishop, the Most Rev Desmond Tutu, said: "The Senate has taken a moral decision. This is not an anti-South African action, it is anti-injustice, anti-apartheid. The sanctions are conditional. The onus is on the South African government. If it takes the action we have all been advocating, then there will be no sanctions."

An Afrikaner Weerstandsbeweging spokesman said the government had itself to blame, a view supported by Herstigle Nasionale Party leader Mr Jaap Marais who said the US had no right to dictate to South Africa.

Warning of US "imperialist goals", Mr Marais said a positive feature of the sanctions was that "our enemy is out in the open now... the lawmakers in the US are hostile".

In Umtata, Chief Mangosuthu Buthelezi warned that the SA Government was "self-destructing" and urged the white electorate to call a halt to apartheid. The US had incurred a moral commitment to balance sanctions with substantially increased humanitarian aid to the victims of apartheid.

● JOHN BATTERSBY reports from London that British and West German governments will continue to pose tougher sanctions against South Africa in spite of the decision.

But European Economic Community diplomats in Brussels say the US decision will renew pressure for tough measures, particularly a ban on South African coal, from other 10 members of the EEC and the Commonwealth.

A British Government spokesman said Britain had plans to toughen its sanctions against South Africa, adding "The important thing is that we are all moving in the right direction."

In Harare, Agriculture Minister Mr Moven Mahachi said was not worried by South African threats to stop US wheat from passing through its transport system to Zimbabwe, a tentative routes would be found, he said.

But in Mbabane a senior Swaziland Ministry of Agriculture source said they were deeply concerned about possible South African retaliatory effect on Swaziland. — Staff Reporters and Sapa



# 'Welsh windbag' vs Iron Lady

A BOUVANT Labour Party drummed up election fever at its annual conference this week.

Party leader Neil Kinnock was in the spotlight as the man who would lead Britain if Labour won the next election, due before 1988 and widely expected to be held late next year.

Dubbed the Welsh windbag by his critics, Mr Kinnock has moulded Labour into an efficient political machine after many years of disarray.

Given Mrs Thatcher's continuing personal unpopularity in the opinion polls, political analysts are beginning to look more closely at him. His rallying cry this week struck a chord with those hardest hit by unemployment and Mrs Thatcher's fund-raising.

## Meteoric

"It does not expect politicians to deliver heaven on earth but it does expect politicians to work to prevent hell on earth."

Millions still consider they need a government that will use policies to help them attend to their material needs — a government that does not preach the pious sermons of Maggie's morality but practises the policies of provision.

We're working to prevent

'hell on earth' says Kinnock

By EVELYN HOLTZAUSEN, London

Mr Kinnock's rise to power over a party left devastated by defeat after defeat at the polls has been meteoric. He has modelled his leadership style on that of the last successful Labour Prime Minister Harold Wilson.

He appears to have halted Labour's decline, populating over disunity down-playing unpopular policies using the media to his advantage and relying on the pendulum of traditional Labour support to swing his way.

## Polls

But, according to analysts, the most important factor in his rise to popularity has been Mrs Thatcher's personal unpopularity.

He has also exploited the differences between the Social Democratic Party and the Liberals, whose significant clashes over policy could threaten their alliance.

With Labour in the spotlight this week the party's policies came in for widespread criticism.

Its Robin Hood economic policy which aims to tax the rich to help the poor and which could increase inflation by up to two percent, its commitment to take Britain

Secretary But he has learned much as opposition leader especially how to use the media — specifically television — to his advantage.

He comes across as quiet thoughtful and humorous. He has also disciplined himself from being a windbag in the House of Commons.

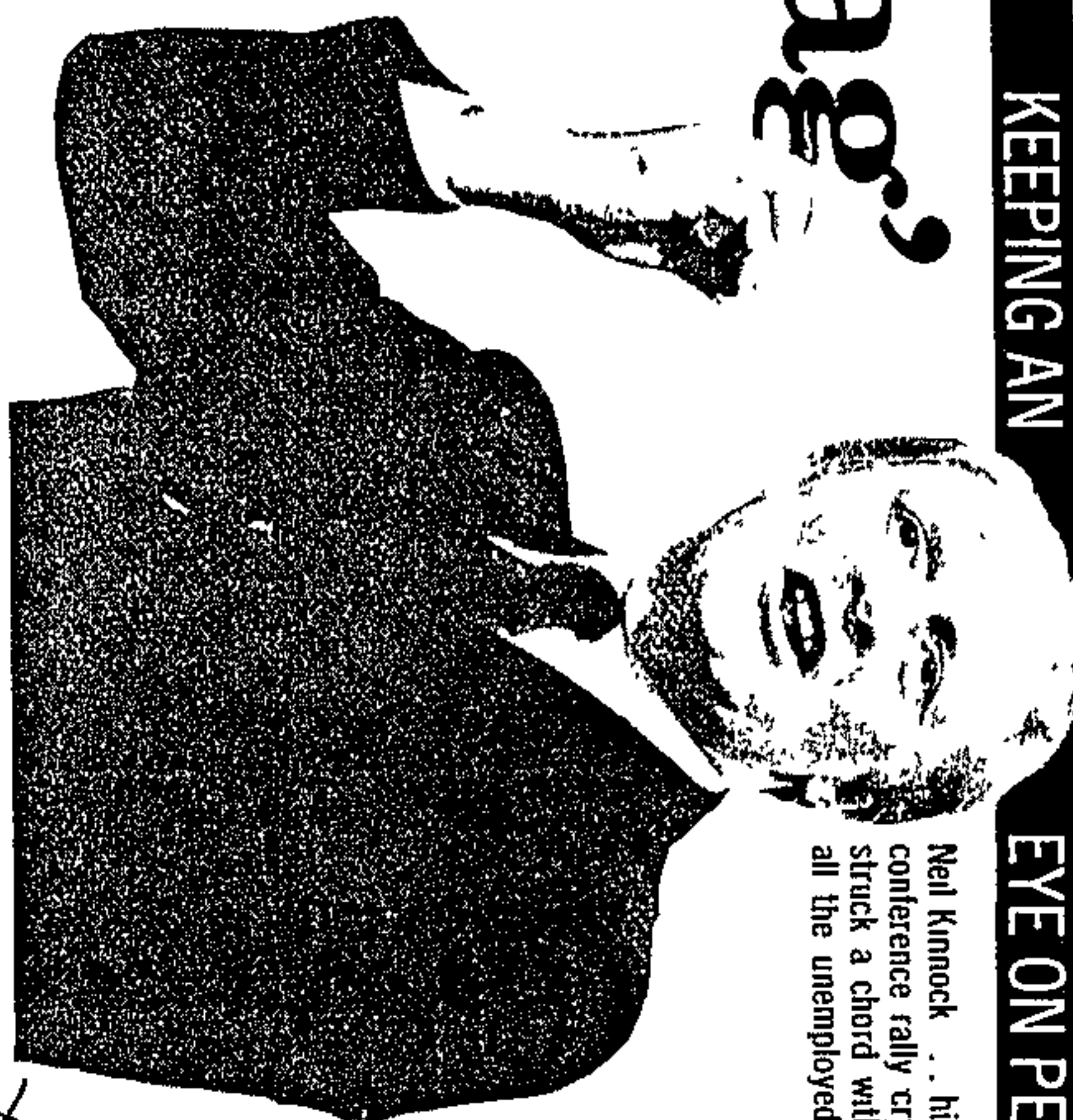
IT'S follow-my-leader into the election graveyard. First into the cemetery last week were the Liberals digging their own pit at their conference.

This week it looks as if Labour plan to be buried alongside.

Defence has become the main issue, a blunder on Labour's part if ever there was one.

For though what Labour says on home issues should be treated with some respect in matters of life and death their credentials are shaky.

Consider the facts. Neil Kinnock's qualifications for running the country are that he has never won anything. As a Minister Roy Hattersley's qualifications for running the economy are that he is not good at economics.



Neil Kinnock... his conference rally cry struck a chord with all the unemployed

## Follow-my-leader into the graveyard

British political commentator Professor JOHN VINCENT, at the Labour Party Conference in Blackpool this week, says Neil Kinnock would be a political disaster, not just for Britain but the world.

And Denis Healey? He certainly has experience. Or to put it another way he's got a bit long in the tooth for him to start a stint as Foreign Secretary at 70 and finish it at 75 defies both human biology and imagination.

I have a lot of time for Mr Kinnock provided he stays within his depth. He is popular and deserves to be. He appeals to a deep streak of respectability mixed with sentimentalism in us all. Unfortunately he has a

## UK Labour would clamp total embargo on SA

By EVELYN HOLTZAUSEN, London

IN the wake of American sanctions this week, the Labour Party has reaffirmed its tough stand on sanctions against South Africa.

A Labour government would impose a total economic and trade embargo within a year of being elected.

Mrs Thatcher, on the other hand, has let it be known she will not be swayed by the decision of the US Senate to impose sanctions.

But if Labour is elected, shadow foreign secretary Denis Healey says, it would press for "comprehensive mandatory sanctions the minute we take office".

They would also go further and call on measures to reduce the favourable impact of gold on the South African economy.

Speaking at the Labour Party conference this week,

## Blood

"That is why we want to hasten the day of change for the lever we choose for that is strict and strong sanctions against South Africa for they are the only practical

cal means of trying to promote an end to apartheid that are not soaked in the blood of millions."

Earlier Mr Healey, in a speech that brought cheers, said a Labour government's task would be to press for the Commonwealth and Common Market countries to support the American package.

One the Americans had adopted their sanctions package, only Britain and West Germany would remain as "protectors" of apartheid.

"A year from now these governments will be in the dustbin of history. Neil Kinnock will be leading a Labour government in Britain and we shall have a Social Democratic West Germany.

He said the United Nations should introduce mandatory sanctions so that no country could evade its responsibilities.

Without the US umbrella, there is no umbrella at all — which is all right until the weather turns stormy.

At present, everybody in Europe knows exactly where they stand. That is why war in Europe is unthinkable.

How ironic if peace-loving Mr Kinnock unwittingly started a slow drift to war.

Not world war just nuclear war perhaps just to an old-fashioned European war arising from an old-fashioned middle. For the Kinnock policy is to make it safe for the superpowers to turn Europe into a military playground.

Perhaps it deserves a watery grave.

Okay we're a client state an offshore island in the American empire. That for some is the bad side — but it is something we can live with.

The good side of the US alliance matters far more. We are at peace because taking us on means taking on the Americans. That safeguard is in jeopardy.

Peace in Europe is now a matter of habit. The Kinnocks aim to destroy those habits and lead us into uncharted waters where the eventual outcome is pure guesswork.

The Labour Party conference is not only at the sea-side. It is also thoroughly at sea.



SANCTIONS

THE US sanctions package announced last week is the most comprehensive yet by one of SA's trade partners and follows earlier sanctions moves by Europe and Japan.

Taken separately, many of the trade barriers are of limited impact. However, as the list of countries taking action against SA grows, so does the threat to this country's total trade.

Here is the latest sanctions state of play, after last week's decision by the US Senate to override President Ronald Reagan's veto.

Coal

Sanctions against SA coal exports remain limited so far. The US, which will ban SA coal from January 1, takes less than 1-million tons (2%) of this country's exports. Value of sales to the US is about \$70m.

Japan and the European Community (EC), which take more than 70% of SA's exports, have so far resisted pressure to impose coal sanctions, but industry officials fear the US decision will put pressure on them to follow suit.

SA exported 44-million tons of coal last year and industry officials expect to achieve the same level this year. Of

State of play on trade barriers

Business Day Reporter

that, the EC takes more than 50% and Japan 20%.

West Germany last month blocked EC efforts to impose coal sanctions, but the issue is to be discussed again early next year. Denmark and France, meanwhile, have unilaterally imposed a ban on more imports.

Rand Mines' Witbank Colliery MD Ntlo Zolezi said, "The direct effect of the US decision is not significant. More concerning is the possible spin-off it will have among other customers."

"Transvaal Coal Owners' Association (Tco) MD Leslie Weiss said, "I think it is possible Europe will follow the US."

SA exporters are confident they can find alternative markets for the US coal loss of major contracts to Japan and the EC would be more difficult in an overtraded world market.

Iron and steel

Exports to Europe, worth about \$760m last year, have been banned

since the end of September.

Japan recently announced a ban on SA pig iron and steel materials. But exporters are still waiting to hear exactly what constitutes "steel materials". Pig iron exports to Japan are negligible, and iron ore appears unaffected.

SA can expect to lose about 500 000 tons of steel exports a year to the US. Pretoria's voluntary trade agreement with Washington to limit SA steel imports to 0.45% of US consumption is scheduled to expire on October 1 1989.

Weapons and defence

US imports of SA ammunition and military vehicles are prohibited immediately, and US exports of munitions to SA are also banned. The latest US decision also prohibits military co-operation between the two countries except intelligence-gathering.

Sugar

The US has barred further SA sugar imports and transferred this country's import quota to the Philippines.



Sanctions veto beaten by White House blunders

WASHINGTON — President Ronald Reagan's defeat in last week's battle with Congress over SA sanctions was one of his few political blunders, congressional and private analysts say. Reagan's intransigence, a series of miscalculations by White House strategists and divisions over the issue in the administration combined to tip the scales in favour of Congress.

Some said the sanctions issue was overlooked as the White House struggled with the crisis caused by the arrest in Moscow of US journalist Nicholas Daniloff.

Conviction

Most agreed that the biggest problem was Reagan's conviction that sanctions were the wrong way to seek change in SA.

A congressional aide said, "The President just does not think sanctions work for SA. He also believes the black and white situation is evolving and we shouldn't be pressuring them too much."

Jim Wright, Democratic leader in the House of Representatives, said he believed the White House had miscal-

culated the strength of feeling in Congress for sanctions.

"I wasn't surprised by the vote," he said, referring to Thursday's 78-21 rejection by the Senate of Reagan's veto of the sanctions Bill. The House voted to override the veto by a similar margin on Monday.

"My only surprise was the apparent unwillingness of the White House to recognise the reality of the problem all along," Wright said.

Reagan's intransigence could help to explain this failure of his often-used tactic of making just enough concessions to dilute congressional opposition and win a narrow victory. Last year, he averted a sanctions Bill in Congress by imposing limited measures of his own.

The President has compromised with Congress to obtain US military aid for right-wing Nicaraguan rebels and the defeat by one vote of a congressional attempt to block the sale of advanced US weapons to Saudi Arabia.

"This time the compromise offer to impose more sanctions in an executive order, was, as Republican Senator Richard Lugar said, 'A day late,

WORLD

De Lorean goes on trial for fraud today

DETROIT — John De Lorean, 61, acquitted two years ago in a sensational cocaine case, goes on trial again today accused of defrauding investors of millions of dollars through his bankrupt sports car firm.

The former General Motors executive is fighting a year-old, 15-count charge accusing him of profiting handsomely from an alleged international swindle that stretched from Europe to the Americas.

The trial has been delayed several times. Prosecutors earlier this year got special permission from US district judge Mr. Justice Julian Cook in Detroit to take special testimony from lawyers, bankers and motor company figures in Europe.

De Lorean also faces \$100m in civil claims by his car firm's creditors — including the UK government — who have filed up about \$20m of his personal assets.

The criminal charges in Detroit involve the disappearance of nearly

SA expected to export 800 000 tons of sugar this year, of which about 2.5% was earmarked for the US under the quota system. However, SA was asked to double its quota and sources said 40 000 tons have already been delivered for the year. Industry sources say that, at fixed US prices, the loss to SA will be about \$32m a year.

Krugerrands

The US Senate Bill makes permanent Reagan's September 1985 ban on imports of Krugerrands, which accounted for \$86m in sales in 1984, the last full year of trade. Europe has also banned import of Krugerrands, while Japan officially discourages it.

Uranium

The US ban on SA uranium imports affects about 10% of SA's total exports. US sources say that country imported more than 500 tons last year. Prices of the commodity have slipped from \$45 a lb in 1980 to as low as \$14 a lb last year, but the market has slowly come back to a spot price of \$17 a lb.

Technology

The US has banned exports of computers, software and services to the SA military, police and other agencies "involved in administering apartheid". Also outlawed is the export of nuclear technology and materials. Japan has already banned export of computers to the SA military or police.

The US Commerce Department said computers topped the list of US

Years were expressed at the week-end that the strict implementation of sanctions could spell the end for several mines in SA and Namibia. Rossing Uranium deputy GM George Deyzel said "Applying the uranium sanctions could be disastrous for Namibia."

Travel

US government agencies are barred from promoting SA tourism, while Japan has announced it will stop issuing tourist visas to South Africans. Certain European countries already discourage promotion of SA tourism.

sales to SA last year, accounting for \$80m of the \$1.21bn in total exports. It was not known what portion of the \$80m went to government agencies covered by the sanctions. Nuclear export figures were not available.

Airlines

The US is to ban landing rights for SA Airways, although SAA spokesmen say they are uncertain if they will be given 10 or 90 days' notice to cancel the airline's five weekly flights to New York.

In the meantime, SAA passengers for the US are being offered connections via London, Frankfurt, Zurich and Lisbon.

US carriers are also barred from serving SA, although none do so. Japan has already announced a ban on SA aircraft landing there.

Tax

The Bill terminates a 1946 bilateral treaty intended to prevent businesses from paying taxes on the same income to both countries. The Bill instructs the Secretary of State to ter-



PEKING — US Defence Secretary Casper Weinberger is due to arrive in China tomorrow to cement discreet military links between the capitalist superpower and the most populous communist nation.

A US announcement about Weinberger's four-day visit, his first major stop on a 17-day Asian and European tour, said he would discuss issues such as arms control, Kampuchea and Afghanistan with Chinese leaders.

In a relationship in which every gesture is analysed for its impact on friends and potential foes, Sino-US defence co-operation presents a most delicate public face.

Both sides stress that their defence contacts, including limited sales of US military equipment and rumoured intelligence co-operation, are not aimed at forming an alliance against any third party — a clear reference to the Soviet Union.

Washington's official view is that China is a friendly country which is going to get stronger with or without US help, so it would be in America's interest later to be remembered by its way.

Weinberger out to beef up Sino-US arms links

China seeks friends everywhere, but aims for equidistance between the super powers so as not to jeopardise its credentials as a leading non-aligned state.

"Equidistance is the best attitude for China to have towards the Russians and the Americans — that way it can milk both," said an East European source in Peking.

In a country where such timing is seldom an accident, Weinberger will arrive in Peking one day after the resumption of Sino-Soviet ministerial talks on normalising relations between the two communist giants.

Another East European source said Weinberger would probably try to tip the balance of China's favours back to the US side after recent signs of a warm-up of Sino-Soviet relations. — Sapa-Reuter



SUN TIMES

# SANCTIONS

- Kennedy and Co
- Fears that million
- Aussies hail mas

## The Smug, the Starv the Gr

**IT'S A DEATH BLOW TO APARTHEID, SAYS KING WIDOW ...**

By PATRICIA CHENEY: Washington  
WHEN the US Senate voted on Thursday to override President Reagan's veto of sanctions legislation, the widow of slain civil rights leader Martin Luther King Jr was in the gallery watching

After the vote, Coretta Scott King, who previously voiced some reservations about sanctions, called the vote "a death blow to apartheid"

"Today, Martin Luther King's dream has been advanced," she said. The sanctions could "bring the South African Government to the point where there will be democracy"

Mrs King caused a ripple of controversy in the strongly pro-sanctions civil rights community here when she said last month she could support sanctions only if they were accompanied by material support for the frontline states

### Admiration

A spokesman at the Martin Luther King (Jnr) Memorial Centre in Atlanta, Georgia, confirmed this was still Mrs King's opinion, but that she nevertheless supported Thursday's Senate action

She and other sanctions advocates expressed admiration for Republican Senator Richard Lugar, who led the Senate revolt against the White House and who now finds himself the reluctant hero of his erstwhile political foes

Senator Edward Kennedy praised Senator Lugar, a soft-spoken man known for his loyalty to Mr Reagan and for his "outstanding, courageous leadership"

But in the wake of the White House defeat, Senator Lugar has sought to become reconciled with the President

"It's no pleasure for me to be independent," he told the Washington Post. "We'll have to knit things back together"



Senator Edward Kennedy and Mrs Coretta King. In jovial mood after the Senate vote

AUSTRALIA stands to make a fortune from US sanctions against South Africa, far outweighing the cost of the embargoes already imposed by Prime Minister Bob Hawke's Labour government.

That's the almost unanimous opinion of leading economists and stockbrokers I spoke to yesterday, following a day of hectic trading on Australian stock markets in the wake of the US decision

The Australian Stock Exchange gold index soared to an all time high on Friday, and other resources stocks also rose sharply as investors from around the world scrambled to get on the sanctions bonanza bandwagon

Within hours of the Senate decision to impose sanctions against South Africa, Australia's all-resources index raced up 241 points to 757.3 as 58 54-million shares worth A\$53.62-million changed hands in heavy trading

The gold index climbed 83.2 points to 1553.8, the highest level ever, following rumours of embargoes of precious metals from South Africa

The financial impact of an enormous inflow of foreign capital was felt immediately, with the sagging Australian dollar reaching its highest level on Friday against the US dollar in two months, closing at US\$63.45

One Melbourne broker confirmed yesterday that he had booked A\$5-million worth of gold shares to investors in Hong Kong alone, and other brokers also reported big overseas buying, not only of gold shares, but most base metal stocks

### Climb

Brokers predicted Australian gold shares would continue to climb "indefinitely" if South Africa imposed embargoes on precious metals, which most believe is inevitable

Many millions of dollars of US and other foreign investment funds would then pour into Australia and Canada, the only resource rich countries with stable governments and currency

"After the market sorts out its response to the political developments with some erratic trading, prices are real-

SOUTH AFRICA exported total of R3 100-million worth of goods to the US in 1985. Values and volumes of dual exports are not by the Department of and Excise

Economist Gad Arlovich, stockbrokers Menell, Hyman Rosenberg, estimates that, vided the ban announced in the Senate on Friday is indeed proof, it could result in the loss \$415-million in export earnings or about R920-million

On a rough estimate, he this could entail the loss of 45 jobs

According to Dr Arlovich, hardest hit sectors are likely include

- Uranium and by-p with exports to the US in amounting to \$140-million (million)
- Food, including lobsters, pies, sugar, peaches and so worth about \$105-million (million) in 1985
- Steel and iron products

By NIC VAN OUDTSHOORN

ly going to fly," one leading broker said

The American ban on South African coal, uranium and iron will also be of enormous benefit to Australia, which has vast supplies of these resources

The Australian Government and private mining companies are reportedly already taking steps to meet some of the US demand when supplies from South Africa dry up

Senior government sources in Canberra told me yesterday that Australia was "elated" and "greatly encouraged" by the US action and would be stepping up its own sanctions as quickly as possible

I was also told that Australia is now desperately trying

to find a African immediately, to wait for 12 to expire as agreement

As part of package Canberra, Trade forms of trade with week

But latest show that which Africa, faces an election

However, a opposition

## 1-m more may need food

By SUE FOX MENOF

THE number of people in need of hunger relief could double as a result of sanctions

Operation Hunger's Ina Perlman fears that 1.2-million people will need help in addition to the one million the organisation already feeds

"If there are no exemptions this could lead to 1.2-million requiring hunger relief, and that's a conservative estimate," Mrs Perlman said. "We're feeding just over a million now and we've only got the funds to feed them until the end of the year. That's when our foreign mon-

ey dries up

"The money we received from American aid and the West German Government helped us to clear our waiting list - we were feeding 670 000 and were able to increase the numbers to a million - but now I've got to find the money after December

### Windfall

"Even if we get superb rains there's no such thing as instant crops - they will only be reaped in March or April

"We're relying on South Africans. Now more than ever

we are going to be dependent on public goodwill, the Press and the business community"

This week Operation Hunger had a unexpected windfall when Sun International donated 10 tickets to its forthcoming Wheel of Fortune cash extravaganza at Sun City, BophuthaTswana, on Sunday

Each night of the Kruger Day weekend (October 10, 11 and 12) R100 000 in cash will be given away to lucky ticket-holders. There are no strings attached. Ticket numbers will be called up when the huge wheel of fortune on the Superbowl stage is spun

Prizes will be given in denominations of one big prize of R50 000 and R50 000 ranging from R300 upwards

### Crazy

Mrs Perlman and her team have their eye on the R50 000 prize

"I will be offering prayers from now until Sunday that we get the R50 000. My God, we can do with it. Again, it's just one of those crazy, marvellous things people do for us," she said

The tickets cost R21 and only the 10 donated by Sun International to Operation Hunger are complimentary

## Ad out of focus

By DENYSE ARMOUR

POLAROID, the camera company which was one of the first American firms to sever trade links with South Africa in the late 1970s, has not returned

This, despite a two page advertisement which appeared in a South African glossy magazine this month promoting Polaroid cameras

However, South African shutter bugs are assured of the availability of the instant cameras because the local distributors have secured a secret supply

The distributors, Frank and

Hirsch, this week confirmed they had no direct dealings with Polaroid in the US, but were buying their supplies from other sources

A spokesman for Polaroid in Massachusetts was not pleased to hear of the South African ad campaign this week, but said the company was powerless to prevent its products being advertised and sold in this country.

The ad running in South Africa this month claims that Polaroid cameras are used by policemen, politicians and spies - among other professionals



# MIONS

- Kennedy and Coretta praise defeat of Reagan
- Fears that million hungry in SA could double
- Aussies hail massive boost to metal markets

# ug, the Starving and the Greedy



and Mrs Coretta King ... In jovial mood after the Senate vote

AUSTRALIA stands to make a fortune from US sanctions against South Africa, far outweighing the cost of the embargoes already imposed by Prime Minister Bob Hawke's Labour government.

That's the almost unanimous opinion of leading economists and stockbrokers I spoke to yesterday, following a day of hectic trading on Australian stock markets in the wake of the US decision.

The Australian Stock Exchange gold index soared to an all-time high on Friday, and other resources stocks also rose sharply as investors from around the world scrambled to get on the sanctions bonanza bandwagon.

Within hours of the Senate decision to impose sanctions against South Africa, Australia's all-resources index raced up 241 points to 757.3 as \$654 million shares worth A\$53.62-million changed hands in heavy trading.

The gold index climbed 83.2 points to 1553.8, the highest level ever, following rumours of embargoes of precious metals from South Africa.

The financial impact of an enormous inflow of foreign capital was felt immediately, with the sagging Australian dollar reaching its highest level on Friday against the US dollar in two months, closing at US\$63.45.

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## Climb

Brokers predicted Australian gold shares would continue to climb "indefinitely" if South Africa imposed embargoes on precious metals, which most believe is inevitable.

Many millions of dollars of US and other foreign investment funds would then pour into Australia and Canada, the only resource-rich countries with stable governments and currency.

"After the market sorts out its response to the political developments with some erratic trading, prices are real-

By NIC VAN OUDTSHOORN: Sydney

ly going to fly," one leading broker said.

The American ban on South African uranium and iron will also be of enormous benefit to Australia, which has vast supplies of these resources.

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Senior government sources in Canberra told me yesterday that Australia was "elated" and "greatly encouraged" by the US action and would be stepping up its own sanctions as quickly as possible.

I was also told that Australia is now desperately trying

to find a way to ban South African Airways flights immediately, instead of having to wait for 12 months' notice to expire as stipulated by its agreement with SAA.

As part of the sanctions package being imposed by Canberra, the Australian Trade Commission ended all forms of assistance for Australian companies wanting to trade with South Africa this week.

## Defeat

But latest opinion polls show that Mr Hawke's party, which strongly supports tough sanctions against South Africa, faces certain defeat if an election were held now.

However, a victory for the opposition Liberal/National

By DAVID SOUTHEY

SOUTH AFRICA exported a total of R3 100-million worth of goods to the US in 1985, but values and volumes of individual exports are not disclosed by the Department of Customs and Excise.

Economist Gad Arlovich, of stockbrokers Menell, Hyman and Rosenberg, estimates that, provided the ban announced in the US Senate on Friday is indeed leak-proof, it could result in the loss of \$415 million in export earnings — or about R920-million.

On a rough estimate, he thinks this could entail the loss of 45 000 jobs.

According to Dr Arlovich, the hardest hit sectors are likely to include

● Uranium and by-products, with exports to the US in 1985 amounting to \$140 million (R300-million).

● Food, including lobsters, apples, sugar, peaches and so on, worth about \$105-million (R255-million) in 1985.

● Steel and iron products of

which exports to the US last year amounted to about \$65 million (R145-million).

● Bituminous coal, worth \$43-million (R95-million) in 1985.

Dr Arlovich says the major concern is not so much the potential loss in export earnings — which is relatively small against total exports to the US — but "the example set by the US to other countries".

## Disturbing

The most disturbing feature, he says, is the "psychological breakthrough" for sanctions created by the US Senate's vote.

Although steel is specifically mentioned in the Bill, producers of ferro alloys, notably ferrochrome, will not be affected by the ban.

Strategic minerals are also exempt from sanctions in terms of the Byrd Amendment enacted a few years ago.

However, the outlook is bleak for producers of carbon steel.

Highveld Steel exports large quantities to the US and could be severely affected by the ban.

Shaun Harris writes Sugar exports to America alone are believed to be worth more than R33 million a year — but the sugar industry believes it can ride the sanctions wave without any dramatic changes.

## Sugar

The amount is only a small fraction of the total volume of South Africa's sugar exports.

According to Mr Peter Sale, general manager of the South African Sugar Association, the American sugar quota — which under the sanctions Bill will now be transferred to the Philippines — represents only 40 000 tons or four percent of the total exports.

He said he did not know what the industry would do with the surplus, but South Africa had the reputation of being a reliable and consistent sugar supplier, and he did not think the Philippines could match it.

Party coalition may no longer mean that sanctions already in force will be dropped automatically.

Although the leader of the opposition, Mr John Howard, remains opposed to sanctions, his shadow Minister of Foreign Affairs, Mr Andrew Peacock, has recently disagreed publicly with him on this.

The US decision, I am told, is certain to win over many liberal MPs and supporters to Mr Peacock's belief that sanctions are needed to bring about peaceful change in South Africa.

The US sanctions decision was also welcomed by Mr Malcolm Fraser, former Liberal Party Prime Minister and co-chairman of the Commonwealth Eminent Persons group who reportedly now has his eyes set on

becoming the next Secretary-General of the United Nations.

Mr Fraser said it was "possible" that the tough US sanctions would soon be adopted by the EEC and Britain.

## Hope

"It is good news for the black community in South Africa," he said on national radio.

"It will leave them with some continuing hope that the West might still exert effective action."

"I think it will give a shock to the white community in South Africa, which is exactly what is needed so that they will exert more pressure on their government."

"That is the only hope for change by peaceful means."

## ed food Ad out of focus

By DENYSE ARMOUR

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# Sanctions busters ready

## Loop-hole chance in yacht killings

By Terry van der Walt  
Crime Reporter

LUCIANO Memeo, who faces murder charges in Mauritius after his crew were found dead on his yacht, could be a free man if he is acquitted on a territorial jurisdiction technicality.

South Africa does not have an extradition agreement with the Indian Ocean island and, if acquitted, Mr Memeo would be free to stay in Mauritius or move to any country which also has no agreement with South Africa.

This is the opinion of a leading lawyer who was reacting yesterday to speculation that Mr Memeo's legal representative hopes to clear his client on a territorial loop-hole.

Mr Memeo, 61, is to face charges of murder after Mr Alfred Bennetts and Mr Ian Worthington, both of Durban, were found shot dead on the yacht Lucky Gypsy on July 4.

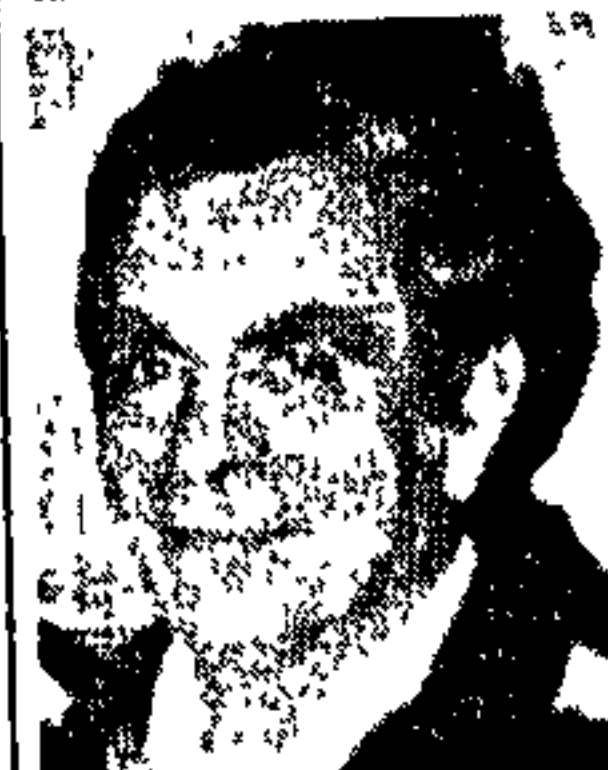
### Good health

It appears that if the offences did not take place in Mauritian waters, the courts there have no jurisdiction, in which case Mr Memeo could be acquitted.

And although South Africa should have jurisdiction because the yacht is registered here, this falls away as there is no extradition agreement.

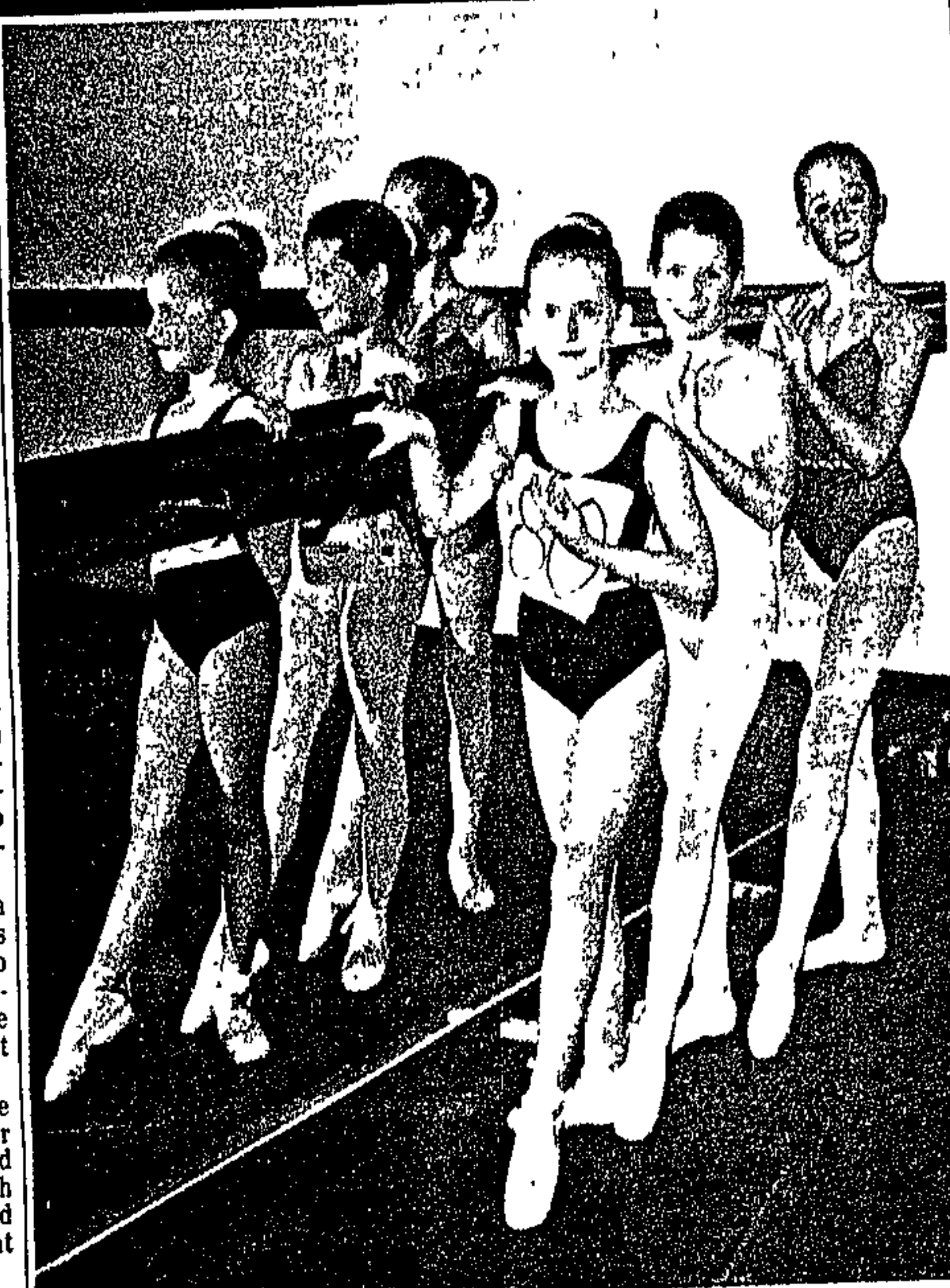
Mr Memeo told the Mercury in an exclusive telephone interview yesterday he was in good health and well looked after in jail.

He has been receiving letters from his brother in Italy and is said to be the best-treated prisoner on the island.



Mr Luciano Memeo

## Best foot forward



Three little girls reaching for the stars. Cara Burgess, 8, Candice D'Arcy, 8, and Taryn Gurnell, 11, were just three of more than 80 girls who auditioned yesterday for parts in Napac's *Le Beau Danube*. The ballet is part of Napac's six-week-long Dance Festival which starts with a preview during the lunch hour on Wednesday.

Picture by TERRY HAYWOOD

## Pope defies Nostradamus

LYON—The Pope could be braving a threatening prophecy when he begins his third visit to France today.

Nostradamus warned that grave danger would face any Pontiff who approached 'the city washed by two rivers'—said to be a reference to Lyon.

The 16th Century soothsayer also warned that 'your blood and that of your people will be spilled near here when the rose blooms'.

The reference to a blooming rose is said to mean the ruling French Socialist Party, whose emblem is a red rose.

Lyon's Archbishop Albert Decourtray has dismissed the prophecies but expressed concern that they could frighten some worshippers away.

A message signed by the archbishop has been put up in churches and distributed to homes to calm people's fears — (Sapa-Reuter)

## Blushes over hot stripper

Mercury Reporter

THE Durban family of the fire-eating British stripper who burst into flames during a saucy revue in Cambridge were shocked to read of his plight yesterday.

Mrs Jane Biddington, whose brother, Paul Darwent, 31, had to be admitted to hospital for burns, said she got 'quite a shock' when she read the front page Mercury story yesterday.

Paul's tantalising strip act went up in flames when paraffin which had splashed on his chest caught alight during his fire eating act.

'Paul is a dancer and occasionally goes to Spain to perform at discos,' said a slightly embarrassed Mrs Biddington.

Paul's parents, Mr Derek and Barbara Darwent, who also live in Durban could not be contacted.

Ormande Pollok  
Political Correspondent

CAPE TOWN—South African 'sanction busters' are ready to advise businessmen on 'unconventional trade' methods if the latest American or other punitive measures against this country might affect them.

In the absence of the Minister of Finance, Mr Barend du Plessis, who is in Washington, the Deputy Minister, Mr Kent Durr, said yesterday some of the U S sanctions would be less effective than others.

'We do not believe in sanctions or trade boycotts and do not believe they work,' he said.

'Sanctions seldom work but they almost always add to costs because of extra middlemen'.

Individuals and not governments traded with each other and the South African Government had limited private sector dealings with American individuals.

Trade was also often between companies with worldwide ramifications.

'I think the symbolism of these latest sanctions is more important than the reality. They are limited and therefore will have limited effect and will not promote reform,' said Mr Durr.

Increased democracy and freedom went hand in hand with a developing economy and sanctions would strike at the ability of the economy to expand.

'If we are serious about reform, which we are, then we must be serious about economic development and we must find ways of doing this,' he said.

'The Government's role is to advise—and we do—on unconventional trade methods'.

Mr Durr said he did not think Mr P. W. Botha was advocating sanctions when he said South Africa would stop buying American grain if the sanctions Bill went through the U S Senate.

'Trade is a two-way traffic which should be mutually beneficial. If you trade less you must buy less. They may buy less from us and we may buy less from them'.

● See also Pages 2, 11 and Editorial Opinion.

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OCTOBER 4, 1986

# Security business hits boom times

By SHIRLEY PRESSLY  
BUSINESS for security companies is booming as the crime rate soars.

Mr Ken Blignaut, of Superior Security Guards and Security Services, who has been in the security business for 25 years, said the past year had been his busiest.

Business had increased between 25% to 30%.

The number of security alarm calls to which he had responded had increased by 40%, indicating a similar increase in burglaries.

Mr Blignaut said security firms had mushroomed in the past few years.

His security control centre was manned around the clock. Alarms which sounded were first investigated by a patrol from his firm before the police were called.

The control room has direct lines to the Fire

## PE firms link growing number of jobless to higher crime rate

Department and to the radio room at Louis le Grange Square.

Sharp Security's Mr Peter Sharman, chairman of the Port Elizabeth branch of the SA National Security Employers Association, ascribed the increased volume of business to the need for legal, professional security.

Rising unemployment was one of the reasons for the high crime rate.

His firm provided guards, dogs and electronic security systems

Some buildings were equipped with computerised instruments which dialled through every hour to the control inspectorate.

Mr Phil Halkier, of Alert Security Guards, said business was steady. He had not noticed a dramatic increase in burglaries and said they had not reached epidemic proportions

Mr Bob O'Neill, a senior patrolman for Sekurit Electronics, said the increase in installation of house alarms ran at about 20%.

His employer, Mr Ken Victor, had noticed a new trend in burglaries while the township curfew was in operation.

Burglaries during the curfew took place between 5.30am and 7am, not between 10pm and 4am as had been the practice before

the state of emergency was declared.

Mr O'Neill said his firm monitored 24 hours a day in the control room and sent out armed mobile patrols to investigate if an alarm sounded.

Mr Elmar Joubert, of Select Security — which provides guards and dogs to commerce and industry — said security firms were hard hit by increased costs, particularly wages.

A disturbing trend by commerce and industry was to drop insurance because of increased premiums and to rely solely on security alarms.

Others had dropped security services altogether



# PE 'could cash in on sanctions'

W/E Post 24/10/86

(scribble)

(280)

By DIRK VAN ZYL

**THE Port Elizabeth/Uitenhage industrial complex could gain from a short-term economic boom flowing from the harsher sanctions imposed on South Africa this week.**

But to do so business entrepreneurs and community leaders would have to be prepared to go all out in promoting the area.

This is the view of the dean of the University of Port Elizabeth's Faculty of Economic Sciences, Professor Charles Wait, who is also the project co-ordinator of the Eastern Cape Strategic Development Team.

His view is largely shared by the director of the PE Chamber of Commerce, Mr Tony Gilson.

Mr Gilson warns, however, that any such short-term gain should be seen against the background of the need to solve South

Africa's fundamental problems if the long-term damage of sanctions is to be avoided.

Prof Wait was speaking in an interview with Weekend Post yesterday on the likely effects on the Eastern Cape of the stringent sanctions imposed by the United States this week.

He made no bones about the fact that such fields as the largely East London-based textile industry and the wool, mohair and citrus farmers in the Eastern Cape could be hit by the US ban on agricultural imports.

But, added Prof Wait, the picture was not all bleak. "I can see sanctions developing into a stimulation



**Prof CHARLES WAIT**  
... up to leaders

of local industry. There could be an opportunity to draw surplus industry into our area," he said.

He felt "very vigorous marketing" of favourable factors in the region was needed.

"Now is the time for local bodies like the Chamber of Commerce, the Midland Chamber of Industries (MCI), the Greater Algoa Bay Development Commit-

tee, the Afrikaanse Sakekamer and the municipality to strengthen the hand of PE's Development Officer, Mr André Crouse."

Mr Gilson said: "From a purely business point of view, all people involved in business should do everything possible to obtain what advantage they can in the short term. They should not merely adopt a high moral stance."

"But it has to be remembered that these opportunities will be short-term and that they will not solve the problem in its entirety."

It should also be remembered that sanctions were not imposed "merely out of a sense of righteousness or to punish South Africa, but because of widespread abhorrence of apartheid and the denial of human rights."

This had to be qualified. The executive director of the MCI, Mr Brian Mathew, said: "I'm sure we'll find some way of circumventing the sanctions. In any case, they were expected."

The latest sanctions package would not have nearly the same impact as the previous blow of South Africa being forced at short notice to repay its huge foreign debt.

● Port Elizabeth businessmen were warned recently that taking advantage of short-term opportunities provided by sanctions at the expense of long-term commitment could be disastrous.

Mr Wim Holtes, chief executive of the SA Foreign Trade Association, told the Evening Post export dinner that it would be "the height of folly" to turn away prematurely from international markets "under the guise of strategic planning for coping with sanctions".

This was what South Africa's adversaries overseas wanted, he warned, saying that exporters are thinking they could sell all their products locally in the months ahead to make a "quick buck" would be making a bad mistake.

● See Page 2



Capo Trims 4/10/86 (280)

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# Effect on man in the street

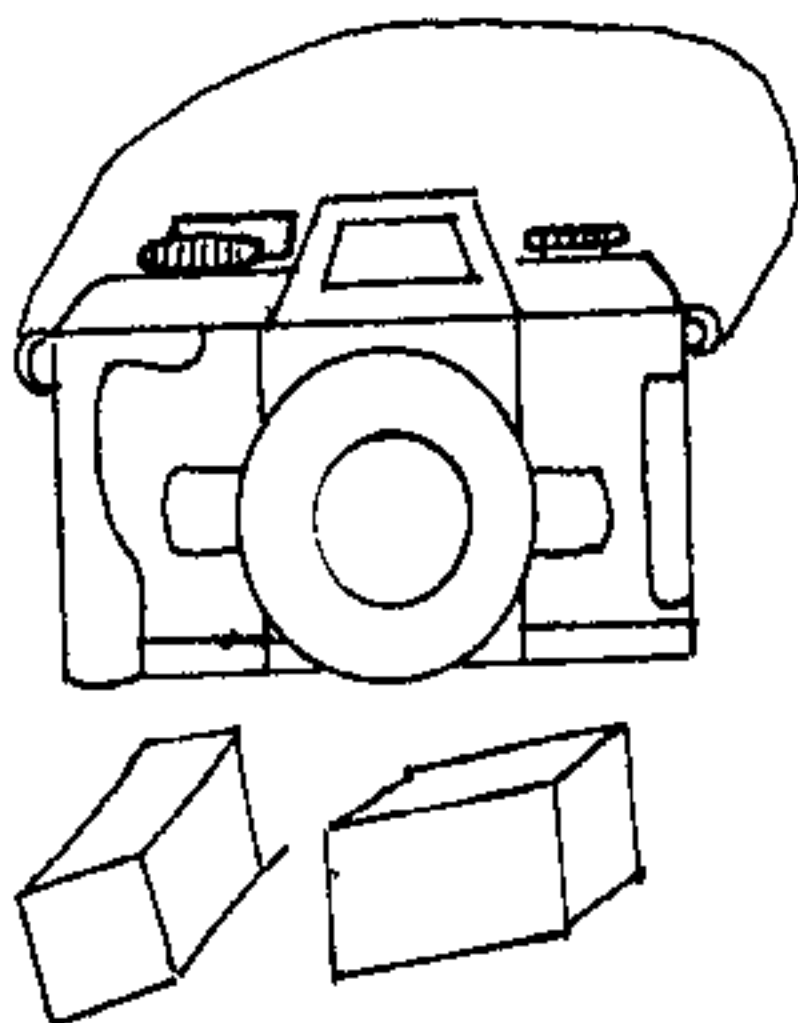
## Staff Reporters

THE MAN in the South African street is unlikely to suffer serious shortages of consumer goods as a result of the United States sanctions package.

Virtually every American commodity — even baseball bats — can be supplied from other parts of the world — and most South African products blocked from American markets will find their way on to alternative markets.

Movies, cameras, film, food-stuffs and beverages will avoid the US sanction sting as will computers, cigarettes and even sporting goods and cosmetics.

That's the assessment of importers of these goods, many of them subsidiaries of American companies.



● **MUSIC** — Major record distributors said sanctions would have little or no impact on the local industry.

The chairman of the South African Music Industry Association, Mr Doug Band, said that he did not see the legislation as a threat to the record and music industry.

Mr Benji Moodie, of WEA Records, the only record company controlled by American shareholders in South Africa, said he did not foresee any pressure because of sanctions.

"We are signatories to the Sullivan Code. Our organization is multiracial and offers equal opportunities and our management is black."

However, Mr Ken Haycock of CCP records said he thought pressure by American record companies would cause the withdrawal of music by American and international performers.

"What could happen on a larger scale is that artists could insist that part of their contract includes a clause pro-

ing distributed in South Africa," he said

Earlier this year CBS withdrew from South Africa but music by artists recording with this label continued to be distributed by the licensee, Gallo GRC.

Mr Roddy Quinn, of EMI records, an international company, said he could not comment at this stage although he felt sanctions would not make "that much difference"

● **BOOKS and PERIODICALS** — The MD of Exclusive Books, Mrs Maureen Hargraves, said they had been told that books, periodicals and newspapers would not be affected "but it all depends on exchange controls".

A director of Pilgrims Book-sellers, Mr Hugh Joseph, said that because of the exchange rate, imports had been minimal and at this stage it was too early to tell what impact the legislation would have

● **MOVIES** — Mr David Isaacs of Ster-Kinekor said the film industry would not be affected.

"The sanctions are really aimed more at the military, industrial and business sector and I do not foresee any bad side-effects for the film industry," he said.

● **VIDEOS** — The MD of Ster-Kinekor Video, Mr Henk Ten Hoornboer: "I don't think any mention was made of film or video material and we haven't heard anything from our suppliers."

He had been through Rhodesian sanctions and the cinemas had kept running.

"In any event there will always be sanctions-busers."

● **CARS and PARTS** — The South African motor industry imports little from the United States.

● **GUNS and AMMUNITION** — City gunshops think there will be no appreciable effect on their businesses.

"We've had sanctions since 1965, and we'll just carry on doing what we've been doing I think all the gun shops have their own connections," the owner of a city gunshop said.

● **SPORTING EQUIPMENT** — Sports shops will find alternative sources if sanctions affect their supply of American-

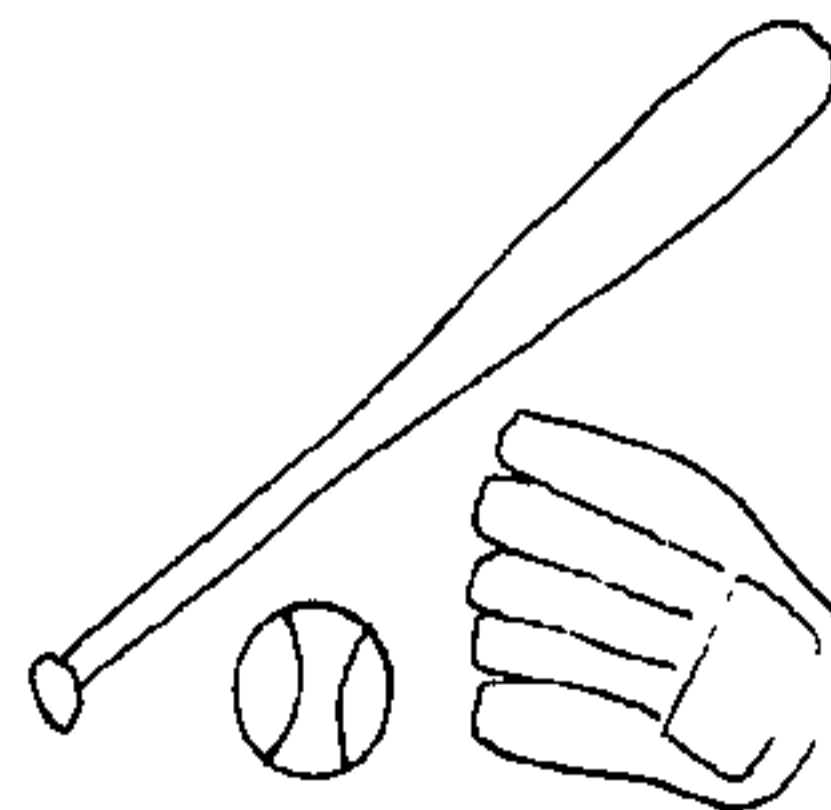
manufactured goods.

Mr Martin Trimmer, co-owner of a Cape Town sports shop, said supplies of articles like crossbows and baseball and softball bats could conceivably be cut off in future — "but we will make a plan to get them"

● **FOODS and BEVERAGES** — The deciduous fruit industry of the Western Cape is likely to suffer from the ban on imports of agricultural products to the US, but the export of foods and beverages is unlikely to be affected.

Mr Hennie Viljoen, external affairs manager of Coca-Cola Export Corporation, said his American-based company had already decided to dispose of its South African investments, so the problem of the ban on future investments did not arise — the local company was profitable enough to generate its own investment capital.

It also had 21 concentrate plants around the world to draw its raw materials from, so in practice US sanctions would not have any impact



● **TRAVEL** — Travel agents are worried about the US sanctions.

Mr Wally Gaynor, manager of a Cape Town travel agency, said sanctions had already affected business as a result of the withdrawal of South African Airways' landing rights in the US.

"We have had to re-route people through Europe and we are worried about what might happen if the air sanctions spread to Europe. Also the lack of competition from SAA pushes up air fares on other airlines," he said

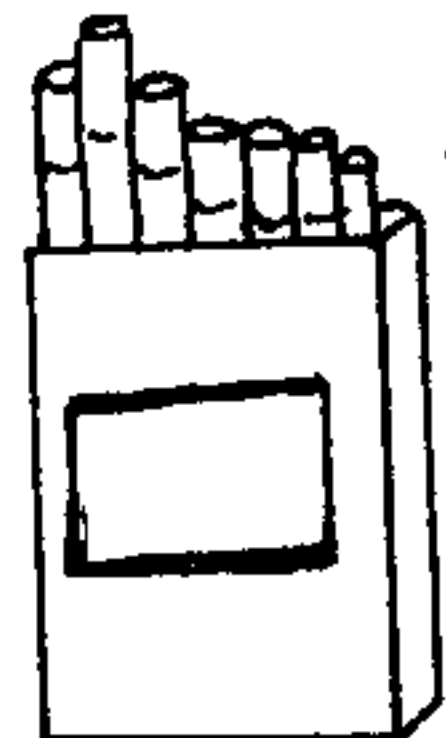
● **COSMETICS** — Mr Chris Leff, assistant general manager of Lancome, said cosmetic houses felt they would not be affected in the short term by the sanctions package or

"Obviously it depends how bad sanctions get in the long term, but we are not worried at the moment," he said.

● **COMPUTERS** — Computer importers were not at all worried about the sanctions.

Any negative effects on the industry had already been felt through President Reagan's executive order and if there were problems because of possible future sanctions, alternative procurement arrangements could be made.

American-based subsidiaries were able to generate their own investment capital,



● **CIGARETTES** — Although some small lines like certain cigars and could be affected in time, most importers of American-licensed cigarettes and tobacco companies had alternative supply sources and could generate their own investment and development income.

● **FILMS and CAMERAS** — Mr Richard Ferris, Kodak MD, said he did not anticipate any problems for importers of cameras and films.

"We'll wait until things get worse, if they do, before we make any moves — we hope this sanctions package will mark the end of the anti-SA activity in the US for a while."

"We obviously will not have any investment from the US now, but any investments we make is from local earnings."

● **PHARMACEUTICALS** — It was difficult for US-based pharmaceutical industry spokesmen to say exactly what impact the sanctions might have, but it seemed at this early stage that it would be minimal

"There have never been limitations on our access to US medical goods before, and I doubt whether there will be now, but we will have to see. In any case, if we have a problem obtaining US drugs then we will simply obtain them from suppliers elsewhere in the world," an industry spokesman





Clutching a fresh batch of "Made in the USA" softball bats that arrived at his city sports shop yesterday was Mr Martin Trimmer, who believes the new sanctions package could mean the consignment will be his last "official" one. There were "unofficial" channels of supply, he said.

Picture: Richard Bell

## Safty list of items delayed

THE South African Foreign Trade Organization (Safty) is preparing a list of all the items that will be hit by US sanctions but this is unlikely to be ready for another 10 days.

It is planning to stage a series of briefing sessions in Johannesburg, Cape Town and Durban to "provide exporters with specific information concerning the legislation affecting economic and trade relations with South Africa introduced by the EEC and the US recently"

# Detours around sanctions?

By AUDREY D'ANGELO

Assistant Financial Editor

CAPE TOWN manufacturers with export business have been preparing for sanctions for some time and — although none were willing to give details for publication — it was clear yesterday that many had made arrangements to circumvent them.

The main reaction from those in industries ranging from clothing to foods was that they would be put to extra expense and inconvenience to conceal the origin of their products.

But at least two of the main industries in the Western Cape — fresh fruit and wines — cannot be disguised in this way.

Deciduous Fruit Board MD Mr Louis Kriel issued a statement that sanctions would cause unemployment among black and coloured people in an industry which had created "some of the most favourable working conditions in the world" for its employees.

He said the board planned to continue to invite influential people who were able to judge the situation effectively, and were not blinded by self-interest to South Africa.

A spokesman for the board said that although its main markets were in Britain and Western Europe, and the US was not a major market, it was "big enough for sanctions to hurt".

The chief executive of KVV, Mr Ritzenma de la Bat, said the SA wine market would not be affected seriously by US sanctions.

Only 20 percent of the total wine production was exported and sales to the US were so far only a fraction of this.

But he regretted that the marketing of SA wines was now terminated in the US and Canada because it was a large and growing market. It was only recently that South Africa had seriously marketed wines there.

Mr De la Bat said KVV would continue to market SA wines overseas wherever opportunities still existed.

It would launch a "Buy South African and buy from friends" campaign in both established and new export markets.

A director of the Cape Chamber of Industries, Mr Colin McCarthy, said there had been a significant fall-off in garment exports in the past few months but the local market was growing and this would take up some of the lost capacity.

On fabrics, he said, the loss of the US market was not a major factor except for factories set up by Far Eastern interests in Ciskei and Transkei to supply the US. If jobs were lost there this would have a ripple effect on South African manufacturers.

In general, manufacturers were taking steps to diversify exports.

A Safmarine spokesman said the company did not see any immediate problems for South African ships and had just put another one on the direct service between South Africa and the United States.

"We don't believe our ships will be boycotted and the longshoremen want the work."

An Iscor spokesman said the corporation had been saying since the EEC proposals for sanctions that the loss of any markets would be sad, but it would try to re-route its products to other markets and to keep its employees in their jobs.

"We saw the amber light in the US a long time ago and we have been laying contingency plans which, now that the red light has come on, we will institute, but we can't say exactly what we have in mind and where those markets might be."

An Escom spokesman said the sanctions package would have no impact at all on the commission's present and future nuclear programme.

## No loans since July '85, but growth will be hampered

Assistant Financial Editor

ECONOMISTS and bankers said they regretted the ban on new investment from the US, except in firms owned by blacks, because it would hamper growth.

But they said there had been little new US investment for some time and no new loans from US banks since July last year.

The chief economist at the Trust Bank, Mr Ulrich Joubert, said the ban, combined with restrictions on the amount of money subsidiaries of foreign firms were allowed to borrow in this country, might lead to an

agement buy-outs of United States subsidiaries.

In some cases these might merely be "a smoke-screen", with the firm, under its new South African ownership, carrying on business as before with close ties with the US parent company.

Mr Joubert said he expected dollar prices for gold and platinum to continue to rise because of anxieties about the world financial situation and the weakening dollar.

These higher prices might offset the harm done to South Africa's export trade by the cost of evading sanctions.

He expected more foreign investment in South Africa

The head of the Trust Bank foreign exchange department, Mr Tino Carreira, said it would be difficult for the US authorities to monitor any new investment in South Africa because "most of it does not come directly from America but through tax havens".

Mr Carreira said he was sure the Reserve Bank would come to an arrangement with any established US firms who found themselves inconvenienced by restrictions on the amount they could borrow in South Africa.

Such cases were always judged individually, on their

## Platinum and gold prices stay high

LONDON. — Platinum and gold prices stayed high yesterday, with the market concerned about growing conflict between South Africa and the United States, but they slipped from the levels seen at the start of trading in Europe.

Precious-metal dealers said the market was calming down as it digested news of the US Senate's vote for tough action against South Africa.

Platinum was fixed at \$603.75 an ounce, up 24.25 on Thursday afternoon's setting, but below Zurich's opening 619.50, dealers said.

Gold was fixed at \$436.00 an ounce, 2.50 up on Thursday night's London close, but in line with New York's close, and below its early high of \$441.25.

Analysts said profit-taking suggested the market was taking a second look at the vote's implications, and were sceptical as to whether the sanctions vote would have any substantial effect on precious-metals supplies — Sana



## JOHANNESBURG

The onus was on the South African Government to reverse the United States Congress decision in favour of sanctions, Archbishop Desmond Tutu said yesterday.

"The sanctions are conditional. The onus is on the South African Government. If it takes the action we have all been advocating, then there will be no sanctions," the Anglican Archbishop of Cape Town said.

"The Senate has taken a moral decision. This is not anti-South African action, it is anti-injustice, anti-apartheid. It is pro-South Africa. It is for justice, freedom and democracy."

● The past president of the Methodist Church of Southern Africa, the Reverend Peter Storey, supported Archbishop Tutu's views.

"It would be quite wrong to direct our anger at America at this time, because those who hold the key to sanctions are in the Union Buildings and if they would

institute the changes we have been calling for for so long, there would be no sanctions," he said.

He believed it was a sad day for South Africa.

"Nobody in their right mind wants to see our economy weakened, but the Church has warned that ultimately we would reach a stage of confrontation with the civilised world.

"I can only pray that they will have that effect on our government," Mr Storey said.

● The chief ecumenical affairs and information officer of the Nederduitse Gereformeerde Kerk, Dr Pierre Rossouw, said it fell outside the competence of the Church to involve itself with instruments of political change, such as sanctions

# Onus is now on govt, says Tutu

"The danger is that when the Church moves on terrain where it is out of its depth, it cannot foresee all the implications of non-church methods like sanctions," he said.

He believed the Church should limit itself to using Church methods, such as prayer, preaching and witnessing. The NGK's policy was to bear witness against injustices in the implementation of the laws of the land and against inhuman laws, he said.

● The president of the World Alliance of Reformed Churches and moderator of the NG Sendingkerk, Dr Allan Boesak, said the "total bankruptcy" of President Ronald Reagan's policy of constructive engagement should now be very clear to the

people of the US.

The Senate's overriding of President Reagan's veto on sanctions was the "final blow" to constructive engagement.

"The reversal is a very clear sign that President Reagan, in his support for the government of P. W. Botha and apartheid, does not have the support of the Congress of the United States or of the people of the United States," he said.

Dr Boesak, who faces charges of subversion, said his bail conditions prevented him from saying anything which might encourage sanctions.

"But there is nothing in my bail conditions that would stop me smiling if I was happy about a particular issue, and you don't see me crying

now."

● The US Government had taken its stand on sanctions "firmly and unequivocally," whatever the moral or political motivations, the president of the South African Catholic Bishops' Conference (SACBC), Archbishop Denis Hurley, said in a statement yesterday.

"If apartheid has to go — and the whole world agrees on this except an infinitesimal proportion of its population, consisting of unrepentant white South Africans — it is in the American character to do something about it. The only tangible option open to the Americans was sanctions. They have decided.

"As far as one can judge, the American decision aims at giving South Africa a real jolt without doing too much harm to the economy.

"Clearly, there could be tougher jolts in future, if South Africa does not make more serious attempts to dismantle apartheid," he said. — Sapa



# *It's business as usual says industry chief*

Dispatch Correspondent

JOHANNESBURG — In spite of the latest United States sanctions, its business as usual for South African businessmen, and reform will continue in the workplace.

The Federated Chamber of Industries chief executive, Mr Johan van Zyl said that emotion had won over reason — and the latest measures demonstrated the extent of anti-South African feeling.

He said: "The business community will continue to promote black advancement at company level."

Pick 'n Pay's managing director, Mr Raymond Ackerman, called for a unified fight against sanctions. "This isn't the end of the road. We now have to fight to prevent the spread of punitive mandatory sanctions."

"American Congressmen and businessmen cannot understand that sanctions are a violent option which creates unemployment, promotes emigration, increases unrest and hampers the reform process," Mr Ackerman said.

Progressive Federal Party MP Mrs Helen Suzman said Congress's decision to override President Reagan's sanctions veto was disturbing, but not unexpected.

"Government must understand that the lack of reform, the emergency, and detention without trial have led to this almost unavoidable result."

# We won't follow suit — UK, Germany

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Dispatch Bureau  
LONDON. The British and West German governments will continue to oppose tougher sanctions against South Africa despite the United States decision to impose punitive measures.

But there were signs of renewed pressure yesterday for tougher measures — particularly a ban on South African coal — from the other 10 members of the European Community and the Commonwealth yesterday.

British Labour leader Neil Kinnock said the

US Congress vote had totally stranded Prime Minister Margaret Thatcher.

A British Government spokesman said Britain had no plans to toughen its sanctions against South Africa and insisted that the detail of the US sanctions package was "a matter for the US Congress and the US administration."

The spokesman said that, while there had been close consultation between South Africa's major trading partners, it had been understood that not every country would take identical

measures. A Foreign Office official said that there had been no immediate request for a review of the EEC sanctions package — but pointed out that Britain was still committed to work for a European consensus on a coal boycott.

EEC diplomats in Brussels said the US decision would renew pressure within the Community for the inclusion of a boycott on South African coal.

But the London-based Anti-Apartheid Movement (AAM) said the US vote would have "far-

reaching economic, political and psychological consequences" for Britain. "It has reinforced the shamefulness of the British response, and is bound to have an impact in the UK and the EEC," said the president of the AAM, Archbishop Trevor Huddleston.

The chairman of the House of Commons Foreign Affairs Committee, Sir Anthony Kershaw, said the US senators had had "political reasons" for voting for sanctions. "They are anxious to be elected in the forthcoming elections."

He said he believed

that the "mild" sanctions presently applied by Britain were the right formula to bring South Africa to its "apartheid senses."

"Stronger sanctions would defeat the object of the exercise. I don't want to ruin the place. I don't want to bring chaos and civil war," Sir Anthony said.

He said he hoped that Britain would resist pressure to include coal in the sanctions package — and ruled out a ban on air links with South Africa on the grounds that it would inflict serious economic damage on Britain.



# Reaction to US sanctions

JOHANNESBURG — The implementation of sanctions on South Africa by the United States would allow businessmen less time to pay attention to reform, the Afrikaanse Handels-instituut (AHI) said yesterday.

In a statement, the AHI said the average businessman would in future have to spend more time fighting the adverse effects of sanctions and taking advantage of opportunities that arose as a result.

"Therefore, there will be less time available to give attention to reform."

The AHI said it regretted the decision of the US Congress to override President Ronald Reagan's veto of the sanctions package.

The vote showed clearly that "sentimental considerations" had triumphed over "reasonable rationalism".

However, the AHI ap-

## AHI: less time for reform

pealed to South Africans to maintain a positive attitude and to view sanctions as another variable in the factors that influenced policy formulation.

"The AHI also wants to appeal to all South Africans to combat the adverse effects of the sanctions through hard work, innovative thought in respect of exports, an active process of import replacement and support for a buy-South Africa campaign."

The National African Federated Chamber of Commerce says although sanctions would not be

in the interests of South African blacks, they are the last resort in which the West can try to force the government to speed up its reform process

Nafcoc's executive director, Mr S. M. Kubheka, was commenting on the overruling of President Reagan's veto of the US sanctions bill by Congress

He said that government had not met recommendations contained in a memorandum Nafcoc submitted earlier this year. The memorandum had called for the unbanning of various pol-

itical organisations and the appointment of blacks into positions of real responsibility by foreign companies.

Mr Kubheka said Nafcoc would abide by its resolution of conditional investment adopted at its conference in March this year.

He then announced that his organisation would hold a summit in Johannesburg later this month to reassess its stand on the sanctions issue.

The group managing director of Standard Bank Investment Corporation, Dr C. B. (Conrad) Strauss, commented. "The passage of the South African sanctions legislation through the United States Senate is regrettable. I have previously expressed the view that economic isolation is unlikely to help in the solution of South Africa's socio-political difficulties and indeed will probably have the opposite effect. I remain of that opinion"







4/10/86

## Mfesane asks US to help needy children

KING WILLIAM'S TOWN — In reaction to the US sanctions decision, the Mfesane Christian Service has made an urgent appeal to Christians in Southern Africa, but especially in the US to soften the negative side effects of sanctions on innocent people.

According to the managing director of Mfesane, the Reverend Almero Cloete, the organisation informed President Reagan in August that sanctions could also affect innocent children, such as the 4 000 blind, deaf, cripple, parentless and needy black children in Mfesane's care. "Now that US sanctions will come about, we must remind all Christians again that they have a responsibility towards their fellow Christians in general and those in distress in particular," Mr Cloete said in a statement yesterday. "As Christians we do not panic about the sanctions. We realise

that there was a political purpose with the sanctions decision, but we do not believe that American Christians wish to harm development work and Christian compassion with the sanctions.

"In the past year more than 200 Christians in Holland became actively involved with our projects which enables Mfesane to continue its work of developing the human potential. This can now also happen from the US," Mr Cloete said.

"For this reason Mfesane now sends a message to the US embassy to present itself as a channel for Christian and humanitarian aid from the US once sanctions become effective. We also appeal to Christians in Southern Africa and the US to pray together that the relevant leaders will find urgent solutions to the problems which brought the sanctions decision about," Mr Cloete said. —DDC.



The sanctions row — for and against

# Unexpected repercussions

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By DAVID BRAUN  
Political Staff

ONLY two or three votes were needed to defeat the sanctions legislation in the United States Senate.

Yet, ironically, President Reagan's and Pretoria's failure to stave off passing the law may have some spin-offs that the pro-sanctions lobby had not foreseen.

The most immediate of these was a new surge in the prices of gold and platinum

Gold surged five dollars an ounce following the Senate decision to override the veto.

## Offset cost

For every 10 dollars the gold price rises South Africa earns 200-million dollars a year, according to the Chamber of Mines. All that would be needed to offset the cost of the American sanctions (350-million dollars a year) would be a rise of 18 dollars an ounce.

South Africa would then recoup the lost foreign exchange while the real damage to the economy would be the people who lost their livelihoods.

Another spin-off expected is a decision by Pretoria to make good its threat to ban American grain imports, at considerable cost to US farmers already battling with the international wheat glut

A third spin-off which may be no more than speculation is that the Government is to use the Senate decision as an excuse to call an election to give it a fresh mandate to continue its present policies.

There is also speculation that the Government may swoop on activist organisations and individuals who were in the vanguard of encouraging the international community to impose sanctions

Government politicians have meanwhile told how Foreign Minister Mr Pik Botha's last-minute attempt to persuade senators to uphold President Reagan's veto actually brought the number of lawmakers closer to the 34 needed for the Congress Bill to be quashed.

## Trade-offs

Starting with 21 senators who were against the sanctions legislation, Mr Reagan persuaded at least nine other legislators to switch their position in a complicated series of political trade-offs

The deal was that if 13 additional senators could be persuaded to support the veto, giving the President the 34 votes needed for victory, the individual trade-offs would go through.

If, however, the support of all 13 was not assured before the vote, the deals would fall away and the senators released of their commitment.

With less than 24 hours to the vote a senior congressman asked South African Ambassador Mr Herbert Beukes to get Mr Botha to phone a number of senators representing the American wheatbelt

But with two or three votes short the deals fell through and the Senate voted in favour of sanctions by a margin of 78 to 21

Some top Government politicians are relieved that President Reagan was not able to patch together a series of deals to uphold his veto

They say if he had been successful he would have paid such a high price that his administration would put enormous pressure on Pretoria to vindicate his position

When South Africa was unable to deliver the goods in this regard, the politicians believe, the rage of the White House would have made relations between the two countries far worse than they are now

## No change in fare to US

JOHANNESBURG. — Tourist traffic between South Africa and the United States would continue in spite of the ban on South African Airways landing rights in America, said Satour chairman Mr Danie Hough.

Reacting to the decision by the US Congress to override President Reagan's veto of sanctions on South Africa, Mr Hough said he regretted the move.

The fares and conditions will remain on the level introduced on September 1. Passengers will be rerouted via Europe at no additional cost.

The Youth and Super Apex fares to America will also remain valid via Europe on SAA.

The suspension of SAA landing rights and attempts to stop tourism to South Africa should be viewed as "tragic" events in US history, he said.

Tourism offered people a chance to evaluate a country at first hand and was a right to which every American should be entitled.

"Opportunity still exists for interested people to travel between South Africa and the United States by using alternative routes."

● The ban on SAA flights to the United States could be a major blow to the Cape Verde islands, off the west coast of Africa.

There are eight flights a week to and from New York, all landing at the islands.

The country derives most of its revenue from migrants' remittances.

"It is obvious that Cape Verde could lose more than half its airport revenue because of the American sanctions," sources in the travel industry said. — Weekend Argus Correspondent and Sapa.

## 'Final blow' to Reagan policy

THE "total bankruptcy" of President Ronald Reagan's policy of constructive engagement must be clear to the people of the United States, said Dr Allan Boesak, president of the World Alliance of Reformed Churches and moderator of the Ned Geref Sendingkerk

Commenting on the US Senate overriding Mr Reagan's sanctions veto, he said this was the "final blow" to constructive engagement

"The reversal is a clear sign that Mr Reagan in his support for the Government of P W Botha and apartheid does not have the support of Congress or of the people of the United States"

The attempts by Foreign Affairs Minister Mr Pik Botha to persuade senators not to override the veto might have per-

suaded them in the other direction, he said.

"Let us see how far South Africa can go on this road of isolation, whether it can withstand the moral pressure of a world that realises that without fulfilling the legitimate aspirations of black people there will never be peace here"

● "The only tangible option open to the Americans was sanctions — they have decided," said Archbishop Denis Hurley, president of the Southern African Catholic Bishops' Conference

"They were encouraged in this by strong voices from South Africa, the voices of Archbishop Tutu, Dr Boesak, Dr Beyers Naude and of black activists in political movements and unions." — Sapa

## Zimbabwe 'not worried'

HARARE — Zimbabwean officials say they are not worried by South Africa's threat to stop United States wheat from passing through its transport system to their country

Agriculture Minister Mr Moven Mahachi was quoted by the State-run radio as dismissing the threat and saying alternative routes would be found.

The general manager of the grain marketing board, Mr Ian

Mokone, said the threat, issued before the sanctions Bill veto, "doesn't worry us one bit"

He said 20 000 tons of American wheat destined for Zimbabwe was on its way to South Africa, and "if they won't take it, it will just have to be diverted"

Beira in neighbouring Mozambique could be an alternative port — Sapa-AP

## EC looks set to ban coal imports

BRUSSELS — The action of the US Congress in overriding President Reagan's veto is likely to revive pressure for tougher European Community measures against Pretoria

Pro-sanctions members of the community are expected to push hard when EC foreign ministers meet in Luxembourg on October 27 for measures to match those of the United States, although a fight is expected before anything is

agreed, EC diplomats said.

They also said Japan, which has so far reluctantly followed the minimalist EC line, would feel under strong pressure to follow suit if the EC decides to go for tougher sanctions against Pretoria

The community's first likely step will be to extend its measures to include coal EC heads of state and government agreed to this in principle at The Hague summit last June

but West Germany, backed principally by Portugal, later blocked it, arguing that this would harm South African blacks

Even if coal had been included, the EC measures would have fallen far short of those now decided in the United States

Additional sanctions, including a coal ban, would cost Pretoria R2.6-billion a year in export earnings — Sapa-Reuter

## West Germany still opposed

BONN. — West Germany would continue to oppose sanctions against South Africa, said chief government spokesman Mr Friedhelm Ost.

West Germany and Britain last month agreed to a limited package of economic measures which barred imports of South African iron and steel to the European Community and ended new investment. — Sapa-Reuter

## 'No need for policy change'

LONDON — Prime Minister Mrs Margaret Thatcher's political opponents said the US Senate's approval of stringent sanctions against South Africa has isolated the British leader in her refusal to adopt punitive economic measures

But a Thatcher ally described yesterday's vote as an attempt to woo black voters for the November US congressional elections and said there was no need for Britain to

Sir Anthony Kershaw, a member of Mrs Thatcher's Conservative Party and chairman of the non-partisan House of Commons select committee thought the Senate action reflected only the voting strength of US blacks

The Anti-Apartheid Movement said President Reagan had been "pulled into line" and hoped Mrs Thatcher and the West German Chancellor, Mr Helmut Kohl, would quickly

## Sporting gesture

Weekend Argus  
Foreign Service

DUBLIN — Britain has staved off a move at a meeting of European sports ministers here that would have forced European Community governments to stop their sportsmen competing in South Africa

The British delegation, supported by West Germany and France, successfully opposed a Swedish resolution that would have forced the governments to withdraw the passports of such individuals

Instead, a compromise resolution submitted by Ireland seems certain to be passed at the meeting, attended by sports ministers from 21 countries

This calls on governments to take "all possible action" to encourage their sports federations to break all sports links with sports bodies, teams and sportspersons in South Africa



# Sanctions: How the world is

**T**HE US Congress's enactment of sanctions, overriding President Reagan's veto, yesterday places the United States firmly at the forefront of nations seeking to change South Africa's racial policy of apartheid through economic punishment.

Other measures have been adopted, most notably by the 12-nation European Community (EC) and the 49 countries of the Commonwealth.

The new US measures were imposed by Congress over the strong objections of President Reagan.

These are their effects:

**FINANCIAL:** The Bill bans all new US public and private loans and investments in South Africa, except for re-investing profits from South African enterprises, short-term credits and rescheduling of existing debt.

The ban exempts loans and credits for education, housing or humanitarian projects and investments in firms owned by black South Africans.

Remaining US investments in South

Africa last year totalled \$31.3 billion. As of last March, US banks held \$329 million in deposits by South African banks and Government agencies.

Outstanding loans to South African Government agencies totalled \$148 million last year.

The Bill would not require disinvestment, or withdrawal of existing loans or investments from South Africa.

**IMPORTS:** US imports of South African iron, steel, arms, ammunition, military vehicles and farm products are prohibited immediately. A ban on imports of uranium, coal and textiles takes effect in 90 days.

South Africa's sugar import quotas are transferred to the Philippines.

Any direct or indirect imports from South African state-owned companies also are prohibited.

The value of these imports totalled about \$713 million in 1985. The Bill makes permanent Mr Reagan's September 1985 ban on imports of Krugerrands, which accounted for \$486 million in sales in 1984, the last full year of such trade.

## WHAT RONALD REAGAN HAD TO SAY

**THIS** is the text of President Reagan's statement after the US Senate completed the congressional override of his veto of sanctions:

'Today's Senate vote should not be viewed as the final chapter in America's efforts, along with our allies, to address the plight of the people of South Africa.

'Instead, it underscores that America — and that means all of us — opposes apartheid, a malevolent and archaic system totally alien to our ideals.

'The debate was not whether or not to oppose apartheid but, instead, how best to oppose it and how best to bring freedom to that troubled country.'

'I deeply regret that Congress has seen fit to override my veto of the Comprehensive Anti-Apartheid Act of 1986.

'Punitive sanctions, I believe, are not the best course of action; they hurt the very people they are intended to help. My hope is that these punitive sanctions do not lead to more violence and more repression.

The US Commerce Department says South African imports totalled \$2.18 billion dollars last year, down 15.4% from 1984.

**EXPORTS:** The measure bans US exports of petroleum products, crude oil, munitions or nuclear technology or materials to South Africa.

Also prohibited are exports of computers, software and services to the South African military, police or other agencies involved in administering apartheid.

The Commerce Department said computers topped the list of US sales to South Africa last year, accounting for \$80 million of the \$1.21 billion in total exports.

It was not known what portion of the \$80 million went to South African Government agencies covered by the sanctions.

Petroleum, munitions and nuclear export figures were not available.

**To next page**

# SAA ban a blow to Cape Verde

By Joao Santa Rita  
Star Africa News Service

Cape Verde, off the west coast of Africa, could suffer a major economic blow when the ban on South African Airways flights to and from the United States comes into effect on October 12.

There are presently eight flights a week to and from New York — all landing at Ilha do Sal in the Cape Verde group.

In addition two other SAA flights to and from European destinations stop in Cape Verde, an impoverished former Portuguese colony.

The country derives most of its revenue from emigrants' remittances, with the airport reported to be the second main source of income.

"It is obvious Cape Verde could lose more than half of its airport revenues because of the American sanctions Bill," travel industry sources said.

Ilha do Sal is used chiefly by the airlines of South Africa, Portugal, the Soviet Union, Cuba, Guinea-Bissau and Angola, with about 90 percent of the traffic deriving from South Africa.



# SA SFT OUT

## Final order

The US Treasury is only one of the federal agencies directed by President Ronald Reagan to enforce the sanctions. The State Department and the departments of commerce, transport and agriculture will also be involved.

They are unlikely to act until early next week when a final executive order is issued to all departments by President Reagan's officials.

Congressional officials, suspicious about the thoroughness with which the Reagan Administration intends enforcing the sanctions, say they will keep a close watch on the banning process.

"Everyone is going to be watching the President on this one," said Congressman Sam Gejdenson, a Democrat who voted for sanctions.

## US halt on entry of all SA goods

From NEIL LURSEN, Weekend Argus Foreign Service WASHINGTON. — The United States Government has acted immediately to implement the punitive economic sanctions on South Africa passed by Congress this week.

Yesterday afternoon Reagan Administration officials — who had firmly opposed the sanctions — ordered a halt on all South African goods coming into the United States until the precise terms of the sanctions are clear.

The order came from the US Treasury Department. It ordered customs officers at all ports of entry to stop all shipments from South Africa.

Later the Treasury will issue a list of the parastatal corporations linked with the South African Government whose products will be banned here under the new restrictions.

Mr Francis Keating, a senior official, said that some of the goods not affected by the sanctions might be released soon but that "the tap was not being left on" in the meantime.

## Sasol, Iscor

A White House official said: "We plan to enforce the law and we hope it will not have the negative effect on economic conditions in South Africa that we have predicted."

Among those affected by the sanctions are Government-owned corporations like Sasol and Iscor. Some products, such as uranium, coal and textiles, will be banned after 90 days.

Other restrictions go into effect sooner. Among them is the ban on landing rights for South African Airways, which must end its flights to the United States 10 days after the sanctions became law.

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# Owen urges tougher sanctions by EC

LISBON — The leader of the British opposition Social Democratic Party (SDP), Dr David Owen, urged the European Community (EC) yesterday to toughen sanctions against South Africa by including a ban on coal imports and direct air links.

The 12 Community states agreed a limited package of economic sanctions against Pretoria last month but stopped short of including a coal embargo because of misgivings by Britain, West Germany and Portugal over the effectiveness of the measures.

"The European Community is in danger of being shown up to be dealing with cosmetics rather than a tough strategy of sanctions," Dr Owen told a news conference at the end of a two-day visit to Portugal for talks with the ruling Portuguese Social Democratic Party (PSD).

Dr Owen, a former foreign minister, said his party believed a ban on direct flights from South Africa and a coal embargo should be included in the Community measures. He noted that the US Congress had already approved a tougher sanc-

tions package than the Community, overriding a veto by President Reagan.

"It is very difficult for Europe to maintain a position that is quite overtly less strong than the US over sanctions," Mr Owen said.

Britain's Conservative Prime Minister, Mrs Margaret Thatcher, has said she is opposed to the principle of economic sanctions.

Dr Owen had talks with Portuguese President Mario Soares and PSD Prime Minister Anibal Cavaco Silva during his visit. — Sapa-RNS



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## Owen makes sanctions call to Lisbon

The Star's Foreign News Service

LISBON — Dr David Owen, leader of Britain's Social Democratic Party (SDP), has urged Portugal's ruling Social Democrats to reconsider the Government's lukewarm stance on sanctions against South Africa. He told the Portuguese that the 700 000 Portuguese passport-holders in South Africa should not be used as a reason for refusing to press for stronger attitudes against that country. Portuguese and British passport-holders in South Africa represented 1,5 million whites, he said. That was a potentially strong pressure group that should now press for a selective sanction, such as a reduction in flights to South Africa.

Dr Owen, who is visiting Portugal at the invitation of the Portuguese Social Democratic Party, expressed sympathy with Portugal's sensitivity about its colonial past and its reservation that sanctions might lead South Africa to step up the expulsion of Mozambican miners on whose income the Mozambique economy largely depended.

Nonetheless, he said, this should not stop Portugal from taking a stronger stand.

Dr Owen, who has had talks with the Portuguese Government on the South African question and nuclear defence, also expressed deep concern at the stalemate in Angola and Namibia.

● See Page 19.

# Don't link sanctions to import replacement, say experts

By Chris Moerdyk  
As Western nations imposed sanctions on South Africa over the past few weeks, the tendency to link the question of import replacement to sanctions has become increasingly popular.

There are commentators who imply that import replacement is a result of sanctions and that South Africa should get on with the job of manufacturing and growing what it can before the crunch leaves us out in the cold.

They believe that while no one has included meaningful imports into the country in any sanctions packages, this could happen sooner rather than later.

On the other hand, there have been others who have warned commerce and industry, as well as government, not to confuse the two issues.

Mr Pat Corbin, president of the Johannesburg Chamber of Commerce and experienced international trader, has said the idea of import replacement only coming about through sanctions was "one of the biggest misconceptions" surrounding the whole issue.

He suggested that instead of putting all the anti-sanctions eggs into an import replacement basket and drastically trying to curb imports, South Africa should be using its substantial buying clout to counter-trade.

Quite simply, this would mean talking turkey with those nations for whom South Africa represents a considerable market and trading-off as far as possible their imports for our exports.

Marketing consultant Mr Mike Perry agrees that the worst thing South Africa could do would be to retaliate and start either cutting back on imports from major supplier nations or buying from more friendly countries.

He claims that as long as South Africa forms an important and lucrative market for supplier nations, the greater the problem they will have in banning sales to South Africa.

What, then, forces import replacement? Mr Corbin says: "Lack of foreign currency."

Should South Africa's exports be allowed to dwindle, its importers will have less available foreign currency to make their overseas purchases. So the only real connection between sanctions and import replacement is exports and not the other way round.

"Importers," he says, "have as much interest in promoting exports as the exporters."

Another misconception regarding import replacement is that this means physically manufacturing products that are normally imported.

Mr Perry has pointed out that Rhodesia's greatest success with import replacement was in the agricultural sector.

Everyone agrees, however, that it certainly would not hurt South Africa to look to further opportunities for local manufacture and agricultural production, but this is perhaps what the country should be doing anyway, quite apart from sanctions.

In fact, many of those who have said that a beneficial by-product of sanctions would be import replacement have qualified their statements by suggesting that sanctions would merely be the catalyst to get things going.

But, to a large extent, South Africa appears to be its own worst enemy when it comes to import replacement.

Mr Roger Briggs, managing director of one of the country's largest drill rig and aural platform manufacturers, has reservations about import replacement in, for example, capital equipment.

He says that South Africa has been like "a spoilt rich kid in a lousyshop" with local manufacture being hamstrung by inflexible State and corporate buying procedures.

Unlike other countries where import replacement succeeded, South Africa has a history of generating wealth ahead of its needs. This has given rise to a situation where buyers could afford the obvious solution irrespective of cost.

In a nutshell, so many local buyers have got used to being able to buy imported equipment, their purchasing systems have now become so entrenched that they lack the flexibility to turn towards the locally manufactured product.

Import replacement will undoubtedly cause headaches in the future.

There seems to be sense in using the country's existing buying clout to "sanctions-proof" our exports and maintain a healthy balance of trade.

But there also seems to be sense in using the sanctions catalyst to generate a steady and carefully monitored increase in local production.



CPK 10/13 13/10/86 (228) 280

# Synod 'endorses' Tutu on sanctions

By EBRAHIM MOOSA

THE Anglican Synod for the Diocese of Cape Town yesterday decided not to oppose sanctions unless the government lifted the state of emergency and released Mr Nelson Mandela.

The synod's decision was seen as an endorsement of the views of Archbishop Desmond Tutu on economic sanctions as a weapon for political change in South Africa.

Other demands included the unbanning of banned organizations, the re-opening of schools, halting of rent evictions, a living wage for all workers, adequate social security and the right to strike.

It stated that South Africans had the power to eliminate apartheid which would ultimately end international pressure against the Republic.

## 'Not a single job'

The motion, proposed by the Rev Sid Luckett, enjoyed the majority support of the synod which concluded its four-day session yesterday.

Earlier, Mr Luckett said that South Africa was a "hair's breadth from disaster". He dismissed the argument that sanctions caused a loss in jobs and said that during the past four

years not a single job had been created in the manufacturing and industrial sectors. Foreign investments were capital intensive rather than job intensive, he said.

The synod also condemned the government for declaring the UDF an "affected organization". The Rev Colin Jones, chaplain at the University of the Western Cape (UWC), said the government order was aimed at "sabotaging" the organization which would restrict its affiliates from performing vital community functions.

## 'Kingdom of Darkness'

If it failed to desist from such activities, the government would only increase frustration and raise the level of violence, Mr Jones said.

The synod further resolved that:

□ The government's policies belonged to the "Kingdom of Darkness" and were the primary cause for unrest, violence, economic and social instability and therefore called on all Christians to oppose them. Copies of this resolution will be sent to the State President, MPs and heads of churches in South Africa.

□ It supported the work done by the Board of Social Responsibility which includes a variety of social, political and welfare func-

tions. The BSR report mentioned that the church "increasingly aligned itself with the popular struggles of the oppressed" in accordance with the teachings of the Gospel.

## Increase bread subsidy

□ It supported Archbishop Tutu as God's choice as archbishop and endorsed his stand against apartheid and the policies of the present government. It also opposed the Gospel Defence League's attempt to "mislead" Anglicans from the true way of the church.

□ The recent hike in bread prices and bus fares further burdened the poor. It called on the government to increase the subsidies for both these essential items.

□ It supported and encouraged the End Conscription Campaign.

□ It congratulated Dr Allan Boesak on his election as moderator of the Ned Geref Sendingkerk and recommended the Sendingkerk's Belhar Confession for study to all members of the Anglican Church.

□ It congratulated the Rev David Russell on his election as Bishop Suffragan of the Diocese of St John's and the Rev Lionel Louw, chairman of the WP Council of Churches, as moderator of World Vision International.

## Luckett warns against complacency

By EBRAHIM MOOSA

PUBLIC complacency over the Minister of Law and Order, Mr Louis le Grange's, failure to contest affidavits of police involvement in the Crossroads faction fighting was a "sad indictment" of our society, Rev Sid Luckett said yesterday.

Mr Luckett told the synod of the Diocese of Cape Town in Bonteheuvel that the Crossroads disaster in which nearly 200 people died and 50 000 were left homeless could happen again.

It was a "sorry state of affairs" if the minister could get away without being obliged to give any account about the police force under his control, he said.

Presenting the report of the church's Board of Social Responsibility, Mr Luckett said South Africa was a "hair's breadth away from disaster" which could turn into a Northern Ireland or Lebanon-type situation.

□ Rev Anthony Gregorowski of Lansdowne said that living with an "information blackout" could deceptively become "comfortable". He urged all clergymen to circulate the information they received from their parishioners to the media in order to raise the level of public consciousness.

Mr Luckett said "unspeakable deeds" by the police went unreported because of legal restrictions on the press and also because the information did not surface.

By repressing information rumours became the basis of discourse which led to greater instability in society, he said.

... Cape Town and the ...

13/10/86

# Last flight to Big Apple

JOHANNESBURG. — The last flight to New York by South African Airways, following a United States Congress's decision to withdraw landing rights for the carrier, left Jan Smuts airport on Friday night.

All SAA flights to the US will now be routed through Europe and a second carrier would take passengers to the United States, an SAA spokesman said.

Spokesman Leon Els said the last flight back to South Africa was on Saturday.

He said SAA's six offices in the

United States would continue to operate as normal and no staff would be dismissed.

"The offices will continue to provide information and flights to and from South Africa to the US via Europe," he said.

He said a catering contract for SAA internationally, which was held by the US Marriott Hotel chain, was due to expire at the end of October, but had already been taken over by Fedics.

"We handed over the catering contracts to Fedics on Thursday," he said.

— Sapa.

... Town ...



# Independent TV stations face threat over SA ads

The Star Bureau

LONDON — The managing directors of the 16 Independent Television (ITV) companies will seek legal advice and talks with the Independent Broadcasting Authority on the mounting union threat to ban transmission of commercials for South African products.

The companies want to establish what legal responsibilities they may have to transmit the advertisements.

The dispute could lead to a shutdown of the entire ITV network, according to the television union ACTT.

At a regular council meeting of the Independent Television Companies' Association yesterday, the companies decided to seek advice to establish whether the IBA and the 1981 Broadcasting Act place them under a legal obligation to show commercials for South African goods and services.

ACTT members employed by Grampian Television have told the company that from October 20 they will refuse to show advertisements for South African companies.

If the members take action, it is likely that this could lead to the company suspending transmission controllers. This in turn could lead to a shutdown of the entire ITV network, union leaders warn.

The Independent Television companies will also try to establish what legal action they could take against the ACTT should union members refuse to show the commercials.

The ACTT is also in dispute with Thames Television and London Weekend Television, following the decision of the union's conference this year to refuse to handle commercials for South African products.

(280) (S) N/A 14/10/86

# State Department aiming to block export loopholes

Mercury Correspondent

**JOHANNESBURG**—Hopes that American customs officials would soften attitudes towards sanctions were dashed yesterday when news was leaked that the governing body setting the guidelines will be the State Department.

Importers say that customs men are now obliged to follow instructions as set out by the department and predict an official hard line.

One major importer says the department is already taking a position of overkill to initiate the programme.

'The mood of the State Department has definitely been one to make every adjustment and cover every loophole to ensure that the sanctions rulings are not circumvented,' he said.

'They have anticipated that companies and individuals will use various means, including the Lesotho-type arrangement to enable them to bypass the system.'

The president of the Johannesburg Chamber of Commerce, Mr Pat Corbin, says local business should be warned of all the pitfalls now that the hard line has been taken.

'The party is getting rough. Things look worse now that the State Department has stepped in.'

'Businessmen who think they can use neighbouring states to process exports have got another think coming.'

Mr Corbin says commerce must be told that all correspondence relating to export deals will have to come from the point of origin.

## Onus

'If the Lesotho-type option is used, even the telexes pertaining to the transaction will have to come from there. In my capacity as JCC president I have already put out an alert not to export until you are sure,' he said.

A document forwarded to S A business circles by interested U S parties clearly states that in the event of a Lesotho operation the onus is on the American importer to prove that no S A citizen owned any part of the company and that no S A company owned any part of the Lesotho company.

Payment would also have to be made directly to Lesotho.

'It is our understanding that absolutely no shipment of prohibited material will be allowed into the U S. The State Department is watching for and not allowing transshipment of sanctioned material through a third country.'

'We believe, as do our brokers and U S customs officials, that any prohibited material will not be allowed to enter if shipped from a South African port regardless of its origin,' the document says.

The issue is further complicated by the document's statement that 'if there is any involvement by S A or a S A citizen, no matter how insignificant, a product even remotely covered by sanctions will not be allowed to enter the U S'.



280 (280) N/14  
14/10/86

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# Sanctions unlikely to bring change says Steel

SOM 280  
14/10/86

HARARE — Peaceful political change in South Africa appeared remote and global economic sanctions alone were unlikely to end apartheid, the British Liberal Party leader, Mr David Steel, said yesterday.

He told reporters after a 45-minute meeting in Harare with Prime Minister Mr Robert Mugabe that his visit to South Africa last week showed Pretoria was not prepared to see an immediate government based on democratic principles.

"I am afraid I must say I don't see an immediate hope of change.

"I think it is going to be a long, drawn-out process," said Mr Steel, who arrived in Zimbabwe yesterday.

## MEETING TAMBO

He later flew to Zambia for talks with President Kenneth Kaunda.

He said he would also meet African National Congress leader Mr Oliver Tambo in Zambia today before returning to London.

Mr Steel said he did not believe a "blanket" trade embargo on South Africa would itself force the Government to abandon apartheid.

He called instead for "concerted measures," including effective selective



British Liberal Party leader Mr David Steel.

sanctions by Western nations, the Commonwealth and the European Community.

The Liberal Party chief said his discussions with Mr Mugabe centred on sanctions.

Mr Mugabe indicated he wanted aid from the international community mainly to rehabilitate the Mozambican sea routes.

Asked if Mr Mugabe had been concerned at possible retaliation on Zimbabwe's economy by South Africa, Mr Steel said: "If you mean concern in the sense of being worried, (the answer) is 'no'.

"In fact, quite the reverse.

"I think perhaps he didn't seem as concerned as perhaps I could be if I were in his shoes." — Sapa-Reuter.



When the US sanctions axe fell on South Africa, Namibia was destined to bleed through its "guilt by association".

Yet the effect on the disputed territory of the latest embargoes on "Big Brother" Pretoria is difficult to judge.

The sanctions Bill bars the importing into the United States of South African iron and steel, coal, uranium, textiles and agricultural produce, as well as prohibiting new investments in the country by US businessmen and cancelling SAA's landing rights.

Namibia is included in the sanctions as a territory administered "legally or illegally" by South Africa.

At first glance, the ban on the importing of uranium would seem to be of particular significance to the territory, which relies heavily for export income and taxation revenue on the massive Rio Tinto-owned Rossing uranium mine in the Namib Desert.

However, it is not known whether the mine will be affected by the US restrictions. The company describes the international uranium market as "very sensitive" and is also prevented by the South African Atomic Energy Act from disclosing details of its customers.

US concerns may or may not be among those customers, although it

# If SA feels the sanctions pinch, Namibia will suffer too



Mr Dirk Mudge... hope of a positive side-effect.

is believed that Rossing's uranium goes elsewhere.

A company spokesman in Windhoek said Rossing would make no comment on the prospects of international sanctions in relation to its foreign sales.

Namibia has no iron and steel industry or deposits of iron ore, nor does it have any coal mines, and would thus appear to be unaffected by the sanctions package. However,

## Brendan Seery of The Star's Africa News Service reports from Windhoek

the territory's fragile economy could suffer indirectly through the ban on iron and steel imports from South Africa.

If Iscor in South Africa began losing financially because of the US embargo, it could conceivably curtail its Namibian operations, which include the large tin mining operation at Uis mine in the west.

Although Namibia does not have a textile export industry, the US bans will affect the agricultural sector to some extent.

The country is a big producer of sheep and cattle, but most exports of beef, mutton and lamb go to South Africa or to Europe and the East, with little or any meat finding its way to the US.

The same is also generally true of the karakul pelt production, which is marketed in periodic auctions in London and bought mainly by furrriers from Western Europe.

"Swakara" coats could possibly find American buyers after being manufactured in Europe, but are unlikely to be covered by the new legislation.

Less happy is the rock lobster industry, which sells about 5 percent of its production to the US. However, Luderitz businessman Mr Werner Guhring, who is involved in the rock lobster industry, says Namibia's main markets look more secure. The bulk of the exports goes to Japan and the Far East, where Namibia's smaller 65 mm lobsters are very popular.

Mr Guhring predicts that the industry's workers in Namibia will not face lay-offs because of the new restrictions. The Cape rock lobster industry is reported to be facing a financial predicament, as about 20 percent of its catches are sold to the US.

The most serious effects on the

territory of the US sanctions package are likely to be indirect.

Finance Minister Mr Dirk Mudge said Namibia was heavily dependent on South Africa for Budget finance and that Pretoria provided about R500 million a year in direct assistance. If South Africa suffered economically because of sanctions, then Namibia would naturally also feel the pinch.

Mr Mudge has been kept informed of the latest developments on sanctions and their possible effects on Namibia by an inter-departmental committee set up in Windhoek some months ago when the threat of sanctions loomed.

The Finance Minister has also said, however, that sanctions could have a positive side-effect, forcing Namibia's businessmen and industrialists to become more self-sufficient, and encouraging import substitution.

Some of the leading figures in the economy are playing their cards close to their chests over sanctions.

Mr Karl-Henz Schneider, general manager of Standard Bank South West Africa, said businessmen would be wise if they did not make their options known.

"The less the outside world knows, the better. We must learn to keep quiet," he said.

14/10/86  
State Department to set rules

# Strict enforcing of sanctions forecast

HOPES that US customs officials would soften attitudes towards anti-SA sanctions were dashed yesterday when news was leaked that the State Department will set the guidelines.

Importers say US customs is now obliged to follow instructions as set out by the State Department. They predict a hard official line.

One major importer says the department is already taking a position of overkill to initiate the programme.

"The mood of the State Department has definitely been one of making every adjustment and covering every loophole to ensure the sanctions rulings are not circumvented.

"They have anticipated that companies and individuals will use various means to enable them to bypass the system."

Johannesburg Chamber of Commerce (JCC) president Pat Corbin says local business should be warned of all the pitfalls, now that the US has taken a hard line.

He says commerce must be told that all correspondence relating to export deals will have to come from the point of origination.

A document forwarded to SA busi-

MICK COLLINS

ness circles by interested US parties states clearly that, in the event of a Lesotho operation, the onus is on the US importer to prove that no SA citizen owned any part of the company and that no SA company owned any part of the Lesotho company. And payment would have to be made directly to Lesotho.

"It is our understanding that no shipment of prohibited material will be allowed into the US. The State Department is watching for, and not allowing, trans-shipment of sanctioned material through a third country," the document says.

The issue is complicated further by the document: "If there is any involvement by SA or an SA citizen, no matter how insignificant, a product even remotely covered by sanctions will not be allowed to enter the US."

This clause may well create problems for SA businesses which were involved in neighbouring states even before the US sanctions Bill.

□ The JCC will host a "Trade with US" day on Friday at which senior US consular officials will be present.



# O'Brien mum on tonight's talk

By CLARE HARPER

IRISH academic Dr Conor Cruise O'Brien will speak at an "off-campus" venue tonight on "Academic Freedom and the Future of South Africa".

Yesterday he declined to name his hosts or the venue.

"I would rather not say who the organizers are as two of my meetings have been violently broken up — an announcement could make things difficult for my hosts," he said.

"An academic boycott is an elastic thing interpreted by violent people. I am not accepting them as a group that will not break out violently elsewhere," he said.

When asked whether his actions were not perhaps over-cautious, Dr O'Brien said "are you kidding, twice the doors of rooms

have been broken down, campus police overpowered, do I take these threats of violence seriously? What do you think?"

Dr O'Brien said he thought boycott action was "acceptable" as was an attitude of "you-come-here, we'll-stay-away".

"However, that is not what happened here. Students attended my lectures for three weeks before the disruptions. That is not a boycott, that is organized violence on campus," he said.

Dr O'Brien maintained he was in favour of "firm action" being taken against the students involved.

"I am not a politician, I was invited by the political science department and a committee upon which students are represented," he added.

Dr O'Brien said he "did not know what would happen" when

he accepted his appointment at UCT. "I have been in situations of violence before and thought it (violence) was possible.

"The point is it has happened, the hitherto veiled threats have now been applied."

He said he anticipated that protest could have been forthcoming from the right "as I am in favour of sanctions and a military blockade of the apartheid system — it would be understandable if it came from the right."

He said that people trying to deny freedom of speech by the use of violence "are obviously the far left of the Anti-Apartheid Movement".

He said in Ireland it was public knowledge that the political wing of the Irish Republican Army was affiliated to the Irish AAM.

"Many people, including myself, detest these developments," he said.

CAPE TIMES 14/10/86

# Explaining academic boycott action

**From Ad Hoc Academic Boycott Committee:**

IN the light of last week's events at UCT and the reaction of the press we would like to make the following points:

□ Students objected to the presence of Dr Conor Cruise O'Brien at UCT because of his deliberate and provocative breaking of the academic boycott of South Africa — we did not object to the context of his lectures. We feel that the academic boycott is a vital component of the struggle to isolate white minority rule with the goal of bringing a hasty end to apartheid.

Thus Dr O'Brien and other boycott breakers are weakening this strategy and also taking an active stand against the struggle to end apartheid.

□ The behaviour of students has been described as disgraceful, unscholarly and violent. One editorial asked whether such students belonged at a university at all.

Use of language like this serves only to cloud the central issues and also to distort the truth. It must be remembered that we approached both the administration and the Political Studies Department and requested that Dr O'Brien's invitation be withdrawn in order to diffuse the situation created by Dr O'Brien's stand and insulting comments.

Special rules were then initiated which barred students without registration cards from entering while members of the public could enter "on invitation". Clearly this step added fuel to the fire, leading to a decision by students to enter without registration cards. There was no intention at any stage to hurt anyone and no one was in fact injured.

□ The incident has been labelled as a breach of academic freedom. Two things need to be pointed out here: Firstly, the academic boycott must be separated from the issue of academic freedom. The boycott is a specific strategy aimed at a very definite goal and one cannot say that academic freedom is breached when the boycott is applied.

Secondly, the whole notion of academic freedom in the South African context is a myth. No academic freedom exists in South Africa with organizations of the people banned, many books banned, thousands in detention, and the state of emergency. How much have the press and academics said of the state of siege at Turfloop University? Why are their efforts not directed at actively working for true academic freedom in South Africa? Also, are they aware of section I (viii) (b) (ii) of the emergency regulations?

Why should lecturers have the "freedom" to go against a broadly supported strategy to bring an end to apartheid?

□ There have been calls for the rooting out of "malignant tumours" and "strong action". Calls of this nature are made without a fair assessment of the facts and seemingly in the belief that such action will "deal with" the radical minority and solve the "problem".

The fact of the matter is that UCT is not an island in the sea of apartheid. UCT is still a racial institution reflecting apartheid in South Africa. Thus the decision-making forums are dominated by a white minority and big business. It is these very forums which need to be fundamentally restructured. How can these racial and undemocratic institutions decide on the fate of students who are fighting for democracy in South Africa together with the vast majority of South Africans?

□ Finally the role of the press in the issue is a very important one. To call the incidents at UCT "intellectual terrorism" is deliberately to avoid the real issue and its underlying causes. In 1976 the press labelled the student uprising as the work of a "handful of radicals".

The effects of the misinformation campaign have not yet been overcome by white South Africans. Let the same mistake not be made again.



14/10/86 BUS DAY (36) (289)

# Motorcycle deal defended

**BULAWAYO** — Zimbabwe National Railways (ZNR) has defended itself against criticism for awarding a R40 000 contract for motorcycles to an SA firm.

Zimbabwean motorcycle dealers were angered by the contract which, they said, was inopportune in view of Zimbabwe's policy of cutting trade with SA.

Potential suppliers in SA were report-

ed to have been invited by the ZNR to tender for the order.

However, a ZNR spokesman said the order was bought under loan finance which was supplied on condition that international bidding took place.

Suzuki (SA) had given the cheapest and "most technically acceptable" bid for the supply of the 22 machines the NRZ wanted, he said. — Sapa

# U S-bound passengers will fly via Europe

Mercury Reporter

SANCTION-BUSTING moves by South African Airways to accommodate passengers booked on flights to the United States include complex globe-trotting destinations — at no extra expense.

Passengers flying to the U S will have to get connecting flights from Zurich, London, Lisbon or Frankfurt to reach New York, but SAA have said they will pay all extra costs incurred for as long as possible.

The arrangements follow the sanctions package passed by the U S Senate which bans SAA landing rights.

Yesterday an SAA spokesman said every effort would be made to get passengers booked on SAA flights to New York to their destination with minimum inconvenience.

'Arrangements will be made to supply additional seats, from the time the ban is imposed, on flights with the necessary connections to the U S, via London, Frankfurt, Zurich and Lisbon. No-one need fear that they will be stranded,' said the spokesman.

No extra expense would be incurred by passengers, he said, emphasising that even those tourists who still had to book flights would benefit from the new arrangements which are expected to be put into operation almost immediately.

A stipulation for those flying on the Youth and Super Apex fares to the U S is that they have to fly American Airlines from Europe to the U S.

Passengers already booked on SAA flights to and from New York will be contacted by the airline, but prospective travellers have been requested to contact SAA or their travel agents to make alternative arrangements.

In Johannesburg, the chairman of Sataour, Mr Danie Hough, said his organisation would ensure that tourist traffic between South Africa and the U S would continue in spite of the ban on landing rights, reports Sapa.

'The South African Tourism Board is making an evaluation ... to ensure that the tourist traffic between the two countries continues.'



# Anglicans adopt sanctions resolution

CAPE TOWN—A resolution described as 'implicit support of sanctions' was yesterday adopted by the synod of the Anglican Diocese of Cape Town.

The resolution says the synod will call for an end to sanctions when demands, including the lifting of the state of emergency, the release of Nelson Mandela, the unbanning of organisations and the establishment of 'people's education' have been met by the South African Government.

It was opposed by the Rev Sid Lockett of the diocese's Board of Social Responsibility, who said there were those who would ask if the resolution did not imply support of sanctions.

## Black jobs

'They are right,' he said. Mr Lockett told synod that the 'trump-card' of opponents of sanctions was that these measures would lead to the loss of black jobs.

There had been little concern a decade ago when mechanisation on Western Transvaal farms resulted in the loss of 10 times as many jobs as were now threatened by sanctions.

It was 'a little hypocritical' to raise jobs as an issue now.

It was up to the South African Government to take the pressure off the country internationally and inter-

nally by beginning to dismantle apartheid.

One delegate to synod said he did not see how sanctions would assist the church in fighting apartheid. They would lead to a hardening of hearts.

The resolution was carried with several dissenting votes.

The Rev Bob de Maar of Silvertown told synod that if Anglicans believed apartheid was a heresy, they should get away from the idea of coloured, white or African parishes.

He said his church, which served a predominately coloured parish, was in 'spitting distance' of the white residential areas of Kommetjie and Scarborough.

Yet when white Anglicans from these areas went to church on Sunday's they 'by-passed' his church and went to 'white' churches further away.

'Sad to say, that is the situation in the church today.

'How can we effectively be the witness we want to be in this country and bring about peace and justice?

'If we believe that apartheid is a blasphemy, a heresy, then for God's sake let them get it out of the church,' he said. — (Sapa)

## Synod warned of 'mindless violence' in S A

CAPE TOWN—South Africa was standing on the 'brink of disaster', the Rev Sid Lockett, director of the Board of Social Responsibility of the Cape Town Diocese of the Anglican Church, said yesterday.

Presenting the report of the board at the Diocesan Synod in Cape Town, he said it would not take much to tip the country into a situation of 'mindless violence' such as in Northern Ireland or Lebanon.

'pick up this information and disseminate it. — (Sapa)

The unrest at Crossroads and KTC earlier this year in which 200 people were killed and some 50 000 left homeless was not a 'one-off thing'.

'It could very easily happen again next year, in Khayalitsha in a year or two.

'It could very easily happen in other sections of the community,' he said.

## Unreported

This kind of trauma was due primarily to apartheid policies.

South Africa was in a 'sorry state' when the Minister of Law and Order was allowed to get away with not being obliged to defend the actions of his personnel.

It had been shown that where there was repression of information, rumours became the basis of discourse. Where rumours flourished, this led to greater instability in society.

South Africa was already in a situation in which all sorts of rumours abounded.

The church was probably one of the few organisations left that was able to

00 280  
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## Call to end sanctions when demands met

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The resolution says the synod will call for an end to sanctions when demands — including the lifting of the state of emergency, the release of Nelson Mandela, the unbanning of organisations and the establishment of "people's education" — have been met by the government.

It was proposed by the Reverend Sid Luckett of the diocese's Board of Social Responsibility, who said there were those who would ask if the resolution did not imply support of sanctions.

"They are right," he said.

The "trump-card" of opponents of sanctions was that these measures would lead to the loss of black jobs. There had been little concern a decade ago when mechanisation on western Transvaal farms resulted in the loss of ten times as many jobs as were now threatened by sanctions.

It was "a little hypocritical" to raise jobs as an issue now, Mr Luckett said.

It was up to the government to take the pressure off the country, internationally and internally, by beginning to dismantle apartheid.

One delegate to the synod said he did not see how sanctions would assist the church in fighting apartheid. They would lead to a hardening of hearts.

The resolution was carried with several dissenting votes.

The synod also adopted a motion calling on Christians to oppose apartheid.

The unanimous vote for the motion came after the scrapping of a contentious clause calling on the church to support "organisations" which opposed apartheid and were working for the establishment of a "just democratic order".

The original motion left it to the discretion of Cape Town's Archbishop Desmond Tutu to decide which organisations were to receive this support.

The motion as accepted says the synod states the government's policies of racial segregation and accompanying economic exploitation and political oppression are the "primary causes of the political unrest and violence and of the economic and social instability in our land".

It says these policies are "in conflict with basic Christian principles for the establishment of a just and peaceful political and social order".

"Any claim that these policies are necessary for the maintenance of Christian civilisation and a bulwark against communism is a lie.

"Therefore this synod urgently calls upon all the members of the church in this diocese, all members of the Church of the Province of South Africa and on all Christians to oppose these policies and to work for the establishment of a just democratic order." — Sapa



# Sanctions may hit 2-m jobs by 2000

Economics Reporter

GRADUALLY increasing foreign trade sanctions could bring a loss of 2-million jobs by the year 2000, reversing the effects of income redistribution that has given blacks a larger share of the country's wealth.

This was reported yesterday by JCI economist Ronnie Bethlehem. He said if SA's population continued to grow at an annual rate of 2,5%, unemployment could reach 55% by the year 2000 from 37% last year.

Writing in Durban's *Sunday Tribune*, Bethlehem said import substitution opportunities and new industrialisation would probably offset sanctions and spark a "short-run boom" for employment, lasting until 1988 or 1989.

By then, industry would have

filled most of the capacity currently sitting idle and new employment would come only in capital-intensive areas involving mostly skilled labour.

He said: "The business sector, in its efforts to sustain profitability and competitiveness, would have to become ruthless in the retrenchment of surplus labour."

As a result, unskilled employment would fall to about 2-million jobs by the year 2000 from 4,8-million in 1985. If sanctions were not initiated, unskilled employment would rise slightly to about 5-million.

Bethlehem said the loss of employment, plus higher consumer

price inflation, would contribute to a widening of the income gap between whites and blacks.

He predicted that by 2000 blacks would account for 76% of SA's total population, but just 20% of total income. Last year blacks made up 72,6% of the population and received 28,7% of income. Without sanctions blacks' share of income would rise to about 36%.

He said: "For the black section of the population, it would be a massive sacrifice in foregone opportunity, not only in economic terms but in political terms — for the political leverage of a black community whose income comprised nearly 36% of all income earned in SA would be much greater than the leverage of a community whose income share was less than 20%."

# SA air link with US is severed

## Transport Reporter

The direct air link between South Africa and the United States was cut this weekend after the decision by the US Senate to withdraw landing rights to South African Airways.

In future, passengers wishing to fly to the US will have to travel through Europe.

The last SAA flight to New York left Jan Smuts Airport on Friday evening and returned last night.

Mr Leon Els, spokesman for the Minister of Transport Affairs, Mr Hendrik Schoeman, said SAA's six offices in the US would remain open and no staff would be dismissed.

"They will continue to provide information on flights to and from South Africa via Europe," he said.

Mr Els also said a catering contract for SAA internationally, which was held by the American hotel chain, Marriott, was given to Fedics, a local company, on Thursday.

Marriott's contract was due to expire at the end of October.



# 1 400 miners to test SA ban

SPK  
13/10/85

280 280 280

The Star's Africa News Service

MAPUTO — About 1 400 miners are due to leave for South Africa next week despite the South African Government ban on recruitment of labour from Mozambique.

A spokesman for the recruitment offices, Mr Richard Japp, said they had not received instructions to stop the Mozambicans from leaving for South Africa.

Sources here said immigration offices in Komatipoort were still giving visas to Mozambican workers with contracts to work in South Africa.

It has been disclosed here that the Mozambican economy will suffer a staggering blow from the cutting off of remitted wages from workers on South African mines.

The country stands to lose about R210 million a year — about half the amount of its 1984 budget and more than the total value of its 1985 exports.

Mozambique would receive about R100 million in remitted wages up to the end of the year, said Mr Japp.

## AVERAGE

He said that the 61 500 Mozambican miners in South Africa earn an average of R500 a month and each send home about R1 800 a year.

It has been estimated that the decision will affect about one million dependents.

The miners' families live mainly in the southern provinces of Gaza and Inhambane.

They form nearly half the population of these provinces.

The large number is accounted for by the fact that polygamy is common in the area and there are often more than 20 people in a family.

The two provinces are heavily dependent on the earnings of migrant workers and this dependence has recently been increased by the famine caused by drought and the guerilla war.

The miners' families depend not only on remitted earnings but also on food sent home by the breadwinners.

# Kaunda: Zambia willing to pay price for sanctions

The Star's Africa News Service

LUSAKA — World sanctions on South Africa would not cripple the Zambian economy, says President Kaunda.

In a recent Swedish

radio interview, President Kaunda said that while sanctions would cost Zambia several billion dollars through the re-routing of imports and exports, and finding alternative sources of supply, they would not

bring Zambia's economy to a halt.

"I can assure you that we in Zambia are determined to go ahead supporting sanctions and implementing them where this is possible."

Dr Kaunda said the impact of sanctions could not be compared to the calamity that would befall Zambia if they were not imposed.

Dr Kaunda said the mining companies in the Copperbelt would be the most vulnerable to any trade cut-off by South Africa as most of their equipment and spares came from the Republic.

## Sanctions resolution for UN

The Star's Africa News Service  
DAR ES SALAAM — African countries and the Non-Aligned Movement are to sponsor a United Nations Security Council resolution calling for comprehensive, mandatory sanctions against South Africa.

Tanzanian Foreign Minister Mr Benjamin Mkapa said Foreign Ministers from the Frontline states met US Secretary of State Mr George Schultz last week to discuss Namibian independence.

He disagreed with the formation of a pan-African defence force to defend the Frontline states.

## UN body to fund transport projects

The Star's Africa News Service

DAR ES SALAM — The United Nations Development Programme (UNDP) has approved two projects costing R9.5 million to improve the transport network in Southern Africa, the government-owned *Tanzanian Daily News* reported last week.

The money would finance a transport link between Botswana and Zambia, a UNDP statement said.

It added that the project, to be executed by the African Development Bank, would determine the most suitable linking infrastructure.

able linking infrastructure.

One of the options is to build a bridge at Kazungula, where the borders of Botswana, Zambia, Zimbabwe and Namibia meet.

The other is a road link between Pandamatenga in Botswana and Victoria Falls, which would involve strengthening the falls bridge and the ferry system at Kazungula.

The second project, to be jointly funded by the UNDP and the United States Agency for International Development (USAID), will provide technical assistance and training.



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280

## SAA takes its last bite of Big Apple

JOHANNESBURG —  
The last flight to New York by South African Airways, following a US ban on landing rights, left Jan Smuts airport here at the weekend, a SAA spokesman confirmed.

All SAA flights to the US would, in future, be routed through Europe and a second carrier would take passengers to the US, Mr Leon Els said.

The last flight back to South Africa was yesterday.

Mr Els said SAA's six offices in the US would continue to operate as normal and no staff would be dismissed.

"The offices will continue to provide information and flights to and from South Africa to the US via Europe."

An international catering contract for SAA, which was held by the US Marriott Hotel chain, was due to expire at the end of October but had already been taken over by Fedics.

"We handed over the catering contracts to Fedics on Thursday," Mr Els said. — Sapa

LADIES S/S FASHION COLS

# TRACK SUITS

FROM

# R19

USUAL  
VALUE  
R49

LAY-BYES ACCEPTED

## JUST 4 U

Young Fashions at Factory Prices

54 ORIENTAL PLAZA, E.L.  
16 TAYLOR ST. — K.W.T.

By Don Robertson

AUTOMOTIVE-component manufacturers have effectively broken the sanctions net and have negotiated export deals which could top \$500-million in the next two years.

Since the industry's participation in the Sitev exhibition in Geneva in May this year, export deals to Europe worth \$200-million have been secured and additional

# Parts pierce sanctions net

inquiries have been received from Japan.

At the recent annual meeting of the National Association of Automotive Component and Allied Manufacturers (Naacam), retiring president Hannes Fehrsen said that, because of the quality of the components and the relative price advantage en-

joyed by local manufacturers, "we were successful in negotiating export orders of considerable value."

Because of this success, the Government has agreed to assist Naacam to exhibit on a permanent basis at the Geneva show.

The export deals will be of

substantial assistance to the industry, which is operating at about 50% of capacity and which has seen employment tumble from a peak of 100 000 a few years ago to about 50 000.

However, the orders now secured will not mean more jobs, says Naacam executive director Denzil Vermooten,

but they will prevent further retrenchments and help take up spare capacity.

If the orders increase according to targets, labour could again be required.

"We have also received numerous inquiries from Japan, but at this stage we do not know quantities or the

size of production runs."

Naacam has about 140 members, which represents about 80% of the industry. However, only about 30% of its members are presently involved in the recently negotiated export deals.

Components are supplied partly for the after-market in Europe, but also for European carmakers. This latter category is moved through SA manufacturers to their European parents.



12/9/88 BU2014- (280) (511)

JOHN BATTERSBY

LONDON — The European Community (EC) is set to endorse a R4,3bn embargo on SA coal, steel, iron and gold-coin exports.

When foreign ministers meet in Brussels next Monday, the EC is also expected to ban new investment.

Last-ditch efforts by SA's coal and steel industry — including a R200 000 advertising campaign — have failed to sway European governments to change course.

This emerged from remarks by British Foreign Secretary Sir

## EC approval of embargo on some SA goods on the cards

Geoffrey Howe after talks with US Secretary of State George Shultz in Washington.

When asked what the EC would do next week, the Foreign Office yesterday quoted Howe as saying: "I think the majority view at the meeting we had last weekend was plainly in favour of putting in place those measures on which we have already taken provisional decisions."

The decisions he was referring to were those contained in the declaration issued after the European summit in The Hague in June when the 12 EC nations agreed to consider further measures if Howe's mission to SA failed to secure, within three months, the release of Nelson Mandela and the lifting of the ban on the ANC.

Although resistance from the

West German, UK and Portuguese governments prevented the sanctions being adopted in June, Prime Minister Margaret Thatcher's undertaking that the UK would not block a European consensus on the package opened the way for an agreement before the three-month deadline set at The Hague expired.

Sanctions likely to win a two-thirds majority in the US Congress are likely to go considerably farther than the EC package, and include such measures as a ban on air links with SA.

# ETL beach issue back for debate

DD 11/10/76

**EAST LONDON** — The controversial beach apartheid issue bounced back into the open yesterday when it was confirmed that the matter would come before the city council again.

A councillor, Mr Donald Card, said he had written to the town clerk, Mr Les Kumm, about his intention to call for the rescision of a council resolution "to keep a low profile" on the use of the city's beaches over the coming festive season.

Last week the chairman of the action committee, Mr Neville Randall, said the committee had discussed the comprehensive report commissioned by the council on the beach issue and had decided that the beaches "are to be developed to cope with influxes".

He added that "the council had 'merely' looked at the facilities from the point of view of how it could accommodate an influx to try to eradicate the chaotic situation which arose last year when 25 000 blacks flocked onto the whites-only Eastern Beach on New Year's Day".

Mr Card said he disputed Mr Randall's interpretation of what had happened at the action committee, but added he could not reveal the exact decision because the matter had been discussed in committee.

It is understood that councillors voted for the beach apartheid status quo to remain and "to take a low profile on the matter".

**By MATTHEW MOONIEYA  
Local Affairs Reporter**

In his letter to Mr Kumm, Mr Card said his decision to call for a rescision was based on the following factors:

● That the council decision is illegal in that it cannot condone breaking of the law. It may not in any way aid or abet anyone to commit a crime or offence.

● That the time has come for the city council

to act in the interests of East London and to stand up and be counted on issues affecting the city instead of hiding behind political idealism.

"The council, in its wisdom, claims that because people believe that the beaches are open to all races it will set up facilities but keep a low profile.

"Should the council insist on not opening the beaches to all races, then legally it is bound to re-erect the racialistic signs," Mr Card wrote.

He asked that "legal opinion be taken on the council's decision and the council's obligation to re-erect the whites-only signs

Mr Card also asked that the beach issue be discussed in open council and not behind closed doors.

"This is something which affects matters such as stayaways and consumer boycotts so it is imperative that the

"Players of East London know about the fire we are playing with so that they can brace themselves for the consequences," he said.

The mayor, Mrs El-sabe Kemp, and Mr Randall were not available for comment yesterday.



# US sanctions may boost UK trade

CAN 7/18 11/10/80 280

By JOHN BATTERSBY

LONDON — British exporters are likely to take advantage of any fall-off in US trade with SA as a result of sanctions and disinvestment.

This is the clear implication of statements yesterday by British Government officials who confirmed that existing sanctions imposed by Britain did not preclude the continued promotion of trade with SA.

"There is no ban at the moment on promoting or increasing trade with SA," a Foreign Office spokesman said.

## Promoting

His comments follow reports in the British media claiming that the UK Government is continuing actively to promote British investment in SA and that the Foreign Office is offering a wide range of assistance to UK companies in a bid to boost their exports to SA.

The Foreign Office spokesman emphasized that Britain would continue to honour all its international obligations flowing from existing restrictions on trade to which it was a party.

These included the ban on government-funded trade missions to SA accepted by all Commonwealth countries in October last year, the ban on new investment in SA which was agreed by the 12 EEC nations in Brussels last month but has not yet been implemented, and the ban on the import of steel and iron products and gold coins from SA, the ban on the import and export of arms and military equipment, and the ban on the export of computer technology to the SA security forces.

"It is the role of the Foreign Office to ensure that Britain's international obligations are fulfilled.

"But increased trade is not banned by any existing restrictions," the spokesman said.

The recent sanctions imposed by the US Congress include trade sanctions which go further than anything

imposed by Britain or the European Community.

The most important of these are a ban on the import of South African coal and agricultural produce.

The controversy over Britain's continued promotion of trade with SA coincides with a visit to Britain by Assocom chief Raymond Parsons who was reported as saying that British business executives had asked him which US companies were "looking vulnerable" in SA.

"It is perfectly legitimate for British business to take a hard look at the impact of US sanctions," he told The Times.

"If the question is: is there life after sanctions? then the answer is: Yes, for those who want to take advantage," he said.

British trade sources said it was inevitable that if one major exporter dropped out others would — in theory at least — get a better share.

While there is no direct restriction on general US exports to SA — other than military, para-military equipment and computer technology — the prospect of SA counter-sanctions against the US and the ongoing disinvestment by US companies in SA is likely to reduce the volume of US exports.

## Usual

The Foreign Office confirmed yesterday that it still offers British companies guidance if they want to trade with SA through the commercial section of the British Embassy in Pretoria and the British Overseas Trade Board (BOTB).

The Foreign Office also confirmed the presence in Britain of the Commercial Consul at the British Consulate in Johannesburg, Martin Bourke.

It was usual for commercial officers to do the rounds of British companies while on leave in Britain to brief them on commercial prospects in the country they were operating in, the spokesman said.

# Sanctions are a challenge says Wiley

By Toni Younghusband  
Pretoria Bureau

Sanctions must be seen as a challenge to be fought and overcome, Minister of Environment Affairs and Tourism Mr John Wiley said in Pretoria yesterday.

Addressing a Press conference at the conclusion of a meeting between South Africa and Ministers from Transkei, Bophuthatswana, Venda and the Ciskei, he said he and his counterparts in the TBVC states would continue to do everything in their power to promote tourism in Southern Africa.

He would not reveal what measures South Africa and the TBVC states would adopt to combat sanctions.

But he said discussions between South Africans and TBVC representatives had been fruitful and would result in positive steps in the promotion of tourism.

Venda Minister of Economic Affairs Mr Frank Ravele said much had yet to be achieved in the promotion of domestic tourism in Southern Africa.

"I believe the best possible way to promote tourism in this land is through the education of our children. Our children must learn to love this land's natural beauty," he said.



# US varsity limits SA investment

SPAK  
11/10/86  
The Star's Foreign  
News Service

LOS ANGELES — After a series of anti-South Africa student protests, the conservative trustees of the University of Southern California (USC) decided yesterday to adopt a moderate plan to phase out its investments in companies doing business in South Africa.

The decision means that from 1988, USC will limit its investments in South Africa-related corporations — currently about about R110 million — to those that comply with the Sullivan Principles, the code of corporate conduct drawn up by the Rev Leon Sullivan of Philadelphia.

The disinvestment plan was two weeks' ago rejected by the student senate in a 16-to-10 vote, and one group, the Black Students Union, has vowed to fight for full disinvestment.

The University of Southern California is Los Angeles' second major university to move against its South Africa-linked investments.

Earlier this year, UCLA, along with the rest of its nine-campus University of California system, voted to totally divest its massive R13,6 million invested in companies with South African ties.

# Nothing very new in SA moves — Maputo

The Star's Africa  
News Service

MAPUTO — Mozambique's official news agency has described the decision by Pretoria to bar Mozambican migrant workers as part of "the undeclared war which South Africa has been waging for many years against Mozambique."

AIM said Pretoria was not retaliating against alleged African National Congress insurgency; it was "just stepping up its aggression".

The decision was described as a significant increase in the sanctions South Africa had long been applying to Mozambique.

These had gone hand-in-hand with military destabilisation, direct attacks by the South African armed forces and aggression through the MNR "bandits", the agency said.

It said the decision was "tragically irresponsible politics" because by attacking the Southern African region Pretoria was reducing South Africa's ability to become an important pole of development, one from which a future South Africa would itself stand to benefit greatly.

AIM did not comment on the accuracy of the South African claim that the ANC was again launching insurgent attacks into the Republic from Mozambique.

It noted only that Pretoria had said that ANC leader Joe Slovo had been seen in Maputo.

"If the presence of Joe Slovo in Maputo and his contact with Mozambicans are to be regarded as military acts then the same should be the case with the recent meeting between Oliver Tambo (the ANC leader) and British Foreign Secretary Sir Geoffrey Howe," it said.



# UK union attempts to ban SA advertising

LONDON — A British trade union is attempting to stop South African television commercials being screened here and has declared a dispute with three TV companies.

Mr Alan Sapper, General Secretary of the Union of TV and Cinema Technicians, said yesterday his members were taking on the BBC, Independent Television and a small company, Grampian TV, after the union decided at its congress earlier this year, to try to "black" South African commercials.

The campaign is not likely to succeed. British TV companies are bound by the charter of the Independent Broadcasting Authority, which states they cannot discriminate between advertising clients.

Mr Sapper told a press conference his union's members, working for the three companies, would have to decide next week what action to take, if the dispute was not resolved.

He would not discuss what that action might be, but said no members had been instructed to strike.

The commercials, ad-

vertising South African fruit, are regularly shown here.

Mr Sapper, flanked by the London representative of the ANC, Mr Solly Smith, and the President of the Anti-Apartheid Movement, Archbishop Trevor Huddleston, said the union's campaign against apartheid had already led to two British-produced films — one about Steve Biko and the other about Nelson Mandela — being shot in Zimbabwe, instead of South Africa, because his members would not work in the Republic.

Mr Sapper and Archbishop Huddleston both angrily accused the BBC and ITV of "bias in favour of South Africa" in news bulletins.

The South African Government believes the opposite, and has said so.

"It is amazing that every night we see South African Government representatives but no one from the ANC and the Anti-Apartheid Movement."

Archbishop Huddleston described bulletin coverage as "a one-sided travesty".

Mr Sapper said he was seeking a meeting with the heads of BBC and Independent Television News "to demand balanced presentation."

That, too, is unlikely to have any effect. British TV companies carefully guard their independence and their established right to broadcast what they decide themselves. — Sapa

10/10/86  
APARTHEID FINMAIL (281)

## Reform by degrees

President P W Botha's undertaking at the National Party's recent Cape congress to scrap the Reservation of Separate Amenities Act has more symbolic than practical significance.

The Act, introduced in 1954 to enforce racial separation in places such as beaches, public toilets, parks, hotels and restaurants, has been whittled away in recent years.

In effect, only the more conservative strongholds such as the platteland towns, still cling to the essence of the Act. In most of the "liberal" cities — Johannesburg being the exception — nearly all, if not all, public facilities are open on a non-racial basis.

Botha's willingness to scrap the Act rests on the condition that facilities currently reserved for a particular race group will remain closed to other groups unless they are deemed able to cope with the increased demand. So a degree of "local option" is countenanced. This means that the status quo regarding facilities in smaller towns and conservative cities will probably remain intact for the foreseeable future.

The Progressive Federal Party's Nic Olivier agrees that the end of the Act will make little difference to most South Africans — except possibly on beaches, many of which are still open to whites only and where the restriction is enforced. However, the will to maintain petty apartheid is now clearly diluted and the Act will gradually become a dead letter. This is an example of "reform by stealth."

Botha's comments on the Group Areas Act indicated once again that it will not be scrapped completely while he heads government.

But he gave the strongest hint so far that "grey" areas will be permitted, in line with the expected recommendations of the President's Council, which is currently concluding its investigation into the Act.

Botha said he would not allow racial integration in lower-class white residential areas; but he was willing to extend the existing *permit* system (under which blacks may occupy residential property in white areas) to middle- and upper-class white areas.

Olivier believes Botha went further than ever before in his comments on the Group Areas Act, particularly where permits are concerned.

"It will now be virtually impossible for the authorities not to consistently give permits to blacks to reside in the more affluent white areas, although the problem of how those areas are to be defined still remains," Olivier says. He points out, however, that the impli-

cations of an increasing number of blacks living in white areas remain to be resolved — including the way they will have municipal representation. The question of which schools also arises.

Olivier believes Botha cannot scrap the Group Areas Act because of major political considerations. In lower-class white areas in particular, the Act remains a highly emotive issue and Botha has to protect his right flank.

He believes, however, that government will not take action against the thousands of blacks who are living illegally in white areas such as Hillbrow. Remarkably, in Zeerust recently, the State refused to act against an Indian couple living in the white part of town after a complaint was lodged.



FINMAIL

10/10/86

## THE US DOUBLE TAX TREATY



The 40-year-old US-SA double tax treaty is to be cancelled as part of the final US sanctions package. This may end

concessions such as elimination or reduction of withholding taxes on investment income, interest, royalties and rentals.

But under the applicable law the earliest effective date for cancellation is July 1 1987. Termination would also end other treaty benefits — for example, methods to eliminate double tax, and zero tax if a business does not maintain a "presence" in the other country.

Arthur Andersen's Adelaide Passos says ending the "presence" provisions will

have no dire consequence. Most South African companies operating in the US maintain subsidiaries there, which wash profits through tax havens before funneling them to SA. Investment by US businesses in SA, particularly in technology, has been encouraged by total exemption of interest and certain royalties. And non-corporate South African investors would lose the benefit of total tax exemption on dividends earned.

But it is understood the US authorities benefit more from information swaps. So cancellation would prejudice the US authorities to that extent, particularly concerning multinationals.

But, argues Passos, aggressive general US tax reform would probably have meant re-negotiating the treaty anyway.

# US to get tough on sanctions, says JCC

Chris Moerdyk

The Johannesburg Chamber of Commerce has had word from the United States that implementation of sanctions will be "particularly vicious".

The president of the JCC, Mr Pat Corbin, said the chamber had been told late yesterday that interpretation of the sanctions measures by the State Department was "very tough indeed".

South African exporters have been warned to clarify their situations with US importers because the onus will be on the importer to prove legality.

"We are told that the State Department is tending toward overkill on interpreting these sanctions.

"They are looking very closely at transshipment links and the word is that our neighbouring states will be put under the microscope.

## PAYMENT

"Another problem exporters can expect is that payment for goods shipped to the US from neighbouring states, will be made directly to those states"

Mr Corbin added that exporters who had "the slightest doubt" about the standing of their goods in terms of sanctions regulations should not ship these without either liaising with the JCC or receiving a clear directive from US Embassy commercial representatives in South Africa.

● The Star Bureau reports from Washington that some American businessmen, angered by the week-old hold on their imports from South Africa, are said to be threatening lawsuits against the US Government.

But US officials say South African goods will stay in guarded warehouses until final orders come from Washington as to what can be imported into the US and what cannot in terms of the new sanctions.

Officials say they are awaiting a final list from the State Department to release the unaffected goods — maybe as soon as this Monday.

● See Page 9.



# Wrestling with the fine print in the US sanctions bill

By Neil Lunsen,  
The Star Bureau

WASHINGTON — US Government authorities are wrestling with the fine print in the anti-South Africa sanctions bill while law enforcement agencies here wait for precise orders on how to implement the restrictions.

"Legions of lawyers, all charging their South African clients between \$150 and \$200 dollars an hour, are buzzing around offering their advice and looking after clients' interests," one official said. In the meantime, customs of-

ficials in all of the six US customs zones have been ordered to seize all SA imports and to hold them until the new law, passed by the US Congress against the wishes of President Reagan, is clear.

Goods not affected by the sanctions will be released as soon as there is clarity, possibly by Monday, a US Customs spokesman said.

Two important steps are required before the three regulatory bodies — the Customs Ser-

vice, the Treasury and the Department of Commerce — can put the sanctions measures in place.

One is an executive order signed by President Reagan which will delegate regulatory authority to the agencies. By midweek the President had not signed this.

The other is a definitive list drawn up by the State Department, spelling out the SA products, services and companies affected by the sanctions bill.

The list is causing officials some headaches because Section 303 of the bill requires that, with some exceptions "no article which is grown, produced, manufactured, marketed or otherwise exported by a parastatal organisation of South Africa may be imported into the United States."

The problem is to define "parastatal" — taken roughly here to mean organisations like Escom and Soekor — so that all the corporations owned or

controlled by the SA Government will be included.

American officials concede they will have to depend on the co-operation of South African authorities to some extent if the list is to be accurate. They are not sure how willing to help the South Africans will be.

While bans on some products such as uranium, coal and textiles will go into effect 90 days after August 15 (when the Bill was enacted), some banned goods will be admitted into the

United States until April 1 next year.

These are "parastatal" products ordered by US importers before August 15, 1986. If the contracts were signed before that cut-off date, US importers can take delivery up to April 1, 1987, a customs spokesman said.

The spokesman warned that any attempt to beat the sanctions by shipping SA goods to the US through third countries or "countries of false origin"

could result in criminal proceedings in the US, stiff fines and civil actions in court.

He said the US had a system of testing imports that may have come from banned countries through third countries.

"Take for instance oil," he said. "Our laboratories can detect what we call fingerprints that will tell us exactly where it was produced. The same thing applies to products like steel and textiles. If anyone tries to beat the

sanctions, we will seize the goods and bring criminal proceedings."

A State Department official said implementation of the bill is expected to proceed on two tracks.

On the first track, sanctions that are clear in the bill, such as the ban on SAA landing rights and the transfer of the SA sugar quota to the Philippines, will be put in place with minimal delay.

The second track, including clear definition of parastatal organisations, will probably take longer.

CAPE TIMES 10/10/86 280

# Academic boycott scars remain

By TONY WEAVER

DR Conor Cruise O'Brien has now left the University of Cape Town. But the scars of his visit to the divided campus will live on for months, possibly years.

His visit threw into sharp focus the long-simmering debate in South Africa and abroad as to whether foreign academics should visit this country, or whether a blanket academic boycott should be imposed.

Senior academic sources indicated there was considerable anger at the way in which Dr O'Brien conducted himself during his brief visit to South Africa.

"If he had kept a low profile and simply carried out his lecturing duties, I doubt this would have happened.

"But he gained the image of being this boycott-busting academic winging in here fighting

the lone fight against the radical left, and that really set the whole thing off," said a senior academic — who does not support an academic boycott.

There were sharply divided opinions about the methods used to disrupt Dr O'Brien's lectures — essentially the use of a flying phalanx of militant students breaking through a cordon of campus security guards.

While moderate groupings condemned the use of confrontationist tactics there were many on campus yesterday who felt this was the only way to drive home the depth of emotion surrounding the issue.

After Dr O'Brien publicly called the academic boycott "Mickey Mouse stuff" and said he doubted he could teach in an alternative education programme because it would be "revolution-

ary propaganda", tempers rose on the campus.

Perhaps the worst tactical mistake Dr O'Brien made was to be interviewed at length on SABC-TV, where he slammed the academic boycott and defended his boycott-busting visit.

That went down on the campus, where SABC is regarded as being the ultimate in "enemy propaganda", like a lead balloon.

Certainly, there seemed to be no letting up in the spirit of militancy at yesterday's Azanian Students Organization meeting. If anything, the 250-odd students who crammed the Rhodes Room were more determined than ever to fight in support of the academic boycott.

UCT could be in for a tough and bruising battle which is likely to split the campus like few other issues in the past.



# The vital MCV Factor

By Jaap Boekkooi,  
Science Writer

Most industrialised countries are hesitant to follow the American sanctions initiative against South Africa because of the little known MCV Factor which is seldom discussed outside boardrooms.

The MCV Factor stands for manganese-chromium-vanadium, a powerful combination of minerals without which steel manufacturing throughout the modern world would revert to the technological Middle Ages. And without which there would be no railway lines, cars, jet aircraft, locomotives.

As it is South Africa holds a virtual world monopoly on these minerals. As the newspaper *General-Anzeiger* in the West German capital Bonn mentioned the other day: "The West German steel industry... is completely dependent on South Africa for certain alloy raw materials. The production of high-grade steel in Germany could be speedily paralysed by counter-boycott measures since, unlike

the US, it has no strategic reserves." For Germany, one can also read France, Sweden, Japan, Korea and the entire industrial world which runs and moves on modern steels. The exception is the United States which has stockpiled strategic minerals, manganese even, for the past 40 years.

The MCV Factor could be South Africa's "bomb in the basement" as an unparalleled bargaining power ploy.

For as the Bonn paper points out, the amount of strategic minerals South Africa supplies to the West "is not that significant for its own balance of trade".

The unsaid implication is that South Africa could use the strength of its rare minerals in sanctions-spawned barter agreements much in the way Russia used to do.

This country is in no obvious bargaining position for its coal and iron ore exports, for instance, where too many suppliers are ready to step into the sanctions breach. But if ores and coal were offered in package deals with more vital minerals, they would consti-

tute an offer increasingly hard to refuse. Even if South Africa were to hold up exports of the MCV Factor minerals it would only affect a small fraction of its total mineral exports.

The 22 000 tons of vanadium exported from South Africa annually, six times that of its nearest rival Finland, earns the country a mere R122 million, about 0.5 percent of total mineral exports of R23 000 million. Manganese exports are twice this, just over one percent of mineral exports, and chrome ore exports stand at R147 million a year.

Yet together, at below 2.5 percent of mineral exports, they constitute a mighty mineral mouse that roars. And one that, when tweaked, will again send up the gold price.

Manganese production, most of it from the great Kalahari storehouse whose reserves are almost 80 percent of the world's, has tripled since 1960. If supplies were interrupted the United States, for instance, would be forced to use up its reserves and resort to expensive seabed mining of manganese nod-

ules. In chromium, the heart of many alloys and all stainless steels, South Africa and Bophuthatswana hold 77 percent of Western reserves and just on 56 percent of present world production.

Although South Africa and Bophuthatswana have 93.7 percent of the world's reserves of platinum metals and these minerals are often classified as highly strategic, the world is not as dependent on South African platinum mining as is often thought.

There are large-scale strategic global platinum reserves in the form of bars and jewellery which could be turned into platinum for industrial uses. Car emission catalyst programmes, the main outlets for the metals, could simply be suspended world-wide until Southern African supplies are restored.

Once other countries start looking at the critical implications of the MCV Factor, then the German newspaper's *cri de coeur*: "Bonn is faced by a difficult decision", will soon be echoed in other world capitals.

Farmers want Mozambican workers back

# Labour ban could hit Lowveld hard

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Lowveld Bureau

NELSPRUIT — The announcement by Manpower Minister Mr Pietie du Plessis regarding the deportation of thousands of legally employed Mozambican labourers, is a shattering blow to Lowveld farmers.

Many fear this could spell disaster for the region's labour intensive agricultural industry, already hit by last year's drought, the economic downturn and

pending sanctions.

While farmers generally agree the Lowveld's security and safety is of prime importance many feel a total ban on Mozambican labour will do more harm than good.

"Surely it's the illegal immigrant who must be responsible for acts of terror and not those who for many years have legally worked on our farms," one farmer said.

Mr Willem Joubert of the Roodewal Farm said experience

had shown that Mozambicans, once deported, returned time and time again.

"I believe the solution lay in not allowing them into the country rather than deporting them once they are legally employed, properly documented and proven employees," he said.

Representatives of the Lowveld's Agricultural Manpower Committee travelled to Pretoria yesterday for discussions with the Minister of Manpower and the directors general of Manpower and Internal Affairs.

Problems envisaged from a total Mozambican labour ban were highlighted and it was decided that a meeting be held in Nelspruit on Monday, to which representatives of all Lowveld farmers associations would be invited.

Vice chairman of the Transvaal Agricultural Union, Mr Jacob de Villiers said most farmers were happy to fully co-operate with matters regarding security

● South Africa's biggest black worker federation, the Congress of SA Trade Unions (Cosatu), has described the ban on Mozabican labour as "callous, cynical and provocative".

"Cosatu views the Mozambican workers as comrades, part of South Africa's labour power, and a part of the working class. Workers of neighbouring countries are desperately dependent on jobs in South Africa because the economies of their countries are the victims of SA aggression," a spokesman said.

● See Page 9.

## Mozambique loses R200-m annually by recruiting ban

MAPUTO — Mozambique stood to lose about R200 million a year following South Africa's ban on employing Mozambican miners, it was reported yesterday.

Mr Richard Japp, manager of the Maputo office recruiting for the South African mines, said nearly 62 000 Mozambicans were working at 51 gold mines in South Africa on July 31 according to the Mozambican news agency, AIM.

South Africa said last night it would not allow new Mozambican workers to take jobs in South Africa because of apparent Mozambican Government support for black nationalist guerillas operating in South Africa.

It said Mozambican workers would be sent home as their contracts expired.

### LANDMINE BLAST NEAR BORDER

The announcement followed a landmine explosion on Monday near the Mozambican border which wounded six South African soldiers.

Mozambique has denied aiding the ANC and has accused South Africa of aiding rebels in Mozambique.

Under the 1984 Nkomati Accord, each country pledged not to aid opposition groups in the other's territory.

Mozambique, short of foreign currency, relied partly on remittances from workers in South Africa.

In addition to the miners, about 30 000 Mozambicans working legally in agriculture would be affected by the order. — Sapa-Associated Press.



# Clamp on customs information 'in pipeline'

## Mercury Reporter

THE decision to withhold the daily list of ships in Durban harbour will soon be followed by a similar clampdown on information issued by the Department of Customs and Excise, it was learned last night.

Trade and Industry Minister Dr Dawie de Villiers told the Mercury that statistics supplied by his department would soon be 'grouped differently'.

'In the present situation where countries have declared embargoes and where we find ourselves facing action from many quarters, it is important not to furnish unnecessary information,' he said.

## Threaten

A spokesman for the department said the clampdown on the Durban shipping list was as a result of a Cabinet decision to restrict, in principle, information that could threaten South African trade.

Dr de Villiers said he had not personally issued a request to the South African Transport Services (SATS) to withhold the Durban shipping list.

He said he presumed this had been done by the Minister of Transport Affairs, Mr Hendrik Schoeman.

Mr Schoeman could not be contacted for comment last night.

# O'Brien: Students 'jubilant'

By TONY WEAVER

THE cancellation of Dr Conor Cruise O'Brien's three remaining lectures at the University of Cape Town and of yesterday's lecture at the University of the Witwatersrand were hailed as a "victory" by jubilant UCT students yesterday.

At an emotive rally called by the Azanian Student's Organization (Azaso), the 250-odd students crammed into the Rhodes Room greeted the news with cries of "amandla" and "viva".

But a senior academic source indicated that the principal and vice-chancellor, Dr Stuart Saunders, was under "heavy pressure in a volatile situation" to take action against students who stormed Dr O'Brien's lectures this week.

Dr Saunders said he put no pressure on the controversial Irish academic. They had jointly agreed Dr O'Brien would leave if "his continuing to lecture on campus was a source of disruption and could cause danger to life and limb".

A special meeting of the UCT Council, the university's governing body, will be held next week to "consider all aspects of the events".

And in another development, a growing number of "concerned academics", numbering about 20 by late yesterday, welcomed the success of the campaign.

Their statement, read to the meeting by sociology lecturer Dr David Cooper, registered "anger and disgust at the provocative and dismissive arrogance with which Dr O'Brien responded to students and student organizations on campus".

They rejected the invoking of "arguments about academic freedom" against "progressive organizations" when it was the "State and its allies which have ensured there is no real academic freedom in South Africa".

The meeting voted overwhelmingly in favour of taking further action to advance the academic boycott of South Africa, and mandated a forum of students to meet this weekend to map out strategy, reporting back on Tuesday.

The Western Cape executive of the United Democratic Front last night said it "utterly condemns O'Brien's scurrilous attacks on the anti-apartheid movement" and commended Azaso, a UDF affiliate, for "leading the successful attempt to enforce the international academic boycott".

Ian Hobbs reports from London that the Irish Anti-Apartheid Movement, led by exiled South African academic Dr Kadar Asmal, yesterday said Dr O'Brien misjudged "the depth of feeling in South Africa where nothing, including academic life, can be free of apartheid".

Sapa reports from Johannesburg that the University of the Witwatersrand lecture was called off after the SRC and the Black Students' Society jointly demanded that he be allowed to talk on campus only if he entered into open debate with them on the reasons for his academic boycott-busting visit.

□ Academic boycott scars remain — page 2



Dr Stuart Saunders



Dr Cruise O'Brien

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CUSA-AZACTU FEDERATION

## The third force

The exuberant support for sanctions displayed at the launch in Broederstroom of SA's second-largest trade union federation indicates that a significant proportion of organised black labour now backs foreign economic strictures against SA.

The new federation combines the Council of Unions of SA (Cusa) and the Azanian Confederation of Trade Unions (Azactu). One of its first acts was to pass a resolution stating that it is "committed to a full sanctions programme for as long as the racist capitalist minority regime exists." The resolution also condemns foreign investment in SA, saying it represents "a further perpetua-



Mndaweni (L) and Camay ...  
backing sanctions

tion of exploitation and oppression, and that its continued presence in our country is not in the interests of the working class."

The federation's position will no doubt fuel the controversy over the degree of black union member support for sanctions. The Congress of SA Trade Unions (Cosatu), the largest black union federation, officially supports sanctions as a lever for political change. But the Chamber of Mines has, for example, challenged the National Union of Mineworkers (NUM), a major Cosatu affiliate, to demonstrate that its members endorse its pro-sanctions stand.

In stark contrast to both, of course, is the Inkatha-backed United Workers' Union of SA (Uwusa), which opposes sanctions.

Called the Cusa-Azactu Federation until a new name is decided upon, the new black consciousness-leaning body is an amalgam of 23 unions with a paid-up membership of 248 000 and 420 000 signed-up members.

The negotiations which led to its formation commenced last April when it became apparent that neither Cusa nor Azactu would be joining in the talks that led to the formation of Cosatu, whose political sympathies tend towards the United Democratic Front.

The new federation believes in "the principle of worker control ... to build a non-exploitative democratic society based on the leadership of the working class." It is also committed to "black working class leadership." This is its major difference with Cosatu, which has a number of whites in key positions. Other guiding principles are "anti-capitalism, anti-imperialism, anti-racism and anti-sexism."

Former Cusa leaders occupy all the top leadership positions in the new federation — a reflection of the relative strengths of the two bodies before the merger. James Mndaweni and Phiroshaw Camay, Cusa president and general secretary, respectively, retain those positions in the new organisation. Pandelani Nefolovhodwe, general secretary of the Black Allied Mining and Construction Workers' Union (Bamcwu) and the leading light in Azactu, is first assistant general secretary. Stewart Moletsane, head of the Azactu's Insurance and Assurance Workers' Union of SA's shop stewards committee, is vice-president. Camay's righthand man in Cusa, Mahlomola Skhosana, is second assistant general secretary.

The leaders are adamant the federation will retain its autonomy and will not become an affiliate of any political organisation. It will also not affiliate to any of the international union bodies, although it will "reserve the right to relate to any of them." Cusa's present affiliation to the International Confederation of Free Trade Unions (ICFTU) is something which will have to be "put under review," says Mndaweni.

The federation's leaders reject suggestions that it is a black consciousness (BC) body. Yet the flag of the Pan Africanist Congress (PAC) was raised at the weekend meeting, and Azactu certainly was a BC organisation.

The new federation is committed to the idea of industry-based unions. For this reason, three general unions in the Azactu camp — the African and Allied Workers' Union, the Black General Workers' Union and the National Union of Workers of SA — were accorded only observer status at last weekend's meeting. According to Camay, they will now disband and their members will be accommodated in unions catering for the industries in which they work.

Some unions will also hand over sections of their membership to others. Construction workers in Bamcwu's ranks will, for example, be shifted to the Building and Construction and Allied Workers' Union, formerly a Cusa affiliate. Likewise, the Black Electrical

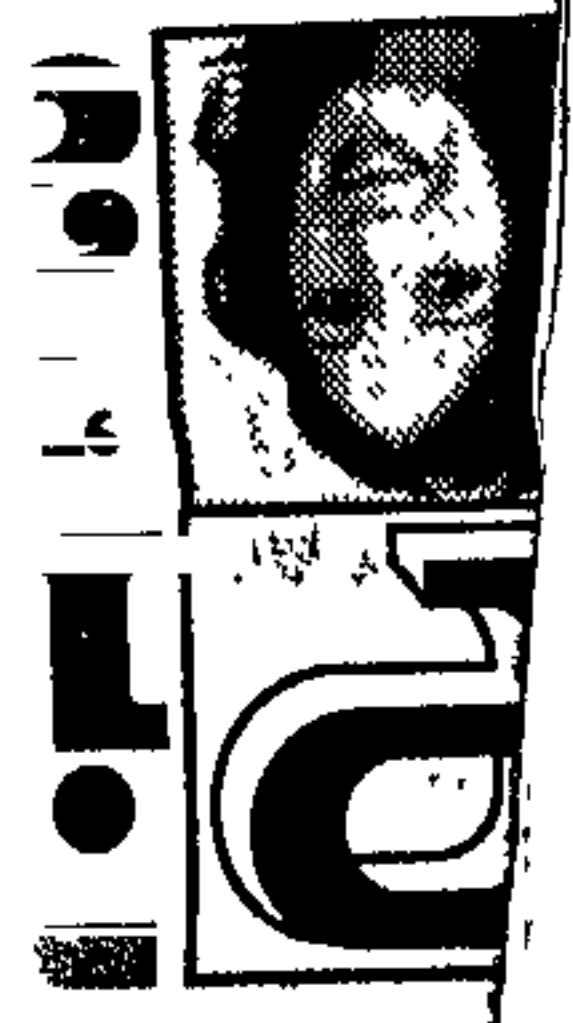
and Electronics Workers' Union, the Engineering and Allied Workers' Union of SA, and the Steel, Engineering and Allied Workers' Union, are due to begin discussions on consolidating their memberships.

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# SA blacks out Durban's shipping news

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**IN A sanctions-busting move, the government has imposed a news blackout on the movements of ships in and out of Durban harbour.**

The clamp-down, which also restricts detailed information on imports and exports, could be extended to all other ports, according to a SATS spokesman.

He said the decision had been taken to keep the name and origin of foreign vessels secret, to prevent reprisals and possible boycotts of the shipping companies involved.

A spokesman for Dr Dawie de Villiers, the Minister of Trade and Industry, said yesterday: "This is in line with the minister's views, that it is not in the

national interest that details of our trade relations be divulged, if these could be used against us."

The Deputy Minister of Trade and Industry, Mr Kent Durr, said it was important that the government should not over-react by following a road of strict control. But there would be times when it would be appropriate to withhold certain information because of legitimate requests from importers and exporters.

Mr Durr said that in World War II, no information about shipping movements had been officially divulged. The public had been exhorted "not to talk about ships and shipping".

Mr Harry Schwarz, MP, the Progressive Federal Party's

spokesman on finance, said: "This move doesn't surprise me at all where you have sanctions you are bound to have sanctions-busting."

"Imports and exports are the lifeblood of our country, and I can't see that the government could act otherwise than to call for the withholding of detailed information on our foreign trade"

Mr Schwarz said a much-greater "tightening up of security" could be expected where information on foreign trade was concerned.

"I think we are going to see increasing application of the enabling legislation already passed by Parliament, to ensure such security," he said. — Chief Reporter and Reuter

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SANCTIONS

# When the going gets tough . . .



Uncomfortable the latest US sanctions measures may be, but trade analysts continue to look on the bright side. The hope is that the American

moves will spur businessmen towards the kind of trade diversification and innovation which they have been urged to introduce for several years.

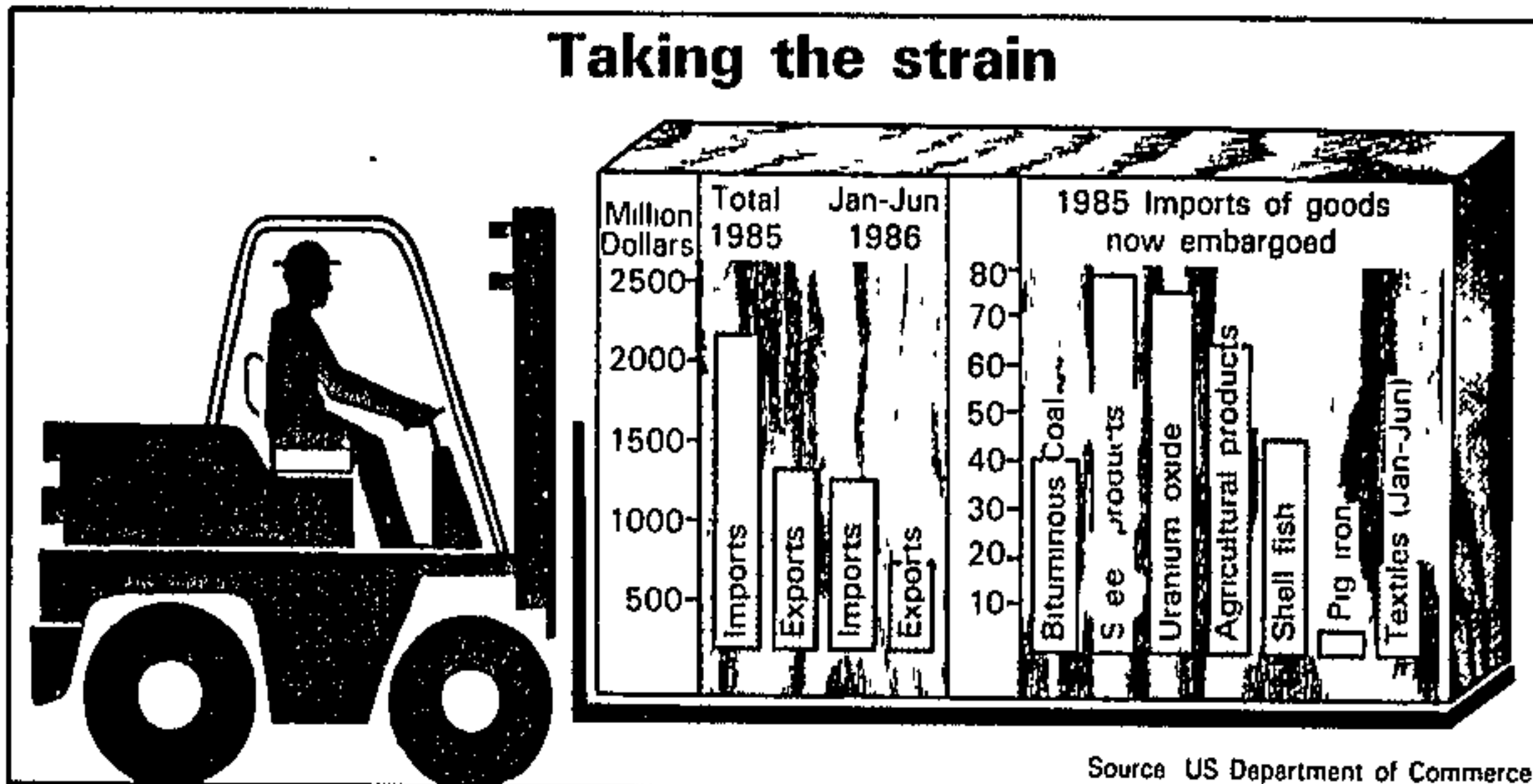
The warning lights, after all, are flashing all over.

Washington's strong line makes it more likely that other countries will introduce their own embargoes, and that anti-South African lobbyists will be encouraged to push for stricter measures in countries which have already applied sanctions.

The US restrictions are hardly a body blow to the South African economy, but they will hurt. US import figures for 1985 show that the package will affect South African exports worth some \$350m last year. The scope of some of the measures is not yet known, but already jobs in some basic labour-intensive industries are on the line.

Some will take heart from the fact that in most sectors US exports represent only a small proportion of total outputs.

But some industries will be affected worse than others. Exports by the Cape rock lobster industry to the US, for example, were worth \$44.2m in 1985, or about 60% of output. Other figures given by the US De-



partment of Commerce are coal (\$43.3m), steel products (\$78.2m), uranium oxide (\$75.3m), agriculture (\$65.5m), pig iron (\$5.5m) and textiles (about \$41m).

And of course SA's preferential sugar quota has been transferred to the Philippines, ending exports of about 35 000 t a year worth \$33m.

Sugar men see no real difficulty in disposing of the surplus 150 000-odd tons now in their larder as a result of import bans by the US and Canada. But if the much higher volumes sold to South Korea and Japan go the same way, it would be an entirely different story.

Reluctant as it is to discuss plans, the South African Sugar Association has given notice that it will not sit idly by and watch its markets whittled away. It will fight for market share — even if it means discounting.

That is a development other sugar suppliers will watch nervously. Local sugar producers' marginal costs are low enough to allow them to buy market share if they have to. The net result could be further distortions in an already weak world market.

"We don't intend to sit here kicking our heels," promises one sugar executive. "Our export men are already overseas aggressively looking for new markets."

That is the spirit Trade and Industries Minister Dawie de Villiers will obviously be encouraging.

Though sanctions-busting is a dirty word in official circles, it is clear that unconventional trade methods like countertrade will receive more attention.

Director of Export Trade Promotion Sarel Kruger tells the *FM* that government officials can advise exporters on alternative markets and trade methods. Wide international representation and trading links broaden the base of State support, he adds.

The specific targeting of the sanctions package also raises the question of protec-

tionism and the influence of special interest lobbies in the US. "US smokestack industries are struggling," says Federated Chamber of Industries CE Johan van Zyl. "Textiles and clothing, uranium and agriculture all have powerful special interest groups. With elections coming up, sanctions won't hurt at the polls."

But, cautions Van Zyl, SA must take note that the American people have agreed to tighter sanctions to express their abhorrence of SA's system — against the wishes of one of the most popular presidents in history. "Sanctions should not be allowed to become the Great Red Herring while reform becomes irrelevant," he says.

Textiles and clothing are the most labour-intensive industries in SA, employing more than 200 000 people. Homelands like Ciskei, Transkei and Bophuthatswana which together support 47 export-orientated clothing manufacturers could be hit especially hard.

"Although US sanctions will affect only a small percentage of these, it is unfortunate that people will lose their jobs," says National Clothing Federation director Henne van Zyl.

It thus seems clear that South African exporters will have to concentrate on diversification of markets and products, although profits might be reduced.

"Import replacement will also rate high," adds Van Zyl. "But the strategic value of assured local supply must be weighed against the cost-push inflationary effect of more costly local production."

## TOP DOG

**South African-born John Steele Chalsty, who will speak on developments in the US securities industry (FM September 19) at this year's FM investment conference, has been appointed chief executive of leading US securities firm Donaldson, Lufkin & Jenrette (DLJ).**

Chalsty was born in Port Elizabeth and educated at Christian Brothers College, Kimberley. He has a masters degree in chemistry and physics from Wits, and an MBA from Harvard Business School. He became a naturalised US citizen in 1964.

He has had a distinguished career in the US and Europe, first with Exxon and then with DLJ, which he joined in 1969 as an oil analyst. Before his latest promotion, he was chairman of DLJ's Capital Markets Group.

□ For details of how to book for the conference, see *Fox*.

## SANCTIONS — 2

### Border holdup

The US Customs Department is not sure just how long it will take the State Department to clarify which South African goods are to be

*FINANCIAL MAIL*  
*10/10/86* **EEC INVESTMENT PUZZLE**

As predicted, the European Economic Community's (EEC) ban on new investment in SA is proving difficult to define and implement. At the Brussels meeting of the community's Committee of Permanent Representatives (Coreper) late last month, the national ambassadors of the 12 members failed to make any progress.

As an EEC spokesman told the *FM*: "It is not just a question of deciding what constitutes new investment. We also have to work out whether this is to be done at community or national level. It raises problems of competency and procedures.

"That is because the ban is a matter of political co-operation, rather than simply one of trade — as was the case in iron and steel products. This normally takes place

outside, but parallel to, decisions reached within the EEC in terms of the Treaty of Rome," he said.

The issue has been referred to a special committee which was expected to reach a decision on October 9. It seems probable it will be left to individual member states to define and implement the ban.

An official of the German mission at Berlaymont, the EEC's headquarters, said: "The differences between Germany, Britain and France and other EEC members when it comes to investment are so wide that a unified approach is very difficult. Our approach is to be flexible. The German business and financial community does not like being told how or where to invest."

□ See *Leaders, Economy, Business*.



NEW DIRECTIONS

# Life after sanctions



The sanctions that the Americans have chosen to apply to this country are a remedy of despair. They will do more harm than good; but that cuts no

ice with Congress and our allies abroad. Whether US sanctions will ever be lifted, even if all the conditions for doing so were to be met, is doubtful in the present climate of world opinion.

It would be foolish to underestimate the economic and political burden that they will place on this country. The precise outcome is impossible to calculate accurately, while a guess runs the danger of being either alarmist or unjustifiably sanguine. But life will go on, and we need to reappraise our own policy options so that we do not inadvertently aggravate matters.

One fact stands out. Foreign trade is the lifeblood of this economy, much more so than it is of the US or even Switzerland. In SA, it accounts for about 60% of gross domestic products, against Switzerland's 40% and less than 20% in the US. It stands to reason, then, that we must do all we can to enhance our foreign trade in the face of more political constraints.

To do this, we need to re-establish credibility in the eyes of those who are still willing to trade with us. We will not be able to do so in any forum or debate, as our opponents are not open to reason. Nor do we really have the economic or political muscle to demand an eye for an eye, except where the Frontline states are concerned.

American dismay — or was it outrage? — at Foreign Minister Pik Botha's now celebrated telephone calls, which were no more than veiled threats, stands out as an example. Even if Pik Botha did interfere in domestic US matters, there is definitely a double standard involved in America's response. Unhappily, in the affairs of nations, different standards — both moral and economic — have always applied to the powerful and the weak. Apartheid is now so thoroughly reviled, that any means to its end are widely accepted.

For a nation in our position to stand up and threaten retaliation, even if it be in reaction to sanctions, does more to solidify opposition than to mitigate the measures against us.

The re-establishment of national credibility becomes all the more important when trade has to be clandestine, and every dishonest Johnny that ever graced an import-export agency is knocking at our doors.

The business community, which has tended to over-emphasise its ability to bring about social change in the short term, has patently not been able to deliver. It has taken

**We must avoid making life after sanctions worse than it need be. That means some new policies are needed and new ministers to steer them.**

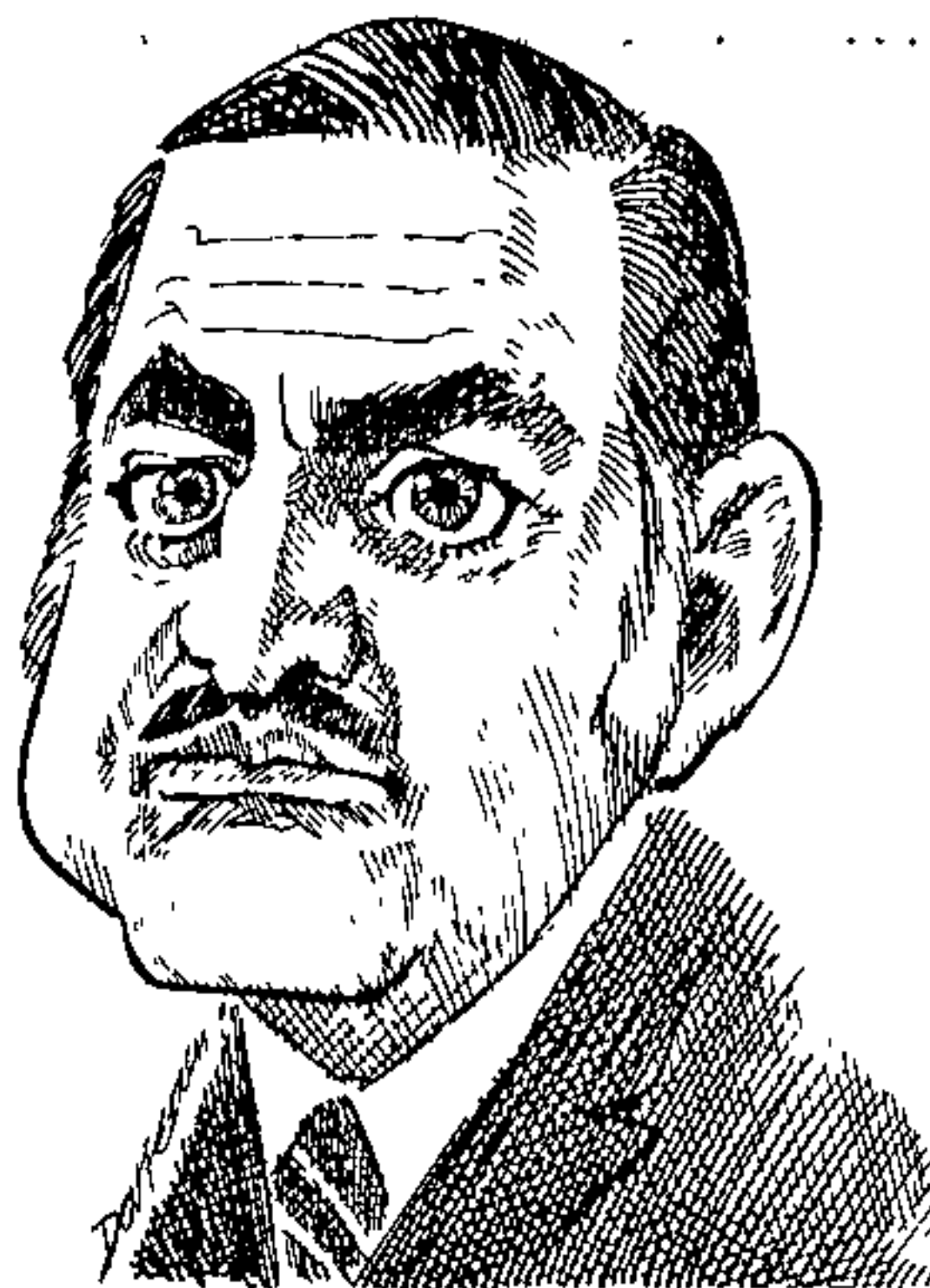
President P W Botha too much at his word and must now repair the damage this did to its own credibility.

Much the same can be said of the Department of Foreign Affairs, especially after Pik Botha's European mission ahead of the disastrous Rubicon speech. Both his and Denis Worrall's retaliatory pugnacity further undermined our international credibility since the heady days of the Nkomati Accord.

With the benefit of hindsight, it is possible to argue that low-key foreign ministers and diplomats have proved to be the most able in tough circumstances. It has been said of Anthony Eden, an effective British foreign minister, that not only did he bore, he bored for England. Maybe we could, again with the benefit of hindsight, say something similar of the late Hilgard Muller. Certainly, our diplomatic problems are now going to be similar to those he faced in the years when apartheid was deepening.

When a foreign minister has domestic political ambitions, it stands to reason that as a diplomat he is less effective. That must be true of Pik Botha now as he eyes the State Presidency and probably accounts for his misjudged telephone decision. His own situation is aggravated by his well-known verligte views, which means that he has to over-compensate to pacify the conservatives. In this age of rapid communications, it is impossible to be diplomatic abroad and a political hawk at home.

Perhaps it is time for a new person to take over this important portfolio, which will in-



**Pik Botha ... tripping over ambition**

evitably become even more important under sanctions. We do not suggest that Pik be demoted, but circumstances have changed and now require a different style. In the rumoured Cabinet reshuffle, he may be better heading the Department of Finance, where his international profile and unswerving capitalism would be an asset. It would also elevate the status of the portfolio within the Cabinet.

Barend du Plessis is badly needed back in education, where he made a profound mark before. It is a portfolio rapidly approaching chaos and it would surely be no skin off his nose to be a confident and proven Minister of Education, rather than an indifferent and uncomfortable Minister of Finance. Besides, anyone who can get black children back to school would win high honours in Pretoria.

In Foreign Affairs, either Denis Worrall or Dawie de Villiers are possible candidates. The former has the drawback of being too able and enthusiastic a verbal sparring partner on television to be an effective low-key diplomat. The latter is probably too diffident in Cabinet for the foreign affairs portfolio, although his record in London suggests he is more effective as a behind-the-scenes diplomat.

There is another reason for our wanting Pik Botha as Minister of Finance. He would be stronger than Du Plessis in the Cabinet at holding at bay the powerful economic interventionists who, if they gain increasing influence, could encourage policies here that will make sanctions harder to overcome.

Domestic economic policy must be geared to counteracting the isolationist impact of sanctions. We must not reinforce that impact by adopting protectionist policies; creating trade barriers; protecting inefficient producers, unless the strategic argument is overwhelming; and adopting other measures that will tend to close, rather than open, the economy.

We need to become more efficient by reducing controls and restrictions and allowing the forces of supply and demand greater — not less — sway in allocating resources.

The crucial matter of inflation needs to be tackled by a minister sufficiently powerful to push through the difficult measures needed to stabilise prices. This will require perseverance and courage, of which Pik Botha has shown he has substantial reserves.

To stabilise the currency and restore confidence in it, we need to unify the two exchange rates and simultaneously abolish exchange controls. The time to do this is when the gold price is buoyant and the rand is looking more robust.

If this were to happen, we guess that the rand's value would tumble temporarily to about US35c, which would of course inject some inflation into the economy. But it



## DESTRUCTIVE ENGAGEMENT?

Our Washington correspondent writes: Despite what everyone may say, it was not Pik Botha's fault that the US Congress overrode President Reagan's veto and pushed through stiff economic sanctions against the South African government by a 78-21 vote.

The man who lost the battle was US President Ronald Reagan. It was his first major defeat in six years of legislative slugging with the Congress. His failure to forestall sanctions is a major foreign policy setback.

Biggest loser, to be sure, is southern Africa in general and SA in particular. The Senate override last week leaves US policies in the region adrift. An interesting vantage point from which to watch the sanctions showdown was SA's Washington embassy. Ambassador Herbert Beukes's legislative watchdogs knew even before the White House that the Senate vote had turned against them. Their early warnings to Pretoria nudged the Foreign Minister into action — but sometimes you can be too smart.

Interesting, however, was the reaction of Finance Minister Barend du Plessis and Reserve Bank Governor Gerhard de Kock, who were having a farewell cocktail party at the embassy to mark the end of the annual World Bank-IMF meetings.

The Du Plessis staff was particularly bitter about Pik Botha's telephone calls to senators Richard Lugar, Ed Zorinsky and Charles Grassley, whom the foreign min-

istry erroneously believed would be susceptible to threats of losing South African grain purchases from their Midwest home states.

The Botha phone calls were probably prompted (and certainly approved of) by such friends as senators Jesse Helms and Paul Laxalt. This says a great deal about the quality of American allies who have rallied to Pretoria's side.

SA buys no wheat from Grassley's state of Iowa; Zorinsky shrugged off the call. Only Lugar, who chairs the Senate Foreign Relations Committee, was genuinely offended. And that was due more to the fact that the White House did not take his advice on SA.

Some oldtimers at the embassy recalled with irony that it was Pik Botha who, presenting his credentials as SA's ambassador to the White House in 1975, startled Gerald Ford with a long, inappropriate lecture on the strength of South African resistance to outside pressure. That began the long downhill slide in US-SA relations.

But special venom was reserved by the finance minister himself for South African business and banking leaders who have been giving anti-apartheid forces outside the country a clear signal that they do not support government's race policies.

In the Washington struggle over sanctions, the SA Foundation turned into the centre of dissent from government's policies.

But special delegations of businessmen, including a major corporation's team who passed through town last week, gave American politicians on both sides the clear impression that pressures on Pretoria would be welcomed in some parts of the country.

"We know who these people are," Du Plessis told the *FM*. "We hear their voices on the BBC and see their pictures with Oliver Tambo in London and Lusaka."

"And we know what to do with them when the time comes," he added, with no attempt to hide the menace in his voice.

Who are these dissenting forces, he was asked?

"You know them better than I do," Du Plessis replied, but went on to mention "Certain bankers, some of the mines and most of those Johannesburg merchants."

So what exactly does government intend to do about business dissent inside SA?

"We shall give them an opportunity to come out into the open and state their case. We will make them put their case to their colleagues in a great forum. Then, when they can't persuade the others to follow them, why should we listen to them at all?"

But the fault for the sanctions defeat remains squarely on Reagan's desk. The president allowed his personal distaste for economic sanctions of any kind to be seized upon by friends and foes alike as a signal that he would fight it to the end.

should be short-lived. For at that price, South African shares would become more attractive to foreigners, especially if they knew that, in the event of a sudden political setback, they could get their money out.

A capital inflow in these circumstances

would be rather hot money, and some domestic flight capital might take off, but the net result would be a more stable currency with a tendency to firm rather than ease.

Of course, our position in the world is not going to change overnight, even if we adopt

the policies outlined. But a rejuvenated — although low-key-foreign policy and an expression of confidence in more open domestic economic policies, will at least start us back on the long road to acceptance. ■

□ See *Economy, World, Business, Markets*

## INTEREST RATES

# What goes down . . .

The sudden upward swing in long-term interest rates in recent weeks is easier to describe than explain. The burning question for businessmen, however, is whether they indicate a sustained economic recovery from the depths of a particularly long and deep recession.

It is a particularly crucial question for companies that have seen some quite considerable swings back into profitability largely because of lower borrowing costs. These recoveries could be in jeopardy if the cost of capital should begin rising without a compensatory increase in aggregate demand.

Of course, access to relatively cheap equi-

**It is possible that in recent weeks there was a fundamental change in the interest rate pattern. The foundations for an upturn may have been laid. The problem is whether they are sufficiently firmly based.**

ty capital, as share prices edge up, and the slightly firmer rand and buoyant gold price will cushion this tendency and allow more time for demand to be regenerated. Howev-

er, the long-term rates trend must, nevertheless, be causing some concern in boardrooms.

There would be less reason for concern had the firmness in long rates been matched by a sustained turnabout in short-term rates. For that would have indicated a need for working capital stimulated by rising demand. But with the banks awash with cash, short-term rates have probably not yet reached their trough — unless the Reserve Bank decides to manage these rates upward.

It could reason that having lowered its key rediscount rates 12 times since May last year — albeit from dizzy heights — the time has



# Govt news clamp on trade, shipping?

**Dispatch Correspondent**  
**CAPE TOWN** — A general clampdown on detailed information about imports and exports, in reaction to trade sanctions, is expected to follow a cabinet decision — referred to yesterday by the Minister of Trade and Industry, Dr Dawie de Villiers.

Dr de Villiers was commenting on the Durban port authorities' refusal to release the daily list of ships in the harbour "following a request from the minister of Trade and Industry".

A Sats spokesman said the Durban action could be extended to include all South African ports.

A spokesman for Dr De Villiers, said yesterday that the minister had referred to "a decision taken at cabinet level, which would have been conveyed to South African transport services".

Referring to the decision of the Durban port authorities, the spokesman added: "This is in line with the minister's views, that it is not in the national interest that details of our trade relations be divulged, if these could be used against us."

The deputy minister of Trade and Industry, Mr Kent Durr, said while it was important that the government

should not over-react by following a road of strict control, there would be times when it would be appropriate to withhold certain information — because of legitimate requests from importers and exporters.

Mr Durr recalled that in World War II, no information about shipping movements had been officially divulged, and the public had been exhorted "not to talk about ships and shipping".

The Progressive Federal Party's spokesman on finance, Mr Harry Schwarz, said: "This move (the withholding of shipping information) doesn't surprise me at

all. Where you have sanctions you are bound to have sanctions-busting.

"Imports and exports are the life-blood of our country, and I can't see that the government could act otherwise than to call for the withholding of detailed information on our foreign trade."

Mr Schwarz said a much-greater "tightening up of security" could be expected where information on foreign trade was concerned.

"I think we are going to see increasing application of the enabling legislation already passed by Parliament, to ensure such security," he said.

# Angry US businessmen threaten to sue over held imports

The Argus Foreign Service

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WASHINGTON. — Businessmen, angered by the week-old hold on their imports from South Africa, are said to be threatening lawsuits against the United States government.

But US officials say the South African goods will stay

in warehouses until final orders from Washington on what can be imported in terms of sanctions.

American customs officials at seaports and airports are throughout the country are holding everything from South Africa, including goods that

will eventually be allowed in.

Officials say they are awaiting a final list from the State Department. Then the unaffected goods will be released.

The sanctions are expected to cut about R1.7-billion from the yearly total of some R5.8-

billion dollars in trade between the two countries.

American companies that break the sanctions law face fines of R2.5-million. Individuals can be fined half that and be jailed for five years.

The Johannesburg Chamber of Commerce has had word

from the United States that implementation of sanctions will be "particularly vicious".

JCC president Mr Pat Corbin, said: "We are told that the State Department is tending to ward overkill on interpreting these sanctions."



## *one word* Sanctions fears

SHIPOWNERS were conspicuously silent while their respective governments clamoured for sanctions against South Africa because carriers knew that there would be no advantage to them in the reduction of cargoes into or out of South

10/10/86  
The alternative sources for cargo are not prolific and at a time when many big concerns are scraping the bottom of the barrel for business, any further interruption would be catastrophic.

Respected shipping lines continue to find it necessary to consult creditors for the restructuring of their debts, the latest of these being the important Norwegian concern, Wilhelmsen whose vessels bringing timber and boxboards were known on this coast for a century.

In recent times they have sought new business elsewhere, but it has been an unhappy decision for, while some of the services such as those to the Middle East were terminated, others are suffering profitability troubles.

The shipping company had in six months a loss of \$16.8-million (R37.3-million) and it is apparent that both the deep sea services and the attendance vessels at the rigs in the North Sea turned in deficits.

A deal involving use of

280  
two bulkers Troll Viking and Troll Maple which was fixed at the turn of the year, turned sour and the pair has been sold. This is truly no time to be a shipowner.

Wilhelmsen is building large ore/bulk vessels for the transport of Brazilian minerals round the Cape to Japan and is counting on this business to help fill the kitty. On the west-bound voyages the big ships will lift crude in the Persian Gulf for Brazil, and will be fortunate in securing full cargoes in both directions.

A Hong Kong concern, Wah Kwong, whose bulkers have loaded in Port Elizabeth, looks like being liquidated now that the Chase Manhattan Bank has arrested one of the company's ships after indicating unwillingness to restructure further the debts of \$850-million.

In the light of these financial problems, the success of the two South African national carriers is encouraging and it is significant that a major portion of the Safmarine shipping earnings came, not from the liner service and its biggest ships, but from the exports processed through the medium of bulkers hired at daily rates for one-way voyages.

Indeed, Safmarine was vulnerable to sanctions involving curtailing of rough exports. In the event its dollar-earning coal charters can continue.

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## Escom chief says sanctions unlikely to affect power

ECONOMIC sanctions are unlikely to affect South Africa's vital power supply. The country has the ability to supply long term power needs but will probably have to standardise and scale down its technology, according to Escom chairman Mr John Maree.

In a Leadership corporate profile of the giant Electricity Supply Commission, Mr Maree, speaking to Leadership publisher and editor Hugh Murray, said:

"We're assuming at this time that the goods which we need are not going to be negatively affected simply because what we buy from overseas are such big units, you are talking about a lot of jobs.

"You know, if Germany, England or France had to say they were not going to supply you with equipment, they would be talking about thousands of jobs which will go out of the window."

Asked if South Africa had the technical expertise to substitute banned technology, Mr Maree replied:

"South African industry has the ability to supply our long term needs, even if on a less sophisticated scale. As far as electricity is concerned, we can build the equipment that we need, but it won't be as big, or modern or as cost efficient. We would have to go down to a more standardised product. Other countries have done it and I'm sure we can do it as well."

Mr Maree said sanctions clearly were not something to be welcomed. "They are like a fever or a cold, very unpleasant, but we have the ability to live with them.

"South Africans are a resourceful people and I have no doubt that South African industry will rise to the immense challenge which it faces.

"I believe there is an immense amount of innovation, energy and risk-taking potential and that in that process we will minimise the effect of sanctions against us.

"That it will have an effect upon us I have no doubt. It's not good for us, but there are a lot of opportunities that will be created in the process."



# DSG head concerned about sanctions sting

Dispatch Correspondent

GRAHAMSTOWN — The headmaster of the Diocesan School for Girls (DSG) here, Mr David Wynne, has expressed concern over the imposition of economic sanctions on South Africa.

Speaking at the school's prize-giving, Mr Wynne said that if sanctions led to the closure of borders with neighbouring states — it would have a detrimental effect on pupils from Malawi and Zambia.

Sanctions would also increase the price of important books.

Mr Wynne said he was also worried about threats aimed at blacks who sent their children to private schools such as DSG.

Although DSG had enjoyed a successful year, one could not ignore the general state of crisis in education in South Africa, he said.

For many black people education had lost its value. Gone were the days when blacks sacrificed all in their determination to provide their children with an education.

Blacks had rejected the existing education system and had devised "people's education" to take its place, Mr Wynne said.

Although he did not understand the concept of "people's education", "I feel it would be pragmatic for the private school movement to come to grips with it," he said.

Mr Wynne said DSG was seen to preserve the values of the English speaking settlers — and warned it may not serve the same function in the future.

Originally most teachers at DSG had been brought out from English universities, but today the school was staffed by South African-trained teachers.

"We shall continue to develop, but I believe we need to be clear about the direction we follow in the difficult years ahead." The school had to keep abreast of developments.

This was being done through bringing people to the school to speak on topics not reported or distorted in the media — to provide a broader spectrum of what was happening in the community.

Mr Wynne said the school aimed at producing happy, independent and well-behaved young people. Pupils were expected to meet a reasonable set of expectations.

In 1987 the school would be placing more emphasis on building up the general knowledge of the girls, encouraging them to express themselves in a competent manner orally.

Everyday communication was of the utmost importance, Mr Wynne said.

Parents were welcomed to the prize-giving by the chairman of the school council, Mr Justice M. Jennet. The prizes were presented by a member of the council, Mrs Mary Seagrief, and the prayer was delivered by the school chaplain, the Reverend L. M. Bands.

The ceremony was also attended by the Bishop of Grahamstown, the Right Reverend Kenneth Oram, the Mayor of Grahamstown, Mr Dick Attwood, and the Mayoress, Dr Beverly Brookes.



# South Africa will survive sanctions — Dr De Kock

Financial Staff

FRANKFURT — South Africa would survive sanctions, Reserve Bank governor Dr Gerhard de Kock told a symposium on South Africa in Frankfurt yesterday.

He said that the key to the solution of the present socio-political difficulties in South and Southern Africa lay not in sanctions but in economic co-operation and growth in the sub-Saharan region as a whole.

It was a matter of history — recognised by all informed financial experts — that the South African economy had adjusted well to political pressures in general, and to the withdrawal of capital and credits in particular, Dr de Kock said.

South Africa had achieved this mainly through a combination of domestic monetary and fiscal policies and exchange rate adjustment. These policies entailed sacrifices, including a decline in the real standard of living per head of the population and higher unemployment.

## Trade sanctions

But South Africa had eliminated overspending in the economy and transformed the deficit on the current account of the balance of payments into a large surplus, he said.

In 1985 the current account surplus amounted to R5,9 billion — equal to about 5 percent of gross domestic product. This was large for any country, particularly a developing economy.

Indications were that the surplus for 1986 would be more than R6 billion, and another large surplus was currently projected for 1987. These developments had, among other things, enabled South Africa to repay about \$3 billion of foreign debt

since the end of 1984 and had greatly increased the country's ability to cope with financial and trade sanctions.

"In these and other ways, monetary and fiscal policies have laid the foundation for more rapid growth in the period ahead," Dr de Kock said.

"Unless something unforeseen happens, therefore, the net capital outflow (including debt repayments) during the second half of 1986 should be substantially less than the expected current account surplus.

"The result is likely to be an increase in both the gross and net gold and foreign exchange reserves and an appreciation of the rand over this half-year period," he said.

Thus far in the second half of 1986 this scenario had proved accurate. The Reserve Bank's gross gold and foreign exchange reserves increased from R3,6 billion at the end of June 1986 to R5,0 billion at the end of September.

And the exchange rate of the commercial rand had moved up to 45 US cents in this period.

Much depended on whether the higher price level would be sustained. But there was no doubt that if the gold price remained above \$400 it would have a most favourable effect on the SA economy.

"To begin with, the current account of the balance of payments will naturally tend to show a larger surplus than it would otherwise have done," Dr de Kock said.

Secondly, a sustained rise in the gold price would add impetus to the current recovery in the domestic economy.

Thirdly, the capital account of the balance of payments should continue to improve.

Fourthly, the rand should con-

solidate its recent appreciation in the foreign exchange market and this, in turn, should help to curb the rate of inflation.

"Most of these favourable effects have, in fact, already become evident during the past three months. Indeed, there can be no question that the rise in the gold price is proving of material assistance in overcoming the harmful effects of the existing sanctions and other external constraints."

Recent developments had once again confirmed that there were many in the US, Europe and elsewhere who believed that sanctions against SA would accelerate the process of political and constitutional reform. Many of these people meant well.

## Reducing exposure

"But they are wrong," Dr de Kock said. "Anyone who understands the power relationships and other political realities in South Africa must know that, far from accelerating the reform process, disinvestment and sanctions are bound to retard it. The sanctions campaign will undoubtedly prove to be counter-productive."

South Africa would survive sanctions, he said. Indeed, it had been doing so for some time.

"The restraints placed in recent weeks by the EEC and the US Congress on new bank loans to, and new investments in, South Africa, do little more than change a de facto into a de jure situation," Dr de Kock said.

Foreign banks had for some time reducing exposure in South Africa, and foreign investment in South Africa had for some time now been negative. So it was not as if a significant net inflow of foreign capital was now suddenly to be shut off.

Strong pleas at the recent an-

nual meeting of the IMF and the World Bank group in Washington to develop sub-Saharan Africa pointed to a dilemma, the sub-Saharan region simply could not be developed without SA's full and active participation.

"For confirmation of this, one need only look at the trade and financial flows in the region and at a map indicating the location of the mineral resources, the harbours, the airways, the power, the railways, the power stations and the financial and other markets," Dr de Kock said.

"It follows that sub-Saharan economic development cannot be reconciled with sanctions and financial constraints that undermine the economy of South Africa."

"The answer lies in increased economic co-operation and growth in South and Southern Africa, with adequate scope for participation by foreign and domestic private enterprise."

Nothing would serve the cause of black social and political advancement more than rapid economic growth in South Africa.

And nothing would do more to promote economic prosperity in the other countries of sub-Saharan Africa than economic expansion in South Africa itself, with much of the locomotive power coming from private enterprise operating in a market-oriented environment.

"That this is not realised by some of the main players on the stage is a tragedy," Dr de Kock said. "It is clearly going to take time for these truths to sink in. We are in for a long haul."

But in the end there was so much to be gained by so many from economic co-operation and growth in sub-Saharan

Africa that there was a good chance of an economic development "success story" in this region.

"Men and women of goodwill should make this their new cause, to replace the present cause of sanctions and disinvestment. The last vestiges of apartheid will not survive a period of rapid economic growth and prosperity in South Africa — but they might well survive a period of slow growth and relative economic stagnation."

# SA is back on growth path, says Standard

Finance Staff

Economic growth is set to increase substantially, following the rise in GDP in the second quarter of 1986 and the renewed boom in the gold price, according to Standard Bank's latest review.

The Reserve Bank's seasonally adjusted, annualised growth rates for the first two quarters of the year were -2,7 and 1,5 percent respectively and, judging from early indications, Standard Bank expects this growth to be maintained for the remaining quarters.

This growth rate has been given substantial impetus by the recent rise in the gold price.

"In principle a rise in the gold price will benefit the South African economy through enhancing incomes and wealth, and through stimulating capital expenditure in the gold mining industry, which has a multiplier effect, benefiting other sectors," Standard writes.

"If the high gold price can be sustained, mining operations will turn out more profitably than expected, dividends will increase, and workers will have a strong case for higher wage increases."

On an average gold price of \$400 for the year, Standard Bank predicts a GDP growth rate of 3 percent, while an average price of \$450 should push up this growth rate to 3,5 percent.

"This higher income, together with the wealth effect of higher share prices, over a year or two will stimulate higher personal consumption. In fact preliminary indications are that the benefits of the higher gold price will be greater in 1988 than in 1987."

The gold price will also affect the movements of interest rates in the next 15 months, says the review.

"The present relatively liquid situation should lead to a further easing in interest rates, with the prime discount rate reaching 12,5 percent early in 1987."

"Credit demand should begin to strengthen early next year, but it will be mid-year before the slack in the financial sector is taken up. In the \$400 gold price scenario, there will be a modest rise in rates by the end of the year (with prime reaching 14 percent), while a rise to \$450 will see rates moving sideways at 12,5 percent all year."



# Australians in a quandary over fish ban

The Star's Foreign Service reports from Sydney

The Australian Government has been warned of major repercussions if it proceeds with its intended ban on frozen fish imports from South Africa, valued at almost R40 million a year.

"Australia imports over half of its fish needs and without the South African product alternative supplies will be hard to find," said Mr Eric Cowan, president of the Quick Frozen Seafood Importers' Association, which represents the Australian frozen fish business interests.

"Because the South African fish industry is so sophisticated, we have to pay only low delivery charges. Australia will have to pay about

100 percent more for its frozen fish products if forced to import from other countries."

Mr Cowan said the Australian commercial fishing industry was not geared to bridge the widening gap between imports and the domestic production of white fish.

"South Africa is an important source of fish products and provides 21 percent of all seafoods imported into Australia. This tonnage cannot be replaced by local products in several areas, notably fish fillets and smoked fish."

He added that imports from alternative sources in the past had failed to meet the standards demanded by Australian markets.

The falling value of the rand is another big reason why Australian

fish importers want trade with South Africa retained.

World fish prices, particularly in Europe, have firmed dramatically and this, coupled to the weak Australian dollar, has been a serious blow to the industry.

"Without South Africa, we will be paying double the price for inferior products," Mr Cowan said.

"These cost increases would be passed on to the wholesalers, food outlets and eventually consumers."

A serious consequence for the fishing industry in both countries would be unemployment.

"Higher prices will slow sales and Australian manufacturing plants, which rely on South African fish raw materials for further processing, will be forced to sack staff. So,

too, will our marketing and selling organisations.

"But the major impact will be on Australian small businesses, such as fish and chips shops. Many will have to close."

The Quick Frozen Seafood Importers' Association has told the Australian Government that South Africa's fishing industry is dominated by the coloured community and many of these people could be left without work if Australian imports were stopped.

"In the last financial year we imported 13 500 tons of South African frozen fish products. This was about one-fifth of the total turnover of the South African deep-sea trawling industry for those 12 months," Mr Cowan said.



icks up the pieces after billion rand sanctions hangover

# PASS THE REGMAKERS!

Oh, incidentally, you must know that we and the Russians have a lovely cartel fixing the price and marketing of diamonds. Not the Government here, but South Africans, private citizens. Can you think of any reason why, if we are really pushed, we can't do the same with chromium, manganese and platinum?

Read the Pakendorf letter to Reagan on Page 22

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ederbond is involved in an amazing up- town where a councillor claims he has

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Mr du Preez, a elberg mayor, atten- meeting and de-

By NEIL HOOPER

mander a council probe into various controversial issues

At another council meeting on Wednesday, the nine-member council rejected "with contempt", by five votes to four, charges brought by four councillors against the town clerk, and a request that other matters be probed

Mr du Preez told the Sunday Times that on Friday last week, two doctors, who he insists are fellow members of the Broederbond, came to his home and told him they were "arresting" him after finding that he was certifiable in terms of the Mental Health Act

Mr du Preez has run the provincial hospital in Heidelberg for 14 years

## Divided

His "arrest" by the two doctors followed an attempt by Mr du Preez to persuade the council to investigate the dismissal of former town secretary Mr Fanie Swanepoel, as well as certain activities of the town clerk, Mr G Scholtz

Mr Swanepoel was suspended as town secretary on April 23, and last month was asked to resign after councillors levelled 20 charges against him. Mr Swanepoel refused to resign and is taking the council to the Industrial Court

The Heidelberg council is split over the Swanepoel dismissal, with three councillors backing Mr du Preez, and four supporting the chairman, Mr P J Fourie

Last year, all nine supported Mr Swanepoel when he applied for the vacant post of town clerk, which is senior to that of town secretary

## Weskoppies

Mr Swanepoel was not appointed by the provincial selection committee and, in an address to the town council, said he believed

## Confident

But, on the upside, the net loss compared with overall exports remains relatively small and South African producers are confident of being able to diversify and find new markets to take up at least some of the slack.

South African Airways, meanwhile, has taken steps to re-route its US-bound passengers - nearly 100 000 last year - through other capitals in the wake of the congressional decision which will cut landing rights.

And, both South African and American quarters point to the bite the sanctions Bill places on the African National Congress to renounce violence in pursuit of its ends.

A spokesman for the American Foreign Relations Committee, Mr Claude Allan, yesterday confirmed that the Bill called on both the South African Government and the

## THE SMUG, THE STARVING AND THE GREEDY: P 7

ANC to renounce violence and commit themselves to democracy.

The Comprehensive Anti Apartheid Bill offers about R120-million in aid to those "disadvantaged" by apartheid, but commits them to rejecting violence - particularly "necklacing" - in pursuit of their aims.

It also offers a graduated relaxation of the measures, depending on how quickly the South African Government moves to soften its policies.

It is the positive aspects of the Bill which have meanwhile led Mr Botha to renew his call for nationalist elements within the ANC to come forward to negotiate.

The controversial Senate decision on Thursday - President Reagan's only congressional defeat on a foreign policy issue - has meanwhile unravelled into an angry tit-for-tat between congressional and South African sources.

At the centre of the row

To Page 2

SOUTH African business is reaching for the economic regmaker in the wake of the billion-rand hangover dealt by a rampant United States Congress this week.

The crushing defeat of President Reagan's veto has opened the way to cutting R920-million in South African exports to the United States

First analyses indicate this could affect 45 000 jobs and, if a snowball momentum develops, could put an extra million people onto the charity rolls

But, said Foreign Minister P. W. Botha yesterday, the key to South Africa's survival will be diversification. And already scores of offers to buy South African goods or sell to South Africa have rolled into Government offices

"You would be surprised at the sources," he said

The Senate debate, meanwhile, is now shrouded in controversy as bitterly angry South African sources claim the intervention by Foreign Minister P. W. Botha in the debate - slammed in the US Senate - was at the request of a senior senator

Stockbrokers this week estimated export losses as a result of the ban at R920 million if the sanctions are kept tight. Among the high risk areas - uranium, food (especially sugar), steel and iron products and bituminous coal

Reports are already emanating from South Africa's traditional trading competitors that they are making hay while the sanctions sun shines - the Australian stock exchange's all resources index raved up 24.1 points and the gold index climbed a record 83.2 points

## Confident

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## TODAY

A NEW TV page, with a sparkling review of what's been, advice on what's to come, and your own Tellyviews Page 21

WITH LOVE from LifeStyle - humour, food and the let's with a human touch Page 24

VOCAL prize crossword - now on Page 25 of Business Times

AND your favourite Holiday Guide Page 24 and 25

"When -- should mak. \* But I do afterwards :



\* A hand one L the hands of lady's occasions one sh. hands as the flav.



# Sanctions: It's the morning after

From Page 1

are Mr Pik Botha's last-minute telephone calls to various senators urging them to oppose the override and warning of the implications of sanctions for the Southern African region.

The view from Washington is that President Reagan's slim chances of stopping the sanctions juggernaut were dealt a death blow by Mr Botha's efforts.

Even Treasury Secretary and former White House Chief of Staff Mr James Baker III asserted that Mr Botha's phone calls to two senators, threatening to stop South African imports of US

grain, helped create a Senate backlash against White House efforts at persuading undecided Republicans.

Both of the senators called off the floor to take Mr Botha's call — Senator Edward Zorinsky and Senator Chuck Grassley — voted to override the veto, and a third — Senator Mark Andrews of North Dakota — said it was the call that persuaded him to go for an override.

He had been leaning towards sustaining Mr Reagan's veto, he said, until he heard about what he called Mr Botha's "cheap trick".

But most observers said they couldn't say just how far Mr Botha's intervention

looked like a lost cause.

But indignant South African sources claim Mr Botha's calls were at the invitation of a senior senator who provided the names of "waverers".

The South African version is that the anti-sanctions lobby was only a handful of votes short of the number needed to support the President.

Mr Botha's calls, they claim, persuaded two of them to support the President.

The sanctions decision has meanwhile sparked other responses.

In New York, Zimbabwean

Prime Minister Robert Mugabe warned that if South Africa took counter-sanctions against his country, he would cut pensions worth R252-million to former Rhodesian nationals — and would nationalise their interests.

British and West German spokesmen, however, have indicated their governments will not alter their opposition to sanctions moves in the wake of the congressional victory.

● US ambassador Herman Nickel left Johannesburg yesterday, warning that the sanctions decision was a setback, but did not mean the end of constructive engagement.

# Black states may apply sanctions soon

STAR 280  
9/10/86

The Star's Africa News Service

HARARE — November is the month when Zimbabwe and Zambia could apply sanctions against South Africa.

Prime Minister Mr Robert Mugabe, speaking on his return from New York and London, said the Commonwealth Secretary-General "has mooted November as the possible time that will provide a starting point for all of us".

Mr Mugabe said sanctions by Zambia and Zimbabwe would only add to the effect of the overall programme "alone they would be meaningless".

He said a Zimbabwe-Zambia sanctions package would operate within the Commonwealth package.

Commenting on relations with the United States which crashed over Zimbabwe's critical stance towards Washington, Mr Mugabe said Zimbabwe had done no wrong.

He said the United States' policies in Southern Africa had been dishonest and offensive to the people of the region.

He cited examples US support for the Unita rebels in Angola, and the MNR in Mozambique.



# Bonn resists bid to match US measures

The Star's Foreign News Service

MUNICH — West Germany is resisting domestic pressure to match its sanctions against South Africa with the tougher US measures.

West Germany's Economics Minister, Mr Martin Bangemann, yesterday rejected an opposition demand to consider raising German sanctions to the level approved by the US Congress.

## Union puts off disinvestment

LONDON — A British trade union has voted against immediately selling its shares in at least six companies with South African connections, flouting the disinvestment policies of the Labour Party and the Trades Union Congress.

Stockbrokers told delegates at a conference of the train drivers' union, Aslef, that large-scale, immediate disposal of the shares would seriously undermine the union's finances.

Delegates decided they should be sold over a period, and when better prices could be gained.

Reports published in London pointed out that the Labour Party and the TUC have consistently criticised the Prime Minister, Mrs Margaret Thatcher, for being more concerned about money than sanctions against South Africa. — Sapa.

West Germany agreed reluctantly last month to limited European Community sanctions after leading the successful battle against a coal ban.

Mr Bangemann told the Munich Press Club that he opposed any form of economic sanctions. Even if sanctions against South Africa worked, he said, they would only complicate, and further unsettle the situation.

He said he would strongly oppose an attempt by the opposition Social Democrats to put the American sanctions to a vote in the West German parliament.

The Social Democrats plan to table a translated text of the US resolution on sanctions and ask the parliament to back it.

In Bonn, West German president Mr Richard von Weizsaecker has called for a speedy end to apartheid. Speaking at a luncheon for the visiting president of Benin, Mr Mathieu Kerekou, Mr von Weizsaecker said the way must be prepared for a peaceful solution of the conflict.

# SA ban could affect more than 1-million Mozambicans

By Mike Siluma and Sheryl Raine

At least 576 000 men, women and children will be affected by South Africa's decision not to employ Mozambican workers in future.

And if the number of people dependent on illegal Mozambicans working in South Africa is taken into account, the number affected by South Africa's new employment policy could be well over a million.

Mr J Fourie, chief director of labour relations in the Department of Manpower, said there were up to 30 000 Mozambicans employed legally in the South African agricultural sector, more than 51 000 employed on mines belonging to the Chamber of Mines and up to 15 000 on independent mines.

The number of illegal Mozambican immigrants working in South Africa was estimated at 170 000.

The generally accepted number of dependants for each worker is five. At least 576 000 people are dependent on legal incomes from South Africa and over a million on illegal incomes.

Mr Fourie said the Employment Bureau of Africa (Teba), the recruitment wing of the Chamber of Mines, was with immediate effect no longer allowed to recruit Mozambicans.

Reacting to the new policy the National Union of Mineworkers said today it would convene an urgent national executive committee meeting this

weekend to discuss the government's action.

A clash between the National Union of Mineworkers (NUM) and the government could be in the offing.

The NUM has previously warned the Government against repatriating workers from neighbouring states and threatened industrial action.

● The Star's Africa News Service reports that the official Radio Mozambique said last night that Mozambique would be able to overcome South African "blackmail".

In a commentary monitored in Johannesburg, the radio said that South Africa's decision to send home Mozambicans was the culmination "of a series of sanctions that the Pretoria regime has imposed on Mozambique".

Radio Mozambique said South African sanctions were first imposed after Mozambique's independence when the number of Mozambican miners working in South Africa was reduced from 150 000 to 40 000.

"In 1977 Pretoria unilaterally decided to suspend the practice of paying in gold to the Mozambican Government part of the miners' salaries," the radio said.

It accused South Africa of continuing to support the rebels of the Mozambique National Resistance.

● See Page 15.



# Mozambican ban 'a bid to stabilise security'

The move to ban the recruitment of Mozambican workers and repatriate those in South Africa when their permits expired was a preventive measure to stabilise the security situation and prevent infiltration from Mozambique, Minister of Manpower Mr Pietie du Plessis said last night.

Speaking on SABC TV news, he said no country could allow its security to be undermined by another country which was benefiting from the job opportunities it offered.

"You cannot milk your cow with one hand while cutting its artery with the other," he said.

South Africa would no longer put up with the ANC and South African Communist Party using Mozambique as a base for operations.

The move to restrict the flow of workers from Mozambique was in the interests of security inside the borders of South Africa.

The Government's announcement that it would allow no new recruitment of labour from Mozambique and that Mozambicans in South Africa

would be required to leave at the end of their contracts was announced by the Bureau for Information.

A joint news release was issued by the Minister of Foreign Affairs, Mr Pik Botha; the Minister of Manpower, Mr Pietie du Plessis; the Minister of Mineral and Energy Affairs, Mr Danie Steyn; and the Minister of Home Affairs, Mr Stoffel Botha. It said:

"The Minister of Foreign Affairs, the Minister of Manpower, the Minister of Mineral and Energy Affairs and the Minister of Home Affairs hereby announce that a note has today been sent to the Government of Mozambique intimating that the South African Government has decided that no further recruitment of workers from Mozambique will be allowed as from today as a result of the activities of the ANC and the SACP who are responsible for the continuing deteriorating security situation on the common border with the RSA, and who according to information in possession of the RSA Government, as confirmed by recent incidents, is still operating from Mozambique.

"Employers are thus requested to cease with immediate effect to recruit and employ any further Mozambican workers and to actively endeavour to employ South African workers.

"Workers whose work permits are still valid, will be allowed to complete their period of service, after which they will have to return to Mozambique and will not be allowed to re-enter South Africa.

"Organised mining and agriculture have already been informed of the decision."

## Move will not be taken lying down — NUM

A 70 to 80-year relationship with the people of Mozambique was being disrupted by the South African Government, the Chamber of Mines and the Progressive Federal Party stressed last night.

And the National Union of Mineworkers (NUM) declared that the move to restrict Mozambique labour "would not be taken lying down".

Although it could not evaluate the security reasons for the decision the Chamber said it hoped negotiations between South Africa and Mozambique would lead to an early return of normal relationships.

"South Africa should be trying to build up good economic relationships with neighbouring countries, rather than politicising Pretoria's problems," commented Mr Brian Goodall, the mineral and energy spokesman of the PFP.

"The solution to the South African question and peace in the sub-continent is not the termination of services of workers from Mozambique," agreed Mr Cyril Ramaphosa, NUM general secretary.

Mr Ramaphosa described the Government's decision as an "outrageous and unwarranted retaliatory action which the miners would not take lying down". He would not say what steps the union would take.

"The Government continues its policy of destabilisation and aggression against neighbouring states," he said. "Mozambique and other countries in the area are part of a regional economy and have contributed to the wealth of South Africa."

The Government had over-reacted and the move could have far-reaching consequences, said Mr Brian Goodall, the Progressive Federal Party's spokesman on mineral and energy affairs.

"South Africa should try to build a greater community of interests with other countries in the region. The Government should be looking at steps to strengthen the regional economy instead of banning foreign workers from the country.

"Besides, I think the Government is punishing the wrong people. All the workers currently employed in South Africa are being condemned by the actions of a minority," he said.

The Chamber of Mines said it hoped the long-standing relationship between the South African mining industry and the people of Mozambique would be restored as soon as possible.

The Chamber regretted the Government's move but welcomed the fact that the inevitable disruption to its operation would, to an extent, be cushioned by the decision that workers currently employed would be permitted to complete their contracts.

The number of Mozambicans employed on gold and coal mines, which are members of the Chamber, amounted to 51 698 in 1985.



# Two faces of sanctions

9/10/86

IT is no wonder that Pik Botha has been put in charge of the SABC and the rest of the NP's propaganda machinery run at the taxpayer's expense. He is a master of terminological disguise, a weaver of semantic illusion second to none. By comparison, his deputy, Louis Nel, is but a bungling apprentice. Let's take a look at Pik's performance during and after the US Senate's vote on sanctions.

Remember his telephone calls to Senators from the US farm belt? His threat to cut off South African grain sales? His further threat that South Africa would block grain shipments to Zimbabwe, and other neighbouring states? His cute explanation on TV that he was merely doing all this in response to "pressure" from indignant South African farmers? Now let's take a look at some revealing facts.

Far from being able to block grain shipments to Zimbabwe and neighbouring states, South Africa actually is importing maize, its staple grain crop, from Zimbabwe — 200 000 tons of it. So overflowing is the maize surplus in Zimbabwe and Zambia that both countries have ordered farmers to diversify.

And those vengeful South African farmers whom Pik says have urged the Government to buy wheat elsewhere, in response to the Senate vote, must be a rare breed of ignoramuses. The Wheat Board's general manager, Mr Dennis van Aarde, announced only this week that next year's wheat crop would be adequate for domestic consumption, that there would be no need for imports at all.

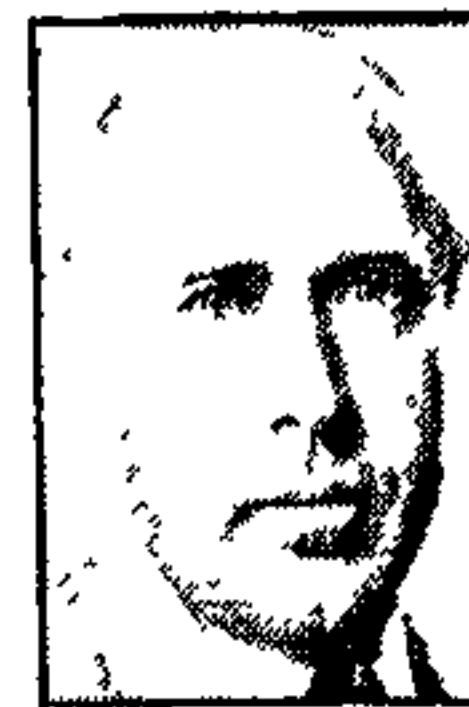
In any event, from whom would Mr Botha propose South Africa buy grain other than the US? Australia? Canada, which announced a complete embargo on wheat sales to South Africa this week? Argentina, which is heavily committed to long-term contracts with the Soviet Union?

With his experience as ambassador to the US, Pik Botha must have known when he made his calls that no breed of man is better informed about world-wide grain production, shortages, surpluses, bottlenecks, you name it, than senators from the US grain belt.

**W**HY, then, all the nonsense? A likely explanation is that the sanctions issue is developing two faces — the hard face of reality, which NP politicians know to be the real face, and the dollied up face of illusion, which NP politicians want the public here, and abroad, to see. I suspect Mr Botha's calls to Washington had more to do with the latter than the former.

The illusory face is being promoted with great energy by the NP's broadcasting monopoly, its essential message being that South Africa (a) is largely immune from sanctions, (b) has devastating counter-measures at its command, (c) has rare mineral resources without which the West would crumple in helpless submission at the feet of the Soviet empire, and (d) can evade sanctions easily.

It is amazing how many usually well-informed and rational people are taken in by it all. Perhaps it is because, like all good propaganda, the illusory face of sanctions bears a vague resemblance to the real face. South Africa, indeed, is not



ISSUES

By Hugh Robertson

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counter-measures at our disposal, the West does need some of our minerals.

But where does the one face end and the other begin? Here are some interesting figures from the US Department of Customs and the US Department of Mines (circa July, 1986) on strategic minerals.

The US gets 67 percent of its platinum group metals from South Africa, but we are responsible for only 43,2 percent of total world production. We provide 33 percent of US manganese, but produce only 14,1 percent of the world's supply. About a quarter of US uranium comes from South Africa, but we have only 14 percent of the world's known reserves and produce only 14,8 percent of the world's total supply. The message: Other sources of strategic minerals are available, though they may be more expensive.

Equally revealing are the International Monetary Fund's 1985 figures for trade between South Africa and the most powerful countries now applying sanctions — the US, the European Community, Japan, Australia and Canada. Our non-gold exports to these countries totalled \$10,156-billion; our imports from them \$6,758-billion. Who would be hit hardest by a full-scale sanctions war is easy to see.

**S**OME commentators point to the other members of the "polecat alliance" as our saviours in the face of sanctions. Forget it! The IMF's 1985 figures show that the six countries most likely to ignore sanctions — Taiwan, Hong Kong, Israel, Singapore, Sri Lanka and Chile — between them bought only \$674-million in non-gold goods from us — peanuts.

If they acted as third-party conduits for our goods on any significant scale, their activities would quickly become conspicuous and they would risk confronting the international anti-apartheid machine themselves. Some of them now sell up to 19 times more goods by value to the US alone than they do to us, making them most vulnerable to pressure.

Why the elaborate attempts to conceal from the public here and abroad the true import of what is happening? The most obvious reason is that South African whites are the source of all power now held by the NP, and if the white community really was wise to what was happening, that power would be threatened.

Conversely, a restive black community would be encouraged (which, indeed, was the declared purpose of those who have imposed the first round of sanctions) and that, too, would jeopardise the NP.

And when a Government is caught up in an international confrontation it has to conduct its propaganda on an international scale. It has to get grain farmers in the US grain belt, for instance, all steamed up about their senators in Washington (thus making it tougher on the senators who, though they know the real facts, have a devil of a job trying to persuade their voters that there is no fire; that the



9/10/88  
Coal plant (280)  
will go ahead

HAMISH McINDOE

THE Austrian government's proposed economic sanctions against SA will not adversely affect Iscor's R110m contract with Voest Alpine to build the world's first coal reduction plant at the steelmaker's Pretoria works.

This was confirmed yesterday by the Austrian Embassy in Pretoria and an Iscor spokesman.

Austria announced this week it would implement limited economic sanctions against SA in line with European Community (EC) measures.

The action is a show of solidarity by the government with the EC sanctions package, a spokesman for the Austrian Embassy said yesterday.

The ban covers imports of steel, iron, gold coins and prohibits new investment.

The gold coin ban appears to be meaningless since the sale of Kruger rands was informally banned by the Österreichische Nationalbank last September.

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# Steel agrees with chief on aid for blacks

ULUNDI—The British Liberal Party leader, Mr David Steel, said here yesterday his support for punitive measures against Pretoria had not been weakened after talks with the Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi.

Mr Steel, on a four-day fact-finding tour of South Africa, said both he and Chief Buthelezi had reached a better understanding of their conflicting views on sanctions.

Both men said they agreed that sanctions had to be accompanied by humanitarian aid to blacks.

'I think the chief's point about those governments pursuing a sanctions policy having a responsibility to follow that up more positively with assistance for projects within the African areas is very important and I think we are not doing enough on that point,' Mr Steel told reporters.

Mr Steel described his 75 minute talks with Chief Buthelezi as 'very enjoyable and constructive'.

The two politicians said their talks also centred on divisions within black opposition to apartheid.

Chief Buthelezi said Mr

Steel emphasised the need for his Inkatha organisation to get together with the African National Congress.

Mr Steel said he would take the same message to ANC leaders when he visits Lusaka at the weekend.

Inkatha and the ANC differ markedly in their strategies, and relations between them have often degenerated into slanging matches.

'To me, it is one of the despairing aspects of politics in South Africa that you have these people all dedicated to seeking liberation ... but not in dialogue and concert with each other,' Mr Steel said.

'If an outsider like me can help to ease that situation, I hope we will have done some good,' he said.

Chief Buthelezi said he opposed sanctions against South Africa because they would hurt black people, but he appreciated the fact that Western countries had a right to show their hatred of apartheid.

'They have to convince black South Africans now that they are not doing it to punish us but to punish the Government,' Chief Buthelezi said. — (Sapa-Reuter)



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HUNDREDS of thousands of labourers on maize farms in the western Transvaal were displaced by massive technological changes during the Seventies.

Though some would have been lucky enough to find work in other sectors, many of the displaced workers — both seasonal and permanent — are today jobless and starving in homelands such as Bophuthatswana or KwaNdebele.

Possibly 10 times more workers lost their jobs than are threatened by the current sanctions measures. Yet not only was there no outrage, it was simply never an issue.

Last week's US senate vote to override President Ronald Reagan's veto of congress' sanctions package has unlocked a fresh wave of hypocrisy by South Africa's white rulers.

For years Pretoria has continued to decry sanctions because of its effects on black unemployment, while unemployment has continued to rise for reasons which have nothing to do with sanctions — such as the government's own tight financial policies.

The fact that so little foreign investment — so badly needed to maintain an adequate growth rate — came into South Africa after 1976 had more to do with apartheid and the township rebellion, Security Force action and instability which it inspired than last week's sanctions vote. However, following the senate vote,

# This sudden concern for the plight of the poor

South Africans are enraged at the callousness of US legislators, who have condemned thousands of blacks to starvation. They forget that the starvation pre-dates last week's vote by some decades. And they forget that Pretoria still possesses the veto: All the government need do is show some willingness to change

**Comment by PHILLIP VAN NIEKERK**

the government and some of the white press have taken not simply to warring of black unemployment, but to blaming it on sanctions.

In the middle of all the bitter and indignant white reaction to last week's US senate override of Reagan's veto, the Sunday Tribune pointed out a crucial but neglected aspect of the sanctions package: if the South African government had wanted to veto it, they could have.

They still can. All they have to do is release Nelson Mandela and other political prisoners; lift the State of Emergency; legalise all political organisations; scrap apartheid legislation such as the Group Areas Act; and start negotiations with representative black leaders.

Likewise, the government could have prevented the international sanctions avalanche which began in mid-May when they were presented with peace proposals by the Commonwealth Eminent Persons' Group.

In return for the African National Congress agreeing to the suspension of violence, Pretoria would release political prisoners and urban political organisations. Then, real negotiations would begin.

Instead, they pointedly chose to attack the capitals of three Commonwealth countries — Zambia, Zimbabwe and Botswana — while the EPG were in Cape Town, and shortly thereafter to declare a State of Emergency.

That sealed the vote as far as



President Reagan: Not the only veto Commonwealth sanctions were concerned.

Again, when British Foreign Minister Sir Geoffrey Howe came begging for some scraps to ward off European Community sanctions, President PW Botha sent him scurrying home, humiliated.

It was a short-lived triumph, as South Africans were able to see on their TV screens last Thursday night when the SABC decided to screen the closing minutes of the senate debate live.

Here was one of this country's best friends — the USA — voting to have

as little to do with us as possible. Judging by The Citizen's letters column, the sight of Senator Edward Kennedy talking of the "bullies and thugs" of Pretoria in particular drove many rightwingers into paroxysms of anger.

Though the sanctions steamroller offers cheer to the besieged townships, there is a reality to the effects that it will have on the economy and black jobs that should not be obscured by Pretoria's crocodile tears.

In the long term, the effects on black jobs will be harsh. A country does not suffer an annual billion-rand loss in exports, such as the US congress measures alone could entail, easily.

Attempts to bust sanctions are likely to be successful but costly. South Africa will have to deal through middlemen, will have to buy everything at a premium and sell everything at a discount.

The government has been able to beat the oil embargo successfully for decades but it has cost the country billions of rands to buy oil well above world market prices.

Like the Rhodesian economy when sanctions were imposed, South Africa could be poised for an economic upturn in the next few years.

However, the long-term effects of sanctions could ensure that the longer the struggle for South Africa continues, the more of an economic wasteland will be inherited in a post-apartheid society.



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# UCT student groups speak out on the academic boycott

By TONY WEAVER

AS controversy mounts over the issue of an academic boycott of South Africa, UCT student organizations opposed to and in favour of Dr Conor Cruise O'Brien's visit yesterday outlined their positions.

The University of Cape Town branch of the Azanian Students' Organization (Azaso), who have been in the forefront of opposition to his presence, accused UCT of "deliberately betraying and defeating our struggle by welcoming Dr O'Brien on this campus".

His presence was "provocative" and "the academic boycott is no joke. It is part and parcel of our struggle to isolate and defeat white minority rule.

"We know some people will try to hide behind phrases like 'aca-

ademic freedom', but the truth is that to talk of academic freedom in our country is mere hypocrisy."

Azaso said Dr O'Brien had "nothing to offer our struggling masses" and "he has said enough to insult our struggle".

He had revealed his "true colours" by slating alternative education programmes and calling them "revolutionary propaganda".

The ad hoc Academic Boycott Committee said "foreign academics are often used to legitimize and bolster apartheid, both locally and internationally".

"We are yet to be shown how the presence of visiting academics contributes to the struggle of the oppressed majority."

The sacrifice which would be made by "privileged" UCT stu-

dents and staff in supporting an academic boycott "is minute in comparison to the suffering of millions of South Africans under Bantu education, racism, economic exploitation and the denial of political rights".

But the two class representatives of the second- and third-year political studies classes disrupted yesterday slated the storming of the lecture and thanked Dr O'Brien for "his brave stand in favour of intellectual freedom".

Miss Geraldine Emslie and Mr Jeremy Campbell said in a joint statement that "it was a demonstration of the curtailment of freedom that they purport to oppose. It is sad that university students cannot find suitable expression outside of violence".

# Clamp on List of Durban shipping

Mercury Reporter

IN AN apparent move to counter sanctions, Durban port authorities, acting on a request from the Government, yesterday refused to release the daily list of ships in the harbour.

A South African Transport Services spokesman in Johannesburg said the decision to withhold the list was taken following a 'request' from the Minister of Trade and Industry, Dr Dawie de Villiers, and 'in the interests of our clients'.

Dr de Villiers could not be reached for comment last night, and it could not be established what official restrictions on shipping information would now be in force.

## Directive

However, the Deputy Trade and Industry Minister, Mr Kent Durr, told the Mercury a general request had been passed on to various State departments at the request of the private sector.

'We made known to them the problems some firms were facing and asked that appropriate steps be taken to protect the interests of particular people.'

The question whether the move to withhold the list was in response to the general request issued by the ministry, or to a specific directive, was one Dr de Villiers would have to answer.

Lists of shipping movements at other South African ports were released as normal yesterday.



By Robin Drew, of The Star's  
Africa News Service,  
reporting from Harare

## Maize mountain a real nettle for Zimbabwe

Millions of people in Africa face death from starvation but farmers in Zimbabwe are growing too much maize.

So much in fact that they have been told to cut production in half because the country cannot afford to store any more.

It already has two million tons in stock, more than enough to feed its own people for two years.

The shadow of the maize mountain has been growing for some time.

But it was only last week, when pre-planting preparations for the summer crop were virtually complete, that the Government announced price disincentives to keep production down.

The commercial grain producers said they were shocked at the severity of the measures aimed at forcing farmers to grow only half as much as they did last year.

### UNDERMINING CONFIDENCE

A "fire brigade" exercise was how the chairman of the Commercial Grain Producers' Association, Mr Dick Bylo, termed it, warning that the implications were so severe that the structure of the grain industry could be affected and farmers' confidence undermined.

In a more restrained reaction, the leaders of the various farmers' unions said the steps would present serious viability problems for some farmers and underlined the need for a programme of production and pricing policies in line with the five-year national development plan.

Mr Bylo called for a dynamic and positive approach to marketing to reduce the stockpile and said his organisation had long warned of the need for action.

The commercial producers, mainly

white farmers, have been cutting back on maize production for the past six years. Their area under the crop has gone down from 280 000 ha to 170 000 ha today.

But the small-scale farmers, mainly black, and the peasant farmers in the communal lands have increased their output sixfold since independence, thanks to credit lines and technical aid which they were not getting in anything like the same measure under a white government.

Small producers, under 20 tons, will not in fact be penalised this coming season under the new pricing policy.

The irony is that while Zimbabwe has proved its ability to feed itself and produce a surplus while many other African countries have failed miserably, the complexities of marketing and delays in decision-making have burdened the country with a R32 million debt in interest charges alone to keep the grain stock secure and in good condition.

Just across the border in Mozambique, four million people, according to recent reports, are facing starvation.

Zimbabwe's Minister of Agriculture, Mr Moven Mahachi, said the trouble was that neighbouring countries often did not have the money to pay Zimbabwe. And Zimbabwe was not going to give it away.

Exports so far this year include 250 000 tons to South Africa "at a very good price" and some sales to Mozambique, Zaire, Swaziland, Lesotho and Botswana.

nm 2/10/86

# Usual service at U S consulate

Political Reporter

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THE United States Consulate-General in Durban will continue to offer its usual services to South African and U S citizens, the Consul-General, Mr Martin Cheshes, said yesterday.

Mr Cheshes said many people had telephoned the consulate believing the U S sanctions package would

curtail its services.

He said this misunderstanding probably arose because of a proposal in the Senate draft sanctions Bill to restrict visas for certain categories of people.

Mr Cheshes said this proposal was dropped from the draft Bill in August and the Bill passed last week contained no restrictions on consular activity.



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# Sanctions are penance for silence — Player

By CHRIS ERASMUS

SANCTIONS are probably not the way to force change on South Africa — but maybe South Africans deserve some punishment to remind them that everyone has a right to a place in the sun, says golfing superstar Gary Player.

Player is in the Cape to design a new golf course at Worcester.

At the launch of a Community Chest charity drive at Parow Golf Club yesterday, he spoke earnestly about the need for South Africans to learn to communicate effectively with each other and with the outside world.

"We are a nation with many fine qualities, but we are not the best communicators in the world," he said.

"We have to get all our people together, sit down at a table and communicate, negotiate. We've got to talk — we've got to have policy which ensures that everyone has a place in the sun."

And to do that properly, people like Mr Nelson Mandela had to be released.

"To find the true answer to our problems we are going to have to meet everyone, otherwise it (the unrest) is going to go on, and how much longer do we want it to go on for?"

"How do I answer when I'm overseas and someone says they read about a black man working for a farmer for 30 years. The farmer died and yet his workers weren't allowed into the church to pray with the rest of the community.

"To me that's cruel and indefensible — I

don't even try and argue against criticism of that sort of thing."

Referring to reform, Player said South Africans had been making changes but the process had to continue.

"I feel we got to a certain stage and then seemed to stop, but once you are committed you've got to go for it — whether you lose votes or not."

He expressed concern that there should be greater fairness in the distribution of the country's wealth.

"If a black man, or a coloured man or an Indian or a Jew or an Afrikaner can beat me at golf he must get all the prize money. And the same must apply to anything in life."

## Interview

High on this globe-trotting sportman's schedule for the next few years will be to keep on golfing on the senior circuit, designing new golf courses around the world, breeding horses and working with youth projects.

"At the moment I'm doing a lot of golf course architecture in the US, Japan, South Africa and other countries — I love building golf courses because it leaves something behind for people to enjoy in years to come.

"Being a farmer with an affinity for the land, it's wonderful to create something, particularly out of bad ground like in Japan where one is asked to build golf courses on mountain tops."

Industrial Staff

SENIOR staff at Namibia's Rossing uranium mine have drawn a veil of secrecy over the possible effect anti-SA sanctions would have on the mine.

Responding to Press statements made by assistant GM George Deysel, a mine spokesman said yesterday: "In the circumstances, we would prefer not to comment on any trade sanctions which have been applied or may be applied against SA and Namibia."

"The situation in the international uranium market is difficult for producers, so the less known by our competitors about Rossing's markets the better."

Earlier reports quoted Deysel as saying implementation of US sanc-

**Rossing keeps mum on bans**

tions, which include a ban on uranium, could lead to closure of the mine.

The spokesman said possible consequences of effective global sanctions were hypothetical at this stage.

Rio Tinto Zinc has a 46,5% shareholding in Rossing, which has a total annual production capacity of 5 000 tons. The mine, regarded as the world's largest open-cast uranium mine, employs 2 500 people.

From 1981 to 1985, Rossing contributed 35%, by value, of all exports from the territory and 18% to Namibia's gross domestic product.



# Ailing hotels now bank on Christmas

GERALD REILLY

THE plunge in the earnings of the hotel industry continued during the second quarter of the year, with a net loss of R9,9m.

This compares with a R4m loss in the corresponding quarter last year, says Central Statistical Services.

The industry showed a net profit of R900 000 in the first quarter of this year.

However, Federated Hotel and Liquor Association of SA (Fedhasa) executive director Fred Thurmann expects a turnaround in the industry during the next three months, culminating in what could be a bumper Christmas season.

The economy has begun to pick up pace, there is greater confidence generally among businessmen, and the scenario looks good for bigger occupancy rates throughout the industry, he adds.

"The last three years have been rough but, hopefully, we're moving off the bottom now."

Unsold bed-nights for the first half of 1985 topped the 10-million mark. Hotel prices during the Christmas season should still be at bargain-basement levels, but the industry couldn't afford to hold prices forever, Thurmann adds.

Although occupancy rates are improving throughout the industry, acute competition and the consequent discounting of tariffs are reflected in shrinking income.

"When you get four and five-star hotels charging R29,50 for bed and breakfast in weekend packages, you know there is something wrong, and it must show up somewhere," he says.

Statistics show a decline in occupancy rates during July of 4,5% compared with July 1985. This compares with far bigger declines in the previous 12 months of up to 17%, Thurmann adds.

DD 8/10/85

# Vote to develop EL's beaches

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Dispatch Reporter

EAST LONDON — The city's beaches are to be developed to cope with large influxes but it could not be established categorically last night whether the city council had voted to open all beaches to all races.

The action committee met last night to consider the report of a firm of consultants which had been given the task of studying the infrastructure and its load capacity and what could be done about catering for an influx.

The chairman of the committee, Mr Neville Randall, revealed that a committee led by the mayor, Mrs Elsabe Kemp, is to travel to Cape Town to try to secure the estimated R5 million to develop the amenities along the coastline as proposed in the consultants' report.

The other members of the committee are the chairman of the environment and culture portfolio, Mr Patrick Kay, Mr Eric Whitaker and Mr Gwyn Bassingthwaite.

Mr Randall said the council had accepted the consultants' propo-

sals in principle and the racial factor did not come into it.

"We are merely looking at the facilities available from the point of view of how they can accommodate an influx. We have to try to eradicate the situation we had last year," he said.

Mr Randall was referring to the chaos at Eastern Beach on New Year's Day when 25 000 blacks flocked onto Eastern Beach.

Mr Randall would not be drawn on the beach apartheid question but said: "We are trying to cater for all people and we are appealing for goodwill and co-operation."



# Curbs will hit 'at least 30 000' steel jobs

By Sheryl Raine

At least 30 000 jobs are in jeopardy in the steel and related industries following decisions abroad to press ahead with sanctions and bans on imported South African steel, says a leading trade unionist.

Mr Ike van der Watt, president of the SA Boilermakers' Society, said the employers' body in the steel industry, the Steel, Engineering Industries Federation of SA (Seifsa) had estimated the impact of sanctions on jobs. Their figures indicated that about 49 000 jobs would be directly affected in the steel-producing sector, and a further 43 000 in industries which service the steel industry.

"Perhaps this figure of more than 90 000 is slightly exaggerated but I estimate at least 30 000 jobs will be in jeopardy in the next 18 months as a result of bans on South African steel exports," said Mr van der Watt.

## IMPACT ON MINERS

These figures follow estimates by the Chamber of Mines collieries committee. The committee found that bans on local coal imports could result in the loss of 30 000 jobs for blacks in the coal mines. Since each mineworker is estimated to provide for an average of five dependents, a further 150 000 people could be affected.

"Some companies have already made plans to beat the boycott of South African steel but the embargo on exports is going to affect us tremendously," said Mr van der Watt.

The SABS is one of the unions which has opposed sanctions. Mr van der Watt said the main objective of sanctions was to cripple the economy. "If this happens, then trade unions will also be crippled".

Mr van der Watt said he believed South Africans would at first be lulled into a false sense of security over the impact of sanctions.

"In the short term they may even be to South Africa's advantage and may create employment in industries which will work towards manufacturing locally what used to be imported. Ultimately, however, no country can operate in isolation".

JOHANNESBURG — Although many people overseas might concede economic sanctions against South Africa would not bring an end to apartheid, they were determined political action should be taken, the leader of the Progressive Federal Party, Mr Colin Eglin, said today.

Speaking to reporters at Jan Smuts Airport after a 10-day trip to attend two international congresses in Hamburg, he said he had noticed during a number of overseas trips in the last four months a "hardening of feeling" towards apartheid.

"Whatever the state of

# 'Foreign attitudes have hardened'

emergency might have achieved internally, it has certainly not helped South Africa's image outside.

"People are determined to take political action... economic sanctions is one such action even though many people don't believe this will change apartheid."

Mr Eglin said he had attended an economic conference of the Friedrich-Naumann Foundation, dealing mainly with international trade between developed and developing countries, and the annual congress of the Liberal Internationalism, which was a grouping of central political parties from many countries.

The PFP had observer status at the latter congress, where Mr Eglin delivered a paper and participated in debate on sanctions.

Mr Eglin said he had laid out his party's opposition to economic sanctions against South Africa and its view that solutions imposed from outside

would not solve internal problems.

He had explained that sanctions "are more likely to prolong the life of apartheid than reduce it, as it will lead to a hardening of white opinion and less emphasis on reform."

Speaking in Klostergut near Frankfurt today the general secretary of

Inkatha, Dr Oscar Dhlomo said stepped up sanctions were unlikely to change Pretoria's policies.

Addressing a businessmen's symposium on South Africa, he said domestic forces, rather than the well intended outside pressure, would bring about decisive change. — Sapa-Reuter



# Swiss banks reduce SA assets

ZURICH — Swiss banks significantly reduced their external assets in SA and in debt-saddled Latin American countries during 1985, the Swiss National Bank's annual report said yesterday.

Last year also marked a spectacular 18,1% increase in the net profit of banks and finance companies — excluding private banks — to Sf4,1bn.

The report said at the end of 1985,

assets in SA totalled Sf3,914bn, 14% below the 1984 level. At the same time liabilities vis-a-vis SA increased by 24,3% to Sf746m so that the banks' net creditor position declined by 20% to Sf3,168bn. The big banks set the pace cutting back their assets.

Assets in Latin America were reduced by 10,1% to an aggregate Sf13,778bn, with Brazil showing the sharpest decline, 15,9% to Sf3,545bn. — Sapa-AP.

## Maggie grateful for Tongaat honour over sanctions stand

Mercury Correspondent

BRITISH Prime Minister Margaret Thatcher has thanked the Tongaat Town Board for voting to confer the freedom of the town on her for the stand she has taken against sanctions.

The freedom of the town was conferred on her during August while she was bitterly opposing sanctions against South Africa.

Her reply was received this week by the Town Clerk Mr Victor Parkhouse.

Written by the Charge d'Affaires at the British Embassy in Pretoria, Miss T A H Solesbury, it reads: 'Thank you for your letter of 13 August to the Prime Minister offering her the freedom of Tongaat on behalf of the Tongaat Town Board. The Prime Minister has asked that we reply on her behalf.'

'The Prime Minister was grateful to be informed of the terms of the Town Board's resolution and to

be offered the freedom of the town of Tongaat. She much appreciated this gesture and would like her thanks to be conveyed to the members of the Town Board

'However, it is not normal practice for British Prime Ministers to accept such offers when in office and the Prime Minister feels that she should abide by that rule. She is confident that the members of the board will understand.'



## SAA waits for details of US ban

THE Department of Foreign Affairs expects Washington to give official notification by the end of the week on when and how its landing rights ban on SAA is to be enforced.

Department chief legal adviser John Viall told *Business Day* SA Embassy officials in Washington were investigating the feasibility of bringing legal action to protect SAA's right to land in the US.

A 1947 bilateral agreement between the two governments requires one year's notice from a party wishing to cancel it.

Viall said there was a possibility of the landing rights ban being frozen or delayed by court action.

He said: "The sanctions mandated by Congress stipulate that by October 12 President Ronald Reagan must direct the Secretary of Transportation to revoke SAA's landing rights in the US."

"The Act also directs Secretary of State George Shultz to terminate the bilateral agreement with Pretoria."

SAA, however, was assuming the landing rights ban would be implemented on October 12, an SAA spokesman confirmed.

SAA has already announced additional capacity would be made on flights to four European destinations to service a dog-leg flight to the US.

## Necklace condemne

THE necklace has been condemned as barbaric by the Azanian National Youth Unity (Azanyu), which claims a membership of 16 000 countrywide.

The necklace, which has become the Comrades' weapon to discipline alleged police informers and other "agents of the system", was attacked at an Azanyu Press conference in Johannesburg yesterday.

Four executive members of Azanyu, all former political prisoners and detainees, described the necklace as "counter-revolutionary barbarism which is threatening to degenerate freedom fighters into cannibals".

"We call on all progressive forces to condemn and fight this barbarism. Much as we hate police informers and other puppets of the system, we, however, see it as tarnishing our integrity as revolutionaries and presenting a cannibal-like image of ourselves to our friends and supporters abroad," said Carter Seleka, Azanyu's Finance Secretary.

Seleka has just been released from the Johannesburg Prison after 100 days of emergency detention.

SIPHO NGCOBO

Seleka said a resolution to the necklace was adopted at the nation's national congress in So the weekend.

It was Azanyu's first congress since its inception in February 1981.

The organisation was rendered utterly ineffective not long after its inception when the whole of its leadership was jailed in 1981 and 1982.

"We are now on the move," Pr. Molefe Modiga said.

At the congress the organisation attacked the Department of Education and Training (DET) as a direct cause of school boycotts because of its obstinacy in refusing to accede to student demands.

It resolved to work hand in hand with all progressive political organisations and trade unions with the exception of what it called "collaborationist" the United Workers Union of Africa (Uwusa).

It resolved to refuse to pay rent and to promote the expansion of rent to

## Millions lost as State fails to p

"I would think it is a good budgeting principle that the State pay the same taxes as other institutions even though the money would ultimately come from the taxpayer."

"It makes it possible to ascertain the full cost of any function provided by the State."

Goodall said it would also spread the burden as cities like Pretoria — with numerous government buildings — were penalised in not obtaining tax from government departments.

community service by not paying property tax on its buildings."

He said the TMA was continuing to discuss that issue with government.

PFP finance spokesman Brindall last night condemned the fact that State bodies were not abiding by the rules.

He said: "It is wrong that the same rules applies to State bodies and to the private sector."

# Austria <sup>280</sup> imposes sanctions

The Star Bureau

VIENNA. — The Austrian Government has decided to join other European countries in imposing economic sanctions on South Africa.

Chancellor Franz Vranitzky, who warned several weeks ago that Austria would not lag behind in imposing sanctions, said his country had taken the option of European rather than tougher American sanctions, because Austria's trade with South Africa was minimal.

There will now be no further steel transactions with South Africa, and new investment will be banned. General dealings in South African gold coins will be stopped.



# Israeli sanctions <sup>280</sup> 'not genuine threat'

Political Staff

STATEMENTS by the Israeli Government that it was considering sanctions against South Africa should be seen more as an effort to relieve international pressure on Israel than as a genuine threat, top Israeli sources said yesterday.

And when right-wing Likud Party leader Mr Yitzhak Shamir takes over as Prime Minister from Mr Shimon Peres next week, the sources said, the chances of Israel deciding on sanctions would even be more remote.

But Western diplomats agree that if Israel did decide to impose nominal sanctions, it could have an important psychological effect on South Africa.

Mr Alec Goldberg, director of the Jewish Board of Deputies in South Africa, said yesterday he was convinced that if there were to be a poll among members of the SA Jewish community on the

sanctions issue, the general view was that sanctions would harm those it wanted to help.

Mr Maurice Dorsan, editor of the biggest local Jewish newspaper, the Herald Times, said he did not believe Israel would ever impose sanctions on South Africa.

"If it did, the Jewish community in SA would be shocked and devastated."

□ From Jerusalem, Sapa-Reuter reports that Mr Peres said Jordan would agree to peace negotiations with Israel only within the framework of an international conference.

In his farewell address to parliament he said: "Israel does not need international sponsorship but Jordan has stated that without such a forum it will be unable to join negotiations."

He said he believed Jordan would enter direct negotiations with Israel once a conference was convened and appealed to Palestinians to join peace efforts.



Mr Yitzhak Shamir



Mr Shimon Peres

# Hotel earnings plunge to R9,9m for quarter

Own Correspondent

JOHANNESBURG. — The plunge in the earnings of the hotel industry continued in the second quarter of the year, with a net loss of R9,9m.

This compares with a R4m loss in the corresponding quarter last year, says the Central Statistical Services.

The industry showed a net profit of R900 000 in the first quarter of this year.

However, Federated Hotel and Liquor Association of SA (Fedhasa) executive director Fred Thurmann expects a turnaround in the industry during the next three months, culminating in what could be a bumper Christmas season.

## 'Greater confidence'

The economy has begun to pick up pace, there is greater confidence generally among businessmen, and the scenario looks good for bigger occupancy rates throughout the industry, he says.

"The last three years have been

rough but, hopefully, we're moving off the bottom now."

Unsold bed-nights for the first half of 1985 topped the 10-million mark. Hotel prices during the Christmas season should still be at bargain-basement levels, but the industry couldn't afford to hold prices forever, Thurmann adds.

Although occupancy rates are improving throughout the industry, acute competition and the consequent discounting of tariffs are reflected in shrinking income.

## 'Something wrong'

"When you get four and five-star hotels charging R29,50 for bed and breakfast in weekend packages, you know there is something wrong, and it must show up somewhere," he says.

Statistics show a decline in occupancy rates during July of 4,5% compared with July 1985. This compares with far bigger declines in the previous 12 months of up to 17%, Thurmann adds.



# Students storm UCT lecture by O'Brien

*CANL 7/10/86*

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Staff Reporter

TWO hundred UCT students last night broke through a door to disrupt a lecture by former Irish cabinet minister, Dr Conor Cruise O'Brien, while invited guests hurriedly left and the academic slipped out the back door.

The chanting students, who were prevented from entering the meeting through the main door by ranks of campus security guards, broke through an unguarded side door and occupied the lecture theatre.

The incident followed a march on the university's administration block yesterday afternoon when about 100 students demanded the cancellation of the meeting, on the grounds that Dr Cruise O'Brien was breaking the academic boycott against South Africa.

Last night's lecture was organized by the Kaplan Centre for Jewish Studies and Dr Cruise O'Brien, a former chairman of the Irish anti-apartheid movement and former editor of The Observer, spoke on Israel and the Middle East.

According to the SRC president, Ms Carla Sutherland, the vice-chancellor, Dr Stuart Saunders, had decided the lecture would go ahead after talking with the SRC. However, only university staff, invited guests and students holding registration cards were allowed to attend.

Before last night's meeting, students gathered in the lobby of the Leslie Building and resolved to disrupt the meeting, either by breaking in or, if that failed, by singing and chanting outside so that Dr Cruise O'Brien could not be heard.

## Unable to enter

They decided that because not all the students were carrying "reg cards" none of them would use these to gain entrance.

Before breaking down the door, the students launched a number of "assaults" against security guards protecting the main entrance to the lecture hall and many invited guests were unable to enter the meeting because the way was blocked.

As he was leaving the lecture theatre, Dr Saunders said Dr Cruise O'Brien had completed his speech by the time the students entered.

Asked to comment on the students action, he said: "What is at stake is whether people have a right to speak at this university when they are invited to do so. At this university, they do have that right."

Dr Cruise O'Brien could not be traced after the meeting.

# Wheat ban no problem

THE Canadian ban on wheat exports to SA would cause no problems, Wheat Board GM Dennis van Aarde said in Pretoria yesterday.

"With world markets glutted with wheat, we can pick and choose from a large number of alternative sources," he said.

Last season the board imported 166 000 tons from the US, 45 000 from Canada and 90 000 tons from Australia.

The US and Canadian bans of wheat exports to SA would therefore not mean that this country would have to contend with shortages. In fact, prospects for a wheat crop big enough to

GERALD REILLY

satisfy the local demand for just over 2-million tons had greatly improved, Van Aarde said.

"We may not have to import any wheat this season, but if we do it will only be a relatively small quantity and there will be absolutely no problem in finding international suppliers."

Even the satellite East European countries had wheat surpluses. Van Aarde said reports indicated that Russia had concluded a deal with Canada for the supply of 5-million tons of wheat a year for the next five years.



# Steel, agriculture will be hardest hit, say experts

STEEL and agriculture would be punished most by planned US economic sanctions, but the blow could be softened by well-tried tactics of semi-clandestine trade, business experts said in Johannesburg yesterday. The US bought \$78,2m of steel products and \$65,5m of farm goods among its total imports from SA of \$2,17bn last year.

Association of Chambers of Commerce of SA economist William Lacey said: "Sanctions are not new to us, and there are people in the business of evading sanctions that seem to do it pretty effectively."

"The business community with its ingenuity will try to beat them." Analysts said manufacturers had various ways of issuing false certificates of origin.

Business consultant Michael Perry, who has more than 60 blue chip companies as clients, said SA had been busting sanctions since the '60s.

He said: "The result is that 54% of our (export) trade is semi-clandestine, meaning no data is available on the country of origin."

On paper, the US sanctions are the most comprehensive attempt yet to pressure Pretoria to scrap apartheid.

Besides agriculture and steel, they include a ban on coal, computers and new investment.

Perry said SA would need to boost exports to clandestine partners by only 16% to offset the impact of even a total US trade embargo.

Business sources said SA's secret trading partners, dealt with directly or through middlemen, included countries in Eastern Europe, the Middle East and Asia.

SA Life Assurance chief economist Johan Louw said "Made in Southern Africa" instead of "Made in South Africa" could be exploited to "the greatest extent" by industries.

Louw said overproduction of steel by world producers could make it difficult to find alternative markets.

Industry sources said the US sanctions could cost SA up to 500 000 tons

of steel exports a year.

Iscor, the giant government-run iron and steel company which accounts for more than 70% of local steel production, said the ban was a setback.

A spokesman said: "We have been involved in other overseas markets for some time and we will try to use these markets more. Our main export markets are widely spread."

The already depressed agricultural sector, which employs millions of black workers, will be further weakened by the sanctions.

Analysts said agriculture accounted for 7% of total SA exports last year and fruit, wool and sugar were especially vulnerable.

Sugar-growers alone will lose about \$14,4m under the US ban. — Sapa-Reuter.

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# Sanctions: SA will survive — De Kock

FRANKFURT. — South Africa would survive sanctions, the Governor of the Reserve Bank, Dr Gerhard de Kock, told a communication corporation symposium on South Africa here.

However, the key to solving the present socio-political difficulties in South and southern Africa was not sanctions but economic co-operation and growth in the sub-Saharan region as a whole.

Nothing would serve the cause of black social and political advancement more in sub-Saharan Africa than rapid economic growth in South Africa — the "economic numbers" made that abundantly clear.

And nothing would do more to promote economic prosperity in the other countries of sub-Saharan Africa than economic expansion in South Africa itself — with much of the locomotive power coming from private enterprise operating in a market-oriented environment.

The strong pleas at the IMF and the World Bank meetings recently to develop sub-Saharan Africa pointed to a dilemma — the sub-Saharan region simply could not be successfully developed without the full and active participation of the Republic of South Africa.

Sub-Saharan economic development could not be reconciled with sanctions and financial constraints that undermined the economy of South Africa.

The South African economy, helped by a combination of domestic monetary and fiscal policies and exchange rate adjustments, had adjusted well to the various political pressures and to the withdrawal of capital and credits.

These policies had entailed sacrifices, including a decline in the real standard of living and higher unemployment. But they had eliminated overspending and had transformed the current account deficit into a large surplus.

Last year's current account surplus was R5,9-billion — equal to about 5 percent of gross domestic product. This was large for any country, and particularly for a developing economy.

Present indications were that this year's surplus would be more than R6-billion. Another large surplus was projected for 1987.

These developments had enabled South Africa to repay about \$3-billion of foreign debt since the end of 1984 and had greatly increased the country's ability to

cope with both financial and trade sanctions.

"Monetary and fiscal policies have laid the foundation for more rapid growth in the period ahead," Dr de Kock said.

"The net capital outflow (including debt repayments) in the second half of 1986 should be less than the expected current account surplus."

"The result should be an increase in both the gross and net gold and foreign exchange reserves and an appreciation of the rand over this half-year period," he said.

This scenario had proved accurate. Since June the foreign exchange reserves had risen from R3,6-billion to R5,0-billion and the exchange rate of the commercial rand had moved up to \$0,45.

The current and the capital account of the balance of payments, and indeed the South African economy as a whole, stood to benefit greatly from the recent increase in the dollar price of gold.

The restraints placed on lending and investing to South Africa by the EEC and the US had done little more than change a de facto into a de jure situation. — Sapa.

COMPANIES



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## Steel sticks to sanctions

BRITISH Liberal Party leader David Steel said yesterday his support for punitive measures against Pretoria had not been weakened after talks with KwaZulu Chief Minister Mangosuthu Buthelezi in Ulundi.

But Steel, on a four-day fact-finding tour of SA, said he and Buthelezi had reached a better understanding of each other's conflicting views on sanctions.

They said they agreed sanctions had to be accompanied by humanitarian aid to SA's blacks.

Steel said: "I think the Chief's point about those governments pursuing a sanctions policy having a responsibility to follow that up more positively with assistance for

projects within the African areas is important and I think we are not doing enough on that point."

They also said their talks centred on divisions within black opposition to apartheid.

Buthelezi said Steel stressed the need for Inkatha to get together with the ANC.

And Steel said he would take the same message to ANC leaders when he went to Lusaka at the end of this week.

Steel said: "To me, it is one of the despairing aspects of politics in SA that you have these people all dedicated to seeking liberation but not in dialogue and concert with each other." — Sapa-Reuters

# Boycott row: O'Brien vows to stay at UCT

TWO hours after wild scenes erupted when militant University of Cape Town students stormed his lectures for the second time, defiant Irish academic Dr Conor Cruise O'Brien yesterday vowed to complete his UCT lecture course.

And he threw down the gauntlet to supporters of the academic boycott of South Africa by saying: "I am not only against an academic boycott but I deliberately broke the alleged boycott."

At noon, after a rally in the Robert Leslie Building's foyer, a crowd of about 200 students stormed the lecture theatre where Dr O'Brien was teaching.

Chanting and singing, about 50 of the group confronted 12 UCT security guards, who linked arms in front of two tables barricading the entrance.

Wave after wave of students launched themselves at the campus guards and several fist fights broke out.

Some of the guards seemed reluctant to do battle, and stood back from the fray, while others grabbed students and bodily removed them from the door as Dr O'Brien and the 70-odd students left through a side door.

After five minutes the students burst through the doors. They marched up five floors and for 30 minutes occupied the Political Studies Department.

An impromptu meeting was held and it was decided to call a mass meeting for today to discuss the issue and plan a course of action.

Dr O'Brien still has three lectures left in his series, from Monday to Wednesday.

One speaker said: "We have demonstrated today just how serious we are about getting rid of this reactionary who has come here in a very provocative manner, without consulting anybody."



Dr Conor Cruise O'Brien

It was agreed that students of the University of the Western Cape and other institutions would be invited to join in "solidarity action".

UCT principal and vice-chancellor Dr Stuart Saunders said yesterday "All these events are being gone into very thoroughly and the university will take the appropriate action when all the facts are known."

He met students yesterday from the committee supporting the academic boycott who demanded Dr O'Brien "be denied

the right to speak on the campus".

He offered to call an emergency meeting of the Academic Freedom Committee to discuss the matter fully — a proposal rejected during the sit-in in the Political Studies foyer which decided students were in a minority on the committee and it was "undemocratic" and "part of the system".

Student Representative Council president Ms Carla Sutherland said last night that the campaign had been an Azanian Students' Organization initiative but "Individuals like myself have participated because of our support for the academic boycott and a belief that Dr O'Brien should not lecture at UCT".

There was a "lot of confusion around these issues" and the SRC wanted "to provide forums in which the academic boycott can be constructively discussed" but this was not possible while Dr O'Brien was on campus.

"More than anything else, this incident has pointed to the fact that our university is not an ivory tower in which we can pursue the ideals of academic freedom completely removed from the reality of conflict and violence in our country," Ms Sutherland said.

Dr O'Brien, speaking at D F Malan Airport before his departure for Johannesburg, where he is to deliver a lunch time lecture at Wits at lunch-time today, said "I will certainly return. I will be teaching my classes if I can."

"Obviously if some students try to knock down doors this makes teaching difficult because it disrupts concentration."

● UCT student groups speak out on the academic boycott, page 3

● See leading article, page 6

## AAM activists welcome UCT demos

From JOHN BATTERSBY  
LONDON. — Anti-apartheid activists yesterday welcomed student demonstrations against the presence of former Irish cabinet minister Dr Conor Cruise O'Brien at the University of Cape Town.

A spokeswoman for the Anti-Apartheid Movement, which supports the academic boycott against South Africa, said the protests showed the boycott enjoyed support inside the country.

"It will be a good lesson for Dr O'Brien to learn that the academic boycott, which he opposes, has support in South Africa itself and is not something we are trying to impose from the outside," she said.

Before he left for South Africa Dr O'Brien clashed publicly with the president of the Irish Anti-Apar-

theid Movement, Mr Kadar Ismail, over his decision to visit UCT.

Dr O'Brien has angered the movement with his rejection of the recent boycott of South Africans at the World Archaeological Conference in Southampton.

The academic boycott is part of the overall boycott against South Africa but has gained new momentum as the sanctions campaign has intensified during the past two years.

There have been notable exceptions made in recent months to the academic boycott. Last month a meeting of predominantly South African economists and political economists went ahead at York University with a four-man ANC delegation attending as observers.



Wild scenes erupted at UCT yesterday when about 200 students supporting an boycott of South Africa stormed the lecture theatre where Irish academic Dr O'Brien was teaching. The lecture was cancelled and Dr O'Brien and the class left by a side door.

Newscolour: TC



# Sanctions

## My people will starve, chief warns Japanese

Political Reporter

SOUTH Africans who clamour loudest for sanctions do so in the hope that sanctions will bring about increased violence, the KwaZulu Chief Minister, Chief Mangosuthu Buthelezi, told the Japanese Consul-General in Ulundi yesterday.

Chief Buthelezi appealed to the Japanese Government to consider joining in partnership with Inkatha and Japanese industrialists in promoting self-help development schemes to offset the drastic effects of on blacks sanctions.

In discussion with the Consul-General, Mr Katsumi Sezaki, the KwaZulu Chief Minister and Inkatha president acknowledged that Japan had sent a clear signal to Pretoria that it found apartheid abhorrent.

A second signal was now needed, he said. This was one showing black South Africa that Japan did not support limited sanctions 'in callous disregard of the poorest of the poor' who were apartheid's victims.

### Annihilation

Chief Buthelezi said it was accepted that in Europe and America sanctions were a party political issue. Many opposition party members used apartheid as a stick with which to beat the ruling parties.

But what were simply limited sanction packages for such politicians were being experienced by many thousands of black South Africans as the forces of annihilation.

'When a man loses his job and his family faces starvation he does not experience sanctions as "limited",' Chief Buthelezi told Mr Sezaki.

'It is my people who are affected. It is their children who suffer starvation and who will now be subjected to the diseases of malnutrition.'

He said the ANC mission in exile was interested in the destruction of the South African economy only as a prerequisite for a civil war in which the politics of negotiation had no role to play.

Its clamour for sanctions was motivated by its scramble to be the sole dominating power in a future one-party state, Chief Buthelezi said.

# Sanction rules 'ready in days'

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Own Correspondent

**JOHANNESBURG.** — The Reagan Administration hopes to have regulations implementing sanctions on SA goods mandated by congress ready within a week, according to a US consular official here.

This follows action by US Customs officials to freeze all SA goods on arrival in the US until the administration has clarified the matter.

Shipping lines and freight forwarders yesterday reported no serious log-jams in spite of confusion over the timetable for the start of the bans on SA imports.

Nedlloyd's manager for Southern Africa, Mr Joop Wedepohl, confirmed there was "a hell of a lot of uncertainty" in the market. "It appears Customs are playing safe until the US gets its act together," he said.

## Impossible to police

A Safmarine spokesman said the line did not expect to cut its fortnightly direct sailings to the US.

A freight forwarder said bans would be impossible to police.

South Africa's brain drain could accelerate following the

US sanctions package, Gerald Rellly reports from Pretoria.

Economists and opposition spokesmen believe this but Home Affairs director-general Mr Gerrie van Zyl disagrees.

Between January and July this year 287 engineers emigrated (258 last year); 61 doctors and dentists (35), accountants 180 (63), educationists 172 (71), and administrative and managerial workers 314 (239).

## Offset effects on blacks

South Africans who clamoured for sanctions did so hoping that violence would increase, Chief Mangosuthu Buthelezi told the Japanese consul-general in Ulundi yesterday.

Sapa reports that he appealed to the Japanese Government to join Inkatha and Japanese industrialists to promote self-help development schemes to offset the effects of sanctions on blacks.

Discussing this with the consul-general, Mr Katsumi Sezaki, he acknowledged Japan had signalled its abhorrence of apartheid to Pretoria. However, Japan should show black South Africa that they had not supported limited sanctions "in callous disregard" of apartheid's victims.

West Germany appealed to Zimbabwe for greater understanding of Bonn's attitude to Pretoria.

Sapa reports that the plea was made yesterday by the West German Ambassador, Baron Franz von Mentzingen, at the signing of an aid agreement with Zimbabwe.

## Business as usual

Political Staff report from Durban that the United States consulate will continue its usual services to South African and US citizens.

The consul-general, Mr Martin Cheshes, said yesterday that the US sanctions package did not include consulate services.

A spokesman for Parliament confirmed to Sapa that the Joint Standing Committee on Sanctions and Boycotts met in Pretoria yesterday.

It was understood that among the topics discussed was the implication and effect the overriding of the US presidential veto by Congress last week would have on the Republic.

A senior African National Congress official, Mr Johnny Makathini, left Harare for New York last night to lobby for an immediate meeting of the United Nations Security Council on the need for comprehensive and mandatory sanctions against South Africa, Ziana, the semi-official news agency, reported.

## SA to take 'hard line' with US in new talks

By ANTHONY JOHNSON  
Political Correspondent



Dr Chester Crocker



Mr George Shultz

SOUTH AFRICA will take a hard line when it meets United States officials this month for a thorough review of post-sanctions relations.

The US Secretary of State, Mr George Shultz, is likely to receive a chilly reception when he visits South Africa, government sources indicated yesterday.

The Shultz visit was originally scheduled for later this month but was postponed because of the upcoming meeting between President Reagan and Soviet leader, Mr Mikhail Gorbachev. It is now likely to materialize only next year, Washington sources indicated yesterday.

"In the wake of the sanctions bill, there is more reason to take stock of our relations now than ever before — and it definitely won't be all smiles," an SA government source commented yesterday on the approaching meeting between the Foreign Minister, Mr Pik Botha, and the

US Assistant Secretary of State for African Affairs, Dr Chester Crocker.

"The situation before and after US sanctions represents two different worlds and Mr Botha will insist on an explanation about what has happened to constructive engagement."

The meeting will also be used to iron out any remaining difficulties surrounding the impounding of South African goods at US airports and harbours, as well as legal questions affecting SAA landing rights in the US.

The Botha-Crocker meeting was originally scheduled to take place on the Cape Verde Islands last week but was postponed to allow Dr Crocker time for last-minute lobbying to persuade US senators to support Mr Reagan's sanctions veto.

No date is been set for a new meeting but SA government sources indicated that they were pushing for talks "as soon as possible".

## Three Tvl bathers drowned

Own Correspondent

**DURBAN.** — Three Transvaal men drowned and two women were rescued after a strong current took them out to sea at an Umdloti beach on the Natal North Coast yesterday.

The group of holiday-makers were standing on a sandbank about 40 metres from the shore when a strong backwash knocked them off their feet.

Two of the bathers drowned before rescuers reached them. Their bodies were recovered. Another bather was alive when pulled on to the beach but died later in Addington Hospital.

One of the two women rescued was in the intensive-care unit at the hospital last night. Another woman was in a satisfactory condition.

A young girl, who was

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## Platinum <sup>280</sup> and gold *ave price 7/10/62* prices up

Business Editor

RENEWED fears of South African retaliation in response to United States sanctions sent gold and platinum prices climbing again today while a weaker dollar allowed the rand to continue to trade above \$0,45.

Gold gained \$3 overnight to open at \$441, dipped briefly to \$439,40 and then rose to \$444,75 in late morning from where it eased again to \$441 in early afternoon. The platinum January contract closed \$19,90 up at \$615,30.

The rand gained 13 points overnight to open at \$0,4525 and almost immediately rose to \$0,4527. It fluctuated downward to \$0,4515 in early afternoon.

The rand was unchanged at R3,19 against £1 sterling.

US consular  
facilities  
not affected

Political Staff

CAPE TOWN — There is to be no restriction of United States consular facilities for South Africans in terms of the sanctions imposed by the US last week.

This was confirmed yesterday by a spokesman for the United States Embassy.

The spokesman said earlier reports that consular facilities would be restricted were incorrect.

The United States House of Representatives Bill had contained restrictions on consular facilities but these had not been included in the Senate Bill which had been made law.



# Cancellation of tax treaty may mean more income for SA

THE US will terminate a 40-year-old double-tax treaty as part of the SA sanctions Bill passed by Congress last week. But the action may well have the effect of raising new tax revenue for Pretoria. Interest income and certain royalties earned by SA, which were exempt previously from SA tax, will now be subject to tax in both the US and SA.

"They couldn't do a better favour for SA," Divaris Stein partner Costa Divaris said yesterday. He called the 1946 treaty the most adverse double-tax agreement any country had ever signed.

Some experts yesterday expressed concern that the measure, while benefiting SA's tax coffers, could discourage investment and technology transfers from the US.

Arthur Andersen tax partner Pierre du Toit said, "As a country which needs both funding and technology, the potential harmful effect on the willingness of US investors to provide funds and technology for SA will have to be counteracted."

Price Waterhouse partner Bryan Kent called the US action "just another prick in the continuing movement to disinvest".

US government sources said the cancellation of the treaty wouldn't affect most corporate profits and personal income flowing to the US from SA. Such income is covered by a provision in the US

tax code which confers certain double-tax credits and deduction benefits to US firms or nationals.

Deloitte Haskins partner Trevor McGlasken said the outdated 1946 treaty was about to be terminated and revised, anyway. Termination of the treaty requires six months' notice from the US; if it notifies SA before or on December 31, the treaty would end on July 1, 1987.

Du Toit said SA individuals' earnings dividends from the US — exempt pre-

viously, in many cases — would now have to pay US tax. Relief for US expatriates on temporary assignment in SA would fall away with the treaty's termination.

He said, cancellation of the treaty would make an exchange of information between tax authorities in the two countries impossible. Since SA supplied more information under this provision, the US could lose valuable information off US multinationals operating in SA.

Economics Reporter

# 'Carrot clause' shows frustration

Political Reporter

280 THE 'carrot clause' in the United States Senate sanctions package shows that the move is not entirely punitive and is more a measure of frustration with the lack of movement by the South African Government, says the Progressive Federal Party Natal leader, Mr Ray Swart.

The clause states that sanctions will be lifted if the Government releases Nelson Mandela and all other political prisoners, unbans political organisations, legalises all political parties, starts negotiations with representative black leaders, lifts the state of emergency and repeals laws regulating where people of different races may live and work.

Mr Swart said these conditions had been put repeatedly as appeals to the Government previously by various groups, including the Commonwealth Eminent Persons Group.

'If the Government had responded to these appeals the U S sanctions package could have been averted,' Mr Swart said.



# SAA may sue over US ban

**Own Correspondent**  
JOHANNESBURG. — The US Government could be courting a multi-million-rand legal suit by the South African Government if it tries to enforce a ban on SAA landing rights in 10 days' time.

A 1947 agreement between the two governments requires a year's notice of cancellation.

The Department of Foreign Affairs chief legal adviser said yesterday that the department "was investigating the whole question, which will certainly include the legalities of the matter".

And it is understood that SAA lawyers in New York are studying the terms of the air agreement to end as a result of the US Senate overturning President Ronald Reagan's sanctions veto last Thursday.

One possibility is an application for an urgent interdict in a US court to override the ban.

## Confusion

However, it was uncertain when the withdrawal of landing rights would come into effect, the Foreign Affairs legal division spokesman said.

SAA assistant director of public relations Mr Nic Venter said SAA was also studying the bill but could not say at this stage whether legal action was contemplated.

"There is even confusion in the US as to what the bill means and when it will come into effect. People are talking about either three months or one year. The worst scenario is in 10 days' time."

## No recourse

SA coal exporters do not face the same legal situation, as there is apparently only one outstanding contract with the US to supply 800 000 tons of coal.

About 600 000 tons of this has already been delivered and the remainder will be shipped by the end of the year at the latest. The coal ban takes effect in 90 days' time.

## Black US embassy man barred

from VIP room

JOHANNESBURG. — Outgoing US Ambassador Mr Herman Nickel's farewell ceremony at Jan Smuts Airport on Saturday was marred by a racial incident when a white policeman refused a black US Embassy employee access to the VIP lounge.

After letting many US and other diplomatic personnel, as well SABC-TV's Network team go through unchecked, the policeman rudely stopped Mr Vusi Zwane, a black South African with a senior posting in US Information Service.

US Consul-General Ken Brown told the policeman that Mr Zwane was an embassy employee, but the policeman refused to budge.

Mr Brown then told him: "I think you are extremely rude."

The policeman, who refused to identify himself, then pushed Mr Brown through the VIP lounge door and slammed it in his face.

Mr Brown pushed the door open from the inside and, visibly angry, told the policeman: "I still think you are very rude."

Mr Zwane, who was responsible for making the embassy's own recording of the Network interview with Mr Nickel, then wanted to give his tape recorder to Mr Brown, but the policeman grabbed it and said it was not allowed.

Mr Zwane, clearly feeling angry and humiliated, said it was clear that the only reason he was stopped was because he was a black South African.

The airport manager and the chief of the security police at Jan Smuts were called to the scene, but in the end it took too long and Mr Zwane's presence was not needed any more.

Before his departure Mr Nickel said the euphoria in some circles over US sanctions against South Africa might turn into a hangover as it became clear that this policy could not work.

The overriding of the presidential veto was "a considerable setback" for the policy of constructive engagement.

"An expression of anger itself cannot be a policy. I don't think we have a choice but to pursue patiently and persistently the course of engaging all those elements in SA society who are working for non-violent change."



Mr Herman Nickel

SAA is whether a US-promulgated law overrides the agreement between South Africa and the US.

## International Law

"Generally speaking the situation is that if US legislation overrides or is in conflict with an agreement, a US court would be obliged to give effect to the US statute. But this could conflict with provisions of international law," the legal spokesman said.

International law requires that contractual obligations be honoured and reparations paid where these are broken.

## Arbitration

"If the legislation has the effect of contravening international law, we would be wanting to take the matter to arbitration whatever the US courts say."

The agreement provides for arbitration in the event of a dispute. Each party nominates an arbitrator and jointly appoint a third. They agree to try to give effect to its advisory report.

SAA has made additional capacity available on its London, Frankfurt, Zurich and Lisbon flights to cope with travellers from South Africa to New York.

The chief executive of SAA, Mr Gert van der Veer, said yesterday that no official notification had been received about the withdrawal of landing rights but in the interests of its customers SAA "have assumed flights will stop on October 12".

Last year the airline, which at present operates four return flights a week between Johannesburg and New York, carried 96 855 passengers and 5 702 tons of freight on this route.

Passengers would be re-routed via Europe at no additional cost, Mr Van der Veer said, but they could expect an extra day to be added to their trip due to connection times.

The Youth and Super Apex fares to the US would remain valid via Europe on SA Airways, but the Trans-Atlantic sectors had to be used on American airlines only.

SA goods held up in US, page 3



# Landing rights: SA to go to court?

**JOHANNESBURG** — The US government could be courting a multi-million rands legal suit by the South African Government should it try to enforce a ban on SAA landing rights in 10 days' time.

A 1947 bilateral agreement between the two governments requires one year's notice from a party wishing to cancel it.

The Department of Foreign Affairs chief legal adviser said yesterday the department "was investigating the whole question, which will certainly include the legalities of the matter".

And it is understood that SAA lawyers in New York are studying the terms of the air pact which is to end as a result of the US Senate overturning President Ronald Reagan's sanctions veto on Thursday.

One possibility is an application for an injunction to override the ban.

However, uncertainty exists over when the withdrawal of landing rights will come into effect, the Foreign Affairs legal division spokesman said.

SAA assistant director of public relations Mr Nic Venter said SAA was also studying the Bill but could not say at this stage whether legal action was contemplated. "There is even confusion in the US as to what the Bill means and when it will come into effect. People are talk-

ing about either three months or one year. The worst scenario is in 10 days' time."

South African coal exporters do not face the same legal situation, as there is apparently only one outstanding contract with the United States to supply 800 000 tons of coal. About 600 000 tons of this has already been delivered and the remainder will be shipped by the end of the year at the latest. The coal ban takes effect in 90 days time.

Legal observers believe there will be no recourse to the courts for exporters whose contracts to supply other banned products like iron steel, textiles, farm products and uranium have been broken as the contracts are nullified by the legislation.

A further complication for SAA is whether a United States promulgated law overrides the bilateral agreement between South Africa and the US.

"Generally speaking the situation is that if US legislation overrides or is in conflict with an agreement a United States court would be obliged to give effect to the United States statute. But this could conflict with provisions of

international law," the legal spokesman said.

International law requires that contractual obligations be honoured and reparations paid where these are broken.

"If the legislation has the effect of contravening international law, we would be wanting to take the matter to arbitration whatever the American courts say."

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Simon Barber reports from Washington that US Customs officers are holding up all SA goods arriving in the US at their point of entry while the Reagan administration works out how to implement, and what is covered by, the economic sanctions mandated by Congress.

"We now have a complete halt on everything that comes in from SA. Some of the goods may be released within a short period of time, but we are not leaving the spigot on," a senior Treasury Department official, Mr Francis Keating, said at the weekend.

The administration has accepted that this temporary overkill is necessary because of congressional suspicions that the new law will not be carried out wholeheartedly.

"Everyone, in and out of government, is watching the President very closely on this one," said Congressman Sam Gejdenson, a Democratic member of the House Foreign Relations Committee.

The White House is drawing up formal executive orders to the Treasury, Commerce, Transportation, Agriculture and State Department containing instructions on how to implement the law.

## T'kei warns Ciskei

**UMTATA** — Transkei's President George Matanzima, has warned President Lennox Sebe of Ciskei that any armed Ciskeians deployed in the borders of Transkei would "never return alive".

At a rally in Ezibeleni near Queenstown at the weekend, Chief Matanzima said he had received information that Chief Sebe had formed a hit squad to assassinate Transkeian citizens.

He told President Sebe "not to play with fire".

Chief Matanzima confirmed that Major-General Kwane Sebe, the son of President Sebe, and his second in command, Colonel Zandisile Ngwenya, are in prison in Umtata.

He said he did not know how they came to be in prison.

The two police officers were allegedly kidnapped at about the time of the dramatic escape by the former head of Ciskei's security forces, Charles Xhanti Sebe.

Chief Matanzima denied any knowledge of Mr Charles Sebe's whereabouts.

He said there was strong evidence that the two Ciskei police officers were involved in an attempt to abduct Mr Namba Sebe, a former Ciskei transport minister, who was granted political asylum in Transkei after skipping bail on corruption charges and fleeing Ciskei — Sapa.

Editorial opinion P8



Gillian Dewar, 14, with one of the many beautiful arrangements on display at the Border Horticultural Society's spring flower show in East London at the weekend. Report page 3



Be smart and keep your cool

## Jongilanga is new champion

**JOHANNESBURG** — Mhoxsona Jongilanga, of Mdantsane, won the South African featherweight title when he stopped the champion, Gerald Isaacs, in the 10th round of their 12-round bout here yesterday.

Jongilanga had the champion in trouble in the sixth when he drop-

ped Isaacs for two counts, but he let the champion off the hook by becoming overkeen to end matters.

Jongilanga appeared to be tiring in the middle rounds, but came back strongly in the 10th when a right to the head dropped Isaacs — DDC.

Flight report page 16

## Fund to save deer

**CAPE TOWN** — A fund has been started to save the deer that killed its keeper, Mr Stanley Swanepoel, at Rhodes Memorial on Friday.

Discussions will be held today between officials of the Department of Public Works and Land Affairs, environmentalists and a veterinary surgeon. However, Mr John Spence, owner of the Tygerberg Zoo near Cape Town, has said he will take over the deer if R1 200 can be raised to build a pen. See page 2.

## Freedom Party leader dies

**JOHANNESBURG** — The leader of the Freedom Party in the House of Representatives, Mr Arthur Booysen, has died in the Florence Nightingale Hospital here.

Mr Booysen, 43, had been admitted to hospital for a stomach operation. He was MP for Bosmont.

He leaves his wife, Valerie, a son and a daughter — Sapa.

## Film star weds

**DURBAN** — Actress Persis Khambatta, who starred in the film Star Trek, has married a Durban businessman, Mr Naren Parekh — Sapa.

## Bok angler injured

**EAST LONDON** — Springbok ski angler, Mr Ray C. manz, was admitted Frere Hospital after he received injuries in an accident at a function of the London Ski-boat Club the weekend.

The assistant superintendent, Frere, Dr B. Hall, confirmed last night there was a possibility Mr Gudman might lose his eye, but said his condition was stable. DDR.

**INSIDE**  
Ships ..... 10  
Aircraft ..... 4  
TV, radio, weather, tides ..... 10  
Crossword ..... 11



Sowetan 6/10/86

## Tutu on sanctions

THE imposition of sanctions by the United States was not anti-South African but anti-apartheid and anti-injustice, Archbishop Desmond Tutu said yesterday. (280)

He said the Senate had taken a moral decision.

He went on: "This is

not an anti-South African action, it is anti-apartheid and anti-injustice.

"The sanctions are conditional. The onus is on the South African Government. If it takes the action we have all been advocating, then there will be no sanctions," he said. — Sapa.

where are they going? asked Rocky Schoonraad, chairman of

at a time when police have been under fire for neglecting subur-

able

being threatened by Tshabalala's supporters.

## UIS denies visa changes

Business Day Reporter

THE US Information Service (UIS) yesterday denied reports that the sanctions Bill would have any effect on consular facilities offered to South Africans and said visas were being issued as usual.

Several reports have stated the Bill would deny consular facilities to South Africans, but the UIS said the misunderstanding may have arisen as this provision was included in the original draft, but not in that passed by the Senate.

THE implementation of the US sanctions package will result in more than 1-million people in SA having no means of financial support, Operation Hunger says.

It has estimated the package will increase the number of unemployed people by about 130 000, of whom 10 000 will be white.

With the higher number of black dependents, it is calculated that more than 1-million people will be without support.

Operation Hunger's executive director Ina Perlman says the organisation's budget — the amount it expects to raise in do-

## Curbs false fears of more hunger

STEPHEN ROGERS

nations — has almost doubled this year to R12m.

The cost of feeding 1-million people is estimated at R9m. Now that the package has gone through, the budget could rise to R20m.

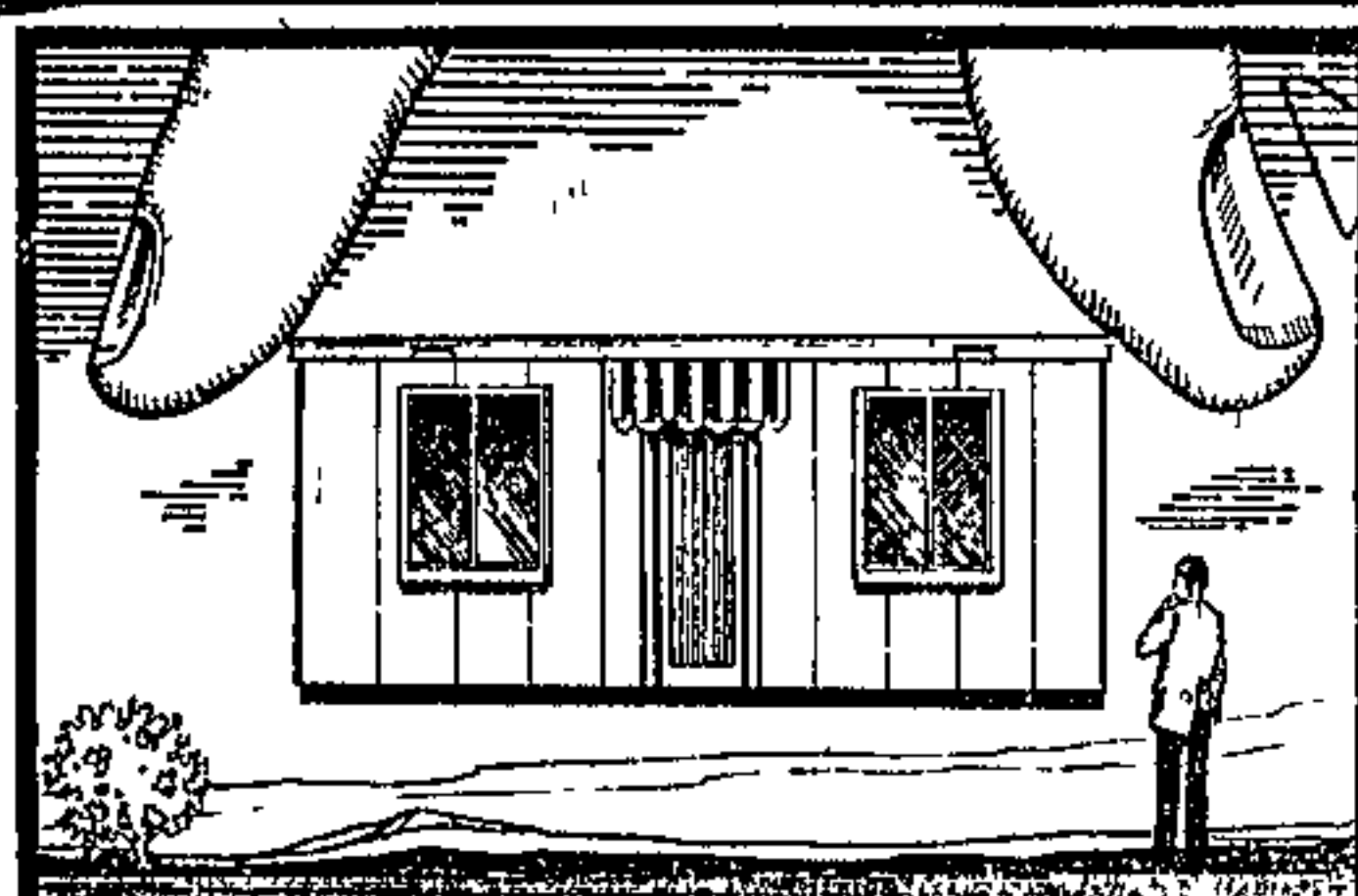
About 10% of the budget comes from the US aid programme Perlman said the US had committed the same percentage this year and that the German government had donated R1,6m.

Some black areas in the eastern Cape were also visited by the Minister's entourage last week.

A week ago Tshabalala and the Sofasonke Party executive were mandated by the Sofasonke Party to ask Constitutional Development and Planning Minister Chris Heunis to dissolve the Soweto Council.

The delegation submitted a memorandum to the Department demanding the Soweto Council be dissolved and an interim committee be appointed to run the affairs of Soweto.

Sofasonke Party public relations officer Ambition Brown said: "The Minister's office had promised to consider the matter and we are hoping to hear from him in due course."



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FROM THE TOP FACTORY HOME BUILDERS IN SOUTH AFRICA

BARKER McCORMAC 4908/3R

THE US sanctions package, if properly implemented, will have a dramatic impact on the Western Cape's economy — particularly exacerbating unemployment in the region, industry executives say.

Key industries which will be directly affected include agriculture, textiles, clothing and fishing — the biggest employers in the area.

It is estimated that up to 500 000 jobs will be placed on the line as a result of the punitive sanctions.

And, concern is being expressed by spokesman for these sectors that the US decision will encourage the European Community to considerably extend the scope of its sanctions package.

Fruit farmers in the Western Cape are expected to earn as much as R600m from exporting to Europe and the US this year. Of this 25% is estimated to have gone to the US.

The trade embargo will not only cut off this source of revenue but endanger the livelihood of about 250 000 workers.

Industry sources say textiles and clothing exports valued at about R120m will be directly hit. Companies most likely to be affected by this ban, howev-

## Employment 'will be casualty'

CHRIS CAIRNCROSS

er, are those that set up manufacturing operations in the TVBC territories — the Ciskei particularly — specifically for export.

Ironically, SA textiles appear to be a last minute casualty of the sanctions package. New quotas had been ratified, and published in the Federal Register for comment, at the time the sanctions issue was passing through Congress. This caused them to be brought to the notice of the sanctions lobby which included them, at the last minute, in the sanctions package.

The Cape's R120m a year rock lobster industry will also be directly affected by the sanctions issue.

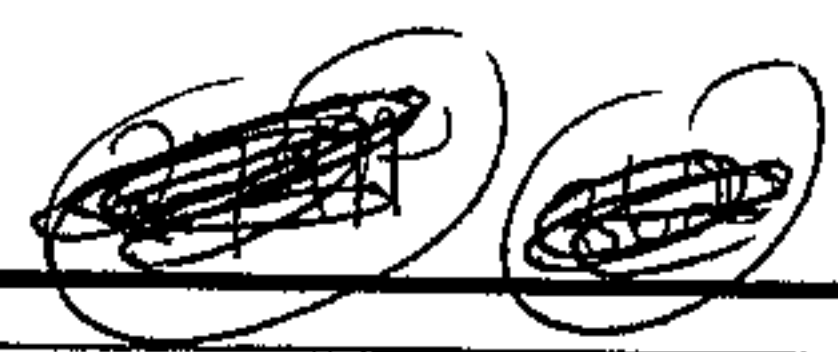
It is estimated that at least 85% of lobster exports go to the US.

While industry executives are confident they will find alternative foreign markets, they nevertheless acknowledge it is going to be a costly exercise.



BUS DAY 6/10/86

280



**R**ECENTLY I called on the general manager of Barclays Bank of Zambia at its head office in Lusaka. After keeping me waiting for nearly an hour, the urbane Francis Xavier Nkhoma sent for me and apologised. He lit a cigar and smiled.

"When I saw your calling card I thought Bhagat was some old English name. So I told my secretary: 'While he is waiting outside, serve Mr Bhagat a cup of tea and then throw a stone at him'."

"She was shocked. She said, 'Sir, I cannot throw stones at visitors, it is not done.' I said: 'No, that's perfectly OK. Bhagat is English. These days when you throw stones at the English you are merely defending your national rights.'"

I have just come from Harare where, thanks to the Non-Aligned Summit (NAM) throwing stones at the West is no longer a weird hobby but has become the fastest-growing industry in recent times.

Shooting about in cars imported from SA, lounging around in villas designed in SA and sipping South African wine, the leaders from 90 countries took a casual bash at "the major trading partners of the racist régime" and, with equal ease, advocated sanctions.

That these resolutions — dripping with easy piety — should have been passed in Harare is a capital joke. Ever since the Rhodesians got their UDI act together, Harare has been the world's centre for sanctions-busting expertise.

**A**nd even though Johannesburg is now rapidly taking over, there are enough experienced businessmen in the Zimbabwean capital who could have instructed the visiting heads of state on how 60 countries co-operated between 1965 and 1980 to make a joke of the phrase "comprehensive mandatory sanctions".

In fact, there was no need to meet the experts. To learn about the efficacy of sanctions all that the NAM delegates had to do was to keep their eyes open and count the number of Renaults, Peugeots, Toyotas and Mercedes on the streets that looked between six and 21 years old.

All this would explain why sanctions won't work; to understand why sanctions won't be applied, at any rate by the Frontline states, the visitors would have had to look deeper. Of the eight real Frontline states (Tanzania is not a Frontline state), five have made it clear they will not be imposing sanctions. Malawi, Lesotho, Swaziland, Botswana and Mozambique. The other three — Angola, Zambia and Zimbabwe — say they will.

Angolan sanctions don't mean much outside the Yugoslav-run duty-free shops there is hardly



□ MUGABE... in favour with Pik Botha

## African bark without bite

**DHIREN BHAGAT explains why the Frontline states will not impose sanctions against South Africa**

anything you can buy in that country, and the black market the Zairians run in Luanda is so vicious that an egg ends up costing you five US dollars.

To understand what is happening to Zimbabwe over sanctions, one has to grasp the complicated game Robert Mugabe has been playing with Pretoria ever since he assumed power in 1980. Early on there was an arrangement whereby Zimbabwe could send its exports through SA; in return, Zimbabwe promised not to house any ANC bases.

Then there was the preferential tariff agreement which allowed Zimbabwean goods to sell in SA at a tariff of between 10% and 15%. Initially, this was a concession SA made for the beleaguered Smith government; after independence, however, it was renewed by Mugabe and has been renewed twice again in 1983 and, most recently, on July 31 this year, three days before the Commonwealth summit at Marlborough House.

All these deals are struck by officials either in Pretoria or in Harare. The details are not published in the newspapers in Zimbabwe and even businessmen are often kept guessing. This is the "secret" side of the game.

**P**ublicly, of course, the government abuses SA and is allowed to do so by the canny South Africans. Sometimes Pretoria gets annoyed or, more to the point, appears as if it is annoyed with the rhetoric and cracks a whip. This happened in July 1983, when the preferential tariff agreement had to be renewed.

Initially, Pretoria refused to sign the deal. Intermediaries — black and white Zimbabweans — scurried south only to be told that the deal would not go through unless two black Ministers visited Pretoria. This was impossible, so the Zimbabweans begged and scraped till finally Pretoria agreed

to send a team of officials to Harare.

There are some who feel this delicate game of abusing above, licking below, ended on May 19 this year when the South Africans bombed the ANC offices in Harare. It was as if SA had broken the rules; after that the Zimbabweans could no longer be certain of the South African response. Accordingly, they see the rhetoric getting more and more emotional after that date on Soweto day, July 16, Mugabe spoke publicly of "killing the Boer".

**I**n the first week of August, without consulting his cabinet, he announced at Marlborough House that he would go along with Commonwealth sanctions. On August 8, on his return from London, he gave a media conference where he reaffirmed his stand on sanctions, passionately declaring that his people would live on "one mealie meal a day" if necessary.

On August 29, at his media conference on the eve of the NAM summit, Mugabe committed Zimbabwe to sanctions which NAM would agree to over and above the Commonwealth package.

At this same media conference he tried to pretend that the July 31 preferential tariff agreement was merely a "routine matter" which had been signed by officials ("I was not aware it had been signed") and said it would be overridden by the London decision to impose Commonwealth sanctions.

He fooled nobody. That renewal was not a routine matter and Commonwealth sanctions are not going to be imposed in a hurry. Indeed, the game now is to pitch higher and higher, to ask for universal mandatory sanctions, so that you are not obliged to impose any sanctions at all "till everyone agrees".

There are other reasons to believe that the sanctions rhetoric is just a distraction. True, Mugabe is an idealist and would dearly like to

be seen as the man who led the West into the struggle against SA.

But he is also a pragmatic man who has behaved circumspectly so as not to damage Zimbabwe's economy. And as Pik Botha told a black Zimbabwean intermediary recently: "We are pleased with Robert. We want him to be held in high esteem throughout the world. It is better that we should trade with tough 'radicals' than with puppets like Banda."

On August 6, when the South Africans cracked the whip again by closing the border at Beit Bridge and trucks began to pile up, the contingency planning committee of the Zimbabwean government, headed by Finance Minister Chidzero, met for the first time and asked for the most basic data — i.e., the effects of sanctions on jobs, trade.

**I**t is easy to argue that this unpreparedness is typical of Third World incompetence, easy but wrong. It is further evidence that Zimbabwe is not going to rush into anything as foolhardy as sanctions.

Foreign journalists and other Western "observers" in Harare do not see sanctions as an issue where opinion is divided on tribal lines.

During the NAM circus, I busied myself winning the confidence of a couple of Zimbabwean intermediaries who shuttle between Harare and Pretoria. From those businessmen I learnt a quite different story.

It is well known that politics in Zimbabwe is divided on tribal lines, in particular that Mugabe runs his Zanu (PF) government by cleverly balancing the interests of the three main Shona tribes: Karanga (25% of the population), Zezuru (21%) and Manyika (11%).

Prominent Karangas include Simon Muzenda, the Deputy Prime Minister, the Minister of Security, the Minister of Justice, the army Chief of Staff and the air force commander. Everybody concedes the Karangas "made" Mugabe

what is less well known is their extreme pragmatism and the links several top Karangas have with SA.

The pragmatism of the Karangas over sanctions is heartening. For however desirable it may be to bring down the racist régime south of the Limpopo, this is not a realistic prospect for the Frontline states. After hearing Mugabe's Soweto day speech about "killing the Boer", Samora Machel remarked: "If Mugabe goes on like this, in 10 years' time Harare will end up looking like Luanda or Maputo."

In 1965 Zambia excused itself from the obligation of imposing sanctions on Rhodesia on the quite reasonable ground that sanctions would destroy its economy. In 1973, however, Ian Smith closed the border for a few weeks. When Smith decided to reopen the border Kenneth Kaunda would not play ball.

The international community promised to help out Zambia financially. Most of these promises were never kept and Zambia suffered tremendously. In 1978 Kaunda was forced to reopen the border.

With this experience behind him, Kaunda is naturally more cautious. Though he enjoyed himself lashing out at Sir Geoffrey Howe in Lusaka, and later at his media conference at the Churchill Hotel in London in the first week of August, Kaunda had already begun to backtrack on sanctions.

**A**t the SADCC meeting at Luanda he refused to answer newsmen's questions on air links. In Harare he went so far as to say that without the "major trading partners of the racist régime" joining in it would be "meaningless" and "suicidal" for Zimbabwe and Zambia to impose sanctions.

Then he went on to suggest that the US hold talks with the Frontline states, a brilliant delaying tactic. As we have learnt — and as we knew all along — Ronald Reagan will have none of that.

Though the Zambians survived the Seventies without trade with SA, it will not be so easy today.

A day before I left India for Africa, I found myself on a plane to Delhi sitting next to a new MP, an old friend of Rajiv Gandhi. The talk came round to sanctions.

"There's a fire burning at home," he muttered in Hindi. "All we do is to go abroad and yell." At first I was impressed by his forthright stance. I had expected him to be full of idealistic guff.

Thinking back on it, I realise that in his honesty he was naive. Rajiv knows better. Politics is all about making a noise when you can. When you get tired of rioters throwing stones at home, it is a good idea to go abroad and throw some stones yourself.

## Sanctions could close Rossing

WINDHOEK — Strict implementation of anti-SA sanctions could close the Rossing uranium mine in Namibia, assistant GM George Deyzel says.

He says: "Applying the uranium sanctions to Namibia could be disastrous. The mine would have to close."

Deyzel says uranium is particularly vulnerable to restrictions as its marketing depends on long-term contracts with a select number of customers.

Mine production is kept secret, but officials say Rossing's output is about 5 000 short tons a year, or around 10% of output in the free world.

The extension of the sanctions (approved on Thursday) — which include import bans on minerals like steel, iron, coal and uranium — to Namibia, is significant as the barren region holds mass natural wealth. — Reuter.



BUSDAY 6/10/86.

Renewed pressure for stiffer curbs

# UK, Bonn not taking US line

JOHN BATTERSBY

LONDON — The British and West German governments will continue to oppose tougher sanctions against SA despite the US decision to impose punitive measures.

But there were indications of renewed pressure yesterday for tougher measures — particularly a ban on SA coal — from the other 10 members of the European Community (EC) and from the Commonwealth.

A UK government spokesman said Britain had no plans to toughen its sanctions against SA and insisted that the detail of the US package was "a matter for the US Congress and the US administration".

He said that, while there had been close consultation between SA's major trading partners, it had been understood that the states did not need to take identical steps.

A Foreign Office official said there had been no immediate request for a review of the EC sanctions package but said Britain was still committed to work for an European consensus on a coal boycott.

EC diplomats in Brussels said the US decision would renew pressure within the community for the inclu-

sion of a boycott on SA coal exports.

And the London-based Anti-Apartheid Movement (AAM) said the US vote would have "far-reaching economic, political and psychological consequences" for the UK.

"It has reinforced the shameful of the British response and is bound to have an impact in the UK and the EC," AAM president Archbishop Trevor Huddleston said.

Earlier the influential chairman of the House of Commons' Foreign Affairs Committee, Sir Anthony Kershaw, said the US senators had "political reasons" for voting for sanctions.

"They are anxious to be elected in the forthcoming elections," he said.

Kershaw said he believed the "mild" sanctions being applied by the UK were the right formula to bring SA to its "apartheid senses".

He said he hoped the UK would resist pressure to include coal in the sanctions package and ruled out a ban on air links with SA on the grounds that it would inflict serious economic damage on Britain.

US move breaks bilateral treaty

# Court battle looms over SA flight ban

THE US government could be court-  
ing a multi-million rand SA legal suit  
if it tries to enforce a ban on SAA  
landing rights in 10 days' time.

A 1947 bilateral agreement between  
the two governments requires one year's  
notice from a party wishing to cancel it.

The Department of Foreign Affairs  
chief legal advisor said yesterday the  
department "was investigating the  
whole question, which will certainly in-  
clude the legalities of the matter".

And it is understood that SAA lawyers  
in New York are studying the terms of  
the air pact which is to end as a result of  
the US Senate overturning President  
Ronald Reagan's sanctions veto last  
Thursday.

One possibility is an application for an  
urgent interdict in a US court to override  
the ban.

However, uncertainty exists over  
when the withdrawal of landing rights  
will come into effect, the Foreign Affairs  
legal division spokesman said.

SAA assistant director of public rela-  
tions Nic Venter said SAA was also  
studying the Bill but could not say at this  
stage whether legal action was contem-  
plated. "There is even confusion in the



LINDA ENSOR  
and HAMISH McINDOE

US as to what the Bill means and when it  
will come into effect. People are talking  
about either three months or one year.  
The worst scenario is in 10 days' time."

SA coal exporters do not face the same  
legal situation, as there is apparently  
only one outstanding contract with the  
US to supply 800 000 tons of coal. About  
600 000 tons of this has already been de-  
livered and the remainder will be  
shipped by the end of the year at the  
latest. The coal ban takes effect in 90  
days.

Legal observers believe there will be  
no recourse to the courts for exporters of  
other banned products like iron, steel,  
textiles, farm products and uranium  
whose contracts have been broken, as  
these contracts are nullified by the legis-  
lation.

A complication for SAA is whether a

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## SAA court battle looms

US promulgated law overrides the bi-  
lateral agreement between SA and the  
US.

"Generally speaking the situation is  
that if US legislation overrides or is in  
conflict with an agreement, a US court  
would be obliged to give effect to the US  
statute. But this could conflict with pro-  
visions of international law," the legal  
spokesman said.

International law requires that con-  
tractual obligations be honoured and  
reparations paid where these are broken.

"If the legislation has the effect of  
contravening international law, we  
would be wanting to take the matter to  
arbitration whatever the US courts say."

The US-SA treaty makes provision for  
arbitration in the event of a dispute.

Each party nominates an arbitrator and  
they jointly appoint a third. They agree  
to try to give effect to its advisory report.

SAA has made additional capacity  
available on its London, Frankfurt, Zur-  
ich and Lisbon flights to cope with trav-  
ellers journeying from SA to New York.

CE of SAA Gert van der Veer said  
yesterday no official notification had  
been received about the withdrawal of  
landing rights, but in the interests of its  
customers SAA "has assumed flights will  
stop on October 12".

Last year the airline, which presently  
operates four return flights a week be-  
tween Johannesburg and New York, car-  
ried 96 855 passengers.

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# U S could face suit on SAA ban

Mercury Correspondent

JOHANNESBURG—The United States Government could be courting a multi-million-rand legal suit by the South African Government should it try to enforce a ban on SAA landing rights in 10 days' time.

A 1947 bilateral agreement between the two governments requires one year's notice from a party wishing to cancel it.

The Foreign Affairs Department's chief legal adviser yesterday said the department 'was investigating the whole question, which will certainly include the legalities of the matter'.

And it is understood that SAA lawyers in New York are studying the terms of the air pact which is to end as a result of the U S Senate overturning President Ronald Reagan's sanctions veto last Thursday.

One possibility is an application for an urgent interdict in a U S court to override the ban.

SAA assistant director of public relations Nic Venter said SAA was also studying the Bill but could not say at this stage whether legal action was contemplated.

South African coal exporters do not face the same legal situation, as there is apparently only one outstanding contract with the U S to supply 800 000 tons of coal. About 600 000 tons of this has already been delivered and the remainder will be shipped by the end of the year at the latest. The coal ban takes effect in 90 days' time.

Legal observers believe there will be no recourse to the courts for exporters whose contracts to supply other banned products like iron, steel, textiles, farm products and uranium have been broken as the contracts are nullified by the legislation.

A further complication for SAA is whether a U S-promulgated law overrides the bilateral agreement between S A and the U S.

Passengers will be re-routed via Europe at no additional costs Mr van der Veer said but they could expect an extra day to be added to their trip as a result of the delayed connection times.

Meanwhile Simon Barber reports from Washington that U S customs officers are holding up all South African goods arriving in the U S at their point of entry while the Reagan Administration works out how to implement, and what is covered, by the sanctions.

'We now have a complete halt on everything that comes in from South Africa. Some of the goods may be released within a short period, but we are not leaving the spigot on,' Francis Keating, a senior Treasury Department official, said at the weekend.

# Strategic metals prices surge on sanction fears

NEW YORK — Prices of strategic metals rose last week on fears that South Africa would retaliate against US economic sanctions by cutting off sales.

However, many experts said a strategic-metals embargo might be more damaging to South Africa than to its intended victim, the United States, and that South Africa was therefore unlikely to declare one.

The steep rise in metals prices — platinum, for example, has soared to near \$600 an ounce on the spot market from \$350 as recently as January — was mainly a product of fear and the mob psychology of the trading pits, some experts said.

"Markets go up on fear and down on reality," said Mr Peter Cardillo, a metals analyst for Josephthal & Co.

Prices are so high that if South Africa actually declared an embargo, he said, "Platinum might go down."

Platinum did fall slightly on Friday, down \$7 an ounce to \$589.60 on the New York Mercantile Exchange for contracts for delivery this month.

Platinum had risen the daily limit of \$2

an ounce on Thursday just before the Senate joined the House of Representatives in overriding President Ronald Reagan's veto of the sanction Bill.

The threat of a metals embargo overshadowed the immediate impact on the US of the sanctions imposed by Congress. Several analysts said the impact of those sanctions in the US should be slight.

Among other things, the Bill sharply restricts new US investment in South Africa and bans exports to South Africa of militarily useful goods such as oil, munitions and nuclear technology.

Also banned are computer shipments to the police and military.

The Bill prohibits imports of South African iron, steel, arms, ammunition, military vehicles and farm products, and, after 90 days, uranium, coal and textiles.

"We don't need any of the stuff," said Mrs Bette Raptopoulos, a senior metals analyst for Prudential-Bache Securities Inc.

"The Congress made a point of banning things that we can get elsewhere." — AP.



# Shippers in confusion

HAMISH McINDOE

THE Reagan administration hopes to have regulations implementing sanctions on SA goods ready within a week, says a US consular official in Johannesburg.

A snap poll among shipping lines and freight forwarders yesterday showed there had been no serious logjams, despite widespread confusion over the timetable for the start of bans.

Nedloyd manager for Southern Africa, Joop Wedepohl, said there was a lot of uncertainty in the market.

Wedepohl said steel formed part of a general cargo shipment being loaded yesterday in Cape Town on a Nedloyd vessel bound for US Pacific coast ports.

While no timetable for the steel ban was included in the congressional Bill, the White House is drawing up executive orders to various government departments on how to implement the law.

A Safmarine spokesman said the line did not expect to cut its fortnightly direct sailings to the US.

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## Sanctions bite Cape lobster trade

CAPE TOWN — South Africa's multimillion-rand rock lobster industry is one of the major victims of the sanctions Bill passed by the United States Senate.

Two-thirds of the R120-million "red gold" industry is geared for export to the US.

Leaders in the industry said this week that sanctions could put many Cape people out of work.

### QUOTA INCREASED

The Minister of Environmental Affairs, Mr John Wiley, increased lobster quotas this year.

However, only a fraction of workers employed in previous years will still have work when the season opens next month, a highly placed source in Cape Town said.

Thousands of Cape families rely on the eight-month "crayfish season."



# Business facing hush-hush trade

BuspA1 6/10/86 280

COMMERCE and industry must become security-conscious if SA hopes to enter the cloak-and-dagger world of sanctions busting, says Johannesburg Chamber of Commerce (JCC) president Pat Corbin.

Commenting on Deputy Minister of Finance and of Trade and Industry Kent Durr's statement that government would advise on unconventional trade methods, he said business had to start operating on a need-to-know basis, even with trusted staff.

He said: "Everything will have to be done on a confidential basis. Government certainly has information available to it through its embassies and consular staff. This information will, I presume, be made available to commerce and industry."

Corbin, a leading sanctions-buster

MICK COLLINS

during the days of the Rhodesian UDI, said there would be maximum liason between organised commerce, industry and government.

He said: "They (government) will see to it that unnecessary premiums and discounts on exports are avoided. They will also alert people to inherent dangers — such as bad credit risks — of trading under the counter."

Durr said in Cape Town at the weekend: "Government's role is to advise — and we do — on unconventional trade methods. We have developed skills in the departments of trade and industries and finance to advise people on this level."

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## Business facing hush-hush trade

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Durr would not be drawn on details of what he called "unconventional trade".

He said: "Our stance as a government is that we do not believe in boycotts or sanctions and that we will remain reliable and consistent suppliers of goods and will do our utmost to make this possible."

Some of the US sanctions would be less effective than others.

Durr said: "If we are serious about reform, which we are, then we must be serious about economic development and we must find ways of doing this."

"We do not believe in sanctions or trade boycotts. Sanctions seldom work but they almost always add to costs because of extra middlemen."

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# US Envoy warns of sanctions reprisals

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Although this week's sanctions legislation was a considerable setback to the US policy of constructive engagement, an escalation of "tit-for-tat" action would be counterproductive, said departing US Ambassador, Mr Herman Nickel.

At a Press conference at Jan Smuts Airport he said the sanctions move had been an "expression of anger."

Mr Nickel said the US Government would pursue the course of constructive engagement — "Our objective must remain the same."

Mr Nickel, who first came to South Africa as a correspondent for *Time* Magazine in the '60s, said he liked to think the US had played a useful role in the reform measures implemented here.

He regarded the peak of his 4½-year term here as being the signing of the Nkomati non-aggression pact between South Africa and Mozambique on March 16 1984 as this had been a "promising landmark" for the future of Southern Africa.

"I hope this great achievement will not be thrown away."

There was a great deal of suspicion surrounding the peace pact now and he hoped the South African Government would do its utmost to remove these with bold efforts.

"I hope there will be active diplomacy and active statemanship on both sides. The accord has great promise for the whole region."

He was "awfully sorry" Congress had overridden President Reagan's veto on sanctions legislation, but felt Mr Reagan's approach would be vindicated in time as the most efficient and rational.

Many in the US hoped the expression of indignation would make the SA Government move faster to end apartheid and establish Government by consent, but he thought this "euphoria in some quarters may turn into something of a hangover."

US dialogue with the ANC was aimed at putting down certain markers. The US objective was not just the end of apartheid but a truly democratic South Africa was at peace with itself.

## Not encourage ANC takeover

The US would not encourage the ANC to continue its path of revolution and takeover of power.

The inability to break the political deadlock in South Africa was his Government's most serious concern. Changes in the socio-economic field had overtaken progress in the political arena and this failure explained at least in part the unrest over the last two years.

On the Namibia issue, Mr Nickel said he did not feel independence for the territory was further away than when he had arrived. All kinds of technical problems connected to the UN resolution had been cleared up during his term of office.

"But we cannot have progress while there is a strong Cuban presence in Angola ... This must be resolved first."

The MPLA Government in Angola had to realise sooner or later that it could not solve the country's problems by military means.

What was needed was a "de-internationalisation" of Angola with the Cubans and the SADF being removed as factors in the equation.

"We have not given up hope that this realisation will come to dawn and that Namibia will get its long-overdue and internationally accepted independence," Mr Nickel said.

Asked whether US military aid to the rebel Unita movement was not escalating the conflict in Angola, Mr Nickel said it had been

the 100 seats in trains — was not to lean on our elbows because they would become all "Forge"



# All-party sanctions group to meet for the first time

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## Political Staff

THE all-party committee on sanctions set up by Parliament is to meet for its first working session this month.

The committee, representing all major parties in the three Houses of Parliament, was convened formally in Pretoria yesterday.

It is the result of a motion by Mr Harry Schwarz, Progressive Federal Party spokesman on finance, adopted unopposed by Parliament.

In terms of the motion the

committee is to consider and report on:

- The implications for the South African economy of existing and possible future sanctions and boycotts;

- The adequacy or otherwise of steps taken to deal with these; and

- Further steps to be taken to deal with sanctions and boycotts.

The committee has the power to take evidence and call for documents.

Mr Johan Heyns, MP for Vasco and a National Party spokesman on finance, is committee chairman.

## "HOLLOW GESTURE"

The committee consists of 21 MPs, representing the NP, the PFP, the Conservative Party, the New Republic Party, the Labour Party, the Democratic Workers' Party, the National People's Party and Solidarity.

Meanwhile, the Canadian announcement of a grain embargo against South Africa has been dismissed as a "hollow gesture".

A spokesman for the Department of Agricultural Economics said today that South Africa was not seeking to import wheat from Canada or anywhere else.

"We have imported what we require from other countries."

Even if South Africa needed wheat there would be no difficulty in finding sellers.

"There is a world glut and prices have fallen."

# S A deserves punishment, says Player

Mercury Correspondent

CAPE TOWN—Sanctions were probably not the answer in forcing change on South Africa — but maybe South Africans deserved some punishment to remind them that everyone had a right to a place in the sun.

So says South Africa's golfing superstar, Gary Player, who is in the Cape to design a new golf course, in Worcester.

Looking fit, suntanned and healthy at the launch of a Community Chest charity drive at the Parow Golf Club yesterday, he spoke earnestly about the need for South Africans to learn to communicate effectively with each other and with the outside world.

'We are a nation with many fine qualities, but we are not the best communicators in the world.'

'We have to get all our people together, sit down at a table and communicate,

negotiate.

'We've got to talk — we've got to have a policy which ensures that everyone has a place in the sun.'

And to do that properly, people such as Nelson Mandela had to be released.

'To find the true answer to our problems we are going to have to meet with everyone, otherwise it (the violence) is going to go on, and how much longer do we want it to go on for.'

## Fairness

Referring to reform, Mr Player said South Africans had been making changes but the process had to continue.

He expressed concern that there should be greater fairness in the distribution of the country's wealth.

'If a black man, or a coloured man or an Indian or a Jew or an Afrikaner can beat me at golf he must get all the prize money. And the same must apply to anything in life,' he said.



# Moenie worry nie, says barred SAA

By NEIL HOOPER

DIRECT South African Airways flights to America will end next Sunday as a result of the sanctions Bill passed by the American Senate this week.

From then on, as a result of SAA's "friendly association with our colleagues in other leading airlines in the world", SAA passengers will fly to New York via Frankfurt, Zurich, Lisbon and London.

The decision to end the flights was taken by SAA on Thursday before details of the Senate sanctions package against South Africa were known, a spokesman for the Minister of Transport, Mr Hendrik Schoeman, said yesterday.

## Planned

"Normally, in terms of our mutual contracts with other countries, we can demand 12 months' notice. But, in the case of landing rights in America, this was cancelled through the passing of the new Senate sanctions bill.

"We knew that, at worst, we could be given only 10 days' notice, and, at best, 90 days' if the bill was passed, and SAA decided to plan for the worst."

He was reluctant to say whether SAA was considering taking legal action as a result of the ban on landing rights in America.

There are a lot of legal technicalities. Our legal people are looking at it ... discussions are taking place," he said.

SAA is not concerned about leases it has which will be broken by the cancellation of SAA flights, such as catering and refuelling contracts.

"America is barring SAA from continuing its operations in America. They are breaking the contracts. SAA would like to continue flying to America."

From October 12, SAA will introduce four new weekly flights to Frankfurt, Zurich, Lisbon and London, to sup-

plement present flights to Britain and Europe.

"Passengers booked on flights to America from next Sunday onwards will be re-routed to America on British or European airlines. They will not have to pay any additional fare.

SAA offices will continue

operating normally in America, as the sanctions Bill placed no bar on their continued operation.

Meanwhile, SAA has taken a full-page advertisement in the Sunday Times today. Under the heading "Sanctions" it says: "Moenie worry nie .... we're still flying high!"

Sanctions: 209

## Reagan is up against wall

STO/86 C.M.P.R. 55  
RONALD Reagan has been hugging his White House phone all week - trying to persuade Republican senators to back his veto of sanctions against SA.

US Secretary of State George Shultz said there was a major effort to persuade the Senate to support Reagan's veto of the tough sanctions bill - but he conceded the outcome of the vote was in doubt.

Asked if Reagan had the votes needed to uphold his veto of the sanctions, Shultz said: "I don't know. We're working at it very hard."

Reagan has proposed what he calls strong new sanctions against Pretoria and nominated career diplomat Edward Perkins to be the first black US ambassador in SA - apparently all part of an effort to prevent a stinging foreign policy defeat in the Senate.

Reagan claims sanctions against SA would hurt the black majority most and make Pretoria more intransigent on reforming apartheid.



# Sanctions: Pik to meet Crocker

ARGUS

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By TOS WENTZEL, Political Correspondent

A MEETING between South Africa and the United States is to be held soon to take stock of post-sanctions relations.

The delegations will be led by the Minister of Foreign Affairs, Mr Pik Botha, and the US Assistant Secretary of State for Africa, Dr Chester Crocker. The South African Ambassador in Washington, Mr Herbert Beukes, will also attend.

Meanwhile the Government is investigating the legality of the United States ban on South African Airways landing rights within 10 days, an airline spokesman said today.

The high-level meeting will take place in Europe or on the Cape Verde islands, but a Foreign Affairs spokesman today declined to confirm details.

A previously arranged meeting was postponed because of the sanctions crisis when Dr Crocker was needed to lobby US senators in Washington to gain support for President Ronald Reagan's veto.

Also to be discussed at the meeting will be arrangements for a visit to South Africa by US Secretary of State Mr George Shultz.

## Grain

He was to have started a trip to a number of African states last week but it was postponed because of the coming meeting between President Reagan and the Russian leader, Mr Mikhail Gorbachev.

Mr Botha said at the weekend the new sanctions legislation did not affect formal diplomatic relations but the two countries would have to have discussions as soon as possible to evaluate where they stood.

Mr Botha has also said a number of offers have been received from other sources to replace the grain South Africa would have bought from the United States.

A spokesman for the Department of Foreign Affairs in Pretoria today declined to confirm when or where the meeting would be held. It is understood final arrangements still have to be made and the meeting will take place soon.

## Air links

The SAA spokesman said lawyers in New York were studying the bilateral agreement between the two countries to see if it was nullified by the enactment of sanctions against South Africa.

The pact stipulates that 12 months' notice is required for the cutting of air links.

If they find the agreement is still valid the Government may launch a multimillion-rand legal action against the United States.

The SAA spokesman said it was still unclear when the ban would become effective.

"However, because we do not want to keep our passengers in suspense, we assume flights will end on Sunday," he said.

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# All SA goods held up in US

From SIMON BARBER

WASHINGTON. — US Customs officers are holding up all South African goods arriving in the US at their point of entry, while the Reagan administration works out how to implement and what is covered by sanctions.

Mr Francis Keating, a senior Treasury Department official, said at the weekend: "We now have a complete halt on everything that comes in from South Africa."

However, he said some of the goods may be released "within a short period of time ..."

In overriding President Reagan's veto last Thursday, Congress imposed an immediate ban on imports of SA steel, iron, agricultural goods and any product "grown, produced, marketed or otherwise exported" by "a corporation or partnership owned or controlled or subsidized by the government of SA".

The Minister of Trade and Industry, Dr Dawie de Villiers, last night said from Pretoria that the US action was suprising

"I am not aware — if it is so — that all South African products are being held up. It surprises me."

He said the sanctions, as passed by Congress, had many vague points on which the US Commerce Department still had to give "clarification".

"It was never proposed that the importation of all products should be limited until they sort out the issue ...

It is not in accordance with the sanctions legislation because the measures affect specific products.

"I accept that one can expect further clarification but what is happening now is not what we understood the legislation would entail," he said.

Asked to comment on how long it might take to compile a list of products affected by sanctions law, he said it was difficult to say because the "drawing up of definitions" could be a "time-consuming process".

Mr Keating said the administration as yet had no list of banned items and the Customs Service had accordingly been ordered to block all SA imports, even if they appeared to be legitimate.

The administration has accepted that this temporary overkill is necessary because of congressional suspicions that the new law will not be carried out wholeheartedly.

The White House is at present drawing up formal executive orders on how to implement the law.

In addition to the products already mentioned, imports of SA coal, uranium and textiles must cease within 90 days, new US investment in South Africa within 45 days and SA Airways flights to New York by next Sunday.

Meanwhile, the appointment of Mr Edward Perkins, the black diplomat who has been named to replace Mr Herman Nickel as US envoy to South Africa, was expected to be confirmed before the end of the week.



**T**HE American Government has acted immediately to implement sanctions, crippling South African Airways and the multi-million rand rock lobster industry.

United States port of entry officials have blocked all South African goods until the precise terms of the sanctions are clarified.

Bracing itself for a massive cut in revenue from transit traffic and freight to the US, senior airline officials are also worried about the possible loss of international patronage. And the future of overseas-based staff is still uncertain.

Bryan Bench, research officer at the South African Institute of International Affairs, said the most obvious effect of air sanctions would be the inconvenience of having to catch connecting flights to get to the US.

#### Negative

This would have a negative psychological impact because white South Africans have grown used to thinking of SAA as "the best" and had seen the presence of SAA planes in airports around the world as the manifestations of some sort of "gunboat diplomacy".

Travellers will now have to scout around and look for other airlines, and the long-term effect on SAA could be "quite damaging".

"But more substantial will be the economic difficulties," said Mr Bench.

The airline had a virtual monopoly on the shortest South Africa-US route after Pan Am pulled out.

Now SAA would have to compete with other airlines which would also be able to route



Congressional Black Caucus chairman Representative Mickey Leland hugs Randall Robinson (centre) a lobbyist from Transafrica after the Senate overrode Reagan's veto on SA sanctions. Senator Kennedy looks on.

# US sanctions bite hard

## Rock lobster industry faces ruin. SAA's wings clipped

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**SOWETAN**  
Correspondent

transit traffic and freight via Europe or South America.

Between December 1983 and December

1984 international flights out of Cape Town increased by 135 percent. But by the end of 1985 they had decreased by 35 percent and by March this year they had dropped another 37 percent.

#### Suspicious

US Congressional officials, suspicious about the thoroughness with which the Reagan Administration intends to enforce the sanctions, say they will monitor the curbs.

"Everyone is going to be watching President Ronald Reagan on this one," said Congressman Sam Gejdenson, a Democrat who voted for sanctions.

As the US Treasury prepares to issue a list of companies — parastatal corporations linked with

the Government — whose products will be banned under the tough curbs, the multi-million rand shellfish, fruit and textile industries are under critical pressure.

Richard Ball, a spokesman for Oceana Group of Fishing Companies, one of the largest exporters, said "This is going to hurt a hell of a lot of people who for generations have lived off the crayfish harvest. A lot of them know nothing else."

A spokesman for the Frozen Rock Lobsters Packers said "This is going to cause an incredible amount of hardship."

"We are obviously going to try to come up with something, but at this stage I can't see just what that will be."

"Unless there is some

softening in attitude a lot of people are going to be out of work this season.

"Of all the industries affected by sanctions, the rock lobster industry is the least equipped to find alternative markets. We are almost entirely reliant on the US market for our survival."

#### Quotas

This year the Minister of Environmental Affairs, John Wiley, increased quotas, but a Cape Town source said when the season opened next month only a fraction of the usual number of workers would be employed.

Thousands of Cape families rely on the eight-month long "crayfish season" for sufficient income to tide them over the "closed" period when the crayfish breed.

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## *Sanctions threat to lobster industry*

CAPE TOWN — South Africa's multi-million-rand rock lobster industry is facing serious problems now that American sanctions have struck.

The industry is one of the major victims of the sanctions bill passed by the United States Senate this week.

Two-thirds of the R120 million "red gold" industry is geared for export to the US.

Leading figures in the industry said this week that sanctions could put many Cape people out of work.

The Minister of Environmental Affairs, Mr John Wiley, increased lobster quotas earlier this year.

However, only a fraction of the work force employed by the industry in previous years will still have work when the season opens again next month, a highly-placed source in Cape Town said.

Thousands of Cape families rely on the eight-month "crayfish season" to tide them through the "closed" spring period — when the crayfish breed.  
— Sapa



(280) N/146/10/88

# Secrecy the key to beating curbs

Mercury  
Correspondent

**JOHANNESBURG—**Commerce and industry must become security-conscious if South Africa hopes to enter the cloak-and-dagger world of sanctions busting, says Johannesburg Chamber of Commerce (JCC) president Pat Corbin.

Commenting on the statement by Mr Kent Durr, Deputy Minister of

Finance and of Trade and Industry, that Government would advise on unconventional trade methods, he said business had to start operating on a strictly need-to-know basis.

'Everything will have to be done on a confidential basis. Government certainly has information available to it through its embassies and consular staff. This information will, I presume, be made available to commerce

and industry.'

Mr Corbin, a leading sanctions-buster during the days of Rhodesian UDI, said there would be maximum liaison between organised commerce and industry and Government.

'They (Government) will see to it that unnecessary premiums and discounts on exports are avoided. They will also alert people to inherent dangers — such as bad credit risks —

of trading under the counter.'

Mr Durr said in Cape Town at the weekend: 'Government's role is to advise — and we do — on unconventional trade methods. We have developed skills in the departments of trade and industries and finance to advise people on this level.'

Mr Durr would not be drawn on details of what he called 'unconventional trade'.

## Zimbabwe warned of hardships

The Star's Africa  
News Service

HARARE — Zimbabweans must expect shortages and hardships when full economic sanctions are imposed on South Africa, a senior Zimbabwean Minister, Mr Maurice Nyagumbo, is reported to have told a rally yesterday.

Mr Nyagumbo said: "Let us prepare for the suffering without mourning because it is our obligation to liberate the oppressed people of South Africa."

The report referred to "full sanctions" but observers note that, so far, Zimbabwe has said it will impose only limited sanctions as agreed at the Commonwealth mini-summit held in London in August.

Mr Nyagumbo, who spent nearly 20 years in detention during Zimbabwe's liberation struggle, said: "It was good for others to suffer for us in order to see us free — therefore we must suffer for others too."



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# Multi-million aid is Inkatha's plan

FRANKFURT. — A radical multi-billion-dollar aid plan for the West to induce the total elimination of apartheid and poverty in South Africa was put forward here yesterday by the secretary-general of Inkatha, Dr Oscar Dhlomo.

Dr Dhlomo, who is also KwaZulu's Minister of Education and Culture, outlined the plan before a symposium here.

It involves a highly innovative procedure whereby Pretoria would, with explicit apartheid-eliminating provisos, be offered international aid enabling it to offset the cost of dismantling apartheid.

The initiative, which Dr Dhlomo called the South African Recovery Plan, would be based on the need to ensure an annual growth rate of at least 10 percent.

A stipulation would be that the massive Western aid should not be construed as a means of enabling Pretoria "to continue to waste money on ideologically inspired fantasies like homeland consolidation".

A team of representatives from

the Commonwealth, the European Community and the United States would be appointed to persuade South Africa to begin negotiations immediately for the establishment of a non-racial government on the basis of equitable power sharing. Dr Dhlomo emphasized that any suggestion of prescribing what form the evolving political system should take must be avoided by the West — this was a task for South Africans alone.

It was not possible at this stage to quantify the cost of launching the Western initiative. A useful benchmark would be the European Recovery Programme, funded by the Marshall Aid Plan, which cost about \$13 billion (about R28 billion) between 1948 and 1951.

Dr Dhlomo warned that Pretoria was unlikely to offer any major reforms while violence continued and that violence was likely to continue in the absence of such major reform.

The impending black unemployment and starvation caused

by sanctions could further increase violence.

An equally Catch-22 situation was that there would be no reform without economic growth but no economic growth without reform. Seen in this light, sanctions against South Africa appeared to be part of the problem and not part of the solution.

All Western approaches to the dismantling of apartheid and the promotion of peaceful change and negotiation in South Africa had been negative and punitive.

"Consequently," Dr Dhlomo said, "the South African minority rulers, who are the perpetrators of apartheid, have never been afforded an attractive and feasible inducement to work for the rapid dismantling of apartheid."

Its dismantling had been portrayed wittingly or unwittingly as heralding black majority rule, which whites perceived as the inevitable trampling over white minority rights, bringing a dreaded lowering of socio-economic standards and endemic all-round inefficiency. — Sapa . . .

# Dhlomo has new plan for West to aid S A

N/M  
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20/10/86

## Political Reporter

**INSTEAD** of imposing sanctions, the West should offer the South African Government aid to offset the cost of dismantling apartheid, KwaZulu Minister of Education and Culture, Dr Oscar Dhlomo, said in Frankfurt, West Germany, yesterday.

Dr Dhlomo suggested the multi-billion rand plan at a symposium held by the Foundation for European

and International Co-operation.

He said the plan — the South African Recovery Plan (SARP) — should be based on an annual growth rate of at least 10%, and there should be an explicit proviso that the Government proceed rapidly, 'with no backsliding, evasion or duplicity', to dismantle apartheid.

Dr Dhlomo said a team of eminent representatives of the Commonwealth, the European Community and the United States should be appointed to persuade the Government to begin negotiations immediately for the establishment of a non-racial government on the basis of equitable power sharing.

The negotiations would include all South African political groups in favour of peaceful change.

Dr Dhlomo said sanctions were part of the problem and not part of the solution because the Government was unlikely to offer any major reforms while violence continued and the impending black unemployment and starvation caused by sanctions could further increase violence.

He said there would also

be 'no reform without economic growth but no economic growth without reform.'

For blacks who had embraced violence out of desperation, the initiative would help avoid a war they were unlikely to win and give them hope as major partners in governing a society, the industrial base of which had not been destroyed, and a chance to overcome poverty, ignorance, disease and underdevelopment in a short time.

National Party member of the Parliamentary Standing Committee on Finance, Mr George Bartlett, said he thought Dr Dhlomo's suggestion was a good idea.

'Many armchair political critics have no idea of the cost of reform.'

'If Western Governments want to see growth and liberation, they should be pouring in their money.'

'I disagree with Dr Dhlomo that there is no reform without economic growth.'

'The Government is committed to reform but it is true that the process of reform would be inhibited by the inhibiting of growth.'

Would the problem be that



# Zimbabwe warned of hardships

The Star's Africa News Service

HARARE — Zimbabweans must expect shortages and hardships when full economic sanctions are imposed on South Africa, a senior Zimbabwean Minister, Mr Maurice Nyagumbo, is reported to have told a rally yesterday.

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# Bankers find ways around sanctions

STEPHEN ROGERS

SA BANKS are believed to be advising clients on adapting to and circumventing sanctions.

Bankers are also increasingly asking their clients how sanctions will affect them.

"We are looking at the overall issue of sanctions and will advise clients on how to deal with current and potential problems," says Senbank GM Charles Turner.

Banks have taken steps to assist clients feeling a liquidity squeeze caused by lost markets. They have advised traders on alternative routes for goods and documentation to disguise their source.

Banks are particularly anxious about firms that trade in the international community.

"It causes us concern if an exporter suddenly loses his market and comes to us for additional finance. Similarly, we will assess how reliable an importer's suppliers are and, in the case of sanctions, the potential for import substitution," says a merchant banker.

Another method of by-passing sanctions is for foreign trade to be routed through local and international trading houses. It is believed at least one major bank has a close relationship with these establishments. More than 25% of SA's trade now passes through these organisations, with their numerous international associates providing an effective spread for SA goods in foreign markets.



# Big role seen for exports

GROWING emphasis on import replacement programmes should not deflect manufacturers from a more important target — export markets.

This was said by Board of Trade chairman Lawrence McCrystal who added that although industry was being encouraged to gear up for local manufacture of expensive imports, it should not lose sight of exports.

He said over the weekend government plans to stimulate import replacement had struck a responsive chord in industry.

"Industries are looking forward to it. It's releasing an awful lot of energy. And it's very good that people are looking at this — as long as they don't neglect exports.

"I am concerned that with all the emphasis on import substitution, we will take our eyes off the more impor-

tant ball — export contracts. We need not just maintain them, but must make them grow.

"A country or industry that only looks in on itself won't have a place in world markets."

McCrystal said the Board of Trade was actively investigating which industries were ripe for import substitution. While some form of tariff protection was likely to protect local industries from imports, he said the board would not encourage programmes in industries which could not maintain them — either through high costs or too-small a market.

"We are ensuring that when one does replace something, it is economically viable to do so," he said.

DAVID FURLONGER  
Industrial Editor

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Locals keen to snap up assets

# Shell could lose billions from pullout

20/10/86  
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BUSDH

SHELL stands to lose billions of rands of assets if it is forced to quit SA.

Heavy commercial pressure from US markets finally forced the company to indicate at the weekend that it would withdraw from SA, if reform was not speeded up.

The company will leave behind huge capital interests in oil refining, fuel marketing, agriculture, chemicals and coal, which local consortiums are waiting to snap up at bargain-basement prices.

Industry sources say Shell's continued operations in SA are not considered vital in an over-traded market.

MICK COLLINS

When the Salem incident was made public it was obvious the multinational was no longer involved in bringing oil into SA. That function is now known to be handled entirely by the Strategic Fuel Fund (SFF), which in turn is managed by the Industrial Development Corporation.

While the withdrawal move would have been unthinkable a year ago, industry sources now point out that circumstances have changed.

World markets are glutted with oil. SA coal, in which Shell has large interests, is taboo on international markets.

The company owns 50% of Durban's Sapref refinery, and has a strong managing interest in it. But spare refining capacity is glutted. Many refineries, especially in Europe and the US, have shut down.

Refineries in SA have continued to operate, thanks mainly to government support that sees multinationals guaranteed profitability.

Shell owns Cadac, which it bought four months ago, and Shell Chemicals. Sources point out all these business interests could easily be absorbed by local consortiums.

Trek Petroleum, which Shell helped to set up, would be hit by any disinvestment. Analysts point out Trek was a joint venture between BP and Shell, and the

● To Page 2

## Shell stands to lose billions

BUSDH 20/10/86

company does not own any tankers or oil depots. Many of the multinationals still operating in SA would be only too willing to take over Shell's thousands of petrol outlets, which would be up for grabs. Known as the most aggressive and effective petro-selling organisation in the world, the company has been forced to its knees by fierce pressure from anti-apartheid lobbyists.

One incident, considered the most serious, was the cutting in half of thousands of Shell petrol credit cards by anti-SA factions in the US. The cards were later mailed back to head office.

Various other incidents, including the bombing and picketing of Shell service stations in the US, have brought the message home — quit SA or pay for your

presence in lost profits. The company employs about 2 500 in SA. Annual sales amount to R2,2bn, with profits in the region of R100m. PFP MP Brian Goodall said yesterday government should take the threat of Shell's withdrawal as a warning to speed up reform.

He said: "It would be most unfortunate for SA if Shell goes. "It will have far-reaching effects in the long term. With the present state of the economy we must ask ourselves 'Can SA survive shocks like this?'"

"No country changes because of outside pressure, but SA has become the international pariah."

● From Page 1



## GM to quit SA

DETROIT — General Motors Corporation, citing disappointment with the pace of change in ending apartheid, confirmed yesterday that it was pulling out of South Africa.

The chairman of General Motors, Mr Roger Smith, said the company planned to sell its loss-making GM South African Ltd subsidiary to a group headed by local management.

GM has been operating in South Africa for 60 years and is the second largest United States operation in the country.

GM's South African unit employs 3 056 workers — and had sales of \$310 million in 1984, the latest year for which figures are available. — Sapa-RNS

Full report P 13

Theresa

**T**HE ARGUMENT for disinvestment is characterised by a number of serious misconceptions regarding the political economy of SA. Firstly, the perception exists that SA possesses a modern developed economy which is capable of providing a Western standard of living for all its citizens.

Accordingly, it is the policy of apartheid which is responsible for the enormous discrepancies which exist between the advantaged and the disadvantaged.

With the removal of apartheid, social problems in the fields of housing, education, health, employment and the like will disappear. Thus any strategy aimed at the elimination of apartheid will, *mutatis mutandis*, solve these problems.

Such a perception is profoundly misleading.

With a per capita income of R3 316, SA represents a middle-income developing economy which remains heavily reliant on the export of primary commodities in very competitive world markets.

It is pure wishful thinking to assume that the demise of apartheid will, in itself, provide solutions to the various problems of development. Moreover, fanciful notions of a "restructured" economy and the implementation of a socialist state as necessary and sufficient conditions for the resolution of SA's social problems belong in the realm of fantasy.

In fact, global evidence of the past few decades indicates that socialism intensifies the problems of development. The elimination of apartheid is at best a necessary condition for the alleviation of social problems, insofar as it allows for increased wealth creation by removing impediments to the operation of the market system.

**A** second misconception concerns the nature of the political crisis in SA. Generally moderate people who favour disinvestment as a means towards peaceful change widely regard the present upheaval in SA as a legitimate civil rights struggle.

This is particularly true of Americans, who tend to see strong parallels with the civil rights struggle of Martin Luther King during the Sixties. And indeed such parallels do exist. There is an undeniable need for the restoration of those political rights normally associated with the liberal capitalist societies of the West.

However, this conception is seldom tempered by an acknowledgement of the radical or Marxist basis of some important political groups who have little interest in a peaceful, non-violent accommodation. It is now undoubtedly true that there are revolutionary groups who strive for a "classless"

SA where individual liberties will be severely circumscribed.

Thirdly, there is very little awareness of the wide-ranging scholarly debate on the relationship between economic growth and political change in SA.

Broadly speaking, there are two schools of thought on this issue.

The liberal or orthodox view holds that the rational economic decision-making of the market system will inevitably erode and destroy the irrational racial prejudice underpinning apartheid.

Economic growth, insofar as it hastens the spread of market forces, will assist in the elimination of apartheid. Consequently, increased foreign and domestic investment will induce favourable political change by stimulating the rate of economic growth in a predominantly market-oriented economy.

The revisionist or Marxist thesis, in sharp contrast, views capitalism and apartheid as mutually reinforcing systems. Apartheid structures, by creating a "labour repressive" society, facilitate the exploitation of black workers by monopoly capital.

**I**n order to secure the continuity of exploitation, capitalists in turn attempt to strengthen, adapt and perpetuate apartheid. Thus any effort which serves to weaken the power of capitalists will contribute to the destruction of apartheid.

Consequently disinvestment, which, by lowering the rate of economic growth exerts formidable pressure on the capitalist system, represents a method of demolishing apartheid. Hence, whether one accepts disinvestment as a legitimate means of bringing about poli-

tical change depends on one's perception of the relationship between free enterprise and the racist system of apartheid.

A fourth problem characterising arguments for disinvestment resides in their relative neglect of the potential impact on neighbouring states, as well as the range of countermeasures open to the South African authorities.

**G**iven the heavy dependence of Southern African states on the South African economy — even the absence of deliberate measures on the part of the South African government — disinvestment will presumably exact a grievous toll on the economies of these nations.

Countermeasures fall into two general categories: namely, reprisals against those nations engaging in disinvestment and reactive policies aimed at neighbouring Southern African countries.

Reprisals could take the form of freezing assets and/or dividends, limiting imports, constricting exports of strategic materials and the like. Probably much more important are the countermeasures SA could adopt vis-a-vis its neighbours, which might include labour repatriation, the creation of transport bottlenecks, withholding essential supplies and many other similar measures.

Finally, the very idea that investment can be cut off and then somehow resumed without serious long-run implications runs in the face of reality.

Given the resource endowments of a developing country with its reliance on imported capital, even under the most favourable conditions it is difficult to entice sufficient foreign investment to ensure

a rise in living standards. Should political impediments be placed on the flow of funds from abroad, the economic environment is likely to deteriorate to the point where it cannot attract new investment even when the political constraints are removed.

Zimbabwe, for example, was denied foreign investment during the period of international sanctions against the Smith regime. Subsequent to independence, apart from some economic aid from public agencies and foreign governments, virtually no private foreign investment has taken place.

Economic growth in that country now cannot create employment for the thousands entering the labour market, let alone reduce the existing high level of unemployment.

**A** few, more thoughtful exponents of disinvestment appear aware of this problem. One, for instance, has observed that the main argument for pressurising firms to withdraw from SA is thus not because they are likely to do so, nor because it would be likely to achieve any of the desired objectives, but because it forces firms to justify remaining in SA.

In sum, it is incumbent upon those who advocate disinvestment to reflect that, should such a strategy ever be effectively implemented, it is likely to visit poverty and hardship on generations of people not yet even born.

□ Brian Dollery is a senior lecturer in the Department of Economics and Economic History, at Rhodes University. This article is excerpted from a paper published by the SA Institute of International Affairs.

# Disinvestment will mean poverty to generations in SA not yet born

BRIAN DOLLERY



# GM going,

GENERAL Motors is pulling out of South Africa, but its cars and full sales and service facilities will continue to be represented.

Falling sales, the lack of progress in the political-reform policy and mounting pressure from anti-apartheid groups in America has finally become too much.

Well-placed sources close to the company said that GM, with a turnover last year of R521-million, will be "bought by individuals" — but not another motor company.

The deal will mean that GM and its products will remain, but under another guise.

It is understood that local contracts with dealers were reconfirmed by the company on Friday.

The final decision to withdraw came late on Friday and obviously took local managing director Bob White by surprise.

## Pledge

A "We are committed" advertising campaign initiated by Williams Hunt, the largest GM dealer, on TV and in the Press, was partly paid for by GM South African.

The Williams Hunt advertisements pledged to buy back any GM product bought after October 16.

The launch of the new Monza — a Kadett with a boot — will go ahead as planned on November 16. Tooling-up for this car cost R30-million.

Speculation mounted this week after comments by US general manager Roger Smith that poor economic

# going

SUNMkes 19/10/86  
'Individuals' in

## car-giant buyout

By Don Robertson

conditions in SA and the even more important absence of a political solution could force GM out of South Africa.

But it is generally accepted in the motor industry that GM made the decision to withdraw from the market some time ago and has been pondering the best way of doing this.

GM has seen its share of the passenger-car market decline quite significantly this year. In the first nine months sales totalled 10 507 for a 7.9% share compared with 13 731 in the same period last year for 9.1% of the market.

It lost a bigger slice of the light-commercial-vehicle market, retaining only 11.2% with 6 627 sales in the first nine months of this year compared with 15% last year on sales of 9 536.

Sales in the medium and heavy truck sector have de-

clined similarly.

Like the rest of the industry, losses have been mounting.

GM has insisted for a number of years that it was seeking a South African partner which would be prepared to invest in the company.

Last year discussions with BMW SA aimed at establishing a joint assembly line failed. BMW denied on Friday that it was involved in any association with GM.

## About-face

Mr Smith has continually embarrassed General Motors South African with his attacks on the slow pace of reform.

However, his suggestion now that because of economic and political problems in South Africa GM might be forced to withdraw from the market seems to be a complete about-face.

He has been quoted on many occasions as saying

that, once apartheid has been abolished, SA will need a strong economy and for this reason US companies operating in the country should remain.

But GM's decision could put pressure on other motor multinationals — particularly Ford.

Since the merger of Mazda, Mitsubishi producer Amcar and Ford, the American giant effectively has a minority, financial share in what is an Anglo American company and as such is not technically involved in the market.

It is expected, however, that GM's decision will be noted by Ford.

But industry sources believe that Ford, subscribers to the Sullivan Code, will be able to withstand suggestions that it follows the GM escape.

GM's withdrawal will be in name only and will not mean any loss of jobs in the troubled Port Elizabeth area.

(260) (280) SUN NME  
19/10/86

# SAA denies bid to bust U.S. sanctions

By CAS St LEGER

CARRY on flying — next week, at any rate. That's the message received late this week by South African Airways, adding confusion to the still-muddled position on the barring of United States' landing rights to SAA.

And SAA has denied emphatically the charge of a US congressman that the airline is sanctions-busting.

"We are flying because of the mutual agreement between the South African and United States governments. We do not fly in defiance of anything," said SAA media liaison officer Miss Arlette van Jaarsveld.

"As far as we know, next week's direct flights might be the last — or we could be informed otherwise."

She was answering allegations made by Congressman Mickey Leland in the House of Representatives on Friday.

Mr Leland, a Texas Democrat and member of the Congressional Black Caucus, said:

## 'Appalled'

"Today (Friday), 15 days after the Senate overrode the President's veto (of the sanctions Bill) I am appalled that South African Airways is still flying in and out of our country."

He added: "The American people and Congress have said no to apartheid. The law of our great nation must not be violated. The administration has not only a moral obligation but a legal obligation to sever these illegal ties with South Africa."

The last direct flight from

South Africa to the United States, threatened with severance by the US sanctions package passed by Congress on October 2, was to have been last Sunday.

"Then, late last week we were told we could have two more flights, on Thursday and Friday," said SAA media official Mr Francois Louw.

"The same thing happened this week: our New York

office told us on Friday we could fly direct to the United States once again on Thursday and Friday.

"We have no idea if this is to be a recurring situation — or if it was due to intervention from our Department of Foreign Affairs," Mr Louw said.

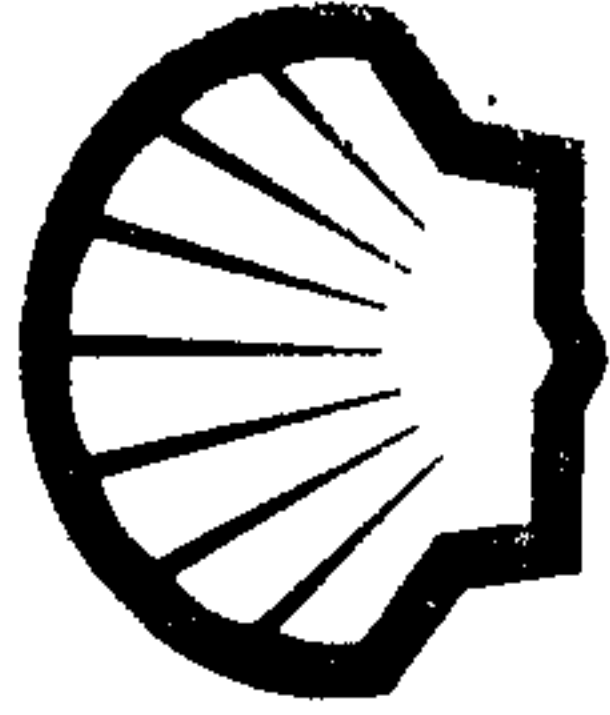
SAA passengers wanting to transfer to the 14-hour direct US flights from one of the four additional European stopover routes may do so.

"Passengers will have the option," Mr Louw said.



Oil giant threatens

to quit South Africa



Ditch apartheid  
quickly — or else

# SHELL SHOCK

Sunday Times Reporter

SHELL has warned its employees in South Africa that the company may pull out of the country unless the Government speeds up race reforms.

Mr John Wilson, the company's executive chairman in South Africa, has told senior executives that the company is involved in a struggle for survival, and is adopting a more open political stance to demonstrate its opposition to apartheid and to seek change.

"If the bottom line of Royal Dutch/Shell is adversely affected internationally, the shareholders will have to reconsider their position in South Africa," he told Sapa-Reuter.



Shell boss John Wilson

● Position Shell SA in that new society sources said Mr Wilson's address was enthusiastically received at the Dutch head office of Shell. His comments — made in a dress recently and now being circulated in company magazines — go further than recent statements from Mr Lo van Wachem, senior managing director of the Anglo-Dutch oil giant, who has also come out openly in opposition to South African policies. Mr van Wachem, in a letter to the group's chief executives round the world, says Shell wants to see political change and help the black population prepare for the ending of apartheid. Mr van Wachem is the man who would ultimately have to take the decision on whether Shell should pull out. But he warned against Shell selling out.

## Commitment

Mr Wilson told his South African executives: "The situation is not comfortable. The threat of disinvestment is real. It is important that every one accepts that the survival of this company depends to some extent on their own commitment to the company's stance." Any move by Shell to run down its operations would be a heavy psychological blow to South Africa. American groups have been reducing their South African exposure (the latest, this week, was General Motors), and many British companies have reduced their interest. So far, however, no major European corporation has decided to pull out completely. Shell has 2,500 employees, 49 percent of them white, in South Africa. It has oil refining, marketing and coal and chemical interests. It has a 50 percent interest — with British Petroleum holding the balance — in its 10-million-ton-a-year Durban refinery. Shell would have to settle for much less than the market value of its assets if it decided to withdraw, because there would be no ready buyers apart from local purchasers, who would be looking for a knockdown price. Its profits in South Africa are thought to run at about R100-million a year. Saying that Shell had now "halted its colours to the mast", Mr Wilson said senior executives would have to accept a post-apartheid South Africa.

But he added: "It would have to get really bad before shareholders decide to pull out."

# Record giant in SA pullout?

AMERICA'S Warner Brothers Record Corporation is close to disinvesting from South Africa.

And its Johannesburg-based associate, WEA Records, is set to buy up the local rights to Warner's stable of international superstars.

These include Paul Simon, George Benson, Rod Stewart, Madonna, Frank Sinatra, Bill Cosby and Prince, all of whom are currently distributed by WEA South Africa.

A decision on the future of WEA (SA) and plans for the future of its artists — including local stars like Leslie Rae Dowling and Petit Che-

By DOUGLAS GORDON

val — is expected this week.

All artists sign distribution contracts for their records for five or 10 years.

These licences are expected to be sold by Warner to WEA so that the stars' records will continue to be on sale in South Africa for the duration of their present contracts.

## Dropped

After these contracts expire, it will be up to each singer to decide whether his or her records can be sold in South Africa.

WEA is the only American-owned record company in South Africa. Established in 1974 with a 10 percent share of the country's annual record sales, it is today one of the three giants, with 30 percent of the market.

Last year the SA record market's annual turnover dropped by

R30-million to R100-million, but WEA continued to hold its 30 percent share, with half of its yearly pop sales to the black market.

WEA's staff of 86 is 60 percent black, including two of its six managers.

Mr Derek Hannan, managing director of WEA (SA), said yesterday that he had developed a contingency plan to buy out the controlling Warner Brothers Records local investment.

It is expected that a buy-out will bring black directors on to the WEA board and a large part of its shareholding will be black-owned.

"I have been developing contingency plans to buy out the local WEA company with my financial director, Mike Oldfield, for the past six months," said Mr Hannan.

"I cannot comment on the plans of the American corporate board of Warner Communications because I have no idea of any decision it may have taken on its future involvement in South Africa."



# SA coal prices will be effective against sanctions

By Dave Edwards

SOUTH African coal producers are struggling to keep a billion-dollar stake in the world coal market while international competitors try to force them out with sanctions.

Coal sanctions recently imposed by the US and general sanctions vociferously advocated by Australia are aimed at increasing these countries' shares of the world market — not at any high moral principle.

This is the view of the SA coal industry. Theoretically, if Australia and the US manage to cut SA out of world markets, they would gain 44-million tons of coal sales worth more than \$1-billion.

This is not on, however, for SA is fighting effectively to hold its share and is supported in its efforts by some of the world's biggest consumers, such as Japan, which face the doubling of some prices if SA is forced out as a producer.

Another major factor in favour of South African producers is that it costs millions for coal burners to switch from one type of coal to another. Most coal contracts are long-term.

Australia and the US are the world's biggest exporters, shipping 89-million and 83-million tons a year respectively. Due to sanctions, South Africa is expected to lose its third ranking to Po-

land. Japan is far and away the biggest importer.

SA is a relatively small supplier to Japan, but provides strategically vital metallurgical coal. SA coal men found it interesting that, after initially following US policy on sanctions, the Japanese suddenly switched to EEC policy when it became obvious that US sanctions would encompass coal.

The EEC took 56% of total South African exports in 1985, but, because of sanctions, this proportion is set to drop significantly.

Among recent sanctions-imposers, France last year took 6.4-million tons, Denmark 3.5-million tons, the US 800 000 tons and the Netherlands a like amount.

This suggests that when sanctions become operative SA should theoretically lose 26% of its exports — 11.5-million tons — but sanctions already in place are not expected to be watertight.

SA coal-producers are not standing idly by. They are:

- Selling coal into countries that have boycotted SA coal through intermediary countries.

- Lobbying politicians in purchasing countries, pointing out that they are by far the cheapest producers.

- Discounting their coal heavily. SA producers have

long boasted the lowest costs in the world with break-even. They have tended to set prices but are disadvantaged by local inflation. Proposed rail tariff increases will erode their comparative advantage.

- Developing new markets in the Pacific rim.

- Expanding existing markets there.

The local industry has already been injured. After attaining record profits on the soft rand last year, all the major exporting companies realise that total SA exports must fall — but each intends to hold its individual share.

On balance, SA exports could fall by an estimated 8-million tons by early 1987, and export profit margins are falling due to lowered dollar prices and the combined effects of inflation and increased haulage charges at home.

Rail charges from Witbank to Richards Bay may rise to R19 a ton by March 1987, paring steam-coal profits to the bone.

American exporters need a price of around US\$35 a ton to break even on deliveries to the European market. SA producers can still make a profit at \$21.

The high dividend yields of the coal shares reflect deep pessimism. But coal men are confident that the cost-competitive industry can survive.

# Newspaper threatened with 'drastic action'

The Star's Africa News Service

HARARE — An independent weekly newspaper in Zimbabwe, *The Financial Gazette*, has been threatened with drastic action following publication of an editorial warning of the repercussions for Zimbabwe of applying sanctions against South Africa.

The editorial drew heavily from an unattributed paper on Zimbabwe's reliance on South Africa, prepared by a diplomat at the British High Commission.

Information Minister Dr Nathan Shamuyarira objected to what he called the manipulation of public opinion by foreign powers by planting "false and biased" information in local newspapers.

"We have no objection to foreign powers expressing their views in the news columns of any paper, but the clandestine practice of

presenting them as the opinions of a Zimbabwean editor is totally unacceptable," he said.

He said the editorial was largely a direct quotation from a paper prepared by the deputy British High Commissioner, Mr Roger Martin. Mr Martin left Zimbabwe for Britain last week at the end of his tour of duty there.

Dr Shamuyarira said the publisher of *The Financial Gazette* had been warned that the practices of his staff must stop, "failing which the Government would take drastic action."

However, the paper's editor, Mr Clive Wilson, said last week he took the greatest exception to the Minister's allegation that the paper was being used as an agent of foreign powers. He had asked to see the Minister as soon as possible.



# Banks advise clients on sanction-busting

By STEPHEN ROGERS

JOHANNESBURG. — SA banks are advising clients on ways of adapting to and circumventing sanctions.

Bankers are also increasingly asking their clients how sanctions will affect them.

"We are looking at the overall issue of sanctions and will advise clients on how to deal with current and potential problems," says Senbank GM Charles Turner.

## Liquidity squeeze

Banks have taken steps to assist clients experiencing a liquidity squeeze caused by lost markets. They have also advised traders on alternative routes for goods and documentation.

"For example, if a client exports to a country imposing sanctions against SA, we will advise him to push his papers through an alternative route to disguise the source of goods," says a banker.

Banks are particularly anxious about local firms that trade in the international community.

"It causes us concern if an exporter suddenly loses his market and comes to us for additional finance. Similarly, we will assess how reliable an import-

er's suppliers are and, in the case of sanctions, the potential for import substitution," says a merchant banker.

Another method of by-passing sanctions is for foreign trade to be routed through local and international trading houses. It is believed that at least one major bank has a close relationship with these establishments.

More than 25% of SA's trade passes through these organizations at present, with the numerous international associates of these bodies providing an effective spread for SA goods in foreign markets.

## Creditworthiness

In spite of the effect of sanctions on local firms, banks have denied that they have limited their exposure to certain clients or sectors. However, it is likely that the creditworthiness of some clients will be impaired.

Bankers have suggested that clients likely to be affected by sanctions should organize long-term facilities as soon as possible.

"This will give them greater flexibility if and when sanctions affect them. For example, a steel exporter to the US may find facilities harder to obtain today than before sanctions were imposed."

DD 20/10/88 (280)

# Shell denies plan to pull out of SA

CAPE TOWN — Shell was not about to disinvest, nor was it contemplating disinvesting from South Africa, the chairman and chief executive officer of Shell SA, Mr John Wilson, said last night.

weekend regarding threats of Shell's disinvestment from South Africa, said in a statement:

"At the outset, let me make an unequivocal statement: Shell is not about to disinvest, neither is it contemplating disinvesting from South Africa.

"The Royal Dutch-Shell group, of which Shell SA is a wholly-owned subsidiary, has as recently as September 23 made its position regarding its continued existence in SA absolutely clear," he said.

"The chairman of the committee of managing directors of the group, Mr Lo van Wachem, on that date issued a letter to all senior executives of Shell operating companies throughout the world.

"In this letter, he examines the moral arguments in favour of disinvestment at some length, and then proceeds to put the Shell view 'I have to ask myself what contribution to the relief of these (South Africa's) problems Shell would make by withdrawing. My honest opinion is none whatsoever.

"Withdrawal which has no positive and probably some negative effects on the community would not be a demonstration of moral rectitude, but of moral weakness.

"It would be washing one's hands of any further social responsibility, let alone any continuing responsibility for Shell employees in South Africa."

"Mr Van Wachem does, however, stress the need for urgent change within South Africa. He says: 'I therefore support the call made by John Wilson and other business leaders in South Africa for the SA Government to release all political prisoners, to end the ban on political organisations, to stop detention without trial of community and union leaders, and others, and to begin the process of negotiation about the future with representatives of all South Africans'."

Mr Wilson continued: "Since this letter was issued, nothing has changed to alter the view of the Shell group. Shell has been in South Africa for over 70 years, and looks forward to a long continued existence in this country.

"The speech made by me to senior managers of Shell in SA which

and by a number of other newspapers, was delivered on August 4 1986 at an internal conference.

"The purpose of these meetings was to inform Shell employees of the international pressures being faced by the group, and of the possible ramifications thereof. It is regrettable that certain portions of that speech and its spirit and intent have been somewhat misconstrued.

"At no stage have I or the Shell group 'threatened the SA Government with disinvestment'. There was no suggestion in my speech or in any other statements made on behalf of Shell of 'change or else'.

"Clearly, however, if the group's financial performance is significantly impacted, then in the words of Mr Van Wachem, the group would be faced with 'a very unhappy choice'.

"I made it clear to staff at that conference that the survival of Shell in South Africa depended to a large degree on the actions of the company in the SA environment. I also made it clear that the company unequivocally condemned apartheid, and that it was committed to doing all it could to bring an end to this system," Mr Wilson said.

"It is my company's belief that the maintenance of a Shell presence in SA can contribute substantially to providing change and to creating a viable and prosperous economy in a post-apartheid era," he said.

● A Daily Dispatch correspondent reports from Johannesburg that Shell stands to lose assets worth billions of rands if it does decide to quit South Africa.

The company will leave behind huge capital interests in service stations, oil refining, agriculture, chemicals and coal.

● The position of General Motors in South Africa was being reassessed, the managing director of General Motors, South Africa, Mr Bob White, confirmed in a statement from Johannesburg yesterday.

"This has previously been stated by the chairman of the board of GM in the US, Mr Roger Smith," he said.

"The interests of motorists, our 200 dealers and their employees and our 3 000 employees in Port Elizabeth, will not be prejudiced," he said.

— Sana



# Shell denies any move to disinvest

Mercury Correspondent

CAPE TOWN—Mr John Wilson, chairman and chief executive officer of Shell South Africa, said unequivocally last night that the company was not contemplating pulling out of South Africa.

He was commenting on weekend news reports on the threat of Shell's disinvestment from the country.

Meanwhile the managing director of General Motors, Mr Bob White, confirmed in a statement issued yesterday that the company's position in South Africa is being reassessed.

In his statement last night, the Shell chairman said: "At the outset, let me make a unequivocal statement. Shell is not about to disinvest, neither is it contemplating disinvesting from South Africa."

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## Jetting

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"It would be washing one's hands of any further social responsibility, let alone any continuing responsibility for Shell employees in South Africa."

Mr Wilson said that Mr van Wachem did, however, emphasise the need for urgent change within South Africa.

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Our Port Elizabeth correspondent reports that GM's Mr White said that "the interests of motorists, our 200 dealers and their employees and our 3 000 employees in Port Elizabeth will not be prejudiced."

The company's position in South Africa was being reassessed.

## Control

It is understood Mr White and fellow executives from GMSA will be jetting to GM's company headquarters in Detroit tomorrow, and although this has been described as a 'routine' visit the latest statement indicates that a crucial meeting awaits the South African delegation.

Our London Bureau reports that British newspapers have carried reports that Hill Samuel, the merchant banking group which has been under attack for its involvement in South Africa, is to give up control of its South African subsidiary.

According to reports the South African operation will also be renamed in the future. Dolf Mootham, group finance director, conceded that the move was partly prompted by the political situation but he said there were no plans to reduce the group's holding further.



WEEKEND FOCUS

# CHEERS!

WEEKEND  
ARGUS  
SPECIAL  
REPORT

## Residents will benefit

**W**ESTERN CAPE shebeen owners have established the Bantu Taverns, Hotel and Inns Limited company so that township residents can benefit from profits made by shebeens.

The Western Province Tavern Owners' Association will also establish a black-owned "bank" and insurance company.

The reason for establishing the "bank" and insurance company, according to Sam Tuntubele, Chairman of the WPTOA, was that shebeen owners have been refused loans from established financial institutions.

The loans are desperately needed to upgrade shebeen premises so that they meet the requirements of the Liquor Board.

There are about 3 000 illegal shebeens operating in the Western Cape and many would like to become legal but are caught in a vicious financial circle when it comes re-building, renovating and upgrading their premises to meet the standards laid down by the Liquor Board.

Sam Tuntubele, Chairman of the Western Province Tavern Owners' Association, said the recent riots had forced insurance companies to declare the townships high-risk areas.

"It's a vicious circle," he said.

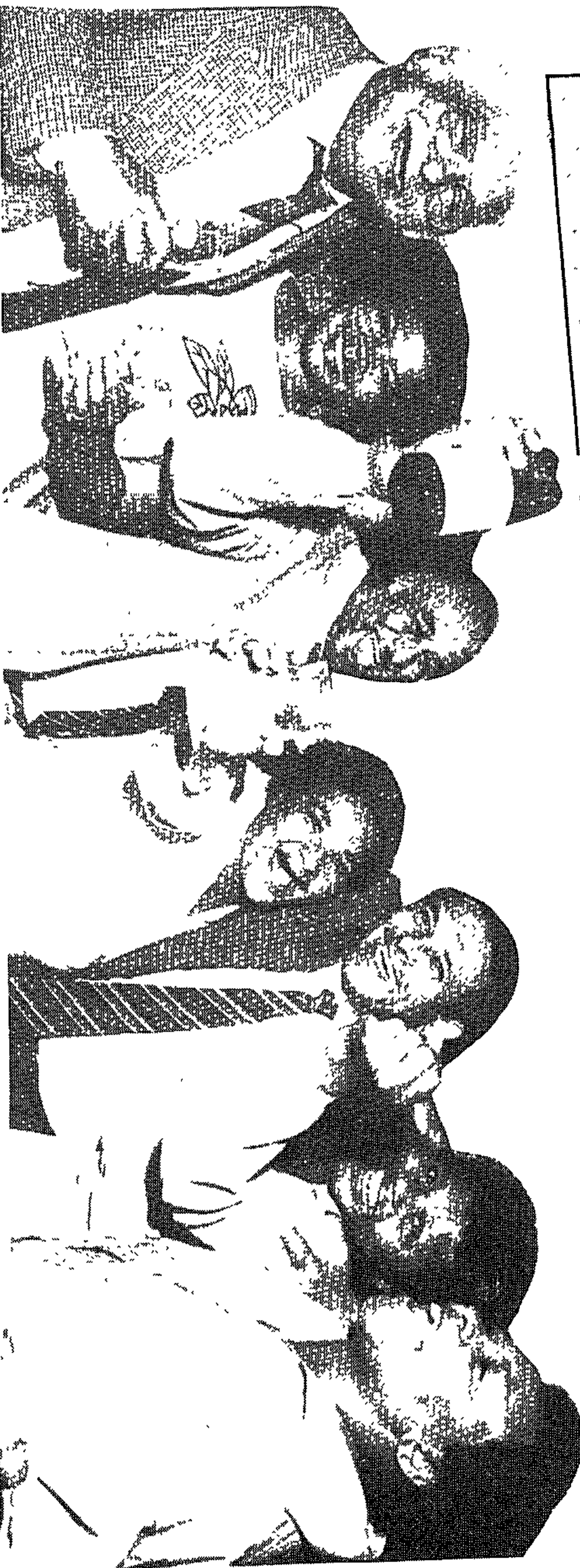
"Our members who wish to become legal tavern owners in accordance with the Liquor Act require financing so that they can upgrade their premises to meet the standards.

"We have approached most of the financial institutions in the Western Cape for assistance but were refused because the insurance companies would not insure our buildings — a direct result of the recent riots.

"Without insurance the financial institutions will not grant loans. So its back to square one," he said.

"The Small Business Development Corporation are assisting us and are structuring an insurance scheme which may alleviate this difficulty.

"Our long-term plan is to establish our own independent black-owned loan company and insurance scheme



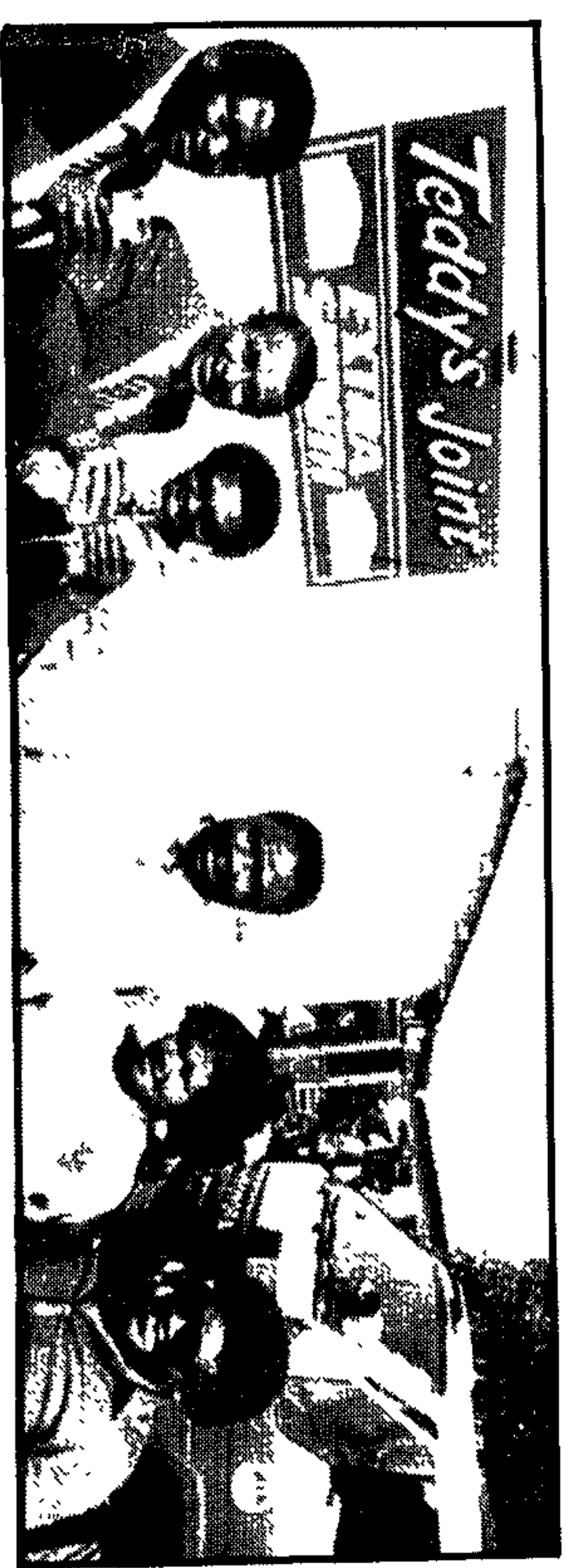
Celebrating the first legal liquor-run into Langa this week — from left, Sam Geduld of Athlone, Madelene Ndevu, Tony Naidoo of Stellenbosch farmers' Winery, Eunice Petersen, Ivan Randall, Sales Manager, SA Breweries, Buyiswa Mawisa and Buyiswa Njoli.

Picture WILLIE DE KLERK

## It's all legal at Teddy's Tavern in the town . . .

..and

## here comes the beer!



Here it is — the beer! Teddy's first delivery.

## In broad daylight too

**T**HE Government's recent decision to allow shebeens to become legal has emphasised, for major South African companies, the significant potential market waiting to be tapped in the townships — but for many it may be too late. Already black entrepreneurs have set up a public company with shares to be issued exclusively to township residents, a black-owned loan company and insurance scheme to try to ensure the millions of rands blacks spend on liquor each year will benefit blacks first.

Since the announcement that shebeens could apply for liquor licences, 500 have been legalised nationally. This week, the first shebeen in the Western Cape received its licence. The announcement led to a flock of liquor company representatives knocking on the door of Teddy Ndevu's tavern in Langa. They found that there is a new awareness among residents and black businessmen when it comes to money matters...

**T**EDDY Ndevu's Langa shebeen was declared legal last Wednesday — the first in the Western Cape to be granted a liquor-trading licence. And he is beaming at the possibilities of his new-found status.

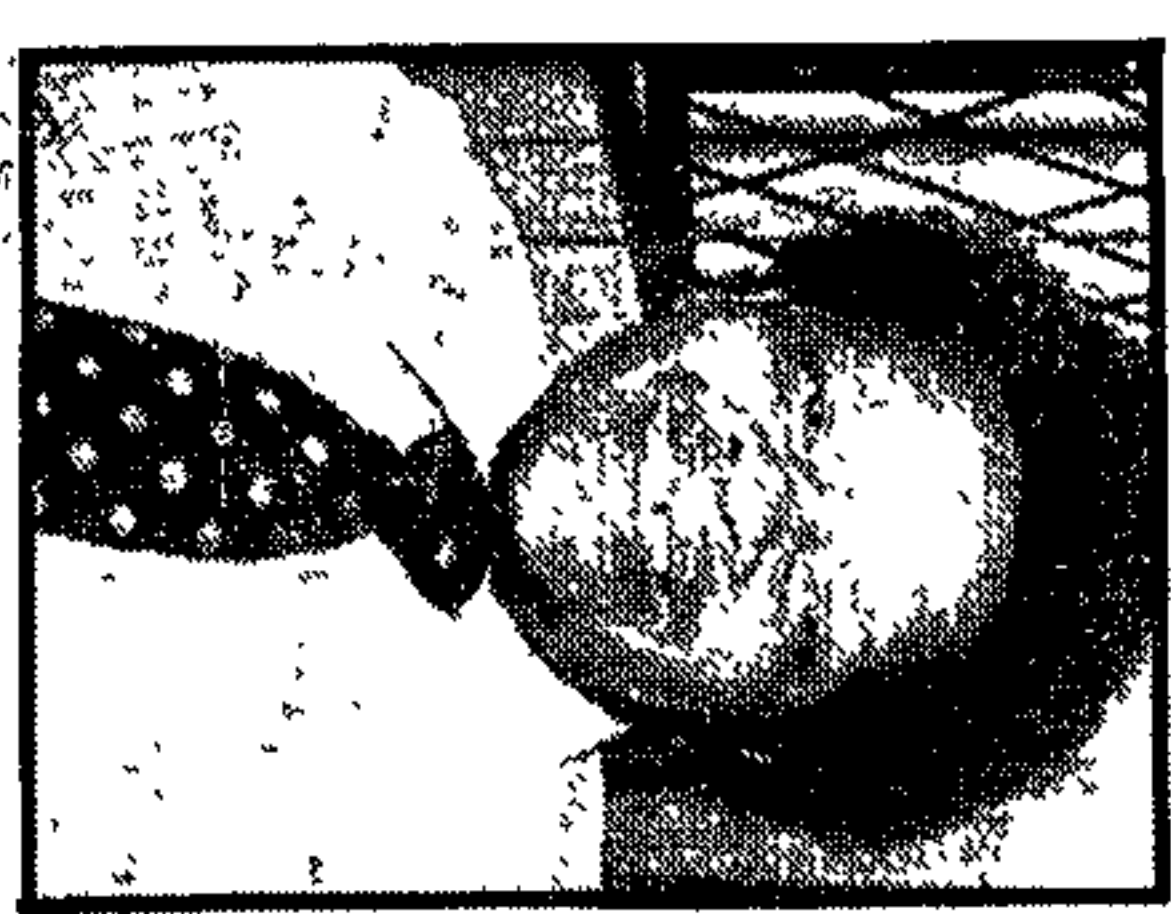
At the stroke of a pen, Teddy's many customers can now sit and relax, sip their drinks, listen to the laid-back vibes provided by their host, and engage in small-talk without having to keep a mental-map of escape routes in their minds, or keep one ear open for the early warning signs of a police raid.

No longer will some customers mistake the heady sound of the sax for a police siren and cause a mad scramble for the open windows or the back door.

"It's all legal now... no more police raids... no more pay-offs... no more road-blocks on the way back from the bottle store with a cargo of illegal liquor... no more confiscation of my vehicle and liquor... In fact, no more hassles from anybody!" Teddy said at 1 pm last Wednesday, minutes after signing the piece of paper which magically changed his business from a back-door, cloak 'n dagger, hide 'n seek operation into a "respectable" (Teddy maintains that his business was always a respectable



by MARK STANSFIELD  
Weekend Argus Reporter





cum-club-cum-ga, heing-  
place for Langa and Gugule-  
tu's many residents.

But please don't ever call  
his establishment a "shebeen".

"We want to stop using that  
word and all the illegal con-  
notations it carries. Rather  
call my place a tavern," he  
said.

**B**UT, for Teddy and other  
members of the Western  
Cape Tavern Owners' Associ-  
ation, the long, upward path  
to legality has often been  
strewn with shards of broken  
glass.

The State of Emergency,  
inflamed residents, and the  
red-tape of the "Establish-  
ment" have all had to be  
tackled and overcome. In the  
process, many new trends  
have been established in  
black social thinking and en-  
terprise.

"During the riots, the town-  
ship kids stoned and fire-  
bombed any business they felt  
was remotely connected to  
the Government. In the liquor  
trade, this meant destroying  
the bottle stores, sorghum-  
beer factories and drinking  
places operated by the West-  
ern Cape Development  
Board," he said.

"Even shebeens were de-  
stroyed, because the civic as-  
sociations said we were not  
participating in township life,  
and were only making money  
for ourselves.

"In order to stop this, we  
now have representation on  
the civic associations, confer  
with civic leaders, and have  
formed a company which will  
eventually buy the Western  
Cape Development Board  
properties.

"Thirty percent of the  
shares of the company will be  
sold to township residents so

about R30 000 to re-build  
his tavern.

they will have a say in the  
running of their own liquor  
trade.

"This way, the children will  
not destroy the properties be-  
cause they will realise that  
their parents are part-own-  
ers," Teddy said.

**H**E grins wickedly as he  
recounts his days as an  
illegal Langa Shebeen King  
— the days when a man had  
to go to the bottle-store, give  
a false name and address, and  
then pray all the way home  
that the police would not stop  
him and confiscate his goods.

time.

"I hope other shebeen oper-  
ators will realise the benefits  
of belonging to the Western  
Cape Tavern Owners' Associ-  
ation and the rewards of be-  
coming legal. Cheers!" he  
said.

On Teddy's liquor licence  
he trades as "Teddy's Joint",  
but a visit to the premises  
this week showed that he cer-  
tainly does not run a "joint".  
He spent R30 000 on re-  
building, installing ladies' and  
gents' toilets, a fixed bar  
counter, fridges and a store  
to meet with the approval of  
the Liquor Board inspectors.

"This is a classy place and

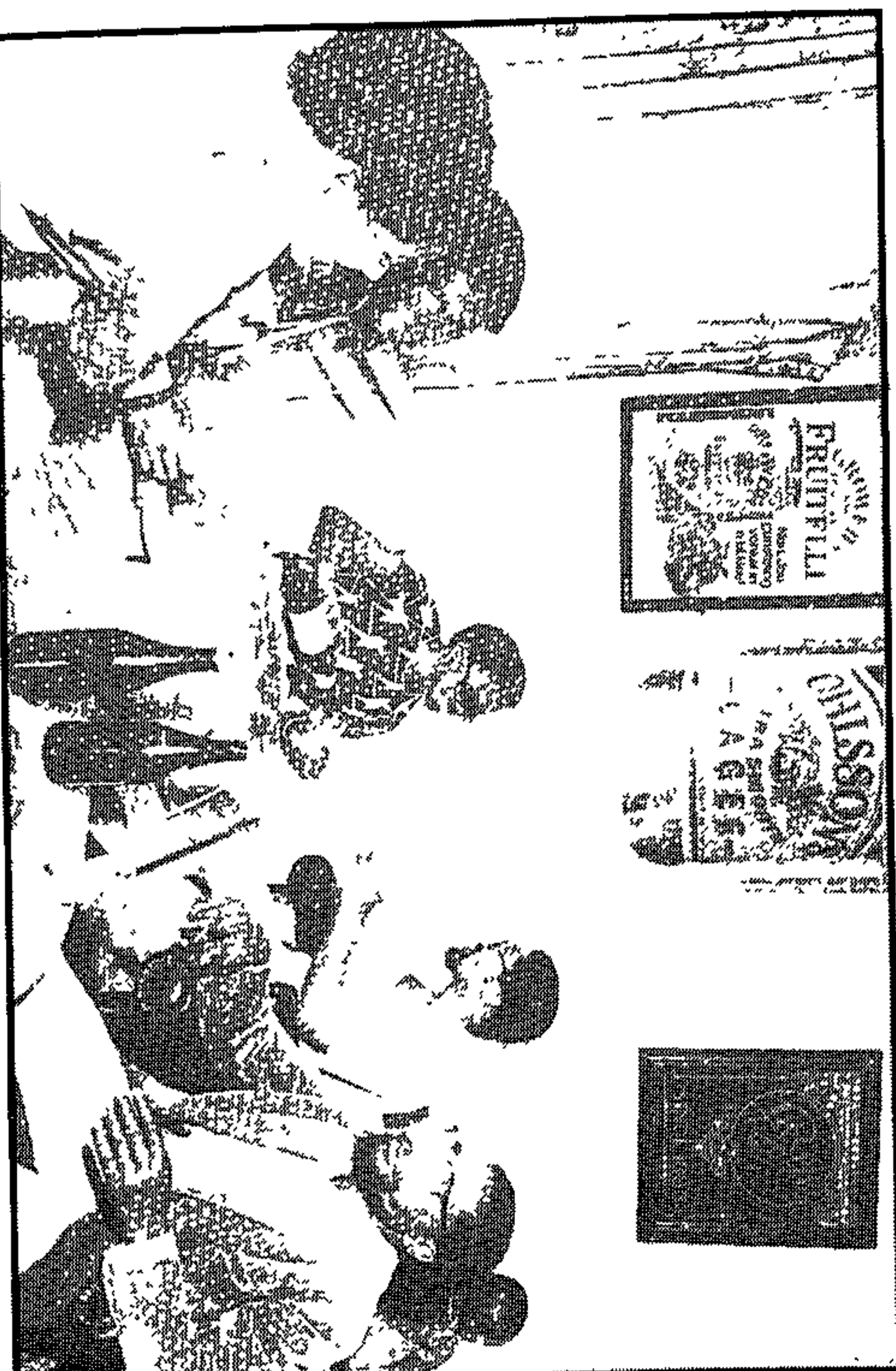
"The music is the key to  
harmony," Teddy claimed.

"The rowdy elements don't  
enjoy jazz so they never come  
in," he said.

His customers agreed that  
the legal status of the tavern  
now enjoys takes a lot of  
strain off them.

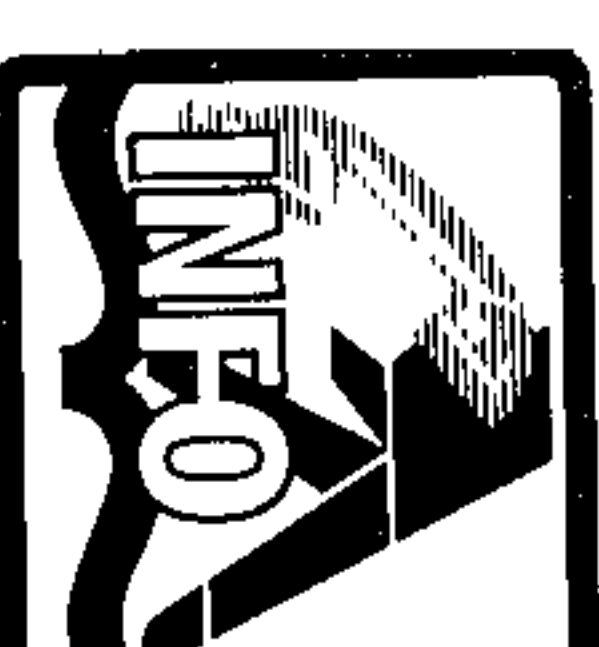
"Now if something had hap-  
pens here Teddy can pick up  
the telephone and dial the  
cops for help. Before it was  
the other way around!" said  
one.

Another adjusted his shades  
and ordered himself a per-  
fectly legal pint.  
"It's cool," he said.



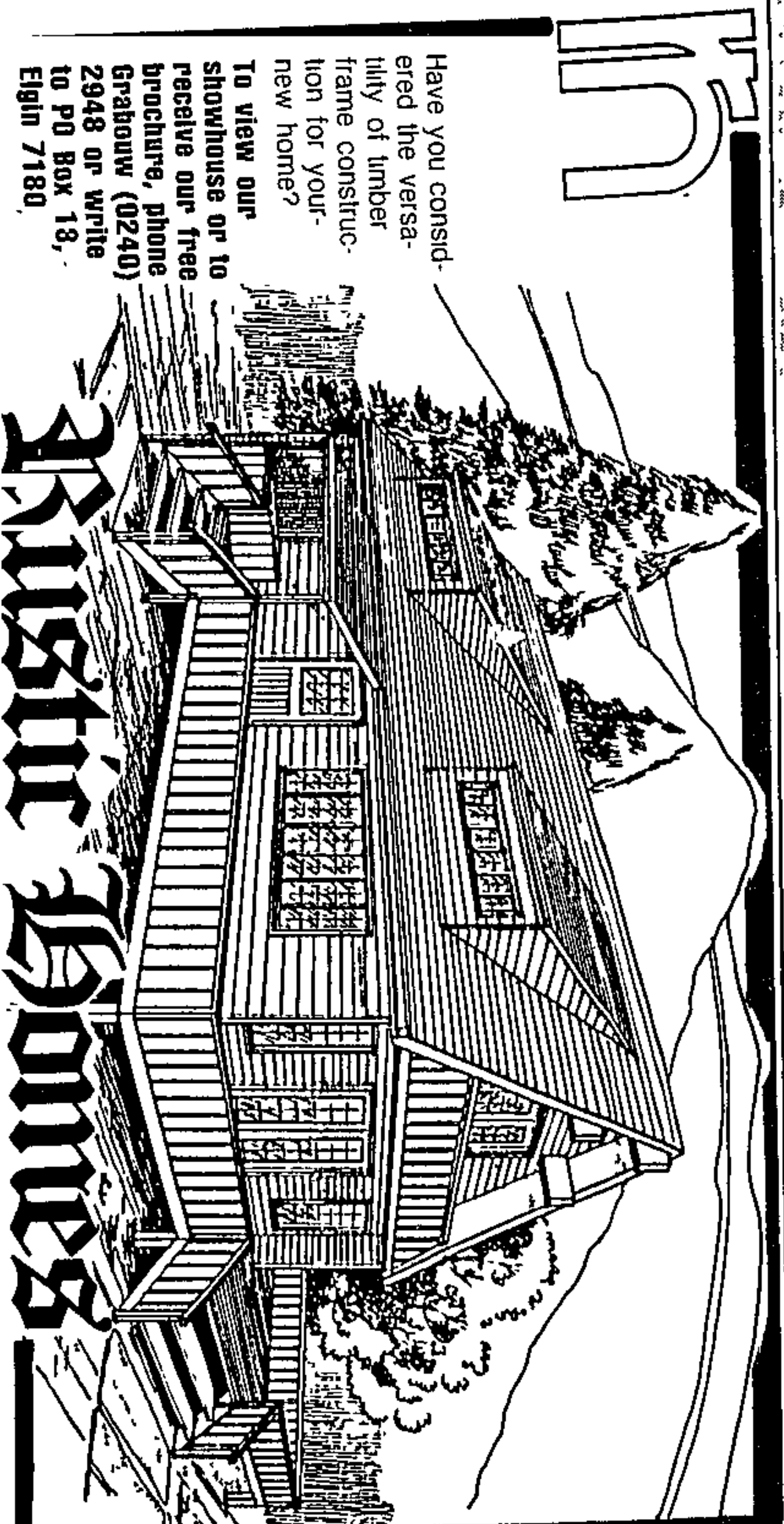
Picture: WILLIE DE KLERK  
Friends relaxing in Teddy's Joint, Langa — the first legal township tavern in the  
Western Cape. Liquor companies have been supporting illegal shebeens for years  
and hold promotions regularly. Note the table-cloths, curtains and posters — the  
result of "promotions".

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THE ELECTRONIC  
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**Rustic Homes**

**T**HIS week, for the first time, a breweries  
truck roared through the streets of Langa,  
stopped outside a shebeen and delivered.

It was the talk of the town — a full load of  
beer had actually been delivered — in broad  
daylight! Crates and crates of beer  
Township residents had never seen the likes  
of it.

Usually shebeen owners run their illegal  
loads at night and because they expect to be  
raided, never store the entire load in one place.  
"If you do that and they raid you, you will  
lose everything," one illegal shebeen operator  
explained.

"Instead we have friends who are willing to  
keep a crate or two  
"So when you are raided the cops might only  
find one or two crates and when you run out  
you send a runner over to a storage place to  
collect a few more," he said.

**O**NE shebeen owner has his liquor hoard  
stashed in no fewer than 15 different  
places.

Shebeens are illegal, you see  
But that has never stopped some of South Af-  
rica's biggest liquor companies from playing  
fairy-godmother to the establishments.

Most have been sending representatives into  
the townships for years.

Mr Brian O'Grady, Regional Director for  
Stellenbosch Farmers' Winery disclosed that  
SPW had been holding promotions in shebeens

"for years".

"Obviously we have never traded with them  
directly but we do have three promotions peo-  
ple who visit the shebeens and who give away  
things or demonstrate our products.

"All liquor companies do it," he said.

A KKW spokesman said the company was at  
present conducting market research in the  
townships.

"It's more of a generic exercise because KKW  
does not sell any of its products locally," he  
said.

"Obviously the black market is a big one but  
no one has yet managed to crack it.

"The information we gather is passed on to  
companies who will be dealing directly with the  
tavern owners."

**O**THEL liquor companies denied their pres-  
ence in the illegal establishments, but a  
quick visit to several shebeens showed that all  
were stocked with ashtrays, stickers, coasters,  
mirrors, curtains and liquor-dispensing ma-  
chines all bearing the distinct logo's of several  
liquor companies.

Mr Tony Nardoo, Sales Manager for Stellen-  
bosch Farmer's Winery, said many people had  
the impression that shebeens were "dives".  
"Some of them are exceptionally well-run es-  
tablishments with their own code of honour and  
conduct," he said.

"They are more clubs than bars where town-  
ship folk can relax and unwind."

To build up funds for the

establishment of their own  
"bank" the WPTOA hold cul-  
tural shows and exhibitions.

"Most of the funds raised  
this way will go to cripple  
care and to help the elderly  
but some will be banked.

"This fund will eventually  
be used to help other tavern  
owners — in fact anyone in  
need in the townships — to  
upgrade their premises and  
become legal.

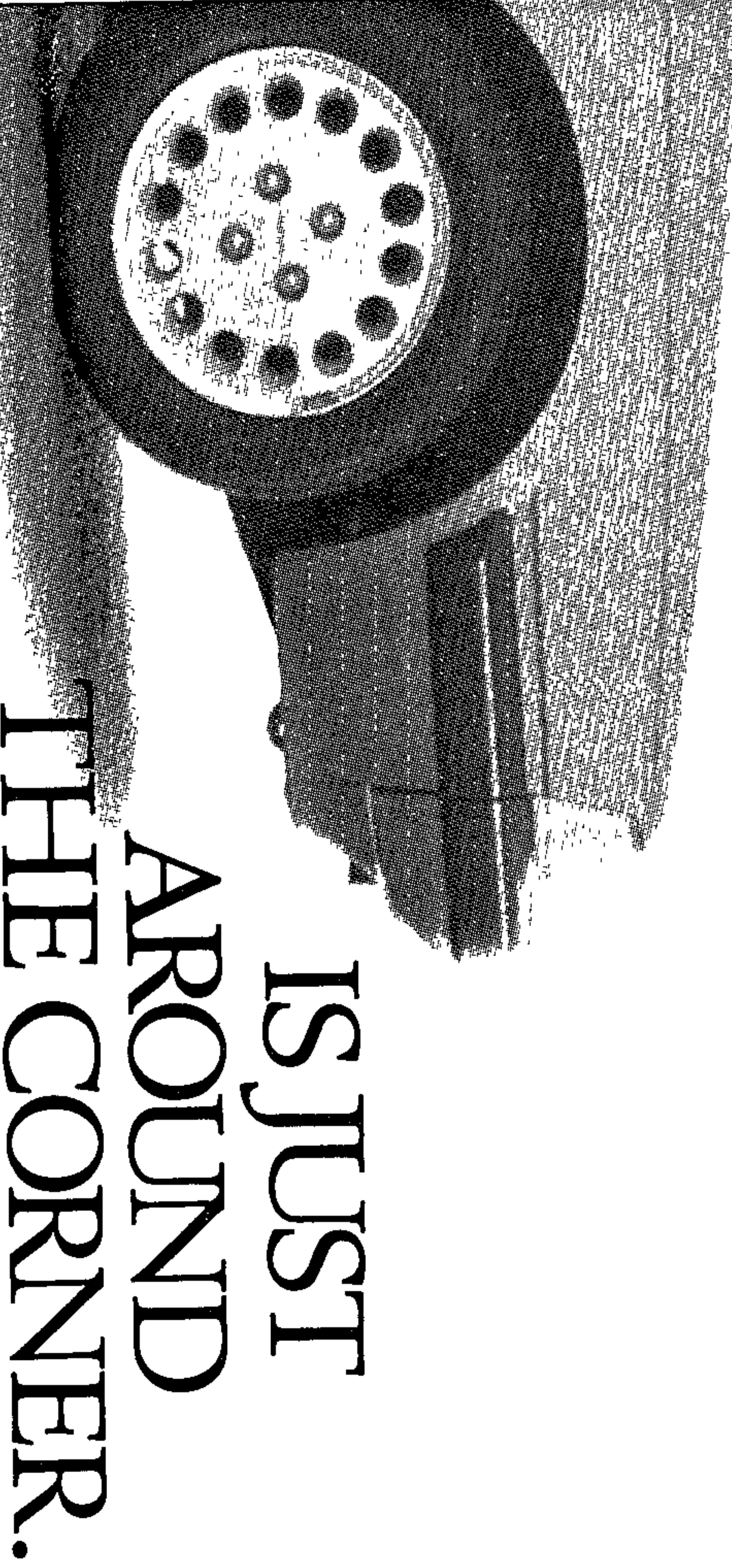
The WPTOA also estab-  
lished Bantu Tavern, Hotel  
and Inn Limited recently.

"Thirty percent of the  
shares will be sold to town-  
ship residents so they can  
share in the profits from the  
taverns," Mr Tuntubele ex-  
plained.

"The company will also buy  
all the Western Cape Devel-  
opment Board premises, like  
their beer halls and sorghum  
beer factories.

"This way the millions of  
Rand spent by township resi-  
dents will eventually find its  
way back into their pockets  
and help all of us to lead de-  
cent lives," he said.

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SANCTIONS

# Behind the blockade



US authorities have imposed what amounts to a total embargo on imports of all South African goods, pending clarification of the Comprehensive Anti-

Apartheid Act of 1986 which became law when Congress overrode President Ronald Reagan's veto on October 3.

Confusion about the scope of the wide-ranging legislation has led the US Customs Department to impose a tight clamp on all imports from SA (*Business* October 10). Even goods apparently outside the scope of the new legislation have been held up while a unit of the Treasury Department's Foreign Assets Control (FAC) prepares the definitions and interpretations.

At least one shipment from Cape Town was cancelled by the importer at the last minute last Friday; demurrage costs are mounting on goods which cannot be landed; other goods are incurring heavy warehousing and cold storage bills, and there will be extra shipping charges if US imports from SA have to be re-exported or sent back home.

"They seem to have an act in force, but they don't know how to administer it," a Johannesburg export source tells the *FM*. "Meanwhile, customs will not let anything in before the whole situation is clarified."

Behind the chaos is a long telex sent by customs headquarters in Washington to all regional commissioners, district directors, area directors, port directors and special agents last Friday.

After spelling out the specific embargoes and offering general advice on interpretations, the telex, which became a bulletin with legal force upon transmission, concludes: "Further specific advice from FAC will be provided as soon as possible."

Meanwhile, concern at the delay is mounting in business and official circles. A week ago, a customs official in Washington told the *FM*: "It could be a week before all companies and items are identified."

Freight forwarder Bryan Law told the *FM* from Los Angeles this week that the customs clamp amounted to total sanctions. "We had hoped for clarification by now, but Friday's telex has added to the confusion. Calls to Washington do not help."

A crucial paragraph in the telex on general interpretations of specific bans says: "Customs entry is not allowed and importations shall not be released from customs custody unless specifically authorised by FAC"

Law says two containers of his frozen fruit puree have been held by customs since they arrived in Houston on October 4. One of the

containers was destined for another export shipment which fell away because the box was not available.

Another US importer was prepared to risk the shipment of 20 containers of seaweed from Cape Town because he argued that it was a product of aquaculture, not agriculture.

He, however, cancelled the shipment when it was pointed out to him that a sub-clause in the agricultural ban includes any "article suitable for human consumption." A down-the-line by-product of seaweed processing is used in the manufacture of pharmaceuticals.

"The whole situation is very alarming," says Law, a former South African who specialises in freight from southern Africa. "Everyone is aware that South African exporters will try to hide identity and shift paperwork to third countries. But the consequences can be very severe."

"If suspicion of this type of move leads to customs hold-ups and delays, importers will steer clear of the whole southern African region. The US businessman's attitude is to avoid a potential delay situation."

Attorneys Deneys Reitz, who prepare a sanctions information bulletin for clients, have had great difficulty in advising companies. "It will be very difficult to interpret the Act. I don't think the importance of this has been fully appreciated in SA," says partner Kevin Cron.

And there is still no indication when the US customs will start to clear the backlog of imports from SA. Says a spokeswoman at the US Embassy's commercial division in Johannesburg: "We're also waiting."

## RED MEAT IMPORTS

### Out for blood

SA has begun another round of meat imports — and precipitated another industry row. Some 700 t of meat destined for canners has already arrived this month and another 400 t is due to follow shortly.

This, according to Red Meat Producers' Organisation chairman Fanie van Rensburg, is to make up a shortfall in the supply of red meat to the factories. He calculates the shortage at some 1 300 t out of a total consumption by the sector of 2 000 t a month.

There are two reasons for the undersupply. One is that farmers in areas where there has been some rain are attempting to build up herds after the wholesale slaughter during the drought. The other is seasonal. There is usually a shortage of third grade meat from August to November because winter is the

best time to build up animals for better grades in the feedlots.

Van Rensburg says these imports will be necessary for at least five more months. However, there isn't an end in sight. He believes there will be a general shortage of red meat next year, even higher grades, because of a fall off in the calving rate.

## More concern

"During the drought farmers slaughtered into their capital — culling female animals. We expect this will lead to a 5%-10% drop in the calving rate this year. This is why we have already seen a rise in the liveweight price of feedlot cattle from 130c/kg to 220c/kg and why retail consumers can certainly expect even higher prices."

A 10% fall in the calving rate would mean about 200 000 less cattle available for slaughter, based on the 2m head sent to the abattoirs in the past year. The amount of red meat produced for the market was 440 889 t, which could mean imports of some 44 000 t next year. Similarly, a 5% drop would represent 22 000 t, and the real figure probably lies between the two.

Whatever happens, the whole question of imports is causing concern to the Organisation of Livestock Producers (OLP). Executive director Roy van der Westhuizen says imports should be considered only when wholesale prices reach 550c/kg for mutton and 400c/kg for beef. In August, the wholesale prices for local produce were 436,2c/kg for mutton, 295c/kg for beef and 278c/kg for pork.

He is also worried by the fact that imports are not agreed in an open system, and that the differentials between the price of imports and local produce are not going into the farmers' stabilisation fund.

"The OLP," says Van der Westhuizen, "doesn't argue that there should not be imports, particularly if there is a need to stabilise the market."

Putting sectoral interests first, however, he says he would like to see an open tender system "otherwise it's open to abuse, with the possibility of the importer pocketing the difference on each carcass. If we look at a landed price of imports of something like 300c/kg and a 400c/kg local wholesale price, there is R1 000 to be made on each ton of imported meat."

"We're also concerned that the Meat Board might get locked into long-term supply contracts which would mean we end up in another surplus situation. This is particularly important when one considers that there is a worldwide glut of red meat, some of which could easily be dumped here."



~~280~~ 280  
GRT 7/12/8  
17/10/86

## BA ready to take SAA gap

**Own Correspondent**

JOHANNESBURG. — British Airways (BA) is waiting in the wings for SAA to make its last flight to New York today before the United States landing rights ban is enforced. Punting London's Heathrow Airport as the "obvious gateway" to the US, BA manager for Southern Africa Michael Hirst said the airline was fully geared to meet the anticipated increase in demand from SA.

But he declined to comment on what share BA expected to capture of SA's 72 000-a-year passenger market to the US.

### 138 weekly flights

Hirst confirmed that BA's revenue-pooling agreement with SAA on flights to and from London would not be affected by US landing rights ban.

BA has 138 weekly flights to 15 points in the US.

Hirst also hinted that the British Civil Aviation Authority would rule within a fortnight on whether BA or British Caledonian would be granted a licence to operate a direct service from Botswana.

The move is widely seen as a sanctions-busting bid should the EC sev-

ARGUS 17/10/86

280

## Sanctions will be disastrous — ex-FCI chief

### Staff Reporter

SANCTIONS would be disastrous for the entire sub-continent, says Mr Rod Ironside, former president of the Federated Chamber of Industries.

He told a Cape Employers' Association lunch yesterday that overall sanctions would be disastrous for the entire sub-continent. The South African infrastructure was the only reliable access to Central Africa.

Mr Ironside, who recently returned from three months overseas, said the American sanctions were largely due to frantic attempts by the Democratic Party to cut President Ronald Reagan down to size.

President Reagan had capitalised on the mistakes of his predecessors — Johnson, Nixon and Carter — to give America the leadership it needed.

Sanctions would raise the temperature of employer/employee relations and affect their ability to talk to each other, he said.

They had the potential of increasing the differences between various labour groups. The formation of groupings such as the Congress of South African Trade Unions and the Cusa/Azactu (Council of Unions of South Africa/Azanian Congress of Trade Unions) alliance were indicators of greater awareness of the power of organised labour.

From the employers' side this was not a positive and it also indicated a diversity of thinking among labour groups — a diversity that would end on the shop floor.



17/10/86 280 BUS DAY

# Sanctions will top FCI agenda

THE prospects for economic recovery and the impact of sanctions will dominate discussions at the annual Federated Chamber of Industries executive-committee meeting in Johannesburg early next month.

According to an FCI spokesman, the meeting could be a useful precursor to the State President's economic summit on November 7.

The debate on economic recovery will take place against the background of recently-imposed US sanctions and the possibility of sanctions and boycotts being applied by some of SA's other trading partners.

## GERALD REILLY

Roger Gidlow, economic adviser to the Reserve Bank, will report on SA's debt-repayment negotiations.

Jan Bouwer, Credit Guarantee Insurance MD and chairman of the private-sector Export Advisory Committee, will discuss trading under sanctions conditions and the support which can be given by government to the export community.

Council of Unions of SA joint secretary Piroshaw Camay will discuss industrial-relations issues.

Christo Nel, newly-appointed as-

sistant to the FCI chief executive, who is dealing with the practical implementation of the FCI Business Charter at company level, will report on the progress made by the FCI.

Deputy Trade and Industries Minister Kent Durr will address the FCI conference on economic prospects in a sanctions environment.

Professor Deon Geldenhuys of RAU will analyse SA's international isolation, while JSE chairman Tony Norton will give a practical insight into business management in a sanctions environment.

Drug resistant

MEMBERS of the SA Medical and

BUS DAY

# Clarification of US sanctions awaited

MUCH-NEEDED amendments to the US's recently-passed sanctions legislation, aimed at correcting the many inconsistencies it contains, are expected to be submitted to Congress within the next couple of days, diplomatic sources say.

These inconsistencies have reaped widespread confusion over the precise interpretation and implementation of the Comprehensive Anti-Apartheid Act of 1986, which has caused a virtually

CHRIS CAIRNGROSS

total US customs trade clamp to be imposed on all SA imports.

All shipments of SA goods reaching US ports of entry are being "impounded" temporarily pending clarification of what can be let in and what cannot.

It is not clear if the amendments now being drafted will be structured to effect actual changes to the Act or if they will

be in the form of appended proclamations.

A spokesman for the commercial section of the US consulate in Cape Town confessed they had been given no idea what was intended, and when, to clear up the problems created by the legislation.

A clause in the Act — Section 319 — which has been most troublesome relates to the prohibition on the importation of all SA agricultural and food products suitable for human consumption.



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## Car-makers begin last rites for silent GM

Business Day Reporter

OFFICIALS of General Motors in Port Elizabeth remained silent yesterday on possible moves to quit SA.

In the absence of any official statement, speculation was rife in motor manufacturing circles that "there is no smoke without fire".

The general consensus was that any moves now by local GM management to seek alternatives — such as a buy-out or a partnership — have been left too late.

One source said: "By their silence they are damaging their own market. An emphatic statement from PE refuting the *Automotive News* allegations would have done a lot to restore confidence."

Business Day was unable to obtain comment from the motor giant's public relations department, but a secretary said she didn't think any statement would be made.

The industry was abuzz on what is to happen to the company's forthcoming launch of its Opel Monza. About R30m has been spent on tooling up for the model.

Analysts said it looked as if the company would take the loss.

"What's R30m on the huge losses already incurred?"

The motor manufacturer's ailing local operation has seen its market slowly whittled away with yearly units sold dropping from 44 000 in 1984 to a forecast 27 000 units for the current year.

GM chairman in Detroit Roger Smith said the company was reassessing its SA operations because of the political situation and the poor economic climate.

Commenting on Smith's statement, National Association of Automobile Manufacturers (Naamsa) director Nico Vermeulen said: "One can but surmise that it will improve demand for those (manufacturers) remaining behind."

Other sources shared this viewpoint, with one commenting: "It won't be nice for the people in Port Elizabeth, but what we are seeing is a natural attrition of a market place that is overcrowded."

17/10/86 BUSDAY

# SA curbs drive Zaire closer to Frontline fold

ABIDJAN — SA's response to Western sanctions is obliging Zaire to forge closer links with ideological foes among Southern Africa's Frontline states, say diplomatic sources in Abidjan.

Relations between the vast, mineral-rich nation and the Frontline group have in the past been strained by allegations that pro-Western Zaire supported rebels fighting neighbouring Angola's Marxist government.

Zaire has consistently denied the charge, but black African suspicions of President Mobutu Sese Seko have been compounded by his maverick foreign policy initiatives that are out of step with much of the continent.

The prospect of Pretoria making it uneconomic for central and southern African nations to use its ports to export and import goods is causing all countries in the region to put past differences behind and find a means of guaranteeing economic survival.

Mobutu meets Frontline leaders in

Zambia on Sunday and is expected to discuss how to ensure a flow of goods after SA's decision to impose tighter controls on trade with black southern African states.

Zaire and Zambia are crucially dependent on SA ports to export copper, their main revenue earner.

Zaire exported about 200 000 tons of metals through Durban and East London last year.

About 274 000 tons passed through the Zairean port of Matadi and about 60 000 tons through Tanzania's seaside capital Dar es Salaam.

With Matadi only able to handle about 300 000 tons annually, Zaire badly needs to reduce dependence on the increasingly costly and unpredictable SA export route.

In one of a series of diplomatic initiatives aimed at forging regional unity, Mobutu recently discussed economic affairs and border security with Zambian President Kenneth Kaunda in the northern Zairean town of Gbadolite. — Sapa-Reuter.



# Sanctions will lead to poverty says lecturer

DD 8/10/88  
280

## Academic warns of long-term dangers of disinvestment

**JOHANNESBURG — Successful sanctions against South Africa were likely to cause poverty and hardship for generations, according to a South African academic.**

In a paper published by the South African Institute for International Affairs, a senior economics lecturer at Rhodes University, Dr Brian Dollery, also said it was "pure wishful thinking" that the end of apartheid alone would solve the social and developmental problems of the country.

The idea that investment could be cut off and then resumed without serious long-term implications "runs in the face of reality", he said.

"Should political impediments be placed on the flow of funds from abroad, the economic environment is likely to deteriorate to the point where it cannot attract new investment, even when the political constraints are removed at some future date.

"In sum, it is incumbent on those who advocate disinvestment to reflect that should such a strategy ever be effectively implemented, it is likely to visit poverty and hardship on generations of people not yet even born."

A number of South Africa's neighbours faced the same plight, he said. Rhodesia, for example, had been denied foreign funds under the Smith regime. Since independence, virtually no private foreign investment had been made in Zimbabwe.

Dr Dollery said a number of serious misconceptions existed about the political economy of South Africa.

It was believed in some quarters South Africa had a modern, developed economy capable of providing a Western standard of living for all its citizens and that apartheid kept this from becoming a reality.

However, South Africa, with a per capita income of R3 316, was a middle-income economy that remained heavily reliant on the export of primary commodities in very competitive world economies.

"It is pure wishful thinking to assume that the demise of apartheid

will, in itself, provide solutions to the various problems of development.

"Moreover, fanciful notions of a 're-structured' economy and the implementation of a socialist state as the necessary and sufficient conditions for the resolution of South Africa's social problems belong in the realm of fantasy."

Global evidence was that socialism intensified the problems of development, he said.

"The elimination of apartheid is at best a necessary condition for the alleviation of social problems insofar as it allows for increased wealth creation by removing impediments to the operation of the market system."

A second misconception concerned the nature of the political crisis in South Africa.

Moderate people who favoured disinvestment as a means toward peaceful change regarded the present upheaval in the country as a legitimate civil rights struggle.

Such parallels existed, and there was an undeniable need for the restoration of political rights normally associated with the liberal capitalist societies of the West.

"However, this conception is seldom tempered by an acknowledgement of the radical or Marxist basis of some important political groups who have little interest in a peaceful, non-violent accommodation.

"It is now undoubtedly true that there are revolutionary groups who strive for a 'classless' South Africa where individual liberties will be severely circumscribed," Dr Dollery said.

Disinvestment was likely to exact a "grievous toll" on the economies of South Africa's neighbours, even without deliberate counter-measures by Pretoria.

These might include labour repatriation, transport bottlenecks and withholding of essential supplies.

"Obviously, proponents of disinvestment cannot focus exclusively on its potential impact on South Africa alone without a careful scrutiny of the possible countermeasures that could be implemented," he said. — Sapa

## Embargo on ideas

The violent disruption last week by radical UCT students of lectures by the visiting Irish academic, Conor Cruise O'Brien, has split the campus and cast serious doubt on the institution's professed dedication to academic freedom.

O'Brien's lectures were broken up by students who believe he should be denied the right to speak on the campus because he is



Ireland's O'Brien ... no easy cruise at UCT

breaking the "academic boycott" of SA. This amounts to a kind of embargo on ideas and is the antithesis of the very idea of a university.

The Irish academic's admission that he deliberately broke the boycott because he did not believe in it was no doubt provocative to leftwing students. But they went far beyond merely demonstrating against it — which is and should be their right. Their violent intolerance has been widely condemned. The lack of support for their violent attitude from even the more Left-leaning teaching staff at UCT has been conspicuous.

The university council, the highest author-

The issue is whether or not the university, its departments, individual members of staff and the students have the right to invite visitors onto the campus to address them or to lecture, and whether or not those who oppose the views or actions of the guests have the right to use violence to express their opposition.

The academic boycott, eminently worthy of debate, is another matter. It was overtaken and trampled underfoot at UCT last week.

the United Democratic Front (UDF) in Cape Town this week warned UCT authorities that the "community" would be "mobilised" to "ensure that wisdom prevails and no provocative action is taken against students. "The real issue now is to whom the university is accountable," a UDF spokesman said.

The real issue, however, is academic freedom and freedom of speech, ideals which UCT — and the radical students — claim to cherish.

ity, adopted a surprisingly moderate approach at an emergency meeting this week. Instead of taking immediate disciplinary action against the students, a committee of inquiry into the incidents was set up and will report back to council chairman, Len Abrahamse.

UCT academics reacted with shock when O'Brien's lectures were broken up, and were generally supportive of the council's description of the action as "totally unacceptable." Quick to exploit a political opportunity,



F.N MAIL 17/10/86

FARM SANCTIONS

~~280~~ 280

## Sowing the wind

The last thing agriculture needs after the drought and profits crunch is sanctions. It seems, however, that farmers need not be too depressed about the US inclusion of food and farm products in its sanctions lineup.

The value of these exports in 1985 were relatively small at \$65,5 m, while major farming sectors export little, or nothing, to the US, which is, of course, the world's largest food-producing country.

But, say agricultural spokesmen, the biggest danger is that the US move sets a precedent for other countries.

"The US is not our most vital export target, although some sectors will lose important markets. The danger is that the lead-

ing Western power has set an example and one can only hope that other countries don't follow," says SA Agricultural Union (SAAU) director Piet Swart.

Swart says it is now vital to diversify into alternative markets and "fortunately most of our exporting organisations have sophisticated marketing arms."

Sectoral spokesmen are either cagey about new plans, or say that sanctions are relatively insignificant.

With the US staggering under massive grain surpluses, most of SA's surplus maize goes to the Far East. Wheat Board (WB) GM Dennis van Aarde says while the WB sometimes sells small surpluses to African states, SA is not a big wheat exporter. In good years, the crop fills the 2,1 Mt local demand. The 1986 import requirements of 313 000 t have already been landed.

The US provided 166 000 t, another 55 000 t came from Canada and 92 000 t was bought from Australia. Van Aarde says 1987 import levels can be determined only after final crop receipts from major producing areas in the Cape and Free State.

While heavy winter rains in the Cape may have spoilt a potential record crop — the Cape provides about 35% of SA's annual production — he still expects an above average crop. The Free State, which provides about 50% of the national crop, also had good spring rains.

Van Aarde says, however, that the WB might import 100 000-200 000 t in 1986/87 to be on the safe side. At current Chicago FOB prices of \$106/t, this would cost SA about \$21,2 m.

"These imports will be finally negotiated only by May next year," he says. Given the world over-supply, SA would buy from the US and Australia, but the purchases may be subject to "wheat politicals." Other potential suppliers are the EEC and the Argentine. "We also receive offers from other, rather surprising, quarters," adds Van Aarde.

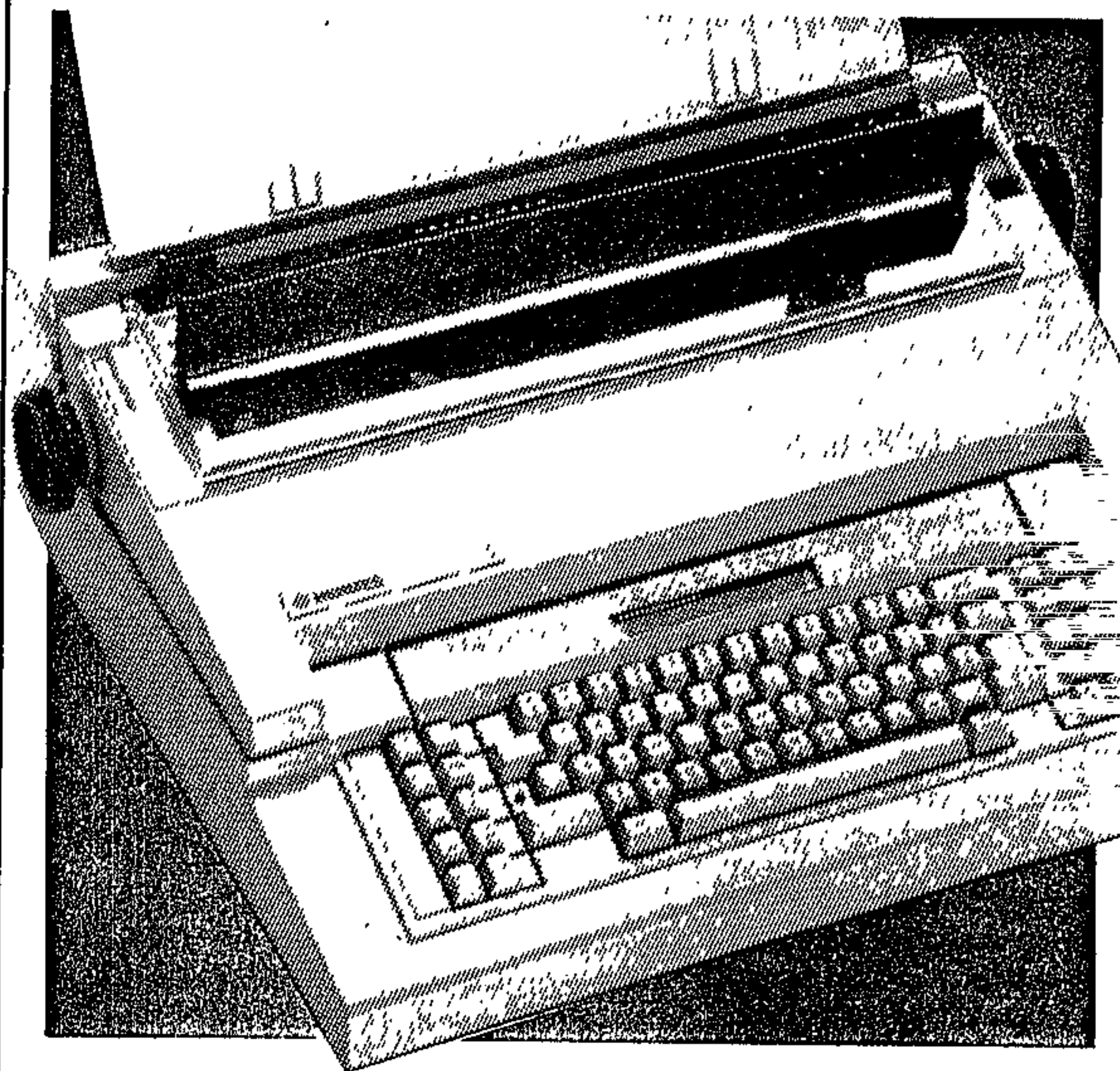
Deciduous Fruit Board (DFB) CE Louis Kriel says the board exports about 1,5 m cartons a year to the US from its total shipments abroad of 30 m cartons a year. These are "valuable consignments," he tells the *FM*, but he's more worried about the ripple effect of the US action.

"About 90% of our 220 000 workers are coloured people and our members are the biggest employers of unskilled workers in the Cape. We have a long and successful record of creating some of the best social conditions for non-white workers in SA. If the US example is widely followed, unemployment will rise dramatically," says Kriel.

SAAU president Kobus Jooste says the commercial agricultural sector directly employs about 1,3 m workers and indirectly supports some 5,5 m people — about 20% of the SA population.

"The loss or serious contraction of important export markets would disastrously affect the economic viability of a very large number of farmers, their workers and dependants," he says. ■

# WHAT'S NEW?



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THE motor industry in Port Elizabeth was still in disarray yesterday as it awaited word on General Motors' (GM) future in SA.

New rumours that GM may abandon its SA operation have rekindled doubts concerning the future of the city as an industrial centre.

Contacted in Detroit last night, GM spokesman George Schreck said he was aware of remarks made by GM chairman Roger Smith to Automotive News.

He said: "We are familiar with the Smith interview. He did indicate that we are regularly assessing operations in SA."

"As you are aware, we have frequent reviews of our operations worldwide. In the case of SA, we have reviews more frequently due to the economic and social climate. Social change has not been as rapid as we initially thought."

Schreck said as part of the review programme, the company had looked at the possibility of taking on a partner in SA but nothing concrete had been decided.

He refused to confirm the motor giant was about to quit SA.

A GM spokesman in PE declined to comment last night, saying his principals

# GM sets cat among pigeons

MICK COLLINS

still had to hear from the US.

He said: "We may have something to say tonight or tomorrow."

GM's main local dealer Williams Hunt has taken a strong stand on the issue, and has placed a full page advertisement in today's *Business Day*.

Chairman Brian Joffe said a pull-out would be contrary to an existing arrangement his company had with GM SA.

He said: "They are obliged to continue with the supply of motor vehicles to our company for a further five years."

"MD of GM SA Bob White informed me that he intends to comply with this arrangement."

The ad states that as an expression of confidence, Williams Hunt will buy back any new Opel or Isuzu vehicle sold after October 16.

The offer applies to vehicles "pur-

● To Page 2

# GM has set cat among pigeons

chased from ourselves at our selling price before GST, less the normal depreciation and calculated in accordance with the SA Income Tax Act".

It states: "You may be aware that GM has just invested R30m in the development of a new model, the Opel Monza, which is to be launched in two weeks."

"Does it make sense that the world's biggest motor manufacturer would quit on the eve of a launch?"

Industry analysts say the motor industry could easily survive a GM pull-out which, in any case, would encourage other manufacturers to stay.

They expressed scepticism that a withdrawal was imminent, citing similar recurrent comments over the past 15 years.

National Association of Motor Manufacturers (Naamsa) director Nico Vermeulen said: "It would be disastrous for the eastern Cape, but one could surmise it would improve demand for those remaining behind."

John Farquharson, the financial director of a large GM dealership in Durban,

said the reports were ambiguous and second-hand.

Farquharson said GM's top management in Port Elizabeth told him there was no intention of the company withdrawing from the country.

He said: "I'm not worried. We have heard these stories before and the opposition grabs them to try to turn them to their advantage."

The closure of GM's huge PE plant could have crippling longterm effects on the area's black unemployment, which has reached 55% of the total workforce.

GM employs a total of 3 000, and about a third of the region's 7 500 hourly automobile workers. These jobs would be lost, and industry executives reckon between two and three jobs in component manufacture and retail sectors depend on each GM job.

Midlands Chamber of Industries executive director Brian Matthew said: "If GM closed down, it would be another big blow."

● From Page 1

17/10/86 SPAR  
Cooper: My  
leaving  
will do  
Azapo good

WEEKLY MAIL REPORTER

SATHS COOPER says his decision to study abroad and thus relinquish his presidency of the Azanian People's Organisation (Azapo) will give his organisation the chance to broaden its leadership.

"The basic tendency in the South African situation is to hang everything on a few personalities," he says. "That has serious problems, especially in an organisation like Azapo which is basically very democratic in its make-up and has the potential to develop into a very disciplined, socialist group."

Cooper, who will also resign as convenor of the National Forum — an alliance of leftwing and black consciousness groups — has a long political history. Imprisoned on his activities in the now-banned South African Students' Organisation, he has been charged with advocating disinvestment and frequently banned and detained, most recently under the nationwide State of Emergency.

But Cooper, a psychologist who is doing pioneering research into the effects of apartheid and unrest on black youth, is keen to develop his academic and professional interests, which he sees as a continuation of his politics.

His decision to study for a doctorate in clinical psychology in the United States was only made public this week, but Cooper said Azapo knew of his intention in May. His resignation was confirmed at an Azapo council meeting which ended on Friday.

Patrick Molala, the organisation's vice-president, whom Cooper said had been "at the helm" since May, is acting as president until the annual congress in December.

Several reports have hinted that Cooper's decision was not broadly welcomed in Azapo circles.

"Nobody would like to be put in a position where reactionary elements can say: 'Your president has run away, things have got tough, he's hopping out, changing sides'," Cooper conceded.

"But the membership of the organisation and its leadership know and have empathised with the situation."

Asked how, as a socialist, he could study in the United States, Cooper replied that many activists had done the same.

"As if one can study in a socialist country and happily come back here," he added. "The important thing is you can be anti-imperialist, anti-West generally, but not against any people. When Gorbachev shook Reagan's hand in Reykjavik he never compromised any position. That type of situation needs to be understood."

"Probably within the insularity of South African politics, where mediocrity is the norm, we tend automatically to assume that because one is going to study in the US, one will embrace those (Western) things. People who express that criticism I think are themselves hiding their own inadequacy of what can happen to them if they find themselves in that situation, because they are probably the weak ones who will get swallowed up by that system."

Cooper said he was optimistic about Azapo's future. "It is on the brink of a very exciting period."

About the chances of reconciliation with the organisation's ideological rivals, such as the United Democratic Front, he said: "There is a tremendous opportunity for the different resistance tendencies to map out certain common areas where they can do things together or strive towards them separately, and in that process create a closer working relationship."

"Separately there's no future for this country. Mapping out a common approach is the only way out. But that doesn't mean that anyone has to give up an ideological position."



ARBUS 17/10/86

TRADE

# SA imports frozen as US agonises over sanctions Bill

From NEIL LURSEN  
The Argus Foreign Service

WASHINGTON. — A fortnight after the United States Congress voted for economic sanctions against South Africa, American bureaucrats are still sweating over a final interpretation of the Bill.

All goods imported from South Africa, including shipments that are not prohibited by the new law, remain frozen in the US.

Some of the goods are, however, being released into the custody of the American importers on condition that they be held in warehouses until authority is given for final release.

Section 303 (a) and (b) of the Sanctions Bill is providing the officials with their biggest headache.

It bans any article that is grown, produced, manufactured, marketed or otherwise exported by a South African "parastatal organisation" and it defines "parastatal" as a corporation or partnership owned, controlled or subsidised by the South African Government.

Exempted from the restrictions are business entities that previ-

ously received start-up assistance from the South African Industrial Development Corporation but which are now privately owned.

There are also exemptions affecting goods produced by parastatals — such as strategic minerals that the US cannot get elsewhere, agricultural products imported during the next 12 months, and goods ordered by contract before August 15 this year and delivered to the US up to April 1.

The problem facing the officials is to compile a complete list of parastatals and to establish which South African companies are getting subsidies — and, if so, how much.

Adding a complication is a provision in the Bill that prohibits imports from third countries where a parastatal has been involved in the production or marketing of the goods.

As one official put it: "Obviously, we cannot go to Pretoria and ask them to give us this information. Why would they want to help us put the screws on them?"

The list of parastatals is being compiled by officials at the US State Department. Until it was completed, the present situation would continue, a spokesman for

the US Customs Service said today.

A State Department official said it could be "days" before the list can be sent to the US Treasury, customs, the commerce department and the agriculture department for enforcement of the sanctions.

## INFORMATION DATED

State Department officials started work on the list before the sanctions became law in the hope that they would beat the problem. But most of the information they received was dated, it is understood.

Lawyers are keeping a close watch on the situation and are ready to file complaints should the final list turn out to be inaccurate.

Meanwhile, travellers who arrive in the US wearing or carrying gold coin jewellery from South Africa or the Soviet Union will have to prove that the jewellery was imported into the US before October 2 this year (when the sanctions were enacted) and that they are bringing the items back after taking them abroad.

But customs officers have been instructed to allow the jewellery into the US only if it is in small quantities for personal use.



SANCTIONS FIN MAIL 17/10/85

## Who will benefit?



Sanctions sickness has afflicted the JSE, and coal, manganese and steel shares have succumbed. But one company's meat is another's poison, so the

latest guessing game is predicting which companies could benefit from sanctions.

Most analysts are loath to speculate except in general terms until further details are available about which items will be sanctioned and how strictly sanctions will be applied. The official — and unofficial — attitudes of different governments will be important, and that of Japan will be a major determinant of the effect on certain South African exporters. They say the market recognises that some shares will benefit, but there will probably be no rush to buy without more clarification.

Chemicals, electronics and engineering are often cited for import replacement potential, while more unusual beneficiaries could be the confirming houses such as Reichmans, which can garner foreign trade through its offices in Geneva, London and New York.

An obvious sanctions-sensitive share is Safren, with its interests in shipper Safmarine and in freight forwarding, but there is diversity of opinion over whether the overall effects would be favourable or adverse. One argument says the group could be hurt by lower volumes, especially on imports, where products are value-added and carry higher tariffs.

Import replacement could reduce volumes and, should SA run into BoP problems, volumes could be further depressed by import controls. However, import replacement is not always feasible. Many products should still come in, although via a circuitous route which will cost the consumer more, but the shipper will not necessarily suffer.

Should imports and exports have to travel

circuitous routes, JSE-bound Grincor could be a greater beneficiary than Safmarine. Safmarine holds a 40% stake in Unicorn Lines, the Grincor shipping line, and the two lines broadly share world routes; Safmarine covers the US, Europe, Japan and Australia, with Unicorn taking the rest, mainly South America, Israel, Sri Lanka and the African coast. But Safmarine is a large international operation with extensive experience in officially unfriendly countries.

There is some scepticism about the extent to which local engineering companies will be able to make replacement economically viable. As Haggie MD John Feek says, import replacement will offer selected opportunities, probably in specialist products. "But one would have to study volume and price requirements and economies of scale. Manufacturers in Japan, the US and European Economic Community countries enjoy wider markets and are more price competitive.

"I think they will want to continue supplying our market but will try to exclude us from theirs. Although one might see our businessmen refusing to support overseas suppliers in retaliation, I don't believe that would be a good move," he says.

Feek is loath to talk about his group's exports and says it has not yet been clarified whether Haggie's exports fall into the net of sanctionable goods in the US. But he believes the market has already downrated his company on fears its exports may suffer. The share has fallen from a 12-month high of R30 to R24.

More sanguine is Cullinan chairman Neil Cullinan, who says in his annual review the group may gain in the short term from sanctions, along with others who manufacture and supply basic infrastructural necessities.

Clearly, sanctions could lead to increased expenditure on infrastructure. One analyst says efforts will have to be made to replace employment lost through sanctions and government could elect to artificially boost the economy, with favourable spin-offs for labour-intensive areas — building and civil engineering, for example.

AECI MD Mike Sander is doubtful that sanctions currently present opportunities for the chemical sector. "Any project commercially viable without sanctions has been developed in this country, so to take import replacement further means looking at things which would not normally be commercially viable. One should consider if the product is strategic or just 'nice to have,' and whether there is a substitute.

"A manufacturer has to be sure when investing in import replacement that if the position changes he is not exposed. If there are other responses, which don't involve a potentially uneconomic investment, they should be adopted," he says. Sander says there might be a need to look at strategic chemicals, including hi-tech products but, on the whole, import replacement would only be necessary under worsening sanctions.

In electronics, the Altron group must be a potential beneficiary. It has substantial local



**AECI's Sander ... doubtful about opportunities**

manufacturing facilities and its drive for acquisitions in the US could see it become an important supply channel. The group is known to be stockpiling strategic imports, and has sufficient stock to supply its markets for six to nine months in the unlikely event of a total clamp-down on imports.

In the new computer listings, investors might be attracted by those with products sourced from Taiwan, particularly if the products can be imported in component form, where the cost of assembly is borne in SA.

Kerry Clarke



Friday, October 17 1986

## Business Report

# Full sanctions 'frightening'

JOHANNESBURG. — The impact of full-blooded sanctions against SA "would in many cases be quite frightening. This would be doubly true if the sanctions movement drew the support of most members of the United Nations and if the sanctions were implemented with teeth."

This was stressed yesterday by Dr Johan van Zyl, the executive director of the Federated Chamber of Industries (FCI), which will be releasing a scientific, quantitative report on the subject, covering three possible scenarios, in the next few days.

Speaking at a meeting in advance of the full FCI Exco gathering early in November (just before Sate President's forthcoming "summit" with business leaders), Van Zyl said that because the sanctions and boycott issue was clearly paramount, it would form a central theme at the Exco Conference.

### Econometric models

"Too many overseas and local people are inclined to believe that sanctions will merely be an irritant, affecting the fringes of our economy, and subject to avoidance or evasion in most cases.

"To bring the whole issue onto a firm footing — and away from the flood of unsubstantiated rhetoric we're getting from all quarters — we have worked hard to produce three possible scenarios of South Africa under sanctions — as far as possible fully quantified and drawing on econometric models of the economy and other 'hard' sources."

FCI President, John Wilson, explained that the business charter which the FCI said it would proceed with at last year's Exco had taken much attention in the past year, led by Dr Van Zyl, his newly-appointed assistant Christo Nel and other top FCI people.

The work entailed planting the charter in individual companies so that all in the companies understood it and were committed to carrying out its terms.

"We realized that it was no use having a grand plan which would remain just that, with very few paying more than lip service to it ..."

At the Exco Conference, attended by leaders from the manufacturing sector countrywide, the debate on economic recovery will proceed against the background of the new sanctions scenario.

### Industrial relations

Jan Bouwer, managing director of the Credit Guarantee Insurance Corp, and chairman of the Private Sector Export Advisory Committee, will provide the industrialists with a point position on trading under sanctions conditions and the support which can be given by government to the export community.

Piroshaw Camay, joint secretary of CUSA, will discuss industrial relations issues with the FCI exco members "under the currently strained conditions on the factory floor."

Minister Kent Durr will talk on economic prospects in the sanctions environment and professor Deon Geldenhuys of the Rand Afrikaans University will analyse SA's international isolation. — Sapa

certificates reflecting the sub  
ordinary shares will be posted to shareholders

Strategic minerals outside sanctions net

# US bans most SA imports with parastatal connections

By Neil Lurssen

WASHINGTON — A fortnight after the United States Congress voted for economic sanctions against South Africa, American bureaucrats are still sweating over a final interpretation of the Bill.

All goods imported from South Africa, including shipments that are not prohibited by the new law, continue to be frozen in the US.

Some of the goods are, however, being released into the custody of the American importers on condition that they are held in warehouses until authority is given for final release.

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It bans any article that is grown, produced, manufactured, marketed or otherwise exported

by a South African "parastatal organisation" and it defines "parastatal" as a corporation or partnership owned or controlled or subsidised by the SA Government.

Exempted from the restrictions are business entities that previously received start-up assistance from the SA Industrial Development Corporation but which are now privately owned.

There are also exemptions affecting goods produced by parastatals — such as strategic minerals that the US cannot get elsewhere, agricultural products imported during the next 12 months, and goods ordered by contract before August 15, 1986 and delivered to the US up to April 1 1987.

The problem facing the officials is to compile a complete list of parastatals and to establish which SA companies are getting subsidies and, if so, how

much.

Adding a complication is a provision in the Bill that prohibits imports from third countries where an SA parastatal has been involved in the production or marketing of the goods.

As one official put it: 'Obviously, we cannot go to Pretoria and ask them to give us this information. Why would they want to help us put the screws on them?'

The list of parastatals is being compiled by officials at the US State Department. Until it is completed, the present situation will continue, a spokesman for the US Customs Service said.

A State Department official said it could be days before the list can be sent to the US Treasury, the Customs, the Commerce Department and the Agriculture Department for enforcement of the sanctions.

State Department officials

started work on the list before the sanctions became law in the hope that they would beat the problem. But much of the information they received was dated, it is understood.

Lawyers are keeping a close watch on the situation and are ready to file complaints should the final list turn out to be inaccurate.

Meanwhile, travellers who arrive in the US wearing or carrying gold coin jewellery from South Africa or the Soviet Union will have to prove that the jewellery was imported into the US before October 2, 1986 (when the sanctions were enacted) and that they are bringing the items back after taking them abroad.

But customs officers have been instructed to allow the jewellery into the US only if it is in small quantities for personal use and not if the quantities appear to be commercial.

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# Review is on, says General Motors

The Star Bureau

WASHINGTON — General Motors (GM) headquarters has, amid an uproar in South Africa over a disclosure that it was reassessing its South African operations, restated that a review is on.

The confirmation came after GM's chief executive officer, Mr Roger Smith, indicated he was discouraged at the pace of reform in South Africa and at the country's poor economy.

But a GM spokesman, Mr George Schreck, would not elaborate on the re-evaluation: "I don't know anything I could add other than that we are reviewing our operations there as we have done in the past."

There is still no official Press statement from GM South Africa to counter the growing uncertainty over its future in this country.

However the company's managing director, Mr Bob White, has issued a notice to staff at the company's Port Elizabeth plant in which he says: "I want to assure each employee that this company will be here next week, month and next year."

Mr White is expected to make a definitive statement today.

# GM men N/M 7/10/86 mum on quitting 280 country

Mercury Correspondent

JOHANNESBURG—Officials of General Motors in Port Elizabeth remained tight-lipped yesterday on any possible moves to quit South Africa.

In motor manufacturing circles the consensus was that any moves now by local GM management to seek alternatives — such as a buy-out or a partnership — had been left too late.

It was also felt that lack of clarification on the company's plans and no mention of a reprieve may have sounded the death knell for GM in South Africa.

'By their silence they are damaging their own market. We are going to see massive buyer resistance after the proceedings of the past few days,' said one source.

'The feeling is that GM in America is looking for an out. Maybe not immediately but certainly early next year. An emphatic statement from Port Elizabeth refuting the Automotive News allegations would have done a lot to restore confidence.'

The industry was abuzz about what is to happen to the company's forthcoming launch of its Opel Monza on which it has spent R30 million on tooling up.

## Political

Analysts said it looked as if the company would take the loss.

The ailing motor manufacturer has seen its market slowly whittled away with units sold dropping from 44 000 in 1984 to a forecast 27 000 this year.

The chairman of GM in Detroit, Roger Smith, said the company was reassessing its South African operations due to the political situation and poor economic climate.

Commenting on Mr Smith's statement, National Association of Automobile Manufacturers (Naamsa) director Nico Vermeulen said: 'One can but surmise that it will improve demand for those (manufacturers) remaining behind.'



# Silver tongues patrol the golden sands

## WEEKLY MAIL REPORTER

PATROLLING PRs will be hot for Indians and the coloured beach is footing it on the Durban beachfront as the Durban Corporation tries to ease the tensions of shifting race laws on the sands during the year-end holiday season.

Their job will be to defuse potential conflicts by smooth-talking people into proper attire, or shepherding them back to their appropriate areas.

Section 37 of Durban's beach by-laws is being changed to reflect the confused sociological evolution going on in the country. The sand areas are open to all race groups, as are the facilities such as changerooms and showers, and places for surfing and windsurfing.

But mixed bathing is out — with a few exceptions. By-laws reserve particular areas for particular race groups. Translated into reality, this means that the Blue Lagoon bathing areas are for blacks, Country Club is

for Indians and the coloured beach is for coloureds. Whites can bathe in isolation off North, South, Addington, Brighton and Anstey's beaches.

Mixed bathing is allowed off Battery One, Battery Two and Bay of Plenty beaches. Co-incidentally, these areas are in front of the prestigious hotels which have international reputations to protect.

City councillor Laurie Kaplan says that "as long as people of different race groups want their own facilities we must respect their wishes". He wants an educational programme and the policing of beaches by black inspectors.

The *status quo* on beaches will stay, he says, until between R6-million and R12-million has been spent on providing more beachfront amenities.

"If it (the de-segregation of bathing in the sea) is done too quickly, we'll lose our tourist revenue."

Kaplan hopes that the changes will creep in with as little publicity as possible.

Policing these creeping changes is tricky enough without the traditionalists getting all heated up about what the newcomers wear on the beach. Decency and standards are in the melting pot. What might be an acceptable standard of bathing undress to South Africans holidaying in Mauritius and the Mediterranean, takes on a different hue back home.

This came to a head recently when a black woman was arrested on the Durban beachfront and sentenced to 90 days for showering topless. She was cautioned and discharged when a judge intervened some days later. The

charge had been brought under an old by-law which the corporation has not used in years.

Beach manager Frank Churchill, says: "The beach by-laws are plagued with all sorts of moral types of dress and behaviour, mostly applying to the Edwardian era. Very archaic. We don't enforce them."

He said determining whether beachwear was appropriate was a matter of personal taste. "How does one interpret whether we are looking at a young girl in a bra or a bikini top? You should see some of the girls who walk in here."

"We know generally that to most people bra and panties are deemed indecent because they are underwear."

Lifesavers have a reputation for being open-minded about beachwear. They have noticed swimmers topless, in the nude, a variety of underwear and see-through garments, but tend to

turn a blind eye to the rest. Beach inspectors tend to take a tough stand. The new PRs, or black "people managers" will smooth the conflicts.

Churchill says these managers will be part of a corporation experiment during the coming holiday season. The "people manager" will discuss and advise on proper swimwear to those thought to be inappropriately dressed. Recommended swimwear will be for hire.

Ros Sarkin, chairman of the city's amenities committee, says she thinks the mixed bathing fuss will be over within a year, and beaches and bathing will be open to all.

"A person showering topless doesn't worry me," she says. "If you want a trouble-free situation the level of tolerance has to change. A much freer acceptance of the facilities is inevitable." — Concord News.

## Former spy says West naive in its support for sanctions

Dispatch Correspondent

DURBAN — Western nations were naive in their support of sanctions, as they were playing into the hands of a communist strategy to destabilise South Africa.

This was said by the former master spy and now general manager of the GMR group of companies, Mr Craig Williamson, at a security conference here yesterday.

"By their actions they are supporting Soviet aims in the region," Mr Williamson told delegates to the South African Security Association conference on Surviving against Terrorism.

Mr Williamson said that during a conference he attended in Prague in 1977, the South African Communist Party adopted a policy to promote an acceptance of economic weapons against South Africa.

This would, he said, kill two birds with one stone. "This policy would debilitate the free-enterprise system in South Africa and our economy's

ability to maintain its independence. And the same would happen to the Western free-enterprise system."

Sanctions had the advantage of having the same effect as a military siege, without the costs involved.

"The besieged become frustrated leading to mutual recrimination, leaders are criticised for not dealing effectively with the situation — and there is the belief that the only way to avoid complete destruction is to deal with the enemy. In other words total surrender," he said.

Mr Williamson said that while the current Western sanctions were apparently aimed at sending signals to South Africa to show their displeasure, it had become an emotional issue intended to punish South Africa.

He described as hypocritical the belief by Western nations that sanctions were a historically acceptable form of warfare without bloodshed.

"Sanctions have to be enforced through threats and intimidation. They also lead to unemployment, starvation and internal strife."

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# Silver for lagoon patrol the golden sands

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## WEEKLY MAIL REPORTER

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# UCT students call for boycott poll

CAPE TOWN — Students at the University of Cape Town have called for a campus referendum on the academic boycott in the wake of the Dr Conor Cruise O'Brien affair and will ask members of the Students' Representative Council to resign if the vote goes against them.

Petitions circulating on campus condemn the SRC for its alleged support of student action which culminated in the noted Irish academic terminating his lecture visit last week.

The Progressive Society — affiliated to the Progressive Federal Party's youth wing — has called for a campus referendum on the academic boycott and says it will press for the SRC's immediate resignation if the decision goes against it.

Meanwhile, black students have called into question the authority of the UCT Council, opening up a split in the student alliance co-ordinating the academic boycott campaign.

Division emerged at a heated meeting called by the Ad Hoc Academic Boycott Committee, formed to broaden the campaign initiated by the Azanian Students' Organisation (Azaso).

Of the several hundred students who attended, more than half left before it ended in protest at the "undemocratic" way in which it was handled.

The meeting focused on the decision by the UCT Council to set up a committee of inquiry to investigate the students' action.

Promising appropriate disciplinary action where warranted, the council said the committee would report back in time for the next council meeting in December.

In a move that surprised fellow members of the ad hoc committee, Azaso members said they rejected the statement by council and the committee of inquiry.

They also presented a list of demands, including a call for student residences to be renamed after imprisoned political leaders such as Nelson Mandela.

● The Academic Staff Association (ASA) of the University of the Witwatersrand believed the coercive approach taken by Wits students to Dr O'Brien was inappropriate, but should be seen in the context of limited and partial academic freedom, an ASA statement said yesterday.

Students' objections to Dr O'Brien's presence on the campus last week was a result of the "call to international isolation of South African edu-

cational institutions and academics".

The ASA said many members of the university community objected to Thursday's events as "an assault on academic freedom".

● The UCT's SRC "does not have an official position" on the academic boycott, the SRC president, Miss Carla Sutherland, said yesterday.

The official position of the SRC would "depend on the position we are mandated to take by the student body".

● In another development, the university disclosed that last year, 157 scholars from 18 countries visited the university and 238 UCT academics went abroad to conferences, and on research leave.

● The names of the members of the inquiry into the O'Brien affair have been announced by the vice-chancellor of UCT, Dr Stuart Saunders.

They are Professor D. J. du Plessis, former vice-chancellor and chancellor of Wits, Advocate Ismail Mahommed and Advocate Arthur Chaskalson, all of Johannesburg.

● The Conservative Party said yesterday Dr O'Brien had a "calamitous track record" and should not have been allowed into the country.



DR SAUNDERS

The chairman of the Johannesburg regional council of the CP, Mr Clive Derby-Lewis, said in a statement: "We ask why the government continues to allow subversive elements with calamitous track records into this country."

● Students at the UCT's Leo Marquard residence have started a petition demanding the university administration "protect our rights to academic freedom" and take "a much stronger stance against campus violence".

The petition was circulated to eight other residences on campus and a spokesman for the petition organisers said 660 signatures had been collected.

The petition demands that any visiting foreign academics be allowed to lecture at any time, in the interests of academic freedom, at UCT. — Sapa-DDC



# ANC has 'no other choice'

LONDON — The SA government was offering the ANC no other choice than violence, Liberal Party leader David Steel said here yesterday.

He told the BBC after his return from a 10-day visit to Southern Africa that he had not urged the ANC to renounce violence unconditionally when he met its president Oliver Tambo in Lusaka on Tuesday.

He asked: "What is the point of renouncing the use of violence?"

"It must be for a specific purpose — and the purpose should be to go down the path of peaceful transition towards universal suffrage."

"The only reason the ANC was driven into exile and was using violence was because it was not allowed to operate as a normal political organisation and because the SA government has no plans to engage it in peaceful constitutional change."

Asked whether he was justifying the use of violence, Steel said: "I do not support violence. I am a democratic politician. But the ANC is not operating in a society where they

JOHN BATTERSBY

have an outlet for democratic politics.

"It believes that if the normal constitutional channels are blocked, it has no other option but to use violence."

Steel also said he had been encouraged by the significant shift of opinion among whites and, particularly, the business community.

But while the business community had taken steps forward by opening discussions with the ANC and promoting discussion within the country, the SA government had moved little.

Steel also said there could be no progress within SA until the government agreed to release Nelson Mandela and lift the ban on the ANC.

The ANC wanted to keep up the dialogue it had started with businessmen and academics. Steel said: "I hope that will continue even though there is no direct dialogue with politicians yet."

## SA faces 'unfair odds' in market

SANCTIONS and disinvestment no longer had anything to do with politics but had become tools in an international economic struggle, President's Council Chairman Dr Piet Koornhof said yesterday.

He told the Executive Association of SA the country was up against unfair odds in the international marketplace because it was being discriminated against by disinvestment and trade sanctions.

"It is noteworthy that the self-interest of countries proposing sanc-

tions is paramount. Is it not self-evident opportunism that both the European Community and the US, which have maintained steel quota arrangements with SA over many years, have now conveniently banned the importation of our steel outright, while their self-interest dictated no similar curbs on purchases of manganese, platinum and chrome?"

He said government fully realised SA was an integral part of the international trading world and remained a force as a trading nation. — Sapa.

## Eschel Rhoodie withdraws accusation

Business Day Reporter

AN out-of-court settlement has been reached between *Business Day* editor Ken Owen and Dr Eschel Rhoodie whose department's activities were exposed in the "Information Scandal".

Owen instituted a defamation suit against Rhoodie in July 1984 for R30 000 because of statements made by Rhoodie in his book "The Real Information Scandal".

In terms of the settlement, Rhoodie withdrew any imputation that Owen — while reporting as Washington correspondent for *The Star* between 1967 and 1977 — had not bothered to check the accuracy of his information with his sources.

Rhoodie also withdrew any imputation that Owen was recalled from the US because of his complaint to *The Star* or that he was recalled.

Rhoodie also accepted that Owen's reporting on the department was not motivated by any personal malice as he claimed in his book.

While he had never and still did not dispute Owen's integrity and honesty in giving evidence before the Erasmus Commission, Rhoodie contended the evidence — to the effect that 10 days before his murder, Dr Robert Smit had probed a government source about the Information Department — did not establish any real possibility of a link between Smit's death and the department. He denied that any such link exists. Each party is to pay its own costs.

# O'Brien gave last lecture at secret venue

By ANDREW  
DONALDSON

IRISH academic Dr Conor Cruise O'Brien secretly lectured his University of Cape Town Political Studies students at an off-campus venue yesterday before leaving for Dublin.

According to a senior lecturer in the department, Mr Peter Collins, about 40 people — two-thirds of whom were undergraduates and the remainder UCT staff — attended the talk.

The O'Brien controversy continued at campus with two separate meetings; one called by the Students' Representative Council and the other by the Azanian Students' Organization (Azaso).

About 400 attended the SRC's forum and heard SRC president Ms Carla Sutherland defend an earlier SRC statement, which she said could have been misinterpreted as "support for the (academic) boycott".

Although the SRC had no formal position on the boycott, it had called for the meeting to obtain a mandate from students to formulate a stand on the issue, she said.

## Referendum

Although Ms Sutherland was challenged by a number of students at the meeting, she was generally supported by the audience.

There was no mention at the meeting of this week's call by the Progressive Society, an affiliate of the Progressive Federal Party's youth wing, for a referendum on the academic boycott.

The Progressive Society condemned the "idea of an academic boycott", believing it would have no effect on the dismantling of apartheid, its chairman, Mr Daniel Silke, said.

A meeting called by Azaso to discuss "the way forward" in the boycott adjourned after criticism from the floor for lacking direction. Its executive was asked to return with a stronger agenda.

Azaso members managed, however, to reaffirm their "total rejection" of the UCT Council's committee of inquiry to investigate the actions of students in the O'Brien saga.



Union threatens to pull the plugs

# UK commercial TV takes stand over SA adverts

IAN HOBBS

LONDON — Britain's national network of 16 commercial TV stations has formally rejected union demands to drop SA advertisements or face a total blackout of broadcasting next week.

The showdown for what could prove the most costly anti-apartheid strike ever is now set to start on Monday.

Association of Cinematographers and TV Technicians (Actt) members, employed by Grampian TV, have union backing to "pull the plugs".

They have given notice of formal dispute and their action could start a chain reaction that could blackout Britain's entire commercial TV service.

An Actt spokesman said it was official union policy to refuse to handle SA advertising material, members at Grampian TV would be supported and there was no question of backing down.

The Independent TV Companies Association (Itca) said it was bound by an Act of Parliament to treat all advertisers with impartiality.

At a meeting on Tuesday night, the Parliament-appointed Independent Broadcasting Authority (IBA) told the managing directors of the 16 independent TV companies they were obliged to

treat all advertisers with impartiality. An Itca spokesman said: "We will not discriminate unfairly against any advertiser. We have a duty to drive down the middle of the road, whatever we might feel as individuals."

"Until someone instructs us that the rules and the law has changed, we will not change our policy."

"Commercial TV would collapse in anarchy if it submitted to political threats from any quarter."

Indications were growing yesterday that the Itca would take emergency High Court action if the Actt members persisted in their threat to "pull the plugs".

It was understood the union has already been warned that it or its members could be held liable for any unlawful disruption to services or loss of advertising revenue.

An expert estimated the loss of advertising revenue could cost more than R12m a day.

He said: "If the union does not give way and the whole grid goes down, it is going to cost many millions of pounds and many men could lose their jobs."



BUDAY 15/01/88

# Human resource management in a siege economy

Excerpted from the inaugural lecture given by  
Professor FRANK HORWITZ to the Graduate School  
of Business, University of Cape Town

**T**HE CENTRAL thesis of supporters of a siege economy is that SA will have to resist all external pressures and be prepared to face a period of economic boycotts if it is to regain political and economic stability.

The siege economy could reveal a number of characteristics. These include, to a varying extent, the following:

- Declining market demand for "non-essential" goods due to boycotts, partial or full disinvestment by foreign companies and varying degrees of trade sanctions (Between January 1985 and July 1986, 55 US companies out of a total of 312 withdrew from SA);

- Higher prices and shortages of certain raw materials, consumer and other goods due to demand reduction and raw material importation difficulties;

- Continued high inflation rates and declining living standards;

- Increasing retrenchments and consequent higher unemployment of all races. A steady exodus from the country of managerial and professional manpower, in spite of the weak rand, will continue;

- Lack of meaningful investment in human resource training and development, due to cost constraints;

- The introduction of "neo-protectionist" economic policies aimed at protection of local industry. This school seems to have acquired increasing influence on government.

**A**ccording to Reserve Bank Governor Gerhard de Kock, a "siege economy would tend to become a tightly regimented one, subject to a maze of direct bureaucratic controls. This would limit the scope for private enterprise and effective competition to promote economic development and to raise standards of living";

- Heightened attitudinal polarisation at top level and among employees;

- Increased militarisation of society and more frequent and possibly longer military call-ups having adverse effects on business productivity;

- A high degree of political rhetoric by various organisations across the political spectrum, which may also reflect attempts at pre-negotiation power-building;

- Continuing protests and demonstrations, as manifested by work stoppages and consumer boycotts.

The above list is not exhaustive. It suggests that revolutionary human resource strategies are urgently required at the level of government and employer associations.

Numerous demands in the environment which adversely affect the business sector, individual companies and employer organisations will necessitate strategic

developed, rather than reactive ad hoc responses, to specific issues.

The business sector has the knowledge and experience to lead change, both within individual companies and as sponsors or agents of public collective bargaining. Clearly, however, the development of human resources, philosophies, policies and strategies has never been as vital as it will be over the next three to four years.

The acquisition of the industrial franchise by black workers has resulted in a greater democratisation of the workplace. Over 500 recognition agreements between employers and trade unions have been negotiated since the extension of freedom of association was made to black employees by the Industrial Conciliation Amendment Act in 1979.

Membership of trade unions increased from 700 000 in 1979 to 1.9 million at the end of 1985, with over 700 000 black employees belonging to unregistered unions.

**T**otal union membership constitutes about 24% of the economically active population, if sectors excluded from the Labour Relations Act (1981), such as agriculture and fisheries, are considered.

The process of institutionalising conflict through collective bargaining and procedural accommodation has given black and white employees meaningful negotiation experience in industry and commerce. Industrial disputes have more often than not been resolved through negotiated compromise.

However, the siege economy will, *inter alia*, largely have been

a consequence of a failure to enter into a similar process of negotiation resulting in the granting of an acceptable political franchise to the majority of the country's population. Crisis and conflict of expectations among black employees has risen as a result.

Of particular concern in the context of the state of emergency and a siege economy is an undermining of the sound platform for negotiated compromise on industrial relations issues by the detention of trade union leaders.

**T**he crisis of expectations is exacerbated by government's espoused policy of moving towards more free enterprise, less intervention in the economy and negotiated political solutions, which are contradicted by its actions in precipitating a move towards a closed siege economy, introducing a state of emergency, detentions of black leaders, restrictions on Press freedoms and other human rights, and increased societal militarisation.

Over 200 elected union leaders and 1 319 rank and file members were detained during June and July 1986. The resultant demonstration strikes in several sectors, including retail and mining, reflected increased bitterness and resentment and an erosion of what middle ground has been painstakingly built up in labour relations in the early and mid-Eighties.

Similarly, it is argued that sanctions will increase the mobility of professional and skilled manpower, leading to a shrinkage of the middle ground. This uncertainty is damaging to confidence and forward planning.

If the free enterprise system is

associated by employees with mass scale retrenchments and consequent unemployment and poverty, it is not surprising that — as found by Project Free Enterprise (1986) — black people feel they have no stake in a system which is perceived as collaborating with apartheid.

Employers seriously need to re-examine their manning and employment philosophies to seek ways of enhancing job security.

Manpower planning has proved unsuccessful in SA in respect of establishing relatively stable manpower levels across business cycles. A search for the optimum balance between an organisation's economic and financial objectives and that of its social responsibility to the environment in which it operates, and to its employees, is vital.

According to a study, an estimated one-million jobs could be lost as a result of sanctions. If, in addition to current levels of unemployment, a further 600 000 black people were retrenched, 31.9% of all economically active blacks would be out of work.

**E**ven if these figures were an exaggeration and redeployment of substantial numbers of employees was feasible, sanctions would in the short-term have an adverse impact on employment levels.

It is possible, however, that with increasing urbanisation and the removal of some aspects of influx control, growth of the informal economic sector could be stimulated.

The fatalistic approach in recent statements by government spokesmen towards sanctions and their implications, coupled with the er-

sion of civil liberties by the state of emergency, are cause for serious concern.

They risk creating a siege mentality among white people which will not facilitate an acceptable *modus vivendi* with the black population, due to a deterioration of race relations.

The siege economy is likely to experience high double-digit inflation rates. Official figures reflect a frightening increase in the costs of basic goods and services.

The pressure on trade unions to seek above inflation rate increases in an attempt to halt and reverse declining living standards will continue, in spite of an over-supply of unskilled labour.

**T**his, coupled with the hardened political attitudes associated with the state of emergency and detentions of union leaders, will severely test the viability of the post-Wiehahn labour relations dispensation and the day-to-day relations between management and employees.

Employers will have to be seen to be giving preference to the training and advancement of employees from within the organisation rather than recruiting from outside when suitable internal candidates are available.

Companies will need to develop strategies to reduce racial polarisation of the work force in order to achieve both business objectives and visible fairness in the workplace.

One objective towards this end should be the restructuring of the work force to ensure that a multi-racial mix of employees occurs at all organisational levels.

**W**ith increasing urbanisation and possible removal or major changes to the Group Areas Act, innovative housing and accommodation strategies will also have to be developed by employers, employer organisations and the State.

The siege economy and political laager will not dampen the aspirations and demands of those opposed to discrimination and injustice. The crises arising from siege and contradictions inherent in South African society can only intensify the complexity of the business environment.

The expectations and demands of the majority of South Africans will continue to present a crucial challenge and opportunity for the business community to formulate radically new policy directions and innovative human resource strategies which seek to develop common values at all levels of society, an extension of democracy beyond our places of work and sustained economic growth.



General Motors reassesses local operation

# Motor giant on brink of quitting SA

By Alan Dunn, The Star Bureau

Washington

General Motors, the world's largest company and one of the longest investing multinational corporations in South Africa, is again on the brink of pulling out.

The corporation's general manager, Mr Roger Smith, told *Automotive News* of Detroit that the poor economic climate and the country's political situation had led to General Motors reassessing its South African operations.

Mr Smith is co-chairman of the US Corporate Council on South Africa, a group of more than 100 American companies formed a year ago to work towards the elimination of apartheid through their operations there.

In Port Elizabeth, a company spokesman said GM South Africa was looking for a local partner.

Mr Smith told *Automotive News* he was discouraged at progress in South Africa.

"Something happened to that government there that changed their mind and they are not doing what I had hoped they would. Maybe the world did it to them. Maybe the siege mentality has set in," he said.

Mr Smith has been a leading corporate figure against divestment, arguing that companies adhering to the Sullivan Principles — a code of fair, non-racial employment practices — could do, and had done, much to dismantle apartheid.

Mr Smith said GM had considered pulling out of South Africa since 1971. It had stayed because it provided 3 000 jobs, 1 800 of them to non-whites, and had 200 dealerships.

"Every day we have to praise what we're doing, how much help we are and what our prospects are," Mr Smith said.

"We have been a positive force. But I guess you always have to measure that against what you can do and how much you can hope to do and what's the best thing for you."

## Struggling

GM was "struggling desperately" in South Africa, Mr Smith said.

It is understood the corporation will sell only 27 000 vehicles in South Africa this year after 35 000 last year and 44 000 in 1984.

A GM spokesman, Mr George Schreck, said GM operations were reviewed regularly worldwide. But those in South Africa had been reviewed more frequently because of the economic, social and political situations.

Mr Schreck said GM was willing to "examine any kind of business association that would facilitate our operations there". But he would not enlarge on this and declined to specify propositions or business relationships GM would consider.

He also refused to say whether GM was negotiating with any South African interests.

Industry sources said that, if GM were to pull out, the passenger car operation would be the first to go.

The Eastern Cape, the "Detroit" of South Africa, has already seen Ford move to MMI in Pretoria and, if GM decides to pull out, it would leave only Volkswagen of Germany in the region, together with such supportive industries as Firestone Tyres, now owned by Sanlam.

ARGUS 15/10/86 (56)  
280

# Call for vote on academic boycott of SA

By GAYE DAVIS, Education Reporter

UNIVERSITY of Cape Town students have called for a referendum on the academic boycott in the wake of the Dr Conor Cruise O'Brien affair.

Petitions circulating on the campus condemn the Students' Representative Council for its alleged support of student action which caused Dr O'Brien to end his lecture visit.

The Progressive Society — affiliated to the Progressive Federal Party's youth wing — has called for a campus referendum on the academic boycott and says it will press for the SRC's immediate resignation if the decision goes against it.

At a lunchtime meeting today student leaders are expected to be taken to task by students critical of their role in the academic boycott.

Meanwhile, black students have called into question the authority of the UCT council, opening a split in the student alliance co-ordinating the academic boycott.

Division emerged at a heated meeting called by the ad hoc academic boycott committee, formed to broaden the campaign initiated by the mainly black Azanian Students' Organisation (Azaso).

## MORE THAN HALF WALK OUT

Of the several hundred students who attended more than half left before it ended in protest at the "undemocratic" way in which it was conducted.

The meeting focused on the decision by the UCT council to set up a committee of inquiry to investigate the students' action.

Promising appropriate disciplinary action where warranted, the council said the committee would report back in time for the next council meeting in December.

In a move that surprised fellow members of the ad hoc committee, Azaso representatives said they rejected the statement by the council and the committee of inquiry. By reaffirming its support for academic freedom it had already taken a stand on the issue, they said.

They questioned the objectivity of a committee appointed by a council representing "ruling-class" interests.

Other students argued that it would be better strategy to first find out how broadly the wider community would be represented on the committee and what its mandate was.



Cape Times 15/10/86 (280)

# UCT res students start petition

By CLARE HARPER and TONY WEAVER

STUDENTS at the University of Cape Town's Leo Marquard residence have started a petition demanding that the UCT administration "protect our rights to academic freedom" and take "a much stronger stance against campus violence".

The petition was circulated to eight other residences on campus and a spokesman for the petition organizers said 660 signatures had been collected and submitted to the vice-chancellor, Dr Stuart Saunders; the SRC president, Ms Carla Sutherland; the chairman of the University Council, Mr Len Abrahamse, and the Academic Freedom Committee.

The spokesman, who declined to be identified, said the petition represented the stance of stu-

dents in UCT residences.

At a meeting yesterday, students rejected a proposal that they march on the university's administration block in protest against the strong stand taken on the O'Brien issue by the UCT Council.

The 180-odd students voted instead to meet again today when they will formulate a response to the commission of inquiry.

Yesterday's 90-minute meeting, initially attended by about 500 students, but which thinned out after 2pm, saw heated clashes on the floor between students favouring outright rejection of the commission of inquiry and those adopting a "wait and see" attitude.

SRC president Ms Sutherland — who was supported by a number of other speakers — argued

that "we should not reject the commission of inquiry outright".

But a number of speakers rejected participation in the commission, or of even recognizing it as a legitimate forum for investigating the incidents on campus.

Meanwhile, a UCT spokesman disclosed that last year 157 scholars from 18 countries visited the university and 238 UCT academics went abroad to conferences and on research leave.

The director of UCT's news and information bureau, Mr Phillip van der Merwe, said 1986 figures were currently unavailable.

Asked whether any action was being considered against other foreign academics on campus, a member of the ad-hoc boycott committee, Mr Cameron Dugmore, said: "We have no mandate for any such action."

Albans 15/10/86 (280) (180)

## Many unions 'fear impact of sanctions'

### Labour Reporter

MANY "workerist" unions are privately terrified by the possible impact of sanctions on their membership, says Mrs Kate Jowell, senior lecturer at UCT's Graduate School of Business (GSB).

Speaking at a GSB Association lunch yesterday, Mrs Jowell said they were also at their wits end about violence and wondering how to meet demands for job security and increased wages in a risky economy.

The labour movement was divided into "workerist and populist" camps over a union's political role.

Workerists tended to restrict themselves to traditional shop-floor issues, while for populists the workers formed part of a wider political struggle.

### BUILT SECURE BASE

Proper trade unions had to look after their members or fold. But this made them vulnerable to attack by radicals for "selling out the majority for the sake of a privileged minority".

Radicals also disliked unions because they built a secure base for their membership and a negotiating base with the management, which made the revolution more difficult to accomplish.

The workerist element had shown its willingness to play to the rules of collective bargaining.

Even support for stayaways, which was connected with exercising political muscle more than the management/labour relationship, was the "least-risk pragmatic response by a non-racial union movement under severe pressure".

The workerist unions — trying to balance the conflicting demands of a polarised society — needed help.

"They don't need, or want, a paternalistic embrace by management or the State.

"They need a management group that looks beyond the conventional wisdom that all black unions are political.



# Mixed-race rail coaches mark first year

## Reef doesn't go for 'grey trains'

A year has passed since South African Transport Services introduced mixed race or "open" coaches on its commuter trains.

The experiment has been very successful in Cape Town, where 460 more coaches were opened recently to all races to meet the demand. An extra mixed coach has been added to every train to the city's northern and southern suburbs.

In the Pretoria-Witwatersrand-Vereeniging area, however, only one or two more open coaches have been introduced since the change in September last year.

Presently, first-class coaches for whites on commuter trains are marked as such and only whites may travel in them. The first-class coaches for blacks have had the "Non-Whites" signs removed and they have become open coaches.

Station facilities for whites are still marked as such, but the wording "Non-Whites" no longer appears on facilities for blacks.

In effect, this means that whites may travel in the coach of their choice, but blacks are limited to facilities they previously enjoyed.

Commuter services in Cape Town have become more multi-racial, with fewer coaches remaining for whites only.

In the PWV area, the composition of trains varies according to route.

On the Johannesburg-Vereeniging and the Johannesburg-Springs-Nigel services, there is only one open coach.

A typical trainset on the Pretoria-Johannesburg run consists of five first class coaches in which only whites may travel, two open coaches and six third class coaches in which only "non-whites" may travel.

An extra open coach has been added to trains on the Vereeniging-Lawley route, which now consist of two first class coaches, three open coaches and seven third class coaches.

On the Naledi-Lenz line, there are four coaches for whites only,

four mixed coaches and seven coaches for blacks only.

On services to some townships, such as those between Daveyton and Leralla, Soweto, Kuesene, Residentia and Redan, there are only mixed and blacks-only coaches.

There has been no significant mixing of races in the PWV area, except on some peak-hour services. A commuter from Pretoria to Johannesburg said the 6.50 am and the 6.30 pm trains between the two cities were "completely mixed".

Train conductors at Johannesburg Station said there was integration on peak-hour services when seats were at a premium.

### 'WHITES-ONLY STUPID'

*The Star* monitored a few off-peak trains from Pretoria and Johannesburg and found the open coaches, which were previously the first-class coaches for blacks, were occupied mostly by blacks.

The only white passenger travelling in the open coach on an early morning train was Miss Britta Chaplin (17), a Pretoria matric student, who travels by train infrequently.

"This coach is usually very

empty and I have only seen one or two white people travelling in it," she said. "I would not get on a coach that was marked for whites only. I don't believe people should be segregated.

"It's stupid to have a whites-only section. They should open up trains to all races."

Some white passengers travelling in the whites-only section said they did not want to travel with blacks while others said they chose to sit there out of force of habit.

"You see the same faces around you every morning," said one. "So I think we subconsciously mark out a seat where we always sit."

A SATS spokesman said it was Government policy to retain segregated coaches for specific races.

The spokesman said there was some confusion among black passengers when the system was introduced — they thought they could sit where they chose — and there were "a few incidents".

"We kept them informed through announcements on stations and they now understand how the system works. We don't have any more problems."

Britta Chaplin, the only white in Makgabutlane of *The Star*.



# Foreign media blamed for sanctions

Own Correspondent

DURBAN — The director of the Bureau for Information, Mr Leon Mellett, said if it were not for perceptions created by the media abroad, South Africa would probably not be divorced from her allies, and United States sanctions would not have been imposed.

Addressing a two-day security conference in Durban yesterday, Mr Mellett said the world was led to believe that South Africa was on the verge of complete disorder and was falling apart.

From images sent to the world by some of the foreign media in South Africa, they believed the Government could no longer control the situation.

"We do not deny the world the truth. We do not deny what is happening in South Africa. The world should know the situation."

"The Bureau for Information was established to inform the world and the public. If the SAP or the SADF went into kwaMashu and machine-gunned 40 people to death, we would not withhold it," he said.

Referring to the Langa shootings, Mr Mellett said that within minutes he had received a call from the BBC asking him to confirm that 44 innocent mourners had been machine-gunned, when 19 people had been killed after "a handful" of policemen found themselves in real danger.

"Notwithstanding the findings of the Kannemeyer Commission and notwithstanding all the facts announced publicly, the first perception remains. Perceptions are being created overseas which are not true," he said.

Mr Mellett said prior to the declaration of the national state of emergency in June this year, violence had increased to such an extent that South Africa had been "virtually on the verge of a revolution".

The earlier partial state of emergency had had no significant effect and had shown that "half-measures" did not work.

Since the national state of emergency the number of unrest-related incidents had undergone a rapid decline. Stone-throwing and petrol-bombing now constituted about 60 per cent of unrest incidents.

Mr Mellett said the presence of television cameras in unrest areas had agitated the situation before the June announcement which banned the media from unrest areas.

"The clamp on television cameras has worked. If the world gets a different picture, we will probably find our economy booming," he said.



Members are split over ban on SA coal

# EC faces new sanctions battle

STM 16/10/76 280

The Star Bureau

LONDON — European foreign ministers meeting here in less than a month will come under renewed pressure to match the trade bans the United States has slapped on Pretoria.

South Africa will by no means be the only subject on their agenda, but it will almost certainly be a prominent one.

Holland, Denmark and Ireland will again try their best — as they promised in Brussels last month — to get a coal ban added to the limited European Community (EC) package, probably using the British argument that collective Western action will be most effective.

## Tough battle

But there could be another tough battle on the question of sanctions because Britain, West Germany and Portugal are showing no signs of giving in, even though they had argued strongly for joint action with Japan and America.

They will continue to insist that the EC measures are intended as a signal, rather than

an economic instrument and that the addition of a coal ban would give the package a destructive edge that would make it counter-productive.

The one-day meeting on November 10 will not focus solely on South Africa, but the Foreign Office acknowledges it will probably feature prominently.

A spokesman added, however: "No move for further action against South Africa is being mooted."

Nonetheless, the American move on sanctions boosts the case for stronger measures by Europe. The kernel of the European argument over sanctions was the proposed coal ban.

Opponents of sanctions saw it as the most potentially damaging of the proposals, and were clearly relieved it was dropped. But it seems they will have to re-deploy their arguments against imposing it once again.

(280) Eve Post 16/10/86

# 'Sanctions could slow SA reform'

By RALPH JARVIS  
Motoring Editor

DURBAN — Sanctions imposed as a means to bringing about constructive change in South Africa could have the effect of decelerating the reform process, the chairman of the board of Mercedes-Benz South Africa, Mr Jurgen Schrempp, said here yesterday.

Speaking at the Press launch of the new S-Class Mercedes-Benz 300 SE, 420 SE and 560 SEC, Mr Schrempp said it was necessary to focus on the role of international corporations like Daimler-Benz and their continued presence in this part of the world.

He said his company had often referred to the need for rapid and far-reaching changes, but the most unfortunate aspect was that internally, this attention had been diverted from dealing with

changes and other positive developments. This was in order to come to grips with the sanctions issue.

"I sincerely hope that, nevertheless, the positive developments and changes that are so necessary will continue," he said.

"It can only be hoped that the sanctions measures will be kept at a relatively contained level as expressed in the recently-announced EEC and United States versions of sanctions.

"In their present form, these sanctions do not yet represent a direct threat to the activities of an organisation like ours.

"Hopefully it will never be the case because this would have very tragic consequences; mainly in the area of the loss of employment for many thousands of people."

Mr Schrempp said he

and Mercedes-Benz were "totally opposed to sanctions as a means to bring about constructive change so urgently required in SA.

"I fear, indeed, that sanctions might have a decelerating effect on the reform process"

Commenting on the country's motor industry in general, Mr Schrempp said that despite predictions of a short-lived economic upswing and even mini-boom, the short and medium-term outlook was still very difficult.

"In our planning for 1987 we see another year in which the total passenger car market will not exceed 200 000 units.

"This means that the motor industry will face another year with heavily under-used capacities and very complicated cost structures.

"Depending very much

on political and other factors like the price of gold, the value of the rand, and rainfall, it will take some time and many positive developments before

business confidence will be restored sufficiently to make for a marked improvement in the motor industry."

Other points made by Mr Schrempp were that:

- As far as the SA authorities were concerned, the motor industry, now entering a phase of the survival of the fittest, expected a reasonable and equitable dispensation, mainly in the area of taxation. He described the recent perks tax adjustment as "a most welcome development in this area".

- He would be leaving SA to take up a position at Daimler-Benz, Germany, from next year.



## SA ads in TV war

*SMC* The Star Bureau  
16/10/80 (250)  
LONDON — Independent television companies are threatening to take legal and disciplinary action against anti-apartheid technicians who want to ban advertisements for SA produce.  
But Mr Alan Sapper, leader of the technicians' union ACTT, says if that happens the dispute could spread from Grampian Television and black out the whole Independent Television network.  
A big television advertising campaign for South African produce, including fruit and tinned goods, is planned to begin on Monday.

280 28/16/1978

## Self-interest is behind sanctions call — Koornhof

JOHANNESBURG — Sanctions and disinvestment no longer had anything to do with politics — but had now become tools in an international economic struggle, the Chairman of the President's Council, Dr Piet Koornhof, said yesterday.

Addressing the Executive Association of South Africa, he said South Africa was up against unfair odds in the international market place — because it was being discriminated against by disinvestment and trade sanctions.

“Is it not self-evident opportunism that both the European Community and the United States, which have maintained steel quota arrangements with South Africa over a period of many years, have now conveniently banned the importation of our steel outright, while their self-interest dictated no similar curbs on purchases of manganese, platinum and chrome, to name but a few?”

He said the government fully realised that South Africa was an integral part of the international financial trading world. — Sapa



up of Sasol's Joe Stegmann (chairman), De Beers Julian Ogilvie Thompson, the IDC's Marius De Waal, Barlow Rand's Warren Clewlow, Sanlam's Fred du Plessis, the Development Bank's Simon Brand and Reserve Bank Governor Gerhard de Kock.

Except for Ogilvie Thompson, they will be among those who chair the working groups that will convene after the presidential address. Other chairmen are Altech's Bill Venter, SA Breweries' Meyer Kahn, Gold Fields' Robin Plumbridge and Escom's John Maree. Cabinet members will rotate among the groups but the president will not participate.

There is a great fear in business circles that the outcome will be the eclipse of monetarism and the ushering-in of grand co-operation between government and business — a corporate state — in which direct controls and growing protection for key industries will play an important part. Coercion will eventually take the place of market allocation of resources.

Or the outcome could be paradoxical, with government conceding micro deregulation to encourage small business, while simultaneously agreeing to more macro regulation to entrench an explicit partnership with established large business groupings.

This approach is based on the erroneous view among some politicians and businessmen that rapid economic growth in Japan was the result of considerable protection of its industries and the succour given by the Ministry of International Trade and Industry (MITI), especially so far as technology transfer was concerned. The new long-range plan could, we fear, envisage the CSIR in a similar light.

There is no doubt that the Japanese situation is a complex one. Those who choose to present it as an example of laissez faire have as difficult a time as those who claim its growth was all protectionism and central management. But there is sufficient evidence



Relly



Adcock



Waddell



Motsuenyane



Tucker



King



Ball



Bloom

□ The radical black — and erroneous — view that capitalism supports apartheid will appear to have been proven. This will persuade blacks increasingly to seek collectivist expression to their political frustrations.

□ A siege economy will be increasingly cut off from hi-tech and will slide into Third World decay as its ability to compete in First World markets diminishes; and

□ The role of government will expand in the economy, with the public service swelling and economic growth faltering, which will encourage the imposition of even more authoritarian social policies

to suggest that the Japanese economic resurgence was not so much a triumph of central management over the marketplace as of entrepreneurship (such as Honda's) over the large corporations fostered by MITI.

After the war, Japan administered large doses of supply-side economics: lower taxes, inducements to savings and encouragement of industrial investment over housing. It became more advantageous for the Japanese to own their own businesses than their own homes. That is what sparked the country's remarkable growth.

The important point that the Japanese have illustrated is that creative business instincts do not come out of large institutions. The assumption that they do is something against which we have to be on constant guard here. For a grand strategy envisaging more controls and protection will foster concentration of ownership and erode competition.

But there will be other unfortunate consequences:

□ The trade unions and anti-apartheid groups abroad will be convinced of a conspiracy between government and business. The latter will be pressed to foster social change far beyond its ability to do so. And if business is forced as a result of that perception into affirmative action, the economy will become less efficient and still more jobs will be lost;

In almost every socialist country in the world, a grand strategy has been devised and attempts made to implement it with increasing coercion. In none has there been economic growth anywhere near that of the Western democracies with their greater emphasis on free enterprise, reducing government, and open economies.

For once, business has the upper hand. Government needs it to make the grand plan work. Business must demonstrate both to its customers abroad and to its black workers at home that it has the stomach to wield the influence it claims to have and to a degree does have.

#### Hands-off policy

The businessmen among those in Pretoria next Friday must withhold all co-operation unless government is prepared to agree within a specified time to repeal the Group Areas and Land Acts, resolve the citizenship issue, halt all forced removals, lower taxes, reform regional government structures on a wider franchise and reduce its own role in the economy.

In short, if P W Botha wants to tango, he must cough up or push off. Nothing could be worse for business now than being seen to be playing footsy with the perfidious performers in Pretoria

□ See *Business*

## US SANCTIONS

# Call off the dogs

When the two biggest non-oil companies in the world book one-way tickets out of SA within days of each other, you must know the country is in some kind of trouble.

But how much trouble? After all, General Motors (GM) products will continue to be offered on showroom floors — the launch of the new Opel Monza is only days away — and IBM computers will be competing as strongly as ever for local customers.

It is thus not surprising that public reac-

**It suits many US companies to divest from SA — not all for political reasons. Many links could be cut.**

tion to the latest, and most spectacular, disinvestment moves has been subliminal indifference.

Indeed, in GM's case the popular view persists that it may have been better for the company to quit entirely in view of the over-traded state of the vehicle market.

There's perverse merit in the argument. Truth is, SA can exist quite happily without GM motor cars. To a less extent it can also get along without direct access to IBM computers. But it can't get along without the rest of the world

In the case of both GM and IBM (and



many others), local and not foreign interests will henceforth be calling the shots (see *World*). In terms of the GM deal, local interests will buy the operation and GM money will come in to pay debts and strengthen the South African balance sheet. Conversely, IBM will hand over a going and profitable concern "for the benefit of employees" in the hope that the new South African company will generate a sufficient level of profitability to pay for it — sometime.

GM and IBM, of course, are merely the latest to join a growing list of US corporations which have found it expedient to cut and run. This year alone 30 US concerns have severed connections one way or another with their South African subsidiaries. Question marks hang over many others, like Honeywell, Kodak and Xerox, and scores more have already gone. Indeed, with the pace of divestment hotting up, betting men are giving even money that no major US corporation will be directly invested in SA a year from now.

The flaccid South African economy and anti-apartheid pressures back home are commonly cited as the main reasons for the latest round of withdrawals. Also, not to put too cynical a face on it, it is true to say that most divestors so far have failed to make the grade in SA over the past few years. And those still in profit are not too charmed with the returns they are getting through the depressed rand.

But a study of the US Congress's Comprehensive Anti-Apartheid Act of 1986, the legislation which President Ronald Reagan failed to override, shows clearly why so many US companies have been faced with Hobson's choice.

The Act, to be sure, is a meandering and woolly document which confirms what most critics were saying in the first place — US legislators are light years away from a proper understanding of the South African question.

SA itself must shoulder some of the blame for that, but it is small compensation for American corporations which now face swingeing controls if they choose to remain.

They will be required, for example, to "take the necessary steps" to implement a statutory code of conduct if they have 25 employees or more. This is old hat, of course, because most US companies have long since learnt to live by employment codes of one kind or another.

But under the new legislation they could be required to register on a presidential list and face being cut off from government export aid to any country if they are found to be implementing the code less than enthusiastically.

The seven-point charter is hardly onerous:

- ☐ Desegregating the races in each employment facility;
- ☐ Providing equal employment opportunity for all employees without regard to race or ethnic origin;
- ☐ Assuring that the pay system is applied to all employees without regard to race or ethnic origin;
- ☐ Establishing a minimum wage and salary structure based on the appropriate local minimum economic level;
- ☐ Increasing by appropriate means the number of persons in managerial, supervisory, administrative, clerical and technical jobs who are disadvantaged by the apartheid system, for the purpose of significantly increasing their representations in such jobs;
- ☐ Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation and health; and
- ☐ Implementing fair labour practices (including trade union recognition).

Trouble is that scores of US companies know only too well that such codes are applied subjectively. The keepers of the Sullivan principles, for example, have had to delay the announcement of their latest "findings" because scores of US companies have appealed. They complain that they have done everything required of them — and more — but have nevertheless been dropped in the rankings and lost benefits.

With registers, codes of conduct, threats of export aid withdrawal, and

so on, things are clearly being made tough for US companies in SA.

But the irony of it is that, at face value at least, Congress would like them to stay. The anti-apartheid Act says so in almost as many words: "The Congress hereby applauds the commitment of nationals of the US adhering to the Code of Conduct to assure that South African blacks and other non-whites are given assistance in gaining their rightful place in the South African economy" (Section 203 (b) (1)).

Nice thought, but the GMs, IBMs and Coca Colas have given their answer. Rather divest and keep contact through supply agreements than run the gauntlet of subjective judgments and punitive government retaliation.

Which is not to say that the employment and social codes will not continue to be applied. In most cases, the companies coming under South African control have announced that they will continue to implement them anyway.

As Frank Lubke of the American Chamber of Commerce in SA (Amcham) puts it: "Amcham has always taken the approach that the best interests of everyone would be served by remaining here."



The Rev Leon Sullivan, who was "on his way to Texas" when the *FM* tried to contact him in Philadelphia on Friday and "on his way to Iowa" on Monday, appears to be ambivalent over the continued US business presence in SA.

"From our discussions with him," says Lubke, "we get the distinct impression that he does not think that pulling American corporations out of the country will serve a useful purpose. But he is also on record as saying that if apartheid is not dismantled by May next year he is going to withdraw from the programme which bears his name. And we know that apartheid will not be dismantled by May next year."

Sullivan signatories spokesman Roly Clark is equally in the dark over the future of the programme.

He feels a "nucleus" of the companies will remain but whether or not Sullivan drops it in May, "the work generated by these guys should continue."

So much for the current state of disinvestment play. What business is now keen to know is what it will take for the US Congress to call off the dogs.

The anti-apartheid Act talks about releasing Nelson Mandela, Govan Mbeki, Walter Sisulu and other political prisoners; of repealing the State of Emergency; of the right of all races to form political parties; of negotiations, ending military activity in other countries, and setting a timetable for eliminating apartheid.

It also binds over the African National Congress (ANC) and Pan-Africanist Congress (PAC) to suspend violence, commit themselves to a "free and democratic SA," to talk to the South African government and re-examine their ties with the Communist Party.

Future US attitudes towards SA, says the Act, will depend not only on government's reforms but also on the progress made by the ANC and other organisations in meeting these goals.

Does it mean that no further action will be taken against SA unless the ANC renounces violence and takes up the offer for talks? It seems that it will all depend on how President Reagan reports on apartheid's progress next year.

Meanwhile, US companies still in SA, as equity holders or suppliers, can expect little respite from the mindless pressures which continue to build up against them. And the fact that southern Africa, and blacks in particular, will suffer most is no less true for having been said so many times before.

The South African government has options — like releasing Mandela — but clearly no real progress will be made until it establishes at least points of convergence with the ANC.

And if the ANC is interested in the peaceful solution which the US Congress is seeking, it has the means within its hands. It must forswear violence and join other interested parties at the negotiating table. It's the only way to break the impasse. ■



# Scholars knock Pik's Red Cross retaliation

FOREIGN Minister Pik Botha's order that representatives of the International Committee of the Red Cross (ICRC) leave South Africa "as soon as possible" was issued in retaliation for a measure disapproved of by the ICRC.

His seemingly impulsive step came in response to the contentious, and unprecedented, decision last weekend by delegates at the Red Cross conference in Geneva, Switzerland, to expel South African government delegates.

The expulsion decision, pushed through by Third World and communist delegates, was not directed against SA Red Cross Society representatives. They stayed on.

Botha labelled the Geneva vote against South Africa illegal: a point, ironically, on which the ICRC concurred.

South Africa, as a signatory to the 1949 Geneva Conventions, adhered to the Geneva code and had a lawful right to participate in international Red Cross conferences, Botha said.

Without approving the Geneva decision — which was carried with Third World and Soviet support in the face of strong criticism from Western delegates — John Dugard, of the Centre for Applied Legal Studies at the University of the Witwatersrand, slammed Botha's move as "bloody-minded".

Noting that the president of the ICRC, Alexandra Hay, had described the suspension of South Africa as contrary to the Geneva statutes, Dugard, an expert on international law, said: "Botha is cutting off his nose to spite his face."

South Africa benefited in two ways from the presence of ICRC representatives here, Dugard said.

ICRC members visited political prisoners — as distinct from detainees — and their reports enabled South Africa to claim justifiably that its convicted prisoners were treated in accordance with international standards.

Further, ICRC representatives acted as intermediaries between South Africa and its adversaries in delicate situations. Dugard mentioned negotiations over Captain Wynand du Toit, the South African commando, captured in Angola in May last year.

John Barratt, director-general of the SA Institute of International Affairs, said of Botha's expulsion order against ICRC: "It was over-hasty of Pik Botha. It was not the International Red Cross Committee which kicked South Africa out."

The president of the South African Red Cross Society, Garth Walton, deplored the exclusion of the South African government delegation.

"In common with many other delegations, we consider the whole voting procedure to have been unconstitutional," he said. Walton, however, stayed on in Geneva, pledging that the South African Red Cross Society would continue its humanitarian work.

# GM strikers put brake on Monza production line

By Sheryl Raine

30/10/86 (280) SMR  
Hundreds of striking General Motors workers slept in the factories in Port Elizabeth last night and failed to report for the morning production shift today, according to union and company spokesmen.

The strike by as many as 2 500 workers centres on GM SA's decision to withdraw from the country and sell out to local buyers.

Late yesterday the company obtained a Supreme Court order demanding the National Automobile and Allied Workers Union (Naawu), the Motor Assemblers and Component Workers Union (Macwusa) and individual employees on strike, show cause by 9.30 am on Monday why the strike should not be declared illegal and workers dismissed.

The union is considering its legal options and plans to meet workers at the strike-hit plants to discuss the situation today, said union spokesman Mr Les

Kettledas.

Yesterday white assembly line workers also refused to work, according to Naawu. Mr Kettledas said about 2 000 black workers slept in the factories last night but the company put the figure at about 800.

At 7 am today workers gathered at the factory but the morning shift failed to begin, the company and union confirmed.

Production has ground to a halt on GM's new Monza car assembly line. The car is due to be launched next month.

Mr Kettledas said workers were demanding a full separation pay deal, refunds from benefit funds and the right to choose two directors on the board of the new company.

Naawu members have condemned the "arrogance displayed by GM in its withdrawal from SA and the sale of assets to local interests." They have attacked the company for not telling workers of developments.



Anti-apartheid activists not all happy with methods

# Watch on US pullout

280  
SPAR  
30/10/14

WASHINGTON — Efforts are being made to determine if United States companies are complying with anti-apartheid demands in the way in which they are pulling out of South Africa, spokesmen for investors said yesterday.

International Business Machines (IBM) and General Motors (GM) announced last week that they were selling off their operations in South Africa — apparently in part because

of demands by institutional investors.

But IBM and GM are withdrawing in a way which still leaves their products on the market and their plants running, and spokesmen for some institutional investors said they are taking a close look to see if such arrangements satisfy disinvestment demands.

Mr Mark Fabiani, legal counsel to Los Angeles Mayor Mr Tom Bradley, said the city's three-month-old anti-

apartheid law would still prohibit the city from entering into contracts with IBM, GM and other companies which maintain any ties to South Africa.

"It's still possible to support the South African economy through these arrangements," Mr Fabiani said of the licensing and franchising arrangements that are leaving some US companies in the South African market despite their withdrawal announcements.

Firms which handle "socially responsible" investments also seemed inclined to keep GM and IBM off their list of acceptable investments, said Miss Heidi Soumerai, of the US Trust Company in Boston.

Miss Soumerai, who analyses such investments for the Calvert Group of mutual funds, said the action by GM and IBM, while laudable, was not enough for the group.

"We try to go beyond direct investment," she said, adding that there is "a lot of confusion" about what US companies are doing in South Africa.

"There is going to be more attention focused on just what is meant by disinvestment... what it means varies," said Miss Marcy Murningham of the social investment division of Mitchell Investment Management in Cambridge, Massachusetts.

The University of California adopted a disinvestment policy in July requiring that its \$6 800 000 investment in companies doing business in South Africa be sold by January 1988.

The actions by IBM and GM seem to satisfy that policy, so the university can continue to hold stocks in those firms, said spokeswoman Miss Linda Fried, even though the situation is "open for interpretation".

## No judgment

Mr Roland Machold, director of investment for the State of New Jersey, said the state has not made a judgment on whether the two companies are in compliance with state law.

Columbia University spokesman Mr Fred Knuebel said he did not know what the school would do about GM and IBM.

When GM and IBM announced their plans to with-

draw from South Africa, they won praise from anti-apartheid activists, even though they said they would maintain licensing and franchising agreements with the new owners, former local managers. The arrangements meant GM cars and IBM computers could still be sold in South Africa.

The Investor Responsibility Research Centre, which tracks US companies in South Africa, said 116 colleges, 19 states and more than 60 cities and counties have some type of disinvestment regulation.

## Sale of stock

The restrictions range from full disinvestment, calling for the sale of stock in companies operating in South Africa, to partial disinvestment banning stock ownership in firms which do not adhere to the Sullivan Principles, a code of conduct for US companies operating in South Africa which spell out hiring and promotion policies for blacks.

IBM and GM, among the 30 US firms which have either left South Africa in 1986 or announced plans to do so, cited the worsening political climate and the white government's failure to eradicate apartheid as reasons for selling.

Despite the corporate action, Mr Richard Knight of the New York-based American Committee on Africa predicted that "these companies are still going to feel a lot of pressure" from the anti-apartheid movement until they end their involvement totally.

He said the activists' next step in the drive to end apartheid will be to attempt to cut off all technology to South Africa, effectively blockading the country. — Sapa-Associated Press.

# UK rejects calls to tighten noose on SA

London Bureau

THE British Government yesterday rejected opposition pressures to tighten the sanctions noose on South Africa and provide military backing for the front-line states.

Calls for tougher action against South Africa came from the Labour benches in the House of Commons during questions on foreign affairs.

Shadow foreign secretary Dennis Healey called on the British Government to follow the example of the United States and impose wide-ranging punitive sanctions against South Africa.

## Brigade

He said Britain had conceded the principle of punitive sanctions by its moves against Syria.

But Foreign Secretary Sir Geoffrey Howe side-stepped Mr Healey's call saying that Britain had done what it could through the EEC.

Sir Geoffrey also rejected a call by another Labour MP Guy Barnett for Britain to follow the advice of Commonwealth Secretary-General Sonny Ramphal and assemble an international brigade to defend the front line states against attacks by South Africa.

'It would not be sensible to think of mobilising an international brigade,' Sir Geoffrey said.

He conceded the 'increasing gravity' of the situation in South Africa.

'It is of the utmost importance for the SA Government to summon the courage to call together the leaders of the African people,' Sir Geoffrey said.



# I meet the hooded Newlands saboteurs

By MOIRA LEVY, Cape Town

IN a city park at 2am, I met three men and a woman whose faces were swathed in scarves: they were the "cadres" who this week soaked the Newlands cricket pitch in 200 litres of oil and daubed the clubhouse with slogans denouncing next month's Australian rebel tour.

The sabotage group, who took me to

the empty park after calling me on the phone to arrange an interview, warned that this was just the start of their attack on the Australians and threatened further and "more definitive" action against not only the team but also "their sponsors, the people they play with and any spectators".

The group, who broke into the

Newlands grounds by scaling a six-foot wall and cutting through several layers of barbed wire, appeared disciplined and highly secretive. Their faces covered by Palestinian turbans to ensure anonymity, they led me towards the shadow of a tree whispering that the days of passive resistance were past.

As the men kept a continuous lookout and nervous patrol, the woman sat under the tree to talk to me. Subdued whistles brought a few more "cadres" out of the surrounding bushes.

Answering only the questions they had demanded before agreeing to set up the interview, they explained why

proposed rebel tour. "For the majority of the oppressing class sport is a religion. The extent to which the South African government has gone to finance these tours shows how much weight they place on it."

Although they are keenly aware that the rebel tour will go ahead as planned in spite of their protests "for the simple reason that at present the state has more security resources than we could ever hope to break through," they insist that there will be more action and that it will not end with the proposed tour.

"As long as there are incidents of

repression, there will be people like us who will challenge them," the woman said. Describing themselves as part of the whole resistance movement in this country, the "cadres" refused to disclose any details about planned future action or the size of their group except to say that "potentially, this group could be all the oppressed people in South Africa".

Violence is definitely part of their plans, a decision they justify by saying "We are living in a violent state where the government uses violence as a method of maintaining the status quo."

The "cadres" emphasised that they were not acting as members of Sacoos although they strongly endorse its non-racial stand and its dictum that

there can be no normal sport in an abnormal society.

"What motivates us is having to live in a system where we see our people being killed, where a great amount of repression is forced upon us and yet, at the same time, rebel tourists are brought to play here in spite of our appeals to them to be aware of the sensibilities of the people in our country."

The group was disparaging about the tight security measures taken during previous rebel tours. "If that is the kind of security that is needed for peaceful entertainment there can be no misconception that sport is removed from politics."

## ICRC rues expulsion

GENEVA — The International Committee of the Red Cross (ICRC) yesterday restated its concern for prisoners and refugees in SA. The move followed Pretoria's decision to expel the organisation.

An ICRC statement said government had confirmed on Tuesday that all 26 ICRC officials in SA and Namibia must leave by November 30.

"The ICRC deeply regrets this decision, which directly affects the people it has assisted and protected to this day," it said.

□ Sir Evelyn Shuckburgh, a former chairman of the Standing Commission of the International Red Cross movement, yesterday strongly condemned the recent vote to unseat SA from the Red Cross. — Sapa-Reuter.



# Sanctions will provide good opportunities

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SANCTIONS would provide interesting opportunities for East Rand light industry, the Germiston Industries Association's secretary, Ian Uys, said.

He said as smaller operations were more flexible they should be able to adapt and slot into any gaps left in the market.

Uys said: "While a bigger company cannot change procedures easily, a small company can make use of a market opportunity.

"A certain type of screw, imported from the US, could now be made by a smaller company with the ability to adapt its machining."

The reason this had not happened in the past was the small local market.

Uys said: "While international companies can produce millions of components the local company will only be producing thousands."

And, for that reason, sanctions could provide a mini-boom for light industry.

Uys said: "It makes economic sense for the small, light industrial companies to step in and make use of the opportunities."

Uys' organisation represents about 90 companies in an area which extends from Walkerville to Elandsfontein and is one of the largest industrial areas in the country.

He said: "We mainly represent the larger companies but we are seeking membership among the smaller ones as we firmly believe we can best serve their interests by speaking as a joint industrial body."

It was important light industry join the organisation because it could be advised on matters such as industrial relations with expertise gained in dealing with larger companies.

Uys said: "The smaller company's main thrust is one of production, with little time or expertise to deal with other

problems."

His organisation has also seen an increase in the black light industry sector. Uys said: "This could be termed the light, light industry. It has been actively encouraged by industry on the East Rand.

"In most cases, the black industrialists have been trained on the various techniques through on-job training at one of the companies on the East Rand.

"Having acquired the skill and knowledge they branch out on their own whether it be to a backyard operation or complete factory situation."

He said this type of light, light industry incorporated businesses such as panel-beating, welding, fencing and burglar bars.

However, Springs Chamber of Industries GM Dick Goss said black light industry would only be actively encouraged in his area if it could compete in price, quality and delivery.

He said: "It is important to remember that these standards have to be met in the market place and that it should not be mere tokenism."

Goss said companies in his area were well versed in the market opportunities that were provided by the introduction of sanctions.

He said: "They would not be in business if they did not look at all the opportunities available to them."

The Board of Trade and Industries chairman, Lawrence McCrystal, recently addressed a symposium at Rand Afrikaans University, and said small scale industrial activities would benefit by the deregulation programme introduced by government.

He said: "Government and the private sector training schemes will also assist to stimulate interest in starting businesses and may have to be adapted to include the entrepreneurial element."

# US House rejects Reagan's veto on anti-SA sanctions

From ALAN DUNN  
The Argus Foreign Service

WASHINGTON. — The House of Representatives has overwhelmingly defeated President Ronald Reagan's veto of economic sanctions against South Africa.

Easily registering the two-thirds majority required to override his veto, the House last night voted 313-83 against Mr Reagan's "no" to a Bill containing stiff sanctions.

Mr Reagan and his aides are aiming their efforts to sustain his veto on the Republican-dominated Senate. It could vote today or tomorrow on whether to overrule the White House.

## "REPRESSION"

Mr Reagan told senators he was prepared to issue an order banning South African iron and steel and imposing other measures should the Senate sustain his veto.

In a letter yesterday to the Senate Republican leader, Mr Bob Dole, Mr Reagan offered a package of measures against South Africa far weaker than sanctions in the Bill he vetoed.

The letter sharply rebuked Pretoria: "In the last several months the South African Government, instead of moving further down the once-promising path of reform and dialogue, has turned to internal repression."

Mr Reagan said the "ongoing tragedy" in South Africa tested America's resolve and patience.

"There will be strong sanctions in my new order, sanctions that I earnestly wish were unnecessary," he told Mr Dole. They were aimed at the enforcers of apartheid and not the victims, and included measures recently adopted by US allies, he said.

But observers said Mr Reagan's counter-offer had left most senators unmoved. Only private, personal appeals by Mr Reagan to certain lawmakers might do the trick.

● The Minister of Finance, Mr Barend du Plessis, met the US Assistant Secretary of State for African Affairs, Dr Chester Crocker, late yesterday. No details of the meeting were released.

Mr du Plessis is in Washington with hundreds of other world finance leaders for the annual joint session of the World Bank and International Monetary Fund.



NATIONAL/INTERNATIONAL

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# Tourism decline: Many lose jobs in hotel industry

By FRANS ESTERHUYSE  
Political Staff

THOUSANDS of people in the hotel and related industries have lost their jobs as a result of the decline in the number of foreign visitors to South Africa.

This is shown in a memorandum submitted by the South African Tourism Board to the economic affairs committee of the President's Council.

The committee, now sitting in Cape Town, is hearing evidence on job creation.

The memorandum says that in "good years" the hotel industry provides between 60 000 and 85 000 jobs. This figure has dropped to about 55 000 as a result of the decline in the number of foreign visitors.

About 10 percent of people presently employed in the industry are white.

## Semi-skilled

The memorandum says that between 40 and 50 percent of employees were in the semi-skilled and unskilled category. In the non-hotel accommodation industry the figure was between 60 and 70 percent.

Large numbers of people in these and related industries lost their jobs as a result of the poor economic climate and the decline in the number of foreign visitors.

The memorandum says there are 1 321 registered hotels in South Africa with a total of 91 362 beds. Between April last year and May this year the average occupancy of beds for the various grades of hotels ranged from 32 percent to 45 percent.

## Hard hit

Five-star hotels, of which there are 11 with a total of 5 687 beds, had an average occupancy of 36 percent.

The memorandum says that tour operators and travel agents, which employ about 5 000 people, have also been hard hit.

It is suggested that a relatively undeveloped field of tourism with "enormous potential" is to be found in special-interest tours related to agricultural activities.

In this field, package tours are already being offered, such as the wine routes, the wool route and the crayfish route.

# Sudden ban on US flights is challenged

By Alan Dunn,  
The Star Bureau

WASHINGTON — South African Airways has formally objected to the US Government over the sudden termination of its services to the United States.

SAA attorneys lodged a lengthy challenge with the US Department of Transportation on Wednesday, arguing that landing rights could only be revoked in a year's time.

SAA's objections also noted the possibility of legal action.

SAA was joined in its protest by Southern Air Transport Inc, a cargo carrier with reported links to the Central Intelligence Agency. Southern Air requested exemption from the order, which also prohibits US aircraft landing in SA, asserting that its only African repair facilities were in the Republic.

SAA lawyers said in their objections that the Comprehensive Anti-Apartheid Act of 1986, the law which orders an end to air links and contains other economic sanctions against South Africa, did not require immediate revocation of SAA's air permit.

Neither did President Reagan's executive order instructing the US Government to implement the Anti-Apartheid Act passed on October 2.

A Department of Transportation spokesman said a senior official would consider the two objections.

A recommendation to issue a final termination order may then be submitted to the White House, which had 60 days to approve or disapprove the order.

Asked if SAA could continue twice-weekly Johannesburg to New York flights during this procedure, he said: "I would assume so. I don't see any reason to the contrary."



# Aussies to withdraw SAA landing rights

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JOHANNESBURG — South African Airways landing rights in Australia are to be withdrawn from next year, the SAA disclosed today.

A spokesman for SAA said the Australian Government had made it known today that landing rights for the South African carrier would be withdrawn from November 1, 1987.

"SAA regrets this step, as we believe mutual international communication, understanding, trade and influence will be affected negatively.

"SAA sincerely regrets inconvenience to its pas-

sengers, but gives the assurance that we will stand by you and offer alternative routes.

"With the support of South Africans and other loyal passengers, the airline will continue to play its role as an international airline in the travel industry."

In Canberra, Australia's Foreign Minister, Mr Bill Hayden, said the decision would close Australian air links with SA.

Australia's State-owned national airline, Qantas, does not fly to the Republic.

SAA has a once-weekly flight between Johannes-

burg and Sydney and Perth.

Cancelling SAA landing rights was part of a package of sanctions against SA announced by Prime Minister, Mr Bob Hawke, in August.

Australia is one of six Commonwealth countries to agree on limited economic sanctions after the failure of efforts to get the SA Government to negotiate an end to apartheid.

Officials have said the ban on SAA will cost Qantas \$2 million (R2,8 million) in lost ground service charges. — Sapa-Reuter

# Strikers stay put at GM

**STRIKING** General Motors workers continued to occupy the company's premises on Wednesday night and yesterday morning were adamant the stoppage would continue until demands were met — in spite of the court order against them.

Late on Wednesday in the Port Elizabeth Supreme Court, Mr Justice Jennett granted General Motors an order calling on striking workers to show cause why their strike should not be declared illegal.

The respondents are the National Automobile and Allied Workers' Union (Naawu), the Motor Assemblers and Component Workers' Union of South Africa (Macwusa) and various others — all employees of General Motors.

The return date is

**SOWETAN  
Correspondent**

9.30am on Monday when the respondents will have to show why the strike should not be declared illegal, entitling General Motors to dismiss striking workers.

Yesterday morning workers moved freely in and out of the plant and stood in groups discussing the situation.

They said that up to 2 000 workers stayed in the plant for various periods on Wednesday night.

General Motors spokesmen dispute this figure and say a maximum of 500 stayed be-

hind after closing on Wednesday.

A shop steward said that no animosity between the strikers and non-striking workers or management had surfaced "so far".

He said the company canteen stayed open on Wednesday night and supplied coffee to the strikers.

He and other workers were adamant that the strike would continue until their demands were met.

"We are worried about the future," a worker said.

All workers interviewed said they saw the imminent launch of the new Monza as one of their strongest weapons.

*Sowetan*  
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## Sara Lee says why it sold out

CHICAGO — Sara Lee Corporation said it sold the company's South African holdings earlier this week because of increasing stockholder disapproval and decreasing profitability tied to a weakening US dollar.

The food products company's sole operation in South Africa was a plant manufacturing non-prescription drugs and shoe-care and personal-care products, said company spokesman.

The plant employs 220 people and accounts for annual average sales of about R22,2 million.

The plant was sold to a Dutch corporation. — Sapa-AP.

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## Howe rejects renewed call for sanctions

Dispatch Bureau

LONDON — The need to create the right conditions in South Africa for "genuine national dialogue" was paramount, the British Foreign Secretary, Sir Geoffrey Howe, said here last night.

He stressed this was Britain's priority when he met representatives of non-aligned nations and rejected as unhelpful their call for the imposition of mandatory sanctions.

During the "cordial" hour-long meeting at the Foreign Office, Sir Geoffrey emphasised Britain had joined Common Market partners by applying voluntary sanctions on tourism and new investment in South Africa.

The visiting delegation was led by the Zimbabwean Foreign Minister, Dr Witness Mangwende.

The other delegates were the Foreign Ministers of Peru, India and Yugoslavia and the Algerian Minister of State for Foreign Affairs.

A Zambian source said they were "bitterly disappointed" Sir Geoffrey had again rejected the non-aligned warn-

ings the Pretoria government would not be drawn into full national dialogue unless it suffered the consequences of mandatory sanctions.

The Foreign Ministers of Argentina, Congo and Nigeria had been expected but did not attend.

No official explanation was given.

## Police recd stolen clot — seek owner

Dispatch Reporter

EAST LONDON — The police here help to trace the owners of clothing covered.

The police liaison officer for Lieutenant Dot van der Vyver, said clothing was recovered from two men at Gleneagles Road, Bunker's Hill, last night.

Lieutenant Van Der Vyver said the items were believed to have been stolen from a car or from a house.

The items included a peach-colored shirt, a pair of white trousers, pyjamas, a blue and white dress and a mustard-colored jacket.

Anyone who could help with the identification of the items should contact Detective Barkhuizen at 434400, extension 33, Van Der Vyver said.

Antline leaders who accused



# UK moves on SA travel, investment

DD 31/10/86 280

**Dispatch Bureau**  
LONDON — Further details of Britain's "voluntary" agreements with Common Market partners against South African tourism and new investment were announced yesterday.

The Employment Minister responsible for tourism, Mr David Trippier, said the British Government was seeking the co-operation of all people involved in tourism.

He said they were being asked to stop promoting South Africa in this country as a tourist destination.

But he stressed that

those people who decide to visit South Africa "for whatever reason" should not be prevented from doing so.

He said: "I am therefore appealing directly to those in Britain involved in the travel business — travel agents, tour operators and carriers — not to promote South Africa as a tourist destination."

"I also appeal to the media to refrain from carrying advertisements or other material which promotes South Africa as a tourist destination" said Mr Trippier.

The Trade Secretary,

Mr Paul Channon, said the ban on new investment meant "there should be no new acquisitions of share and loan capital of South African companies."

There is also a ban on loans and capital injections through inter-company and branch-head office accounts.

Financial transactions and bank lending in support of normal trading activity are not included.

Also excluded are investments in training, health and social sectors, in line with the measures agreed in the Common Market.

you are so important

# Nam urges tougher sanctions

280 3/10/87

SENIOR representatives of the Non-Aligned Movement (Nam) have urged the European Community (EC) executive commission to back tougher EC sanctions against South Africa, African diplomats said.

Ministers and ambassadors from eight nations called on the commission to put pressure on member states to adopt harder-hitting economic measures than those approved by EC ministers last month.

The community has banned new EC investments in South Africa, as well as the import of South African gold coins, iron and steel, but these measures fall far short of those called for by the non-aligned group, diplomats say.

Foreign ministers from Zimbabwe, Algeria, India, Nigeria, Congo, Peru, Argentina and Yugoslavia want a ban on coal imports, worth an annual 1,2 billion dollars (R3 billion), compared with the present package worth only 500 million dollars (R1 250 million) — Sapa.

terms that near



Allegations of 'bribery and intimidation'

# Row over Pik's US phone calls

By Alan Dunn, The Star Bureau



Mr Pik Botha.



Mr Richard Lugar.

Washington

A major row erupted on Capitol Hill last night over a telephoned warning by South African Foreign Minister Mr Pik Botha to a handful of United States senators on the eve of their crucial vote on the Congress sanctions package on South Africa.

Pro-sanctions lawmakers accused Mr Botha of bribery and intimidation as senators started debate before the vote, due at 10pm (SA time) today.

Anti-sanctions legislators denied that Mr Botha had made threats. They said he was merely explaining Pretoria's position on how it would have to respond to sanctions.

Senate Foreign Relations Committee chairman Mr Richard Lugar said Mr Botha telephoned about four Senators yesterday. He described the personal, last-minute lobbying as "despicable".

# Workers strike before GM handover

Mercury Correspondent

PORT ELIZABETH—The withdrawal of General Motors from South Africa and its sale to as yet unnamed local interests took an unexpected twist yesterday when 3 000 workers downed tools in support of various demands related to the pull-out.

The strike follows the rejection by management of proposals submitted by the National Automobile and Allied Workers' Union (Naawu) on Friday.

The proposals include one month's severance pay for each year worked, the repayment of employer and company contributions to the group life and pension funds, and the appointment by the union of two representatives on the board of directors of the new company.

GM management met Naawu and the Motor Assembly and Components Workers' Union late yesterday afternoon.

The company says that a prolonged strike will affect the launch of GM's new

Monza range scheduled for November.

Naawu says workers are concerned at the lack of information regarding the pending sale, and the situation of their benefit funds.

GM industrial relations manager Robert McIlwaine replied yesterday that, following the initial withdrawal announcement and with delicate negotiations in progress, union shop stewards were given as much information as the management group.

Workers had been assured that there would be no change in their conditions of employment and that the new management would honour all obligations towards them, including contracts with trade unions. Hence, said Mr McIlwaine, there was no question of any severance arrangements.

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280



# 3 000 GM employees go on strike

BUS DAY (280)  
30/10/86

ALAN FINE

THE saga of the General Motors (GM) withdrawal from SA and its sale to as yet unnamed local interests took an unexpected twist yesterday when 3 000 workers downed tools in support of various demands related to the pull-out.

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were given as much information as the management group.

Workers had been assured there would be no change in their conditions of employment and that the new management would honour all obligations, including contracts with trade unions.

Therefore, said McIlwaine, there was no question of any severance arrangements.

● GM was yesterday granted a court order calling on its striking employees to show cause why their strike should not be declared unlawful.

# GIVE

# US A

# SHARE

## *General Motors told*

**MORE** than 3 000 General Motors employees went on a sit-in strike yesterday for a share of the spoils after the company's decision to pull out of South Africa.

The stoppage has brought production at Kempton Road and Aloes plants in Port Elizabeth to a halt.

The striking General Motors employees have resolved to occupy the plants until their demands are met, according to the National Automobile and Allied Workers' Union (Naawu).

Workers demand that:

- That General Motors, on the date of its pulling out, pay employees one month's severance pay for each year of service with the company;

- All pension contributions from both the employee and the company to-

**By LEN MASEKO**

gether with returns on the investments of such funds, be paid to employees;

- Two directors of the new company be appointed by union members at the company.

### *Urgent talks*

Naawu officials and General Motors management were due to meet for urgent talks late yesterday. Also invited to the talks were the Motor Assemblies and Components Workers' Union of SA and the SA Iron and Steel Union.

Mr Bob White, the company's managing director, told Sapa that he was not going to be blackmailed and said the strike was illegal.

The company was seeking legal ad-

**To Page 2**

*Sowetan 29/10/86*  
**'Give us a share'**

**From Page 1**

vice with a view to applying for a court interdict to declare the strike illegal.

The assembly line of the new Monza car, due to be launched next month, has been stopped

General Motors recently announced its withdrawal from South Africa and the sale of its assets to local interest.

### **Rejected**

A Naawu spokesman, Mr G Barry said in a statement to the *Sowetan* that management had rejected the union's demands earlier, hence the decision by the 3 000 employees to down tools

"The workers are also demanding the latest rules of the pension fund, audited financial statement and actuarial report — a thing which the company rejected earlier, even though workers are legally entitled to such documents," Mr Barry said.

### **Documents**

The union has instructed its attorneys to obtain these documents from the Registrar of Pension Funds, the union official said. He stressed that workers had nothing against the formation of the new company, but were only concerned about "all the uncertainty"



DD 21/10/86. (282)

# Beach apartheid issue in administration's court

Dispatch Reporter

EAST LONDON — The thorny question of beach apartheid has been thrown back into the court of the Administrator, Mr Gene Louw.

This is the essence of a decision last night following a move by Mr Donald Card to have the controversial issue de-

bated in open council.

The chairman of the action committee, Mr Neville Randall, confirmed the decision that the mayor, Mrs Elsabe Kemp, discuss the matter on October 28 when she leads a deputation to Cape Town to meet provincial administration officials.

The delegation, which includes Mr Eric Whitaker, Mr Gwyn Basingthwaite and Mr Patrick Kay, will also be asking for R5 million to develop the beaches along the lines suggested in a report from a firm of consultants which had been appointed to look into the beach issue.

Mr Card had moved that an earlier decision by council, to take a low profile on the beach is-

sue and for the status quo to remain without interference, be rescinded.

His motion that the beaches be opened to all races was rejected by nine votes to five.

With just on six weeks to go before the start of the Christmas season, the matter is being viewed with concern in civic circles and there is an urgent call that the same situation as last year does not arise.

The whites-only Eastern Beach was subjected to an influx of 25 000 blacks on New Years' Day and a rum-pus ensued as the facilities could not cater for so many people.

The council later employed a firm of consultants to look into the beach issue.

**LOOK  
IN THE  
MIRROR  
ON  
THURSDAY**



# FOCUS

**P**olitical prisoners will be the hardest hit by last week's expulsion of the International Committee of the Red Cross from South Africa

The Pretoria-based ICRC representations of 23 Swiss nationals has been given up to November 30, 1986 to suspend all their activities and to leave "South African soil"

Their departure will cut an important link between political prisoners and prison authorities that has existed for 22 years

According to Mr Moffat Zungu, a former political prisoner who spent seven years on Robben Island and who now works for the *Sowetan*, the departure of the ICRC from South Africa will be "one of the worst things to happen to political prisoners"

He said the ICRC delegation visited the island once a year and that through such visits, prisoners were able to bring a number of issues to the attention of prison authorities.

"We were always looking forward to their visits and through them, we used to request changes of diet, the provision of sports equipment and things like films and film projectors

## Link

"To have someone who can give you a sympathetic hearing is very important when you are in prison and the ICRC played that role very well. They served as a link between us and prison authorities and they sometimes eased tensions between us.

"I can already imagine how sad some of the prisoners I left in jail should be feeling about the ICRC's expulsion. I have been out of prison for close to a year now but I was distressed by the news," said Mr Zungu

The ICRC has been working in South Africa since 1963 and the first visit to political prisoners was in 1964. A delegation of the ICRC came to South Africa

from Switzerland once a year for the prison visits

It was not until 1978 that a permanent delegation was set up in Pretoria in 1984, its activities were expanded to include assistance to prisoners' families and providing them with money for travel to visit jailed relatives.

Mr Christian Brunner of the ICRC said that the latest and most important role played by



Mrs Ina Perlman . . . director of Operation Hunger.



MR PIK Botha . . . expelled the ICRC.

# Red Cross expulsion a bitter pill for political prisoners



MR MOFFAT Zungu . . . former political prisoner.

By SAM MABE

the ICRC was to help about 20 000 Mozambican refugees who have been fleeing into South Africa from the war in their country.

He said the ICRC's budget for South Africa for 1986 was R7 million and that next year's budget was going to be more than R14 million

The tragedy of the departure of the ICRC's delegation is that they will not give the money they would be spending in South Africa to a local agent such as the South African Red Cross to continue some of the work the ICRC was doing

"If we are out of the country, we will not send money in because our policy is that we personally supervise the use of funds that we provide", said Mr Brunner

The South African Red Cross Society (SARCS), which is an affiliate of the ICRC, has however not been affected by the expulsion of the ICRC.

according to the SARC's secretary general, Mrs Rosa Ferreira.

She regretted the suspension of the South African Government delegation from the Red Cross's international conference in Geneva last week, which led to the suspension of the ICRC from South Africa

## Conflicts

She said. "The suspension of our Government delegation opens the door for similar political action against other governments and we are now asking who will be next.

"Just imagine what will happen to the Red Cross if all other governments which have conflicts in their countries were to be treated this way. We have expressed our deep concern about

this suspension to the Department of Foreign Affairs and can only hope that this matter will be resolved somehow," she said.

She also said that the SARCS has trained 60 community organisers in major urban areas throughout South Africa.

She said the SARCS would continue its humanitarian work of providing relief to people in drought-stricken areas.

Organisations which work closely with the SARCS include Operation Hunger World Vision and the South African National Tuberculosis Association.

"There is a tremendous amount of work that needs to be done and we need the support of all communities. And with our limited resources which could be affected to some extent by the ICRC delegation's departure, things could get a bit tough", said Mrs Ferreira.

## The Media Council

THE South African Media Council is an independent body established to deal with various matters affecting media reporting and comment.

One of the council's functions is to receive and act upon complaints from members of the public who have not been able to get satisfaction by approaching a





## Promoting tours, SA investments banned by British

LONDON — Britain yesterday announced a voluntary ban on investing in South Africa and promoting tourism there, but rejected a plea by Foreign Ministers of non-aligned nations for further sanctions against Pretoria.

The announcement, part of agreements reached by European Community and Commonwealth nations, was expected after the Foreign Secretary, Sir Geoffrey Howe's mission to SA in August, when he failed to promote inter-racial dialogue.

Sir Geoffrey yesterday met the Foreign Ministers of India, Peru, Yugoslavia and Zimbabwe for what a Foreign Office spokesman called "a serious and cordial discussion".

The Ministers were delegated at the non-aligned summit in Harare last month to meet SA's main trading partners and press for comprehensive economic measures to end apartheid.

The Prime Minister, Mrs Margaret Thatcher, has argued that comprehensive sanctions would harm the blacks.

Sir Geoffrey repeated this position yesterday, but the Zimbabwean Foreign Minister, Mr Witness Mangwende, said after the meeting: "He admits the present measures adopted have not produced results."

"They are ineffective and inadequate to the situation. He did agree to that."

Mr Mangwende said Sir Geoffrey had indicated that discussions within the 12-nation European Community on the possibility of further sanctions were continuing.

Britain is president of the community's Council of Ministers.

The non-aligned Ministers have visited the United States, Italy, Belgium and France, and will go to West Germany and Japan before reporting to heads of the loosely-knit 101 countries and liberation movements.

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EVE Post 31/10/86



### Assocom's Reunert ... exports the answer

Business, he reckons, should be climbing in now to take advantage of the low rand to secure new markets. He fears that the domestic inflation rate — 10%-17% higher than SA's major trading partners — will soon erode the advantage.

He sees diversification and beneficiation becoming the key words in future if SA is going to stay in the foreign trade game. "If it means a substantial capital investment to beneficiate minerals," he says, "then it will be worth it for the long-term benefits."

To some extent, of course, SA is already diversifying and is no longer seen simply as a supplier of gold and fruit. For example, the main growth areas in trade with the US are organic chemicals, paper products and aluminium.

#### Greater benefits

Assocom is now awaiting the findings of Basie Kleu's commission on export promotion which should see greater benefits flowing to firms with the potential and the will to export.

However, any new system would be phased in only after a 12-month notice period. Exporters would thus have the option to continue to base their claims on the present formula for a year after the announcement or adopt the new system forthwith.

Assocom has come out against the setting up of export processing zones as it believes these would be no more than an extension of the prevailing decentralisation policy designed to move firms around the country rather than attract outside capital. "If South African firms move to another area, then that is moving unemployment from one area to another," says Reunert.

"Having taken this view, however, Assocom would strongly support any other measures designed to alleviate chronic unem-

ployment and its tragic consequences in the Border and eastern Cape areas."

Many businessmen are loath to apply for export incentives because of the sheer complexity of some of the regulations, says Reunert.

An explanatory pamphlet on export incentives, which summarises the four main categories that currently exist has been produced:

□ Category A — input compensation allows 50% of the value of the import duty applicable to inputs used in the production of goods for exports;

□ Category B — value added compensation gives 10% of the value added components for export goods in respect of tariff-protected final products exported;

□ Category C — financial assistance provides for foreign market research and trade fairs, and concessionary transport rates;

□ Category D — includes export marketing and the cost of employing agents.

Reunert remains optimistic about the future of South African exports. "There will always be a market for most goods in most countries," he says. "If we've got a main enemy it's not sanctions, which can be planned for, but boycotts. A South African

stand at an Australian trade fair had to be dismantled after union pressure, wasting over R100 000."

He says exporters will increasingly turn to unconventional trading methods, such as counter-trade and buy-back arrangements — but they will not be broadcasting their achievements. But he advises against the temptation to boast of successes.

South African exporters continue to have the services of a sophisticated network of representatives abroad. But not enough credit is given to trade consuls, says Reunert, pointing out that many of them spend five-seven years in a posting and provide market research for free.

FIN MAIL (250X)  
EXPORTS 2/11/86  
**Attractions abroad**  
Strategies to counter sanctions are being cooked up in corporate offices all over the country right now, but for the chairman of the Assocom-JCC export committee there's only one overall answer — exports.  
Money earned abroad, reckons Rob Reunert, is vital to creating new jobs, upgrading living standards and redistributing wealth.  
"If we are going to have equitable standards in this country," Reunert tells the *FM*, "we'll have to create more wealth. We cannot simply take money from one group to give to another."

FINANCIAL MAIL OCTOBER 31 1986



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## INTERNATIONAL RED CROSS

### Isolation blues

The expulsion of the South African delegation to the International Red Cross conference in Geneva may have resulted in a constitutional migraine for the movement but, as far as can be ascertained, the work of the society in SA will not be affected.

What is still to be decided, however, is the fate of the 26 members of the International Committee of the Red Cross (ICRC) stationed in Pretoria. All have full diplomatic status. In what was clearly a tit-for-tat response, government ordered them to leave SA the moment the decision of the conference became known.

On Tuesday, as the *FM* went to press, Red Cross representatives were still locked in meetings with officials of the Department of Foreign Affairs. But unless there is a change of heart, it would appear their departure is inevitable.

The concern expressed in international Red Cross circles is that the important work being done by ICRC members in the region will cease should Pretoria carry out its threat to expel them. Among their work is visiting political prisoners and arranging prisoner swaps in cross-border conflict.

However, chairman of the national Red Cross Society of SA Inka Mars points out there is no reason why the ICRC, which enjoys full government accreditation in accordance with the 1949 Geneva Convention, could not continue with its functions from abroad. The greatest loss, she says, would more likely be in the support and expertise the international body offers the local

society.

The irony, explains Mars, is that it was not the ICRC which acted against SA, but national society members and government delegations at the conference. The Kenyan delegation, supported by East bloc countries initiated the objections to SA's presence at Geneva. The ICRC actually abstained from voting to oust SA, as did other national society members and government delegations, on the grounds that the move was unconstitutional.

Being a signatory to the Geneva Convention automatically accords a government delegation and its national society a seat at the conference, Mars points out. The meeting had therefore acted outside its statutes in suspending SA.

The move, Mars asserts, "rocks the very foundation of Red Cross unity and universality. Until now the movement had always maintained strict neutrality, impartiality and independence. This sets a precedent which could have far-reaching consequences for the movement as a whole."

Mars, however, is adamant that the society's work within SA in the field of ambulance services, emergency relief, feeding schemes, training and community services will not be affected. However, she says the ICRC's contribution to the society's Community Organisers Project in the black townships, and its assistance to Mozambican refugees — officially classified by SA as "displaced persons" — will be sorely missed.

It is possible, she says, that the activities of Operation Hunger could be extended to include assistance with refugee feeding programmes — subject, of course, to the main constraint of having sufficient funds. ■

# Ex-Red Cross chief slams vote on SA

Dispatch Bureau

LONDON — A retired British diplomat, Sir Evelyn Shuckburgh, has condemned the recent vote to unseat South Africa at the International Red Cross conference in Geneva.

Sir Evelyn, who is a former chairman of the standing commission of the International Red Cross movement, says the vote was a deadly blow to the Red Cross movement and was a threat to the survival of the Red Cross as an impartial organisation.

"One of the fundamental aspects of the Red Cross is that it should be universal, non-political and utterly impartial. If

it wasn't regarded as such throughout the world, of course it wouldn't be able to operate in the many terrible, tricky situations of conflict which arise so often in this age."

The International Red Cross was made up of Swiss representatives, with a Swiss governing body and kept itself impartial in all situations.

National societies were independent national societies, based in many different countries. There was also the other element, the League of Red Cross Societies, which was a kind of league of nations of Red Cross societies.

If the South African

decision had been left solely to the Red Cross bodies, the vote against South Africa might not have been carried. It was carried after the arrival of 133 government delegations, influenced by their political feelings.

In a letter published in The Times, Sir Evelyn wrote: "Woe betide the human race if it proves unable to preserve this unique institution, the sole international agency with the power to act for humanity in conditions of conflict."

The letter continued that political lining-up had increasingly dominated the League of Red Cross Societies and its

decisions and there had been constant pressure to subvert it to international politics.

Sir Evelyn, speaking in a BBC radio interview, said he believed the International Red Cross should now call together all the Red Cross societies to disown the vote against South Africa, which had been taken mainly by governments. They should also re-affirm the universality of the Red Cross movement. They had machinery which enabled them to do that, the Council of Delegates. This should be summoned in an emergency session to try and offset "this very damaging blow".





ZIMBABWE Prime Minister, Mr Robert Mugabe meets US Secretary of State, Chester Crocker, whose policy of constructive engagement is starting to crumble.

**T**HE imposition of sanctions against South Africa comes at a time when the country is faced with the double-trouble of a high inflation rate, as well as a high unemployment level.

Now that the US has taken the sanctions lead it may be that the tide will come even faster with more and more countries joining forces on this issue. The American Anti-apartheid Act of 1986 bans the importation to the US of South African uranium, coal, textiles, iron, steel, arms, ammunition, military vehicles, agricultural products and food. The Act also provides for a permanent ban on the importation of Krugerrands. The stopping of exportation of petroleum prod-

## SA's economic prospects FOCUS under siege

ucts from the US to South Africa and the termination of South African Airways landing rights are also included in the ban. It is obvious that a substantial part of South African products will still enter the US market. Products or exports that are not provided in this Act include gold, platinum, ferro-alloy and diamonds amongst others. At this stage it is not possible to say how effectively these sanctions will be applied.

Besides sanctions,

though, South Africa's prime economic concerns are a high inflation rate coupled with high unemployment. Failure to participate in foreign

It will be necessary to continue importing certain goods for our manufacturing sector, whatever the price, to keep industries productive

By Barclays Bank  
economist NK MIAMLA

markets is likely to hamper the economic growth rate of our economy. Such foreign interference is likely to reduce South Africa's export earnings.

However, the relatively high price of gold should cushion the economy from these external shocks. The exclusion of gold, platinum and diamonds, amongst others, from the ban on SA exports, seems to have been intended to achieve just this.

Although it is generally agreed that sanctions are likely to affect the SA economy, it is not easy to speculate on the extent of the impact.

One of the short-term effects, though, is likely to be an increase in our inflation-rate as embargoed imports may have to be channelled through third countries. The reason for this being that many of the goods we produce in this country have a high level of foreign content.

The increased burden of the prices of these imports will, ultimately, have to be borne by the final consumers.

The siege effect that the economy is facing is likely to result in a stimulation of internal demand taking priority relative to attempts to contain inflation. Stimulating demand to sufficient levels would certainly provide the necessary boost to our languishing industries and raise the employment level. Boosting internal demand should not put added pressure on our inflation rate, because the utilisation of industrial capacity is far below its maximum (Manufacturing sector is operating at present at only 80 percent capacity).

The problem, however, is that even though the prime overdraft rate is below the inflation rate, people are still reluctant to go and borrow from the financial institutions.

In effect, consumers are apt to save as much as they possibly can, rather than spend. This may well be ascribed to the experiences of the past couple of years, where people and businesses lost out, because of very high interest rates. These experiences, together with perceptions of an unstable political environment, seems to be the core reason for a higher savings rate.

Contrary to what one would normally expect, it is not the interest to be earned that is the main impetus for saving, as the high inflation rate in fact wipes out this benefit. Increased savings are therefore a result of the cautious stance taken by the consumers in the face of uncertainties.

A further strain on the situation is that increases in salaries and wages have thus far trailed below the inflation rate. This means that people can afford less money to spend on non-essential goods.

Faced with this quagmire, sanctions on the one hand and the lack of confidence from consumers on the other, one may well wonder where the driving force for economic growth will come from.

Under such circumstances, our best bet would be to expect growth to originate from within the economy itself rather than from outside. However, this necessitates a change in the perception of consumers in terms of both the political and economic outlook, a situation which is not too easy to change in the very short term.



Political comment in this issue by J Latakgomo and A Klaaste. Sub-editing, headlines and posters by S Matlhaku. All of 61 Commando Road, Industria West, Johannesburg.

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# Details of UK voluntary sanctions

LONDON — Further details of Britain's "voluntary" agreements with European Community partners against SA tourism and new investment were announced yesterday.

David Trippier, Employment Minister responsible for Tourism, said the British government was seeking the co-operation of all people involved in tourism.

He said they were being asked to stop promoting SA as a tourist des-

Own Correspondent

tination. But he stressed that those people who decide to visit SA "for whatever reason" should not be prevented from doing so.

He appealed to those involved in the travel business — travel agents, tour operators and carriers — not to promote SA as a tourist destination, and to the media to refrain from carrying advertisements or other material which pro-

moted SA.

Trade Secretary Paul Channon said the ban on new investment meant there should be no new acquisitions of share and loan capital of SA companies.

There was also a ban on loans and capital injections through inter-company and branch-head office accounts.

Financial transactions and bank lending in support of normal trading activity were not included.

AIRLINE MOVEMENTS



Management buy-out — brand names will continue

# GM quits but keeps open option to return

SDR/L  
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By Peter Farley  
Investment Editor

General Motors announced last night that it was selling its South African subsidiary to the local executives of the company.

And, although political considerations were cited as the major reasons for the withdrawal in a statement issued from the motor giant's Detroit head office, local managing director Mr Bob White said that not only will all GM's brand names continue to be represented here but that the US company had an option to buy the company back if the situation here improves.

Mr White ended months of speculation at a Press conference last night on the future of General Motors, the country's oldest motor company, which is the fifth motor multinational to withdraw in the last couple of years. Those that have already departed are Leyland, Alfa Romeo, Peugeot and Renault.

Ironically, however, GM will now probably end up making more money out of South Africa than at any time in the past five years. Mr White said that the last time GMSA made a profit was in 1981.

## Income

Under the new arrangements GM will not only get licence fee income for the use of trademarks by the South African company, but will also benefit from the sale of components and kits from its factories in West Germany and Japan.

Mr White said that this year GMSA spent more than R200 million importing parts from overseas, though only one

percent of these came from the US.

An end to the import of parts from the US and the severing of shareholding ties with the US company could also pave the way for the sale of vehicles by the company's new owners here to both the government and the military.

In the past these sales have been banned under US legislation, which prohibits the sale of equipment made by US companies to South African government agencies.

Mr White would not reveal who was behind the local "management buyout" of GM South Africa, apart from saying that they included existing executives of the company and "others close to the motor business."

## Going home

He stressed that he would not be involved in the new deal and would be returning to GM in the US. However, industry experts expect one of the major dealers — Williams Hunt — to participate in the new equity, either directly or through ultimate holding company W & A.

However, it is clear that the new management will be picking up the operation at a bargain basement price, with the money only payable out of future profits. And, according to Mr White, that will not be until 1988 at the earliest.

In addition, however, General Motors will be bringing a large amount of money into the country to settle all the corporation's local debts before it is handed over to the new owners.

Mr White indicated that the deal had been speeded up be-



Bob White breaks the news

cause of the US Senate's override of President Reagan's sanction's veto which prohibits new investment by US companies in this country.

That decision means that GM now has to bring the money into SA by mid-November, a move integral to the success of the change of control.

He said that discussions concerning the sale of GMSA had been taking place "since the end of August" and were finalised at a board meeting in Detroit on October 6.

Representatives of the new owners are currently negotiating final terms with the US parent company and Mr White said that full details of who is buying the company and on what terms will be revealed by November 3.

One important new aspect of the change of control is that the new owners are unlikely to be bound by either the Sullivan Code — a point which is currently under discussion — or

regulations which prohibit sales to Government bodies.

Mr White said, however, that safeguards had been built into the agreement with the new owners to protect GM's ongoing social responsibility programmes and to protect the jobs on the manufacturing side.

Mr White indicated that GM would have liked to have remained here on the basis of a partnership with another manufacturer. However, with no deals forthcoming the company was faced with either closing down or selling out.

For some years now it has been struggling to maintain 10 percent of the local vehicle market, a figure which has little bearing on the strength of the company's products.

It is therefore expected that a massive marketing drive will follow the re-launch in an effort to obtain a bigger slice of the market.

# Warning over GM 'snowball effect'

The decision of General Motors to pull out of South Africa may have a snowball effect, the official Opposition warned today.

Mr Harry Schwarz, PFP finance spokesman, said today he was unhappy that GM had decided to quit South Africa because this was likely to influence and put pressure on other large foreign companies to sell their investments.

He added that it was obvious GM made its decision because of pressure in America and because South African motor industry profits had been hard to come by.

2/11/86 STAK  
GM last night ended months of speculation by announcing it was selling its South African subsidiary to the company's local management.

However, managing director Mr Bob White said GM's Opel, Isuzu and Suzuki models would still be produced here and the US conglomerate would retain an option to buy the company back.

The General Motors' name will be dropped.

The move was speeded up by the Senate sanctions vote, prohibiting new investment in South Africa.

However, GM is to settle the local operation's outstanding debts before the new operation starts. That means the US parent may have to bring over close to R100 million.

Mr White indicated the new owners were getting the company for next to nothing, with no money changing hands straight away.

Payments will be made out of future profits, which Mr White does not expect before 1988.

● See Page 16.



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# 'Others will follow motor giant's move'

By Alan Dunn, The Star Bureau

WASHINGTON — The withdrawal of General Motors (GM) from South Africa by the end of the year, the biggest divestment blow so far, will trigger an exodus by US businesses, American financial analysts believe.

They said the announcement in Detroit yesterday would touch off departures by those corporations which had been wanting to sell up for some time because of the ongoing political and economic turbulence.

"We expect the General Motors announcement will turn the trickle of companies leaving South Africa into a flood," said the Rev Timothy Smith, ex-

ecutive director of the Interfaith Centre on Corporate Responsibility

The centre, a movement of America's National Council of Churches, was one of many anti-apartheid organisations which hailed the GM withdrawal. "We in the churches, who have been working on GM for 15 years, are today commending them for their leadership and expecting other companies will follow," said Mr Smith.

He and several other business analysts said the psychological impact of GM's exit would be profound on other US firms there, and would pressure them into acting.

"I think many US business leaders will be listening very carefully to what he (Mr Roger Smith, GM's chief executive officer) says," Mr Smith added. "As you know, most US companies have a contingency plan for leaving South Africa and I think a number of them are going to activate it."

"It will be one of those catalysts that pushes companies," he said.

The GM chief said in his announcement there were several factors to the decision: GM had been losing money for "several years" and could not see a turnaround in the near future, it was "disappointed" in the pace of change in ending apartheid, and it was a decision taken generally on economic, social and political grounds.

Corporate analysts said yesterday divestment campaigns in the US were also a factor which would not have been mentioned by GM.

"I expect this will encourage some other companies to follow suit," said one expert on divestment, "especially those in the same position — under intense harassment at home and abroad — and not making any money to boot."

"That is a hard combination of things to stand up against for very long. Typically your American chief executive officer does not like to have problems linger. And this situation has all the earmarks of a festering crisis for American industry."

GM headquarters was vague yesterday on details of the withdrawal, apart from disclosing an intent to be out of South Africa by the end of the year. It is understood much of the fine print still has to be worked out.

Unlike Coca-Cola, which announced its withdrawal for political reasons recently, GM will apparently not be carefully designing its exit to advantage black investors wishing to buy into the new locally-owned operation.

General Motors said its sale after 60 years in South Africa would take place, regardless of race, to those who could make the best contribution to the new organisation in South Africa.

## 'Step backward' — Jesse

The Star Bureau

WASHINGTON — A General Motors pull-out which favoured white businessmen would be a "step backward", a spokesman for the American civil rights leader, the Rev Jesse Jackson, has said.

Mr Jackson has been a disinvestment advocate, but his reaction yesterday to the General Motors withdrawal announcement was similar to that of anti-divestment circles in the US.

They have warned that divestment and sanctions will hurt those they are attempting to help in South Africa.

## GM chief to work for apartheid's end

The Star Bureau

WASHINGTON — The Chief Executive Officer of General Motors, Mr Roger Smith, still believes he can be a force for positive change in South Africa.

A corporation spokesman said yesterday Mr Smith intended retaining his co-chairmanship of the US Corporate Council on South Africa, an influential group of more than 100 US business chiefs with operations in the country.

The spokesman was reacting to Mr Smith's announcement that GM was quitting South Africa.

Mr Smith was, a year ago, one of the founders of the council, whose members believed they could and should work for an end to apartheid through their presence in South Africa.

### PEACEFUL CHANGE

"We would hope to be able to continue to make a contribution to peaceful change through the US Corporate Council," said a GM spokesman, Mr George Schreck. "Roger Smith will still be co-chairman."

General Motors became the sixth American business this year to announce its intention of leaving South Africa, the Investor Research Responsibility Centre said yesterday.

General Motors was the second-biggest American employer in South Africa with 3 056 employees. Mobil, with 3 182, was the largest.

According to usually reliable centre statistics, 22 American businesses had left South Africa so far this year. Thirty-nine left last year, and seven in 1984. Those left in the country totalled 244.

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CAPT 7/15  
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# Ban on shipping info at all ports

Own Correspondent

PORT ELIZABETH. — The restriction on information regarding shipping movements, recently imposed by the Durban port authorities, has been extended to include all South African ports.

This was revealed yesterday by Port Elizabeth's port captain, Captain Ian Harvey, who said the measure had been effective locally since Wednesday.

The move, ordered by the general manager of SATS, Dr Bart Grove, at all ports in the Walvis Bay-Richards Bay range, was designed to counter the sanctions campaign, he said.

Capt Harvey said freight agents would not be affected because they could obtain necessary information directly from shipping lines "and those that need to know will know".



WASHINGTON — GM of the US confirmed yesterday it was selling its Port Elizabeth operations to local management.

The decision, announced in Detroit by chairman Roger Smith, represents the heaviest no-confidence vote in SA yet delivered by US business. In the wake of recent sell-outs by Coca-Cola and Proctor & Gamble, it could trigger an avalanche of departures.

Smith said the company's SA subsidiary had been struggling desperately and that "we could not see our operations turning around in the near future".

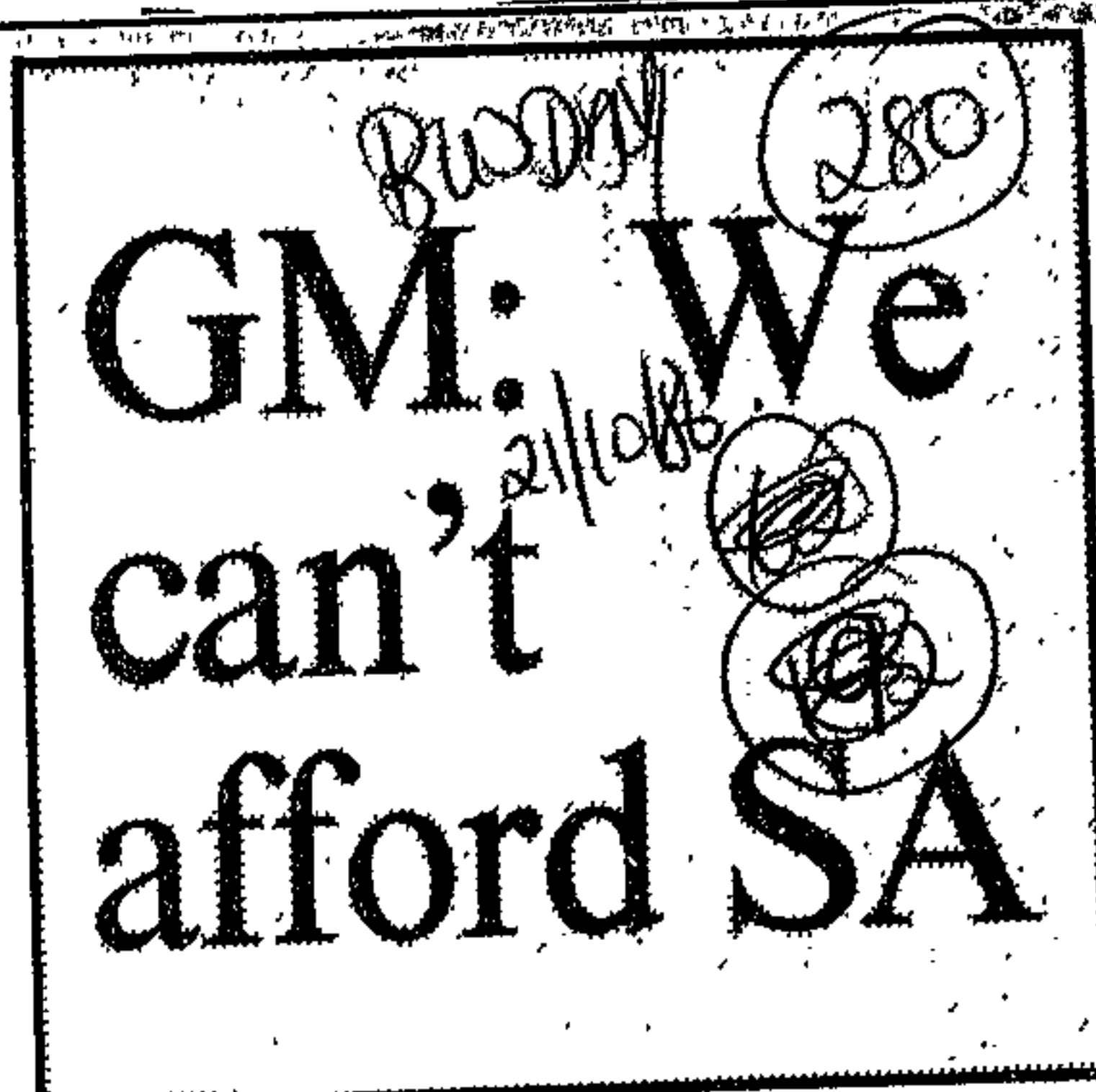
While GM SA had been "losing money for several years in a very difficult business climate", the decision to leave was not taken solely on economic grounds, he said.

"Decisions about our investment in SA have depended on an assessment of the economic, social and political environment... the ongoing economic recession in that country, together with this lack of progress (towards political reform) has made operating in SA increasingly difficult."

Bob White, MD of the SA operation, said last night the identity of the new owners should be known early next month.

He denied any of the new owners were financiers or associated with major finance houses. He said they were all on GM's payroll — "or will be shortly".

"There are no SA financiers involved.



DAVID FURLONGER  
and SIMON BARBER

There will be no Anton Rupert and no Sanlam. They are all individuals or entrepreneurs working on an individual basis."

He said GM would liquidate all its SA debts so the new owners could start off with a clean sheet. The agreement would include a buy-back agreement whereby GM could retrieve its interests at a later stage.

"A buy-back period hasn't been determined, but I would imagine it would run for a fairly lengthy period."

White said the new company, which would not include the GM name, would be expected to honour existing union recognition agreements.

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**Food price rises highest in five years**

# Gloom predicted as sanctions bite affects economy

Finance Editor

**THE** cost of food in South Africa is now rising at an annual rate of 22,3% and the consumer price index (CPI) by 19,7%, the Government's central statistics service said yesterday.

The year-on-year CPI increase is now the steepest since the summer of 1974/75 with a peak in January 1975 of 21,1%.

Figures for August show food price rises of 22% — then the highest increase in five years — and a rise in the CPI of 18,7%.

A year ago the CPI was rising at 16,6% a year.

There is a depressing list of price increases to come and some still working their way into the index:

Putco bus fares rise by 15% on November 1;

Electricity tariffs rise by 12% at the year end;

Household appliances are expected to rise by 50% by the year-end;

Tyre prices and canned foods rose in August;

Medical and hospital fees are rising; and

Bread, milk and wheat rose in recent weeks.

## Continue

In the different sectors defined by the CSS the lower income group CPI rose by 19,8%, the middle income by 20,1% and the higher income group by 19,4%.

The general import of a recent Government committee report into the costs that farmers have to meet, indicates that the current steep rises in food costs will continue.

Economists are concerned about the effects of a high CPI on the economic recovery which appears to have started. They consider that inflation could be pushed over the 20% mark.

Most recoveries result in increased imports of machinery and other goods needed to boost expansion. With the rand down against the dollar, and most other currencies, stepped up imports mean imported inflation.

The earlier depreciation of the rand is also still filtering through to the CPI.

Economists view the impact of sanctions on the CPI gloomily. Evading sanctions for exports means increased costs as middlemen are paid to ease the transfer of goods.

And it will probably be more expensive to import if they cannot be obtained easily 'over the counter' quite apart from exchange rate problems.

On the positive side, any improvement in the rand, the continued drop of interest rates and slow increase in the money supply as well as modest wage and salary increases are thought to be capable of holding the CPI down.

## Markets

Overall, economists see a slightly lower CPI in 1987 than the present expected year-end figure of 18% to 18,5% — but it will be points lower only, with the rate not expected to fall below 16%.

South Africa's main trading partners are holding their inflation rates, on average, at about 4% and every upward twist in our inflation rate makes our goods less competitive on foreign markets.

Meanwhile a comprehensive report submitted to the Director-General of Trade and Industry, into farmers' purchases shows that there are a variety of factors...



# The political crisis in a nutshell...

IT IS RARE that a single event captures the entire South African political crisis in a nutshell.

This event was the visit to the University of Cape Town of the Irish academic/journalist, Dr Conor Cruise O'Brien, whose lectures at UCT were first disrupted by a group of 200, mostly black, students and subsequently cancelled by the university authorities for fear of large-scale violent confrontation between students and campus security guards.

Dr O'Brien's visit was more than a mere academic exercise. His decision to lecture at UCT was a deliberate act 'to stop the rot', as he puts it, of some British academics attempting to isolate South African universities and academics.

They reject any official contact, either at universities or congresses. In Dr O'Brien's view there can be no justification for such punitive measures against staff from the genuinely open universities of South Africa which are trying to integrate as fast as possible.

Regrettably the days are gone in South Africa that even academic acts can escape the heavy hand of politics.

Harvard's Samuel Huntington recently observed that the most important change in our country over the past five years had been the politicisation of every possible issue: how one plays one's sport, whether one pays rent or supports a consumer boycott, where one educates one's children. It might be added, where one lectures, for especially after the recent African National Congress call for an aca-

ademic boycott the issue of academic visits, too, has become politicised.

From the start the O'Brien affair had South African politics written in large letters all over it. It immediately raised the issue whether there was any neutral ground left at all in South Africa.

Opponents of the O'Brien visit argued that one was faced with a stark alternative: one either sided with the 'force of oppression' (the South African State, the emergency, etc) or one sided with the 'forces of liberation' (in which case one supported the academic boycott).

The second round of debate has revolved around the issue of violence. While the South African State uses violence constantly at black schools and universities with denunciation of angry black students who use limited violence to disrupt lectures that occur in defiance of the academic boycott?

Those opposed to Dr O'Brien's lectures and normal academic exchanges with the outside world argue that it is almost obscene to insist on

the freedom of academics to express their views in their ivory towers while blacks have no meaningful political rights and are deprived by the state of emergency of virtually every freedom.

They also maintain that supporting an academic boycott is the best way the open universities can show that they are prepared to make sacrifices on behalf of the black struggle. An academic boycott along with economic sanctions and a diplomatic boycott is held up as a legitimate peaceful strategy aimed at isolating the Government and stripping it of any semblance of functioning normally.

These arguments, especially when put forward by black students, cannot be refuted by simply standing on the traditional academic freedoms universities in the Western world enjoy.

## Student body

The open universities are geared towards accepting a growing proportion of black students. This means that they will have to win the battle for free speech and academic freedom in the South African and the African context.

This can be done only by presenting the case for academic freedom to blacks as part of an overall strategy of liberation from apartheid. (It goes without saying that a university with an all white council and almost all white administration and which stays silent on the great political and educational issues will have great difficulty in presenting such a case.)

A case for academic freedom and freedom of speech in the context of contemporary South Africa could look something like this:

## Free speech

It will firstly rest on the claim that there is no freedom in our country more important than free speech. How can whites and blacks ever reach peaceful accommodation if the political, economic and social alternatives to apartheid are not fully discussed with opportunities given to those wishing to air unpopular views? To abandon free speech is to resign oneself to a violent resolution of the South African conflict.

In the second place one will have to put the view across that in the process of transformation South Africa is undergoing it will be vitally important that institutions such as the churches, the universities and the newspapers retain their autonomy, integrity and credibility.

It is here that the crucial fact-finding and the open debates between South Africans will increasingly have to take place. Blacks seem to welcome the presence of foreign journalists in South Africa, visiting academics can play an equally valuable role in reporting on and analysing the grim struggle now occurring in South Africa. One hardly needs to mention the contribu-

Thirdly, and most important, the means by which all South Africans struggle for freedom are all important in deciding what the final outcome will be. If freedom is won by gradually extending the area of freedom the final outcome will almost certainly be a freer country. Put simply, democracy in South Africa will have to be won in the course of the struggle.

However, if the struggle for freedom is waged by curtailing freedoms and rights (for instance, by making freedom of speech at universities impossible) the final outcome will inevitably be an even less free South Africa than the one we presently have.

The O'Brien affair dramatically raises not only the issue of freedom in South Africa but the means by which that freedom is to be attained.

The University of Cape Town authorities have acted wisely by refraining from a heavy-handed authoritarian response. As a result an intensive open debate is taking place among students of all colours and classes.

This is a heartening development. For unless general acceptance is won through debate for liberal rights and freedoms they have no future either under the present white rule or in post-apartheid society.

\* Hermann Giliomee teaches politics at UCT.

# Red Cross to vote on expelling SA from conference

GENEVA — An International Red Cross conference prepared to vote today on a Kenya-led motion, supported by most other Third World speakers, to oust South Africa from the meeting.

The vote was set after a four-hour debate late last night in which a Tanzanian speaker threatened a walkout should the conference decide against expulsion. Kenyan delegate Mr Denis Daudi Afande put forward what he called a "moderate" proposal immediately after the ceremonial opening.

He proposed that while the South African Red Cross Society could sit in at the conference, the South African Government delegation should be suspended as representing an "evil and inhuman system" that failed to respect the principles of the Red Cross.

While many Third World delegations seconded the

Kenyan motion, Western Red Cross and government representatives, although condemning apartheid, stressed that the Red Cross movement was committed to universality in performing its role in a troubled world.

Swiss delegate Mr Franz Muheim said an exclusion would be inconsistent with the Red Cross constitution. He said it would "run counter to the spirit and very purpose of this conference" and would be against the interests "of the very victims of apartheid." — Sapa-AP.



# Unions protest over TV 'no' to anti-SA ad

The Star Bureau

LONDON - The Trades Union Congress (TUC) is stepping up pressure on the Independent Broadcasting Authority (IBA) over its continued refusal to show the controversial "Don't Buy South African" commercial on television.

The advertisement has been passed for screening in cinemas in December.

Mr Norman Willis, TUC general secretary, has written to Lord Thomson, IBA chairman, to protest against the authority's stand. He is particularly angry that the IBA approves advertisements promoting South African goods and services.

The TUC has also compiled a "hit list" of British companies with large investments in South Africa and, today, will urge pension fund trustees to disinvest as soon as possible.

The TUC is also urging pension fund trustees to use their shareholders' rights in companies such as Barclays, Rio Tinto Zinc and BP to press for an end to further investment in South Africa.

In Austin, Texas, yesterday, 16 people were arrested after they took over the chancellor's office at the University of Texas and demanded that the school divest itself of South African investments.

The chancellor, Mr William Cunningham, was not in the office at the time of the non-violent demonstration, reports Sapa-AP. A spokesman for the university said officials did not know whether the demonstrators were students.

The protesters barricaded the entrance to Mr Cunningham's office with furniture before their arrest by university police.

In Ithaca, New York, a leader of the student-led disinvestment movement said more shanties would be built on the Cornell University campus in the coming weeks unless that university agreed to change its policy on investing in South African companies.

Authorities tore down five of the makeshift structures on Saturday. Two weeks ago, 23 people were arrested and charged with disorderly conduct after they prevented campus security police from demolishing several shanties they had built.

Graduate student Phil Gasper said yesterday that the demonstrations showed trustees and alumni the "strong feelings" students held about Cornell's South African investment policy and about free speech on campus. — Sapa-AP.

## French strike takes on Chirac's government

PARIS — French labour unions today launch their first major challenge to France's seven-month-old right-wing government with a nationwide public workers' strike.

Union officials say some six million workers, from cooks in school canteens to air-traffic controllers and weathermen, are likely to stay away from work for the day.

Rail and air transport, public utilities, postal services and French docks could all face serious disruptions.

The action, part of a week-long anti-government protest by trade unions, begins at different times in different sectors depending on the union involved. Most transport will be disrupted.

Unions have called the strike to protest at planned job cuts in the public sector, at salary levels and other grievances. It is the first major action for years

to be backed by each of the country's trade unions.

The communist-led CGT, France's largest union, the centrist Force Ouvriere (FO) and the socialist-leaning CFDT have all thrown their weight behind the strike. Only the white-collar CGC has rejected the action.

Apart from a transport strike in June, today's action is the first big test of trade union strength since the right-wing government of Prime Minister Jacques Chirac came to power in March.

France's trade unions, particularly the CGT, badly need a massive response to the strike call to boost morale after a series of often humiliating setbacks.

Trade unions have been weakened by bickering between competing groups and in the last five years, the various unions have only once managed to organise a joint May Day march.



Bus Day 22/10/86

**G**ENERAL MOTORS finally did it. After more than a year of insistent denials that it was planning to leave South Africa, the giant American motor corporation finally plucked up the courage to do what everyone knew it would — quit.

Despite GM claims of the market's strategic importance and of the company's commitment to the Port Elizabeth area, it became clear GM could not suffer heavy financial losses indefinitely.

In bowing to the inevitable, GM follows Alfa Romeo, Renault and Peugeot, who have all pulled out of SA in the past 18 months.

GM has not made a profit in SA since 1981 and has seen its share of a declining vehicle market in this country slashed by almost half.

In announcing that GM was selling out to local management, GM chairman Roger Smith cited the slow pace of SA political reform as a reason for the withdrawal. Few doubt, however, that the decision was based on cold economic facts.

As Bob White, MD of the SA operation, put it on Monday night: "GM's been taking a hiding in the US for its investment here. You can take it a little better when you're making money, but we've been losing for years."

GM's share of the SA car market this year is little more than 5%, compared to 12% five years ago. Even the commercial vehicle market — a traditional GM strength — has gone sour for the company, with its share down to less than 10% from around 16%.

That in a market that is itself in difficulties — car sales this year are running at record low levels, while vehicle production as a whole is operating at little more than a third of capacity — spells trouble. The SA motor industry lost an estimated R500m last year, and some sources expect that to grow to R700m this year.

**T**hat, however, is small-fry compared to the losses of GM's parent. The biggest US car manufacturer is expected to show a third-quarter operating loss ranging from R222m to R2,2bn when results are released later this week.

All that, and political resistance, too, for its SA operations, made it a straightforward decision to disinvest from SA. In doing so, however, GM has turned a loss-maker into a likely profit-maker — at least for its own ends. The deal will earn GM more money from SA than it has made for years.

It is rid of infrastructure, labour problems, import surcharges, high interest rates, perks taxes, local content programmes, soaring import costs and poor market conditions. In their place is a captive company that will pay GM licence



□ BOB WHITE . . . "we've been losing for years"

# Economics — not politics — forced GM to get up and go

DAVID FURLONGER/Industrial Editor

fees for use of its trademarks and buy vehicle kits and components from GM in the US, Japan and West Germany.

GM is also protecting its long-term interests by insertion of a buy-back clause in the sale agreement. Politics permitting, and if the SA market becomes profitable once more, GM would be able to step back in. According to White: "The buy-back period hasn't been determined, but I would imagine it would run for a fairly lengthy period."

To guarantee its future profits, however, GM must first put its hand in its pocket to pay off its SA creditors, enabling the new owners to start off with a clean sheet. It is likely, too, that the new owners will be offered a favourable deal in determining the value of GM's holdings in SA. Gross value of GM's SA assets is about R400m and fixed assets a quarter of that.

No one is saying yet who the management buyers will be. But White's assurance that they are all on GM's payroll — "or shortly will be" — suggests experience in the motor industry.

That — and the fact they are taking over a debt-free company with modern production facilities and dealer network intact — gives them a running start in the market.

They have the added advantage that there is no immediate need for

major capital investment. There is no replacement on the horizon for the Opel Kadett, and GM has already toiled up to introduce the new Opel Monza range. Likewise, the Isuzu and Suzuki commercial ranges are long-term propositions.

What the deal doesn't do, however, is solve the problem of the over-traded SA vehicle market. In that respect, GM's buy-out decision is the one the market needed least.

**P**eter Searle, Volkswagen MD and head of the manufacturers' organisation, Naamsa, said yesterday: "In worldwide terms, the SA market is only big enough to support one manufacturer."

In spite of earlier departures, the car market is still serviced by GM, VW, Toyota, Nissan, BMW, Mercedes/Honda and the Samcor stable of Ford, Mazda and Mitsubishi. The commercial market is even more fragmented.

Industry officials are concerned at the effect GM's decision will have on the Eastern Cape motor industry, already devastated by Ford's departure and heavy layoffs at GM.

Said Searle, whose own company is based at Uitenhage, near PE: "Any uncertainty is bad for the region. When GM pulls out, even if

manufacturing continues, it is a weakening process — and that isn't helpful at a time we are trying to build up the area. Any uncertainty is bad for the region."

That uncertainty will continue at least until November 3, when White expects to announce details of the deal and the identity of the buyers. He has already denied corporate buy-out along the lines of Sanlam's purchase of Nissan or Anglo American's effective take-over of Ford. Sanlam, Old Mutual and Rembrandt had all been named as potential GM buyers.

He also discounted suggestion of a takeover by major motor dealers, although he did not rule them becoming shareholders. He did rule out that some of the buyers were Americans.

He stipulated only that the buyers were all "individuals or entrepreneurs working on an individual basis".

White, who succeeded Lou W... as GM MD in mid-1985, will be involved in the new company although he has offered to stay during the transition period. He expects to return to the US by the end of February. Of the new company's prospects, he says: "The

new owners will have a better chance sheet than we've had in the last 15 years. I think they have hell of a chance to pull it off."



# 'Devastating costs to SA' **FCI quantifies sanctions impact**

JOHANNESBURG. — The cost of sanctions to SA could be devastating, according to an important new report from the Federated Chamber of industries (FCI).

The FCI report is the first attempt to quantify sanctions costs based on scientific studies.

Using a sectorally-orientated economic model of the SA economy, the FCI investigates three scenarios.

## **Net effects**

These range from the set of sanctions measures currently being proposed worldwide through to mandatory UN sanctions "substantially supported by all its members".

Both direct (inter-industry) and broader total net effects of sanctions on the economy as a whole are investigated.

In terms of longer term structural policy it is assumed there will be little change in economic and industrial strategy.

The aggregate figures summarize the results in the table below.

The overall message of the study is that, in terms of employment and production, sanctions can damage the SA economy "rather more seriously than appears to be generally perceived both inside and outside SA".

"It should, moreover, be born in mind that in dependency terms every job lost should be multiplied by about five to gain some impression of the total number of people deprived of their livelihood.

"In turn, some perspective on income/production losses can be obtained if it is realised that in 1985 money terms and average exchange rates, one percentage point of SA GDP amounted to more than R1 billion, i.e. \$500m, Dm1 500m or nearly £400m.

"Clearly the welfare losses involved in any escalating sanctions scenario could be very considerable indeed.

## **New entrants**

"In all cases unemployment will increase substantially, rising to alarming proportions as one moves up the scale towards heavier sanctions packages.

"... If new entrants to the labour markets should be added (more than 300 000 per year over the next five years) it is clear that unemployment could become a very major problem.

"Nevertheless, in spite of the considerable damage caused the SA economy will not be crippled and can indeed survive, albeit at much lower levels of economic activity and welfare." — Sapa

# Computer giant routs out of SA

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22/10/86  
M/M

WASHINGTON—In the second no-confidence vote by American business in two days, IBM announced yesterday that it was joining General Motors in selling its South African subsidiary to local management.

The departure of two of America's biggest corporate powerhouses was not co-ordinated, company sources insisted, but they could trigger a stampede among the estimated 240 US concerns still operating in the Republic.

Both decisions, though based on reviews that have been under way for more than a year, came suddenly. According to IBM spokesman Richard Coyle, the sale proposal had been under serious consideration 'only for the past couple of weeks'.

IBM chairman John Akers, in a statement issued early yesterday morning, explained his decision.

'We regret the need to terminate our 34-year-old subsidiary in South Africa. We have consistently said that IBM would remain in SA as long as we could maintain an economically-sound business and contribute to peaceful change.

'Unfortunately, the deteriorating political and economic situation in SA, and between SA and its trading partners, makes our action necessary.

'By taking this step now, before our freedom of action is further limited, we can best carry out our responsibilities to our employees and our customers in SA.'

## No guarantee

The reference to problems between South Africa and its trading partners indicated that the recently-enacted sanctions Bill played a key role in IBM's decision, even though the legislation, as it currently stands, does not prohibit computer sales to the private sector.

However, there is no guarantee that Congress will not try to cut off all computer sales next year, as Mr Akers appeared to imply when he said the company was acting 'before our freedom of action is further limited'.

As of August, IBM SA, which has long received top marks in the Sullivan Code rating system, had 1 550 employees, down from 1 937 at the end of 1985.

The company declined to disclose the value of its assets in SA and would only report its 1984 sales as 'less than \$460 million', according to the authoritative Investor Responsibility Research Centre.

Mr Akers said the new South African company, which will take over under a yet to be finalised purchase agreement by March 1 next year, is being formed 'for the benefit of employees of IBM SA' and would continue to honour existing contracts and market IBM products and services. It will be headed by Mr Jack Clarke, IBM SA's general manager.

Sensing yet another severe blow to US influence

## Simon Barber

in SA, the State Department said yesterday that it 'regretted' the IBM and GM decisions.

'We regret any decision to reduce US private sector influence in South Africa,' spokesman Charles Redman said.

'Such reductions could have harmful effects on black workers, injure the SA economy — which has on the whole weakened the premises of apartheid and provided a means of improving the living standards and skills of many people disadvantaged by apartheid — and might limit the extent of US influence in SA.'

The departing firm would continue to provide training on its products, possibly through its European headquarters in Paris.

According to IRRC, 22 US firms have left SA this year and six, including Marriot, Coca-Cola and Proctor and Gamble have announced they intend to. This continues the trend of last year when there were 39 departures. US investment in SA is currently estimated at \$1.3 billion, half what it was in 1981



## Sapa may retrench 10 staff

Mercury Reporters

THE operations of the South African Press Association (Sapa) news agency may be reduced significantly, with 10 of its Johannesburg staff facing retrenchment.

The deputy managing director of South African Associated Newspapers, Mr Ray Paulson, who is on the board of Sapa, last night confirmed that the agency was looking into various cost-cutting measures — including a reduction of staff.

'At a committee meeting held on Monday a suggestion was put forward in which Sapa will discontinue supplying edited Reuters and Associated Press copy to newspapers. As some newspapers already receive this copy directly, it was felt that it is a duplication of services,' he said.

Mr Paulson said, however, that no final decision had been taken and that the matter would be put to the board of Sapa on October 29 for their decision.

He confirmed that 10 staff members would go on leave for a month to see how the new system would work, before any decision to retrench would be taken.

Sources at Sapa said the proposed retrenchments would cut Johannesburg staff from 26 to 16.

## Methodists may pass resolution on sanctions

Pietermaritzburg Bureau

THE Methodist Church of Southern Africa is expected to pass a resolution today on the issue of overseas disinvestment in and sanctions against this country.

Members of the Church conference in Pietermaritzburg held discussions behind closed doors for nearly two hours before deciding to ask the resolutions committee, together with a number of co-opted members, to draw up a resolution reflecting opinions expressed from the floor.

The conference agreed to go into committee late yesterday after receiving legal advice that some speakers might contravene the state of emergency regulations by expressing their views in open session.

The Church's standpoint on the controversial issue is likely to be decided this morning when the conference resumes.

The Rev Khoza Mgojo, president of the Federal Theological Seminary at Imbali, near Pietermaritzburg, was elected president of the Church for the second time in four years.

He will succeed the Rev Jack Scholtz in October next year Mr Scholtz was inducted as president last Friday.

Dr Mgojo previously held office as president of the Church in 1982.

## Teachers 'should be retired at 55'

TEACHERS should be retired at the age of 55 instead of 65 to avoid retrenchments in the Indian teaching profession, Mr Reuben John, Solidarity's candidate in the November 12 Durban Brickfield parliamentary by-election, said yesterday.

Mr John, 59, a retired headmaster, said in a statement that a recent announcement by the Ministers' Council in the House of Delegates that 413 qualified and 291 unqualified teachers may have to be retrenched because of expected cutbacks in education budgets was 'very disturbing' — (Sapa)

(Report by N Bissetty, 36 Westgard House, Gardiner Street, Durban)

## Candidate bulls Fastest s

NEW YORK — IBM

yesterday said it would sell its South African subsidiary because of the deteriorating political and economic situation in the country.

The announcement came a day after General Motors, the second biggest US-based employer in South Africa after Mobil, said it would sell its South African operations to local interests.

IBM said in a news release it would sell the

# IBM to pull out

subsidiary, which accounted for less than 1 percent of the parent company's sales in 1984, to a new company established "for the benefit of the employees of IBM South Africa."

IBM South Africa employed 1 914 workers in 1984, according to the Investor Responsibility Research Centre, a

Washington-based group that studies US investment in South Africa.

## Situation

The sale is to be completed by March 1, IBM said. The new company will be headed by Mr Jack Clarke, currently general manager of IBM South Africa.

"Unfortunately, the

deteriorating political and economic situation in South Africa, and between South Africa and its trading partners, makes our action necessary, chairman Mr John Akers said in a statement.

"By taking this step now, before our freedom of action is further limited, we can best carry out our responsi-

lities to our employees and our customers in South Africa."

The Investor Responsibility Research Centre says 22 American companies have left in 1986, and six say they will, including Coca Cola, Procter and Gamble, and Marriott Corp.

That compares with 39 companies that left in 1985 and seven in 1984.

The number of companies remaining totals 244, with investment totalling R2,8-billion, down from R5,4-billion in 1981, the centre said.

IBM has operated the South African subsidiary for 34 years, Mr Akers said.

The subsidiary only markets and services information equipment and is not involved in manufacturing or development, according to IBM spokesman Mr Richard Coyle. — Sapa-AP.



## Pull-out threats blackmail says Treurnicht

JOHANNESBURG—Threats by multinationals to pull out of the country unless reform was speeded up were 'a type of blackmail', Conservative Party leader Dr A P Treurnicht said yesterday.

In a statement released by the CP Press office in Johannesburg, Dr Treurnicht said:

"Threats by multinational companies regarding their pull-out from South Africa unless the South African Government speeds up so-called race reforms is a type of blackmail or extortion which is totally unacceptable to the Conservative Party."

Dr Treurnicht said he was reacting to the recent statement by the chairman of Shell 'who warned his employees that his company may pull out of South Africa if the Government does not speed up "change".'

### Desist

'The Shell chairman is abusing his position of authority to dictate political attitudes for his employees. This smacks of Oppenheimerism — it is no secret that employees of Anglo American and its huge network of companies are only permitted to adopt a high profile in politics if they are PFP,' the statement claimed.

Management of international companies must desist from the myth that by investing in South Africa, they are doing the country a favour,' the Conservative leader said.

'The CP will not allow employees of Shell nor the vast majority of white South Africans to be intimidated into committing political suicide to placate international finance.'

### Capitulate

'Shell South Africa is in South Africa because they make profits. General Motors is leaving because they don't make profits. They are both here with the consent of South Africans.'

'Their type of meddling does nothing to improve the consumer's perception of their companies. If they foolishly think that the ANC is going to take over South Africa and that the whites are expendable, they would do well to note the undertaking of the CP that it will under no circumstances capitulate to a black government, Shell and GM or no Shell and GM.'

The statement also quoted the CP's spokesman on finance, Mr J J B van Zyl, said that Shell 'must be careful that its behaviour does not alienate the South African consumer'.

'Shell must remember that South Africa will not miss them if they leave because many will fill the gap. South Africans are actually looking for investment opportunities in their own country as is evidenced by their reaction to the GM pullout.' — (Sapa)

AK615 22/10/86

# — How employment could be hard hit by sanctions —

The Argus Correspondent, LONDON

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**S**ANCTIONS could damage South African employment and production "more seriously" than generally perceived both locally and abroad, according to an analysis by the Federated Chamber of Industries.

Over the next two years, sanctions packages announced by the US, EEC, the Commonwealth and the Non-Aligned Movement would cut jobs by 48 922 and reduce gross domestic product by 1,7 percent.

Should sanctions be extended to include all exports from South Africa, excluding strategic minerals, gold and diamonds, 204 803 jobs would be lost And GDP would be cut by 6,7 percent.

**T**HE total effect over five years would result in employment decreasing by 685 343 and GDP by 16,9 per cent.

In the case of total mandatory sanctions by the United Nations, employment would be reduced by 312 361 and GDP by 10,1 percent. In five years, there would be a 1,1 million decrease in employment and the GDP would be reduced by 29,3 per cent.

"Some idea of income/production losses can be obtained if it is realised that in 1985 one percentage point of South African GDP amounted to more than R1 billion. The welfare losses involved in any escalating sanctions scenario could be very considerable indeed."

**T**HE analysis said no matter what the degree of sanctions, unemployment would increase substantially, "rising to alarming proportions as one moves up the scale to heavier sanctions packages. It should also be remembered that in 1985 there was already considerable unemployment in the South African economy and if 300 000 new entrants a year were added, unemployment could become a major problem."

The study concludes that despite considerable damage caused by, for example, total mandatory sanctions, "the economy can indeed survive albeit at much lower levels of economic activity and welfare."



'Economic patriotism' is key to sanctions survival

# IBM sets stage for computer battle

By Sven Lünsche

As the US cut-off date for banning further investment in this country draws near, the rush by US companies to restructure their equity interests has reached fever pitch.

Yesterday it was General Motors, the biggest US employer of local labour, today IBM joins the growing list of US-based companies disinvesting from South Africa, but all are keeping their business options open through contacts with the new management team.

The computer giant announced last night that it was selling the South African subsidiary to a new local company, established by its former employees.

However, the decision is sure to hot up the battle for market share as other computer companies endeavour to take advantage of the situation.

Mr Jack Clarke, former MD of IBM (SA) and chief of the new company, said that external and internal political pressures had been taking their toll.

"Obviously US sanctions had a major impact on our decision, as this had affected the attitude of customers in South Africa."

And, although IBM cited political considerations as the major reason for the withdrawal, the company looks set to gain the best out of both worlds.

Its involvement in South Africa has cost the company dearly in terms of US sales, as IBM had been one of the prime targets of the disinvestment campaign.



Jack Clarke

At the same time the company is keeping its options open for future business involvement in this country.

The newly formed company will not only continue to supply IBM equipment for three years and provide spares and services for five years, but could also move into the very profitable second-hand equipment market.

In line with the recent trend of IBM subsidiaries worldwide, the South African subsidiary was losing market share and this new deal could provide the company with a much larger target market and subsequently improved sales.

In recent months, IBM has been selling off their subsidiaries in India, Nigeria and Zimbabwe, but keeping offices open on an agency basis.

Mr Clarke admitted that there were other pressures for disinvestment. "The Government told IBM about three weeks ago, that unless they had more local content in their PCs or assembled more locally, it would not buy any more equipment and indications were that things would get even more difficult."

Mr Clarke refused to give any figure on the final price for the sale but analysts said that IBM turnover in South Africa amounted to more than R300 million.

"The sale will be completed before next March and the loan will be paid back out of the new company's cash flow and profits over an as yet undetermined period of time," Mr Clarke said.

He added that the company is considering going public in order to raise the required capital.

The news came as a shock not only to the local computer market, but to

the South African financial community as a whole, as IBM had been by far the largest supplier of computer hardware and software to the market.

Major financial institutions have invested huge sums of money in IBM equipment. Barclays Bank alone recently acquired more than R140 million worth of IBM hardware and many other major financial institutions rely heavily on IBM equipment to run their electronic banking and internal computer systems.

While its five-year commitment to supply spares and services, a contract which is renewable, looks like a serious intention by IBM to stay in business, analysts said that the withdrawal must have their major clients "pretty worried at the least."

Most of the financial institutions' computer installations are long-term investments and the companies will either have to accept a write-off or supplement their existing equipment with compatible hardware from other computer manufacturers.

Other computer companies are set to exploit the situation.

Says Mr Mias van Vuren, MD of Burroughs (SA), IBM's major worldwide competitor: "We are obviously all set to use any opportunity offered to us in the market and are ready to substantially expand our base."

"The withdrawal provides better opportunities for IBM compatible suppliers and we hope to fill this niche," a spokesman for Olivetti said.

But IBM is well established to fight for the retention of their market leadership. "We are now set to market more aggressively, perhaps more so than IBM did, and aim at the market leadership in South Africa," Mr Clarke said.

While the IBM compatible market is set to be less restricted as a result of the withdrawal, the new company's entry into the second-hand equipment market could allow them to provide equipment on par with the compatibles.

If boycotts of South Africa's exports were only 20 percent successful the balance of payments would be weakened by R2 000 million, white unemployment would rise by 120 000 and black unemployment would increase by 430 000.

The personal income of whites would decline by R520 million and that of blacks by R470 million.

In quantifying the impact of boycotts in this way in an address last night in the Cape, Mr Christie Kuun, president of the Afrikaanse Handellinstituit and senior general manager of Saambou National Building Society, said economic patriotism was the answer to economic sanctions against South Africa.

Mr Kuun, who was addressing the Afrikaanse Sakekamer in Worcester, said he believed that if everyone did his duty, South Africa would be able to stand its ground better than was imagined.

Economic patriotism meant, among others things, that South Africans should give absolute and spontaneous preference to South African products to stimulate further investment in our own industries, he said.

South Africans had to get away from the idea that South African manufactured goods were of lower quality.

He referred to the great volume of knick-knacks like brooms, washing pegs and dusters which were still imported.

These unnecessary imports cost the country millions of rand in foreign exchange every year. The women of South Africa, particularly, could do their bit for the country here.

Although economic sanctions would decidedly hurt South Africa, he believed that the South African economy had strengthened itself over the past two decades to such an extent that such onslaughts could be much better handled than was sometimes imagined.

He did not believe that sanctions would have catastrophic consequences. It had, however, to be expected that there would be a period of economic disruption, adjustment and sacrifice.

Foreign exchange would become a scarce item, so South Africans would have to do without luxury imports. Mr Kuun pointed out that scarce foreign exchange would therefore have to be rationed.

Economic patriotism also meant that South Africans should demonstrate confidence in the economic future and believe in themselves.—Sapa.

## Nel backs privatisation and fewer ties on business

By Stan Kennedy

The more privatisation and the less...

South African edition of "International Who's Who in Trade and Industry" 1985

# EC 'not planning more sanctions'

~~SAP~~ 280 N/M 22/10/88

STRASBOURG—A high-ranking British official said yesterday the European Community had no plans to toughen economic sanctions against the South African Government.

Britain's State Minister at the Foreign Office, Mrs Linda Chalker, said the 12-nation trade group remained 'totally committed to the abolition of apartheid' in South Africa but added that 'general economic sanctions are not going to bring about the change we all want'.

The EC agreed last September on limited mea-

sures to curtail European investments in South Africa and ban the imports of South African iron, steel and gold coins. It also agreed on 'positive measures' to assist the victims of apartheid.

Mrs Chalker made her remarks in a speech before the European Parliament during a debate on the Community's response to the South African apartheid policy.

In the debate, the socialist and communist deputies appealed to the EC to align its sanctions with a tougher package of measures approved by the United States

Congress earlier this month.

Mrs Chalker told the Parliament the EC is 'committed to promoting a peaceful solution through an internal dialogue' within South Africa. The Pretoria Government, she said, 'must negotiate with the acknowledged leaders of the black community.'

But, rather than imposing further economic sanctions, she said, the EC should support what she called 'fresh practical measures' to bring the parties to the negotiation table — (Sapa-AP)



WEDNESDAY 22/10/88 280

# Nafcoc won't oppose sanctions

THE National African Federated Chamber of Commerce (Nafcoc) has decided not to resist the sanctions campaign against SA.

The decision was made at a conference this week which emphasised the growing radicalisation of organised black business.

But it has launched a major programme to ensure that black business benefits from the present rash of withdrawals from SA by US companies.

A resolution passed at a Nafcoc conference this week states that Nafcoc "will not campaign to oppose disinvestment or sanctions directed

ALAN FINE

against SA and the government".

It says there is a case for economic pressure, unless certain political demands — including the release of political prisoners and dialogue with "credible" black leaders — are met.

The resolution adds that Nafcoc "will not take part in any future efforts to encourage new investments in the country where blacks are not meaningfully involved".

And, as a corollary, the organisation has initiated plans to mobilise resources to facilitate the "indigenisation" of investments which become

available as a result of sanctions.

Nafcoc public relations manager Gabriel Mokgoko says Nafcoc has not been approached formally by prospective sellers, such as Coca-Cola, General Motors and IBM.

The conference also called on Nafcoc members to exercise caution in associating with "unpopular" government-created political and educational organisations.

And it resolved that Nafcoc should ensure "ongoing consultation and co-operation between itself and all other black socio-political and professional organisations".

# Sanctions move 'not binding on Anglicans throughout SA'

*AKC 22/10/86 280*  
The Argus Correspondent

DURBAN. — A resolution passed by the synod of the Anglican diocese of Cape Town on sanctions against South Africa has no binding effect on any other diocese, says the Rt Rev Michael Nuttall, Bishop of Natal.

The resolution, described as "implicit support of sanctions," said the synod would call for an end to sanctions when demands, including the lifting of the state of emergency and the release of Nelson Mandela, were met.

In contrast, the elective assembly of the Cape Town diocese

— which elected the archbishop and leader of the church in Southern Africa, the Most Rev Desmond Tutu — included two representatives from every other diocese.

Bishop Nuttall said he did not know whether the Anglican Bishops' Synod, which meets next month, would discuss the sanctions issue.

Asked if there had been a marked flow of people leaving the church over political issues such as sanctions, Bishop Nuttall said there were no statistics available.

"But the numbers don't seem to be too large," he said.



Local firm to take over reins

# IBM jumps onto exodus bandwagon

280  
Buddy  
22/10/88

IBM yesterday became the second major US corporation in 24 hours to announce it was selling its South African subsidiary.

A letter of intent to sell IBM (SA) to a new local company was signed in New York on Thursday. The deal was announced simultaneously in New York and Johannesburg yesterday, one day after General Motors made a similar disclosure.

Jack Clarke, MD of IBM (SA), will head the new company. He refused yesterday to put a figure on the deal — which guarantees the company exclusive

● See Comment Page 8

access to IBM products and technology — and said many details remained to be negotiated by the March 1 deadline.

However, he said the board of IBM (SA) would remain on the board of the new company, which had not yet been named.

Clarke said loan finance for the deal would be put up by the US parent. This loan would be repaid from profits generated by the new company.

DAVID FURLONGER  
Industrial Editor

Clarke said he had been told of the deal two weeks ago at IBM headquarters in New York. An IBM spokesman in New York said the sale proposal had been under serious consideration "for the past couple of weeks".

IBM sources in SA, however, said the question of a management buy-out had been under consideration for some months. Growing political pressures and sanctions-related business constraints had forced the company to prepare a number of contingency plans.

IBM, like other US computer companies, is prohibited from selling to the police, Defence Force and other apartheid-linked government agencies.

John Akers, chairman of the parent company, hinted that IBM feared further restrictions when he said: "By taking this step now, before our freedom of action is further limited, we can best carry out our responsibilities to our employees and

● To Page 2

→  
P.T.O.

MANDATORY UN sanctions against SA, and the need to maintain a current account surplus, could cause a 30% drop in GDP and 1,34-million unemployed in five years, according to a report by the Federated Chamber of Industries (FCI).

In this worst of three scenarios outlined by the report, FCI says GDP would decline by about 6% a year and nearly 20% of South Africans would lose their jobs. Agriculture's contribution to GDP would decline by 30,7% and 187 417 jobs would be lost, mining by 17,2% (20 452 jobs), secondary industry 29,3% (404 650

# Thousands of jobs are in jeopardy

GERALD PROSALENDIS  
Economics Editor

jobs), commerce and transport 29,1% (209 983 jobs) and services and others by 27,6% (312 511 jobs).

It says the SA economy will survive, but "at much lower levels of economic activity and welfare".

And, Afrikaanse Handelsinstituut (AHI) chairman Christie Kuun warned last night that if sanctions against SA exports were only 20% successful, the balance of payments would be weakened by R2,0bn, white unemployment would rise by 120 000 and black unemployment by 430 000. The personal income of whites would decline by R520m and blacks by R470m.

Sanctions would not have catastrophic consequences, but some disruption and adjustment was unavoidable.

SA would have to do without luxury imports and foreign exchange would

● To Page 2

## Thousands will lose their jobs

have to be rationed to sectors and industries which needed priority from the national economic point of view.

The FCI report, based on an econometric model, envisages three sanctions scenarios. Firstly, the full set of trade measures agreed upon by the US and currently being discussed by the EC, Commonwealth and Non-Aligned Movement, which will reduce GDP by 1,7% in the next 18 months to two years.

Secondly, if sanctions were imposed on all SA exports, but with substantial leakages, the total effect would be a decline of 16,9% in GDP over five years from its 1985 level, and 685 343 people would lose their jobs.

The third scenario envisaged UN mandatory sanctions substantially adhered to by the international community.



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(H) (S) 280

# Saths Cooper — a man of paradox

**The Argus Correspondent**

**JOHANNESBURG.** — A fact even his adversaries will not deny is that Saths Cooper, who has quit as president of the militant and exclusively black Azanian People's Organisation, was a force to be reckoned with in the South African political arena.

His exit, after Steve Biko and Barney Pityana, signalled the departure of the last of the main architects of Black Consciousness as a political philosophy.

It was they, more than anybody else, who nurtured the BC doctrine through the heady 1970s — and they paid the price by being banned and house-arrested.

In 1977 Biko died in police custody in circumstances that are still hotly questioned, and Pityana fled the country soon after to land in England where he crossed the political floor and joined the African National Congress.

By then Mr Cooper — his names are an Anglicised version of their original Tamil form — was serving six years on Robben Island.

## Scholarship

Mr Cooper, 36, who has altogether spent close to a third of his life behind bars, leaves this week on a Fulbright Scholarship, granted by the United States government, to read for a doctorate in community clinical psychology at Boston University.

As is often the case with political leaders operating outside platforms created by the State, there is no middle of the road with Mr Cooper: either you like him, or you don't.

It is this characteristic which, apparently, led to his resignation as president of Azapo, a position he assumed last year.

There are paradoxes in his trip to the United States.

Azapo, which he headed, is uncompromisingly opposed to America's "imperialistic and capitalistic" tendencies which it says, destabilise countries where American influence is unwanted.

Yet it was to the "imperialists and capitalists" that Mr Cooper, an avowed socialist, applied successfully for a scholarship.

When Senator Edward Kennedy toured South Africa last year he ran into strong opposition from Azapo, forcing the cancellation of a major rally in Soweto.

Azapo said Mr Kennedy, an "arch-imperialist and arch-capitalist", was on tour to improve his tarnished political image at the expense of the black people's struggle for liberation. He also had no mandate from black Americans to be in South Africa.

Mr Cooper sees no contradictions in being granted a scholarship by the "imperialists and

capitalists" while his own socialist outlook is diametrically opposed to America's national credo.

"One cannot go to a socialist country to study and come back freely to South Africa. It is as simple as that," he says.

But surely, such difficulties notwithstanding, the fact that the scholarship was granted by the US Government goes against his ideological stand and does make his position as guest of "imperialist and capitalist" hosts invidious?

"This does not compromise me in any way, unless I become a capitalist and serve imperialist interests. Many leaders of the Third World are products of Western universities — about half a dozen government members in Zimbabwe studied in the West," Mr Cooper says.

For his thesis he will concentrate on youth aspirations, perceptions and feelings, the psychic turmoil and confusion "and zero in on issues like 'necklacings'".

# Urban Foundation pays tribute to GM

JOHN BATTERSEY

LONDON — Urban Foundation director Jan Steyn yesterday paid tribute to General Motors as "most valuable allies in the process of change in South Africa".

He said in a BBC radio interview during a visit to London it was sad that GM had decided to withdraw from SA.

"They have had very considerable leverage and the changes which have taken place have been, in part, attributable to the role they have played."

"They have made a very real contribution in the area of industrial relations and worker conditions in South Africa."

"I am not saying that they were necessarily trend-setters, but they were very important allies to those of us working for the improvement of life of people both in and outside the market place," he said.

It was essential for SA to develop a system giving every person full participation in the political process.

He said that changes brought about by the Urban Foundation represented the beginning of a redistribution of wealth.



Warner, IBM join GM in disinvesting

# US millions flow in as firms leave

STAR  
22/10/86 (280)

By Sven Lünsche

Millions of rands of investment is flowing into South Africa as United States firms scramble to reorganise their equity or financial structure in this country.

The US congressional decision to ban all further US investment here after November 12 has led to huge inflows of money to enable local businessmen to take over businesses whose debt or asset bases have been re-written in the books.

General Motors alone provided R100 million to cover the debts of the local subsidiary and analysts say IBM will certainly require similar amounts.

## Americans pulling out 'due to threat of more sanctions'

The Star Bureau

WASHINGTON — American companies were withdrawing from South Africa partly because they expected tighter US economic sanctions and tougher restrictions on them next year.

So says Mr David Hauck of the respected Investor Responsibility Research Centre, which is closely monitoring the disinvestment storm in America.

The possibility of more congressional laws next year imposing additional sanctions on South Africa was the primary domestic pressure on US businesses operating there, he said. This could include a "mandatory exit for all companies".

"I think most people do not believe that the sanctions Bill that just passed is the final word on the subject ... that there will be additional sanctions measures enacted into law next year," he said.

Another main pressure on US companies was American cities boycotting firms doing business in South Africa through selective buying or contracts. This pressure was growing, he said.

Mr Hauck said a lesser reason was the sharp surge in shareholder resolutions. At annual general meetings this year, there were about 50 calling for varying degrees of action on South Africa. Next year, there would be about 130 resolution at company general meetings.

On the pull-outs of General Motors, IBM and others recently, Mr Hauck said a lot of US companies had been losing money in South Africa in the last couple of years. "So they've been holding on, thinking that things are going to get better.

"The problem is that politics and economics have become so closely linked in South Africa that it looks like the economy is not going to get better until some kind of political compromise is worked out," he said.

"Compromises are difficult while the economy is bad"

This, and the looming possibility of further sanctions against South Africa, led companies to think. "Our assets are not making money in South Africa, we may be forced in future to sell off those assets — we will try to get what we can before we are forced to sell."

A shift in business relations between the US and South Africa had started towards a Japanese-type direction of licensing and distribution agreements

The giant Warner Communications Group, which holds a 30 percent share of the local record market, has become the third US company to withdraw from South Africa this week.

Like General Motors and IBM, Warner will sell its interests to a local associate. A statement issued by WEA Records South Africa said negotiations with Warner had been in progress for "some months" and approval of the deal had been received from the US.

IBM announced yesterday that it was pulling out of South Africa and that it was assisting local businessmen to form a new company and restructuring the new company's share capital. The company did not indicate how much money was involved.

Coca Cola, Ford and GEC, which pulled out recently, are also estimated to have provided millions of rand.

### Departures

The latest withdrawals may be only the beginning of departures by several companies which have been wanting to sell up for some time as a result of the unstable political and economic climate in South Africa.

Some 350 US firms were trading directly or indirectly with South Africa, employing more than 150,000 people, of whom 120,000 are black. According to a recent seminar on disinvestment more than 80 percent of all US multinational companies are affected by the legislation.

IBM chairman Mr John Ackers said yesterday: "We consistently have said that IBM would remain in South Africa as long as we could maintain an economically sound business and contribute to peaceful change

"Unfortunately the deteriorating political and economic situation in South Africa, and between South Africa and its trading partners, makes our action

MG/S 22/10/86 (280)

## Methodists split on sanctions issue

The Argus Correspondent

MARITZBURG. — The Methodist Church conference today declared it could not condemn sanctions as a strategy — but it acknowledged there was a split of opinion on whether or not to commend them.

Delegates at the church's annual conference in Maritzburg voted 70-11 in support of the resolution, which said, among other things:

"That while our church is divided on whether or not to commend sanctions and disinvestment as a strategy to bring about change, we are persuaded that this kind of economic pressure is already bringing about a measure of self-examination and reassessment which may yet lead to repentance among privileged South Africans.

"We cannot condemn something that could succeed where the cries of the people and the pleas of the church have gone unheard."

The Rev Robert Stead of Durban tried unsuccessfully to have the wording changed, cutting out the words "We cannot condemn something that could succeed".

He said: "I must condemn anything which brings hunger, suffering and death. I cannot believe that the end ever justifies the means, so, as a Christian, I must condemn sanctions."

His amendment was defeated 50-29. The approved motion urged Methodists to continue to search for other creative means of applying pressure on the Government.

The church's Christian citizenship department was instructed to initiate programmes of relief and self-help to meet the needs of such people and to seek funds for this purpose in South Africa and internationally.



NR6us 22/10/86

280

# Sanctions: Strategic metals move likely to backfire on US

WASHINGTON. — Now they have voted in a package of sanctions against South Africa, American congressmen are starting to think about what other goods might be brought into the sanctions net next year.

Some politicians talk of including more metals

They should remember, though, that sanctions on strategic metals such as platinum, vanadium and chromium could much increase the cost of sanctions to America

## VANADIUM

If America wants to avoid big price rises, which inflict greater harm on buyers than they do on South African sellers, it should exclude vanadium from any future sanctions measures.

Vanadium is used in making steel for oil and gas pipelines and for the chemical industry.

South Africa accounts for around 60 percent of the

world's vanadium production. Exports of the metal bring about \$100-million a year to South Africa

Forbid its export to America and the price there of non-South African vanadium could double overnight

American users could buy alternatives such as molybdenum, but that would only stimulate the price of that metal.

Alternatively, the American government could subsidise more domestic vanadium production. Both solutions would be costly

Sanctions on the platinum group of metals could also backfire.

South Africa's sales of these metals to America will probably exceed \$500-million this year. America's only other significant supplier is Russia

Banning South African platinum would send short-term prices rocketing and hand big profits on a plate to the many

speculators who have bought platinum this year

Chromium is a different story

A United States' Bureau of Mines report studied the effects of a three-year 100 percent cut-off of chromium imports from South Africa, plus a 90 percent cut-off of supplies from Zimbabwe

American chromium use, currently 459 000 short tons a year (72 percent of which is imported from South Africa, Zimbabwe, Zaire and Zambia) would cause prices to soar and consumption to nosedive by 50 percent

GNP would be cut by \$15.2 billion, mainly through cuts in stainless steel output. Employment losses would average 146 000 a year

That sounds scary, but the bureau admits that such a serious supply disruption is unlikely, and its study does not take into account use of chromium from America's strategic stockpile

The bureau also investigated the costs of a year-long chromium cut-off of 50 percent, and concludes that using other non-communist chromium supplies and stocks of the metal in private hands would avoid any cutback in stainless steel production.

## CRIPPLING PENALTIES

Nor would there be much loss, under any circumstances, in the case of manganese. America uses 627 000 short tons of manganese a year, 38 percent of which is imported from southern Africa.

So chromium and manganese could be added to the sanctions list without incurring crippling penalties for America.

But the possibility of a dramatic short-term price rise would remain. And it would be Americans, not South Africans, who would have to pay the bill.

— The Economist News Service.

# GM dealers happy about sell-out to SA

By Jeremy Sinek

GM dealers have reacted positively to news of the company's sell-out to its local management and other South African interests — but they reserve judgment until more is known about

who the new owners are.

"Having South African ownership could be very positive," said Mr Dave Rosevear, managing director of Williams-Hunt.

"The major question is how credible the new team is and what the financial arrangements are, but we understand they have done their homework and will be acceptable."

Another dealer said: "They won't have to run to Detroit to get things passed. They can make decisions on the spot."

"Some of the South African boys know their business better than the Americans did," he added. "They can come out of hiding now, and tell the public how good our cars are."

A cautionary note was struck about the as yet unidentified buyers from outside GM SA.

Senior executives in Williams-Hunt, the country's largest GM dealership chain, have been mentioned in this connection — a possibility that worried one rival: "You cannot have a major dealership having a major share in a car factory."

SML  
22/10/86





# Steyn

# UK bid

# to stem

# pullouts

BY BARRY STREEK  
Political Staff

AS two more United States corporations announced decisions yesterday to join the snowballing drive to pull out of South Africa, an impassioned plea was made in London by the executive chairman of the Urban Foundation, Mr Jan Steyn, to overseas businessmen to stay and support the reform initiative.

And the Leader of the Opposition, Mr Colin Eglin, said that whatever the arguments for withdrawal, "I am convinced that economic withdrawal will make it more difficult to get rid of apartheid".

The massive Warner Communications Group, which holds a 30 percent share of the South African record market, and Honeywell Incorporated, a computer company, announced that they were selling their South African operations to local interests.

In Stockholm, Sweden's Deputy Foreign Minister, Mr Pierre Schori, said Swedish industry should not lag behind other countries in applying sanctions against South Africa.

Mr Schori said Sweden would continue its campaign in the United

Nations for hard and biting economic sanctions and warned that firms with interests in South Africa should not wait complacently for a decision to be made and be the last to take economic action against South Africa.

However, Mr Steyn, in a speech to the South Africa Club in London, urged businessmen overseas to support the private sector's reform initiative in South Africa.

He said the private sector's urge for prosperity in a post-apartheid society was, together with black protest, the "most effective agency for change in South Africa today".

The support of the international business community for this urge was especially important because Western governments were abandoning their leverage over Pretoria by resorting to punitive action.

The private sector had played a large role in reforms, implemented over the past eight years, which had reached out to "some of the core areas of the apartheid policies of the past", Mr Steyn said.

Actions from abroad "which will assist the internal reconstruction of peace in our society" included recognition by governments and pressure groups overseas of the complexity of change in South Africa.

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From Page 1

Summary demands for negotiation or universal franchise "as if it were no more problematic than organizing an office party" are distinctly unhelpful.

International groups should also set realistic targets to allay heightened expectations and show government supporters that their actions were well intended as well as give full support for local attempts to promote negotiation.

Referring to sanctions, Mr Steyn said they would not topple the SA Government nor destroy the economy. They would, however, deepen unemployment and leave the real challenges in the South African situation unanswered.

Simon Barber reports from Washington that several major US companies were yesterday on the verge of following the lead of companies pulling out of South Africa.

A spokesman for Xerox Corporation, which warned last May that it would leave unless the political and economic climate improved by year's end, said "the situation has clearly deteriorated — we are discouraged".

RJ Reynolds Industries, one of the largest US employers in SA through its subsidiaries Heublein Inc, Del Monte Corp and Nabisco Brands Inc, said it felt "pressure for disinvestment mounting on all fronts".

Smithkline Beckman Corp, whose Isando based pharmaceutical subsidiary employs around 250, said through a spokesman that its "patience with the pace of change is now running out".

Yesterday, however, Mr David English, the managing director of Rank Xerox in South Africa, said that although his company wanted to stay in South Africa its chairman, Mr David Kearns, had emphasized that this was dependent on further progress in reform in South Africa and that he was not happy with the rate of this progress.

"Our desire is to remain in South Africa," Mr English said.

A number of other firms appeared determined to buck the tide.

Caterpillar said yesterday from Peoria, Illinois, it had no plans to follow other industrial giants by divesting itself of operations in South Africa, but emphasized that it rejected apartheid.

A spokesman for Johnson and Johnson, which employs just under 1400, conceded that while IBM's decision was "certain to have an influence on all companies doing business in SA" our presence in SA is a force for peaceful change.

Chevron, which co-owns Caltex Oil SA Pty Ltd with Texaco, made the same case, arguing that it had spent \$2 million on social programs in SA last year and was doing everything it could to "bring down apartheid".

"There is no change in Mobil's situation as often stated by the company's US management," said Mobil (SA) spokesman Mr Pat O'Malley yesterday.

□ Comment, page 6

# Sanctions will lead to violence says Savimbi

STRASBOURG — The leader of the Union for the Total Independence of Angola (Unita), Dr Jonas Savimbi, yesterday condemned apartheid but said it would not prevent him from concluding an agreement with South Africa.

Dr Savimbi is on a visit here to appeal to the European Parliament for support in his effort to bring an end to the civil war in Angola.

Speaking about Western economic sanctions against South Africa, he said blacks in South Africa, Zambia, Zaire and Zimbabwe were "far more afraid of South African reprisals."

South Africa's retaliatory measures would "create misery. Unemployment will generate violence," he said.

The visit created an uproar in the parliament and brought a chorus of protests from African governments but Dr Savimbi was well received by the centre and the right-wing deputies who invited him here.

The Unita leader also called for immediate peace talks with Angola's Marxist government.

To applause from some 100 conservatives, liberals, Gaullists and extreme rightists in the European Parliament, he declared: "No more civil war. We must look to the future of our country."

All the countries of the region had to reach a "modus vivendi" with South Africa, he said, and recalled that Mozambique's left-wing leader, the late President Samora Machel, had signed a peace agreement with South Africa.

Dr Savimbi stressed it was not South African but Cuban intervention which prevented elections being held in the country in 1975, which he said Unita would have won.

Angola has officially protested against Dr Savimbi's visit and French authorities have said he will not be officially received during his forthcoming stay in Paris.

The Angolan leader, President Jose dos Santos, is due in Paris next week for a two-day official visit.

Dr Savimbi said President Dos Santos should be invited to the parliament to explain his position on possible peace talks. — Sapa-AP-RNS



# Canada to probe sanctions breaking

23/10/86 280

OTTAWA — The Canadian External Affairs Minister, Mr Joe Clark, said yesterday he would investigate allegations that federal sanctions against South Africa had been violated by Government-owned Air Canada.

Mr Clark, speaking in the House of Commons, said he would look into news reports that Air Canada helped arrange flights to London for a tour group headed to SA, contrary to Government sanctions prohibiting air traffic and promotion of tourism to SA.

Mr Clark said he planned to meet senior Air Canada officials soon to iron out the Government's policy, but he said it was hard to establish with certainty the final destination of passengers boarding flights from Canada.

An Air Canada spokesman denied the airline had made special arrangements for 64 Canadians to fly to London *en-route* to SA.

"The bookings were made in accordance with industry practices approved by the International Air Transport Association," an Air Canada spokesman, Mr Denis Couture, said.

In Strasbourg, France, the European Parliament yesterday called for tough economic sanctions against South Africa and deplored United States support for rebel Angolan leader Dr Jonas Savimbi.

The parliament's vote came only hours after Dr Savimbi attended a controversial private meeting in the parliament building.

The Strasbourg assembly, in its strongest stand yet over Pretoria's refusal to abandon apartheid, adopted a Communist resolution by 169-162 votes, with four abstentions, which demanded a ban on all new investments in the country.

An amendment branding Dr Savimbi's Union for the Total Independence of Angola (Unita) a "terrorist organisation which supports the South African regime" was also carried by 152-150 votes, with only one abstention.

The European Parliament is a largely consultative body, but most parties throughout the political spectrum of the European Community are represented.

The resolution also called for a ban on all bank loans to South Africa, an embargo on all purchases from SA companies, and the withdrawal of landing rights to SAA.

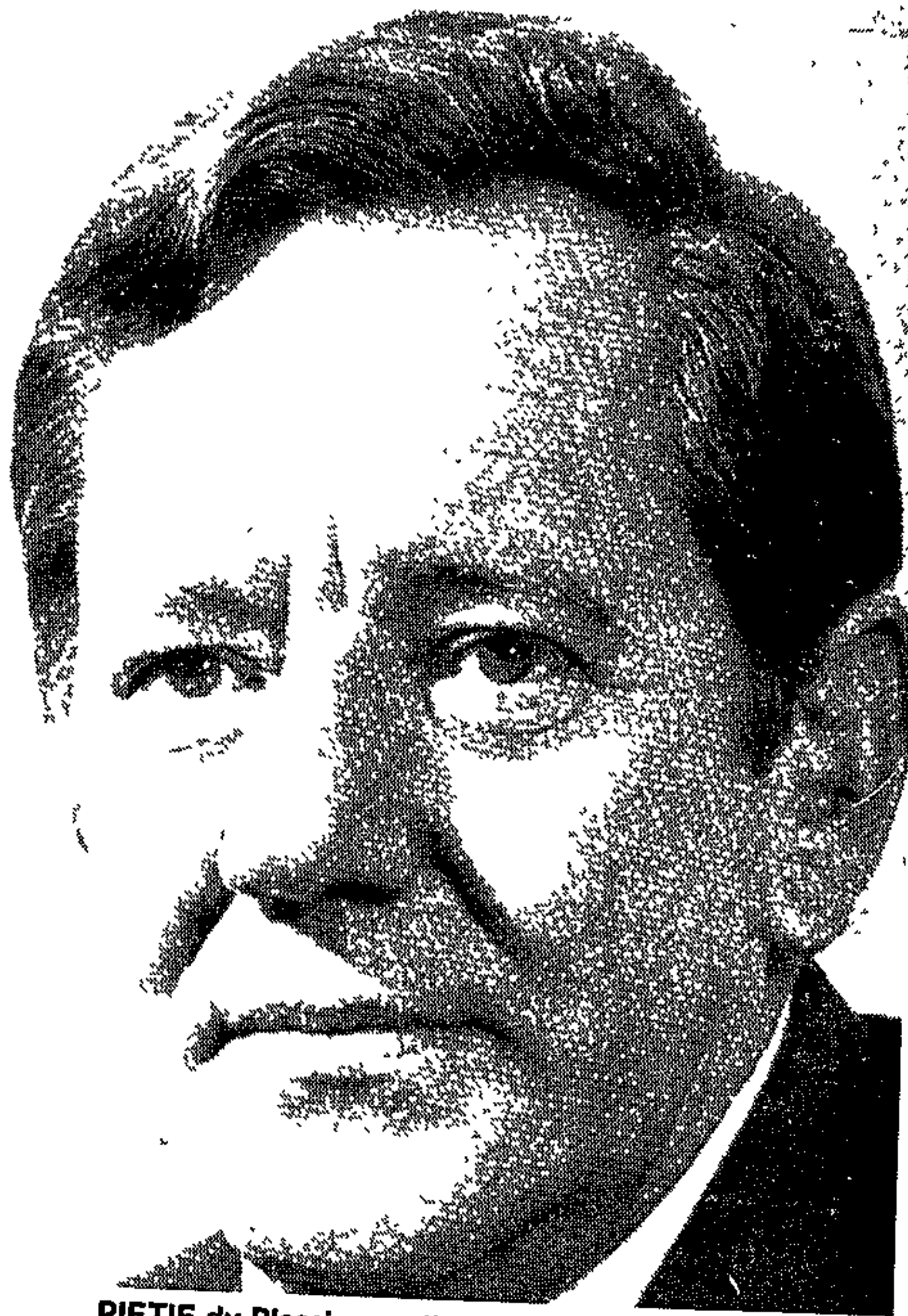
— Sapa-Reuter



# DISINVESTMENT . . .



HARRY Schwarz . . . others likely to follow suit.



PIETIE du Plessis . . . attacked Archbishop Tutu.

## The snowball effect

**A SNOWBALL effect could develop following the disinvestment decisions of big American corporations such as General Motors and IBM, but South African businessmen were also being provided with positive challenges.**

These were some of the reactions in political circles yesterday.

to the IBM announcement that it was withdrawing and that it would sell its subsidiary to a new company established for the benefit of its employees in South Africa.

General Motors has taken a similar decision in a move to safeguard the jobs of its employees.

All the Minister of Trade and Industries, Dr Dawie de Villiers, would say yesterday was that the Government had taken cognisance of

the moves and that he thought that disinvestment would retard the reform process in South Africa.

In times of economic prosperity reform went more quickly while in times of stagnation there were other priorities.

A spokesman for the department said the practical effects of disinvestment moves would have to be studied and would only become apparent at a later stage.

### Grateful

The Minister of Manpower, Mr Pietie du Plessis, said yesterday he was grateful that GM's disinvestment would not jeopardise the company's workers.

There were 3 000 GM workers in Port Elizabeth as well as thousands of others employed by 200 GM dealers.

The Minister also attacked Archbishop Desmond Tutu. He said the archbishop's pleas for disinvestment had failed to put all these thousands of people out of work.

The intention of local industrialists wanting to take over reflected the energy and resilience of business leaders in tackling challenges.

Mr Harry Schwarz,

## FOCUS

the Opposition's chief spokesman on financial matters, said that a snowball effect was developing. When the major corporations started others were likely to follow, both large and small.

As far as South Africa was concerned not only jobs were at risk but also the provision of new technology as well as the feeling of isolation that was induced by major corporations not wanting to be associated with South Africa.

The reasons for disinvestment were not as these corporations tried to put them — that they objected to apartheid — as they had been here for decades while apartheid was being practised.

One of the main reasons for disinvestment was the overwhelming

force of public opinion in the United States which prevailed at the moment.

There was also the poor state of the South African economy which had made business less profitable.

The low rand made any dividends which were remitted less valuable.

Mr Schwarz said unfortunately more voluntary disinvestment could be expected. This had already been illustrated by the decision of overseas banks to cut down their exposure in South Africa.

"We should not sit back and say that sanctions and disinvestment are inevitable but we should start a new public relations campaign while proceeding with the reform process at home."



# Top UK man jets in with warning

LONDON — Sir Leslie Smith, chairman of the British Industry Committee on South Africa, arrives in Johannesburg today for high level talks on the spate of major companies disinvesting from the Republic.

His visit comes in the wake of announcements that three major American companies, General Motors, IBM and Honeywell Inc, a Minneapolis based computer and electronics firm, are to sell off their South African assets. Others are said to be close to following suit.

Honeywell, the latest to announce its withdrawal, was considering various options for the sale of its South African affiliate, but no final decision had been made yet on its position, a spokesman said.

It is understood that Sir Leslie will give the most

blunt warnings yet to business and political leaders of massive foreign business retreats from South Africa if urgent and credible political reform is not introduced.

Equally, he will tell of British willingness to respond to positive changes.

Sir Leslie is expected to be the bearer of bad tidings about the lack of faith British and European business has in the South African Government.

He is expected to give specific information on British businesses considering disinvestment, including the major Midlands-based metals group, McKechnie Brothers, which has extensive interests in the Republic, including Macdem and Consolidated Industrial Holdings.

It is also reported from Bonn that leading West German industries are not considering following the example of the US firms.

Some 300 West German firms — including Siemens, Volkswagen and BMW — have branches in South Africa. They employ about 45 000 workers.

"We have no information that any large West German firm plans to pull out of South Africa," said Mr Dieter Rath, spokesman for the Federal Union of German Industry.

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## **Revised edition of Kairos Document**

The revised edition of the controversial Kairos Document, which has been acclaimed locally and internationally as the most significant theological statement, was launched by Skotaville Publishers yesterday.

It was launched a little more than a year after the publication of the first edition.

Publisher Mothobi Mutloatse said those who appreciated the first edition would welcome the revised edition though, in fact, there were no substantive changes.

"The signatories of the Kairos Document, after much discussion and after much scrutiny of the criticisms that were sent in, have decided to stand by what they wrote in the first edition.

"What the second edition does do, however, is to clarify those points that were frequently misunderstood or misinterpreted in the original document," Mr Mutloatse said.

He said chapter four, under the heading "Towards a Prophetic Theology," had been largely rewritten to clarify the meaning of prophetic theology and to show more clearly what the bible was saying about oppression.

"The theology of the Kairos Document has been shown to be, in its essence, the theology of many thousands if not millions of South African Christians, most of whom are oppressed blacks and are struggling against evils perpetrated against them.

"The document has caught the imagination of so many people involved in the struggle to dismantle apartheid," Mr Mutloatse said.



**Cape Town**

**dropped**

**from top**

**yacht race**

LONDON—Cape Town has been dropped as a port of call in the next Whitbread Round-The-World Yacht Race, the organisers said.

Traditionally the first leg of the Race has been from Portsmouth to Cape Town, before the yachts head across the southern seas to New Zealand.

Whitbread spokesman George Davies said: 'In previous races, going to Cape Town has deterred potential entrants.

'We would hope by cutting it out we will get more entrants and with that, more sponsors.

'If sponsors see political problems arising from their involvement in the race they are not going to be interested.'

Davies said the South African connection had not caused Whitbread itself problems in the past, 'but obviously it is something we keep our eye on'.

The first port of call for the 1989 event will be at Punta del Este in Uruguay, which was the final stop in the last event.

From there the fleet will sail below Africa to Perth, on to Auckland, around Cape Horn for a second visit, to Punta del Este and then to a port — probably New York — on the eastern coast of the United States, before returning to Portsmouth.

The trip would take around nine months. — (Sapa)

# Methodist Church split on sanctions

IN a carefully worded resolution, the Methodist Church conference yesterday declared that it could not condemn sanctions as a strategy — but it acknowledged there was a split of opinion on whether or not to commend them.

Delegates at the church's annual conference in Pietermaritzburg voted overwhelmingly (70:11) in support of the resolution, which said, *inter alia*:

"That while our church is divided on whether or not to commend sanction and disinvestment as a strategy to bring about change, we are persuaded that this kind of economic pressure is already bringing about a measure of self-examination and re-assessment which may yet lead to repentance among privileged South Africans.

"We cannot condemn something that could succeed where the cries of the people and the pleas of the church have gone unheard."

The Rev Robert Stead of Durban tried unsuccessfully to have the wording changed, cutting out the words "we cannot condemn something that could succeed."

He said: "I must condemn anything which brings hunger, suffering and death. I cannot believe that the end ever justifies the means so, as a Christian, I must condemn sanctions."

His amendment was defeated 50:29. The ap-

proved motion urged Methodists to continue to search for other creative means of applying pressure on the South African Government.

The church's Christian Citizenship Department was instructed to initiate programmes of relief and self-help to meet the needs of such people and to seek funds for this purpose both in South Africa and internationally.

• The Methodist Church of Southern Africa faces possible prosecution in terms of the Internal Security act after holding an open air church service at Woodburn Stadium in Pietermaritzburg on Sunday. — Sapa.

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# TUC tells funds to disinvest

The Star Bureau

LONDON — The Trades Union Congress (TUC) has urged trade union trustees of pension funds to press 20 specific British companies to disinvest from South Africa.

New guidelines being sent out by the TUC on South African investment aim for action involving the top 20 British companies there.

The TUC wants particular attention to be paid to the "inner circle" of six companies: Barclays, Standard Chartered, Consgold, RTZ, Shell and BP.

TUC general secretary Ted Willis told a conference on pension fund investment that all these companies had "played a key strategic role in supporting the apartheid regime".

Mr Henry James, director-general of the National Association of Pension Funds, said his organisation's position was in line with the TUC's on pension fund disinvestment.

Mr Willis warned that British companies with SA links might not only lose profits as SA's economy collapsed, but could lose their entire assets there as instability grew.

# Canada to probe sanctions breaking

*Ev Post*  
23/10/86 (280) (10)

OTTAWA — The Canadian External Affairs Minister, Mr Joe Clark, said yesterday he would investigate allegations that federal sanctions against South Africa had been violated by Government-owned Air Canada.

Mr Clark, speaking in the House of Commons, said he would look into news reports that Air Canada helped arrange flights to London for a tour group headed to SA, contrary to Government sanctions prohibiting air traffic and promotion of tourism to SA.

Mr Clark said he planned to meet senior Air Canada officials soon to iron out the Government's policy, but he said it was hard to establish with certainty the final destination of passengers boarding flights from Canada.

An Air Canada spokesman denied the airline had made special arrangements for 64 Canadians to fly to London *en-route* to SA.

"The bookings were made in accordance with industry practices approved by the International Air Transport Association," an Air Canada spokesman, Mr Denis Couture, said.

In Strasbourg, France, the European Parliament yesterday called for tough economic sanctions against South Africa and deplored United States support for rebel Angolan leader Dr Jonas Savimbi.

The parliament's vote came only hours after Dr Savimbi attended a controversial private meeting in the parliament building.

The Strasbourg assembly, in its strongest stand yet over Pretoria's refusal to abandon apartheid, adopted a Communist resolution by 169-162 votes, with four abstentions, which demanded a ban on all new investments in the country.

An amendment branding Dr Savimbi's Union for the Total Independence of Angola (Unita) a "terrorist organisation which supports the South African regime" was also carried by 152-150 votes, with only one abstention.

The European Parliament is a largely consultative body, but most parties throughout the political spectrum of the European Community are represented.

The resolution also called for a ban on all bank loans to South Africa, an embargo on all purchases from SA companies, and the withdrawal of landing rights to SAA.

— Sapa-Reuter



NEW YORK — General Motors and IBM are the latest multinational corporations to join what has become a who's who of American companies announcing pullouts from South Africa this year.

Some investment groups and analysts say the withdrawals of the two corporate giants from South Africa will put more pressure on companies still there to leave.

But others question whether the pullouts are meaningful, or even permanent.

Among those who will not withdraw are Caterpillar and Olivetti.

Investment groups note that the sale of a South African subsidiary still leaves a corporation free to sell its products in that country and, in many cases, even receive regular licensing payments.

Tuesday's announcement by IBM that it was leaving came just a day after GM said it would sell its loss-making subsidiary.

Coca-Cola, General Electric, CBS, GTE and Procter and Gamble have either pulled out or announced plans to do so this year.

In addition, numerous pension funds and other big institutional investors have taken steps to sell their holdings in companies doing business in South Africa.

Those leaving have voiced disappointment in the pace of change by the South African Government.

"Unfortunately, the deteriorating political and economic situation in South Africa, and between South Africa and its trading partners, makes our action necessary," IBM said.

Investor groups pushing for US companies to leave South Africa in protest say the withdrawals will now put even more pressure on US companies remaining.

"It's something other US companies will look at," said Mrs Cathy Bowers of the Investor Responsibility Research Centre, which tracks the involvement of US firms in South Africa. "All the big employers are going to be feeling more heat."

"This will accelerate the pace of withdrawals by key investors in South Africa," said the Rev Audrey Smock, who heads the South Africa group of the Interfaith Centre on Corporate Responsibility,



# The Great American PULLOUT

a church group.

But Mr Peter Duignan, who has extensively studied South Africa for Stanford University's Hoover Institution in Palo Alto, California, said: "It really doesn't mean much in the long term. It's just a silly game the US companies are playing."

He said the sales would hurt the blacks while providing a windfall for white businessmen who can buy the subsidiaries at a bargain price.

Topping the list of companies remaining in South Africa is Mobil, which has more than 3 000 SA employees. Although it gets high marks for pushing for social change in South Africa, Mobil has refused to withdraw, citing the desire to work for change within the country.

The oil company, the second largest in the US, is a member of the US Corporate Council on South Africa, a business group that believes US companies should remain.

But Mobil may be feeling increasingly lonely. Other key members of the group include GM and IBM.

The Rev Smock said her group was especially pleased by the IBM decision since it had specially targeted the world's biggest computer company, handing out 200 000 postcards for churchgoers to send to IBM calling for a pullout.

IBM's South African

subsidiary had 1 550 employees and total sales listed at less than 1% of worldwide revenue.

The Rev Smock said the idea that US companies can work for change in South Africa was a concept that "had died years ago," a fact that was now being accepted by "key members of the corporate community."

"By the end of the year, several other key investors will leave," she predicted.

Hoover's Mr Duignan said any withdrawal was likely to be temporary and would probably be reversed when the current wave of violence faded. He noted that following US pullouts in the 1950s, 1962 and 1976 after periods of racial violence, the companies later returned.

"Don't assume they are truly getting out," he said.

The Interfaith Centre has a list of 12 companies that it sees as crucial to the South African economy. Since the list was begun in May 1985, three of them, GM, GE and IBM, have announced plans to pull out.

Still on the list are Mobil, the computer company Burroughs, Caltex (owned by Chevron and Texaco), Citicorp, and Ford, which has a 42% stake in SA Motor Corporation.

Sporadic racial violence over the past two years has made US com-

panies more pessimistic about the prospects for change by the Government and investment in South Africa, whose economy has been in a slump since gold prices fell sharply three years ago, no longer makes economic sense.

US company profits from South Africa have fallen steadily since 1980, and in 1984 posted on average a loss of 9% of the book value of the investments.

Already sensing victory in the effort to achieve a selloff of US assets in South Africa, the watchdog groups are now focusing on what they see as the next stage — ending all business links between the two countries.

Despite the pullouts, GM cars, IBM computers and Coca-Cola soft drinks will be available in South Africa and the companies may retain valuable licensing arrangements with their former subsidiaries.

"This is a violation of

The Statue of Liberty, symbol of America, which is rapidly cutting its financial links with South Africa. "Unfortunately, the deteriorating political and economic situation in South Africa, makes our action necessary," IBM said this week when it announced its pullout.

the intent of withdrawal," the Rev Smock said, adding that this would become the next area of focus for her group.

The withdrawals help forestall any action by institutional investors, who have also been under pressure from social groups to break any links with South Africa.

Analysts say that socially involved investment groups, which include universities, pension funds and state and local governments, have holdings worth up to 100 billion dollars (about R220 billion).

## Faith for Today

### A town called Pity Me

"... and I, even I only, am left? And they seek my life, to take it away". — 1 Kings 19:10 (Authorised Version)

IN the north-eastern part of England there is a small mining town called Pity Me. It is of little significance except to those who live there, but, figuratively speaking, it has a very large population of people who live in the atmosphere of "Pity Me". They are always sorry for themselves and thrive on the pity shown to them by other people.

they may have



**Dispatch Correspondent**  
**WASHINGTON** — Several major American companies were yesterday on the verge of following industrial giants IBM and General Motors (GM) in disposing of their assets in South Africa.

A spokesman for Xerox Corporation, which said last may that it would leave unless the political and economic climate improved by year's end, said "the situation has clearly deteriorated. We are discouraged."

R.J. Reynolds Industries, one of the largest

US employers in South Africa through its subsidiaries Heublein Inc., Del Monte Corp and Nabisco Brands Inc, said it felt "pressure for divestment mounting on all fronts".

Smithkline Beckman Corp, whose Johannesburg-based pharmaceutical subsidiary employing about 250, said through a spokesman that its "patience with the pace of change is now running out".

A number of other firms appeared determined to buck the tide. Caterpillar Inc, the

Pretoria-based manufacturer of construction equipment, said it had no plans to relinquish control of Caterpillar Africa Pty Ltd, its wholly owned Johannesburg parts distributor.

A spokesman for Johnson and Johnson, which employs just under 1400, conceded that while IBM's decision was "certain to have an influence on all companies doing business in South Africa... our presence in South Africa is a force for peaceful change".

Chevron which owns Caltex Oil SA Pty Ltd with Texaco, made the same case arguing that it had spent \$2 million on social programmes in South Africa last year was doing everything it could "to bring down apartheid".

# More US companies to disinvest?

Burroughs Corp, the computer company that co-founded the US Corporate Council on South Africa with departing GM, issued a thinly veiled rebuke at the leavers for putting "moral cloak around a financial dilemma".

GM and IBM might have been losing money on their South African operations, a spokesman said, but "we're profitable".

Meanwhile, disinvestment activists declared themselves unanimous pressed by the departures and said that their

next target would be the licensing and distribution agreements that companies are leaving in their wake

The leader of the Free South Africa movement Mr Randall Robinson called IBM's move "somewhat hollow... I says on the one hand it's leaving because of its abhorrence to apartheid and South Africa's refusal to alter course. Then it continues to sell parts and services to the very system it deplores

"Its departure has set it in the right direction — but it's not good enough"



# MINNEAPOLIS *US computer, record firms to pull out of SA*

Honeywell Incorporated, a middle-range computer company, has become the third major US corporation this week to decide to sell its operations in South Africa, the Minneapolis Star and Tribune reported yesterday.

The decision was made on Tuesday at a Honeywell board meeting in Scotland, the newspaper reported, adding that negotiations for the sale were in their final stages, but a definitive agreement had not

been reached. The decision was confirmed by a board member, Mrs. Elizabeth Bailey, the newspaper said. Other Honeywell officials, including the chairman, Mr. Edson Spencer, declined to comment.

Honeywell's South Africa subsidiary employs about 159 people, 49 of whom are black. General Motors announced on Monday and IBM on Tuesday that they planned to sell their South African subsidiaries.

Mrs. Bailey said profits from the South African operation had declined in recent years. The announcement by IBM that it intends to sell its South African subsidiary provided a positive opportunity for customers, the managing director of Sequel Com-

puters, Mr. Adrian Dubelman, said yesterday. "Most of the large companies in South Africa have invested millions of rands in IBM technology and developed long-term plans which include IBM products exclusively," he said in a statement.

Customers' data processing plans would not be adversely affected as IBM has said it will still make new developments available and supply products under long-term contracts. The company has said it will honour commitments to its customers, agents and employees in South Africa.

Another advantage was that the new company would be able to react more rapidly to local problems which previously had to wait for overseas decisions.


Mr. Dubelman said. Local management will buy out for an undisclosed amount WEA Records (SA) from the company's US parent, the Warner Communications Group.

WEA said in a statement yesterday that a final decision approving the deal had been received from the US this week. The buy-out will be formally activated in January.

Pressure from the US anti-apartheid lobby on companies operating in SA caused Warner to hand over WEA to its local management.

The WEA managing director, Mr. Derek Hannan, said that the changeover would not affect the availability of recordings of overseas artists in SA.

International artists that record for the company include Rod Stewart, Madonna, Frank Sinatra and George Benson — Sapa-AP-DDC

280 (circled)  DN 23/5/76

# MCSA agrees curbs bring reassessment

Dispatch Correspondent

PIETERMARITZBURG — The Methodist Church of Southern Africa has resolved that it cannot condemn sanctions and disinvestment, but remains divided on whether to commend this form of economic pressure as a strategy to bring about change.

The Methodist Conference, which is meeting in Pietermaritzburg, agreed yesterday that sanctions and disinvestment were already bringing about "a measure of self examination and reassessment which may yet lead to repentance among privileged South Africans".

The conference declared that it could not condemn what could succeed where "the cries of the people and the pleas of the church have gone unheard".

Methodists would be urged to continue to "search for other means of applying pressure on the SA government."

It further declared that the government, was responsible for the gathering momentum of disinvestment and the imposition of sanctions.

The conference — which represents 2 000 000 Methodists in Southern Africa — said the South African Government had the responsibility of taking the necessary steps to lift sanctions and halt disinvestment, by immediately instituting those fundamental changes required to move the country from oppression to full democracy and justice.

The church, it declared, had an immense task to those who would inevitably suffer more under sanctions and disinvestment. To this end the conference instructed its Christian citizenship department to:

- Initiate relief and self-help programmes;
- Seek funding for those programmes both in SA and abroad;
- Urge its people to continue to search for other means of applying pressure on government
- Investigate economic systems for a post-apartheid society, and to educate and prepare its people for this society.

Most of the debate on the controversial issue was held in camera, for fear that speakers might contravene the Emergency Regulations.



**NATIONAL**

**'Made  
in SA'  
could <sup>1100 us</sup> <sup>23/10/80</sup>  
save <sup>280</sup>  
R4 000m**

The Argus  
Correspondent

JOHANNESBURG. —  
Studies by the Industrial  
Development Corpora-  
tion have shown that at  
least R4 000-million  
worth of products im-  
ported every year from  
abroad could be made  
by local producers.

Initial results indicate  
that local industries  
should be able to manu-  
facture nearly 25 per-  
cent of all current im-  
ports by better use of  
their own production  
and labour resources.

#### THREATS

Normal IDC studies  
into longer-term invest-  
ment patterns have been  
accelerated by growing  
international threats of  
sanctions and increasing  
need to protect the bal-  
ance of payments from  
the repercussions of the  
weakened rand.

The State-run IDC  
now plans to seek the  
co-operation of the pri-  
vate sector and the  
Board of Trade in work-  
ing out details of a bold  
new import substitution  
programme.

Among the industrial  
sectors that have been  
identified as having the  
potential to reduce de-  
pendence on imports  
and save millions of  
rand in foreign ex-  
change are:

Machinery and equip-  
ment (R800-m), electri-  
cal (R570-m), chemicals  
(R450-m), office equip-  
ment (R450-m), radio  
and TV (R370-m), paper  
products (R290-m), tex-  
tiles and clothing (R250-  
m), automotive vehicles  
(R175-m), basic iron and  
steel (R170-m), mining  
products (R155-m), met-  
al products (R140-m),  
rubber products (R 90-  
m).

# SA bid to help put end to M'bique war?

**Dispatch Correspondent JOHANNESBURG** — South Africa is preparing new proposals in a low-key effort to bring the shaken Frelimo government and the belligerent Mozambique National Resistance Movement (MNR) to the table for exploratory talks.

The position of both parties has hardened considerably since the last South African effort in October, 1984, that resulted in the ill-fated Pretoria Declaration. The MNR has made substantial military gains since the signing of the Nkomati Accord in March last year.

The MNR wants to negotiate a government of national unity and an integration of the two armies; Frelimo was so far only prepared to negotiate a surrender by the MNR.

A senior South Afri-

can Government source said this week that Pretoria was concerned about the new volatility in Mozambique especially since the death of President Samora Machel in a plane crash on Sunday night.

"We burned our fingers the last time we intervened. This time we will be much more careful, but we simply cannot sit still and do nothing."

The situation is complicated by the MNR president, Mr Afonso Dhlakama's new tough position. He is, according to information reaching Pretoria, not prepared to negotiate with the Frelimo Politbureau any more, but only with the party's "operational soldiers".

His demands are that all foreign troops must leave Mozambique before a ceasefire, and that the two armies must

be integrated before the formation of a government of national unity.

Mr Dhlakama's new stand is probably based on information that the military in Frelimo are dissatisfied with the party's political leaders.

A lot will depend on who is going to be Mr Machel's successor. The new president will be announced before the funeral next week.

Sources close to the Frelimo leadership in Maputo believe that the Foreign Minister, Mr Joaquim Chissano, who turned 47 this week, is the most likely choice. He was rumoured to have been President Machel's own choice.

Mr Chissano was a senior guerilla leader and became Prime Minister in the transitional government that ruled just before independence. Diplomats de-

scribe him as pragmatic, popular and not an ideologue, although he holds strong anti-SA views.

Mr Mario Muchango, 46, one of Frelimo's top economists, was appointed Prime Minister in July this year. He was trusted by President Machel as one of the senior negotiators with South Africa.

The parliamentary secretary, Mr Marcelino dos Dantos, 57, was a founder member of Frelimo and adviser to its first president, Eduardo Mondlane. As number two in the party he is regarded as a frontrunner. He is said to be an uncompromising Marxist and is married to a white South African.

● In Harare, the Zimbabwe Government yesterday declared two weeks of national mourning for President Machel. — Sapa

## Buthelezi pays tribute to Machel

**DURBAN** — KwaZulu's Chief Mangosuthu Buthelezi, expressing grief at the death of President Samora Machel, said yesterday Mr Machel was one of the region's greatest leaders.

"It is now certainly the time for South Africa to cease any participation in the escalation of tension between Mozambique and South Africa," the Chief Minister of KwaZulu and president of Inkatha said.

"Let us now be the

kind of neighbour which grieving Mozambique requires in its hour of destiny.

"I am sure I express the sentiments of many millions of black South Africans when I say we lay our grief at President Samora Machel's tragic death at the feet of Mrs (Graca) Machel in humble tribute to the great man that her husband was."

Chief Buthelezi said he was deeply shocked to hear of Mr Machel's death.

"I saw him as a son of Africa and a great leader I had always anticipated that his leadership and the final victory of Frelimo would have lasting benefits for Mozambique, South Africa and the whole of Southern Africa."

"In the short brilliant years of his leadership, he took his place as an equal among the greatest leaders in Africa."

"I grieve for Mozambique at its great loss," Chief Buthelezi said.

"No one will be able to step in and do that which President Machel will now not do."

"However noble their efforts are, and however successful they will finally be, they cannot walk in the shoes of Samora Machel."

He applauded the decision of the South African Government to mount "the greatest possible endeavour" to establish why President Machel's plane crashed. — Sapa



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## Shipping blackout won't hit news

Dispatch Reporter

EAST LONDON — The South African Transport Services (Sats) blackout on shipping information at Durban and Port Elizabeth, was not likely to have a drastic effect on general news of the East London harbour, Sats' regional manager here, Mr Louis du Toit, said yesterday.

"Only certain detailed information concerning shipping here will be withheld," he said.

Mr Du Toit said he was not yet certain as to what aspects of shipping information would be affected, but he believed it would be information concerning cargo and the ship's destination.

East London's harbour manager, Mr Sarel Broodryk, said he was still waiting for official documentation on the matter, and would prefer not to comment until he was certain of all the facts.

Sapa reports from Cape Town that in spite of an official Sats clampdown on shipping information, sanctioned at cabinet level, news of shipping in Cape Town harbour is still available.

Cape Town's Port Captain, Captain Ray Schooling, said yesterday he did not wish to be quoted until the issue had been clarified to him.

Earlier, he said he understood that figures relating to cargoes should no longer be issued, but that the harbour log was unaffected.

This was denied by a spokesman for Sats in Johannesburg, Mr Johan Hugo.

"From now on we will give neither statistics regarding cargoes nor the names, destinations or origins of ships," Mr Hugo said.

— Sapa

## University sets up inquiry

# Council depllores campus violence

CAPE TOWN—The Council of the University of Cape Town has deplored, in the strongest terms, the violence which erupted on campus last week and which culminated in the cancellation of lectures by Irish academic, Dr Conor Cruise O'Brien.

A statement issued by the Council of the University of Cape Town yesterday, after a special meeting held to discuss last week's violence, said a special committee of inquiry would be appointed as a matter of urgency to 'fully investigate and report on the whole affair' to the chairman of the council and the vice-chancellor, Dr Stuart Saunders, in time for a full report to be considered by the December meeting of the university council.

The university reaffirmed its belief in the right of academic departments, individuals, clubs, societies and other groups, acting under the aegis of the university to invite whomsoever they pleased to speak at academic or other meetings or occasions, and also the right of others to protest in a 'reasonable manner' against the presence and viewpoints of those speakers.

The Council of the University of Cape Town, the highest decision-making body of the university, 'strongly disapproves of the way in which Dr O'Brien's lectures were disrupted and apologises to him and to members of the university community and to the general public for what has happened.'

'The university is against the denial of freedom of speech and assembly on the part of anyone and regards the recent events on the campus as a serious breach of those rights,' the statement said.

'The council recognised there were ten-

sions in the country which were reflected in extremism in many ways.

'This makes an unemotional objective analysis of the recent events on campus more difficult.'

The statement added it would be wrong to view the appointment of the committee of inquiry as a delaying action or unwillingness to face the challenges raised by 'these events'. The inquiry was necessary to establish the facts and recommend in a calm atmosphere action to be taken.

'The council is determined that appropriate disciplinary steps will be taken against any member of the university community whose actions warrant them.'

Although similar disruptions have occurred at UCT in the past — students stormed a lecture by Chief Mangosuthu Buthelezi in August 1984 and protested against the presence of Dr Piet Koornhof in May 1983 — this was the first time students acted against an academic teaching a regular academic programme.

Following the protests over Chief Buthelezi's visit the university ruled that anyone, however controversial, may be invited to participate in academic programmes on campus.

Dissenters had the right to try to persuade other groups not to invite people who they believed might cause serious tension.

In another development, the University Freedom of Speech Association has sent a telex to President Botha asking for subsidies of offending students to be withdrawn, prosecution if a law was broken and a judicial inquiry into events at UCT and Wits. — (Sapa)

● See Editorial Opinion

## O'Brien slams radical students

CAPE TOWN—Letting radical students decide who should teach and who should not was destroying the University of Cape Town, Dr Conor Cruise O'Brien said yesterday in his first interview since a rumpus ended his lecture programme.

He said it was 'contemptible that a few faculty members drawing their salaries from the university should be co-operating in this destruction of the freedom to teach and to learn.'

The former diplomat's programme at UCT's political studies department and a lecture in Johannesburg last week were cancelled.

One of South Africa's main problems was a 'lack of rationality', he said.

This was displayed by the Government and by many of its opponents. He had no respect for the support some of these gave to an academic boycott.

The only alternative position for which he had any respect was that there was a revolution in South Africa during which universities could not expect to survive, and that they should close while it was going on.

'This is not my position, but the position that only one point of view — the point of view of the radicals — should be allowed is destroying the universities,' Dr O'Brien said.

'I believe that free debate is serving the community in the long term and it is very important to the future of South Africa that the universities should be intact when the change to a society with non-racial institutions comes.'

'To let radical students decide who should teach and who should not is destroying the university from within.' — (Sapa)

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## THE ECONOMY

## The more they depart, the more they remain

The more the American companies disinvest, the more they stay behind. DUNCAN INNES reports on how IBM's withdrawal has in fact strengthened its base here — and given the company the freedom to side-step the Sullivan Code and supply equipment to the government

ONE, two, three, four — like skittles they are starting to fall. Coke, General Electric, General Motors, IBM, Honeywell, Warners. And the question on so many lips: how many more? The answer is probably quite a few. But why is this? Why the sudden exodus, especially of American companies?

Is it because foreign multinationals have suddenly developed social consciences? Or is it because the anti-apartheid movement, particularly in the United States, has become so strong that these giant multinationals quake in terror before it?

There may well be some truth in both of these arguments, but the issue goes considerably deeper. A look at some of the arrangements made in the General Motors and IBM "withdrawals" is revealing.

The US-based General Motors Corporation is to sell its South African subsidiary to the executives of the local company — but General Motors products (Opel, Isuzu and Suzuki) will still be produced here. General Motors is "pulling out" of South Africa — but General Motors components and kits will still be supplied to the local company.

IBM is to sell its South African operation to a new company formed (so says the full-page IBM ad) "for the benefit of the employees of IBM South Africa" — but a full range of IBM products and services will continue to be available in South Africa. IBM is

General Motors will receive licence fees for the use of its trademarks. For a company which hasn't made a profit since 1981, this is an undisguised blessing

"pulling out" of South Africa — but, says the ad, "all our customers will continue to get the service excellence which is associated only with IBM products".

Did somebody say these companies were pulling out of South Africa? How can they possibly be pulling out — and yet still provide a full range of products and services?

Jack Clarke, MD of IBM (SA) put the issue in perspective: "In effect, what we have is a change of ownership." Exactly.

These companies are not withdrawing from South Africa. They are simply changing the form of their involvement in this country.

The same is true of the giant Warner Communications Group and of Coca Cola, which are selling off their South African interests — but continuing to supply the South African market with records and Coke.

If the issue were solely that these companies were finding apartheid morally repugnant, surely it would not be enough to withdraw their investments? Surely they would want to withdraw their products as well?

And if the issue were solely one of anti-apartheid pressure, then surely it would force a total withdrawal?

But if these are not the full reasons for this latest shift in these companies' involvement in South Africa, what else could there be?

The reason is not exactly the same for each company, but there seem to be certain common factors.

For one thing, American companies have been operating under restrictions in South Africa for some time now. The Sullivan Code of Conduct and US legislation prohibiting the sale of products made by US companies to South African government, police and military agencies are the most important of these. The recent announcement that the Sullivan Code



was to be toughened brought a storm of protest from American companies operating in South Africa.

By selling off their local subsidiaries in South Africa, these companies are no longer bound by the Sullivan Code.

The same applies to US legislation regarding sales to South African government agencies. Sell off the local subsidiary and it is then free to supply the government, police and military.

For a company like General Motors which produces trucks and for IBM producing computer equipment, this could mean access to a major new market.

For the South African government, the police and military it could mean access to sophisticated American equipment and products, since these will still be supplied by the US parent companies.

IBM's Clarke has said the company will continue its social responsibility programmes here, last year worth about R37.5-million.

But John Akers, chairman of IBM in America, hinted that IBM were selling off their local subsidiary now "before our freedom of action is further limited", suggesting that new US restrictions were on their way.

Even if it is true that American companies are changing the form of their involvement in South Africa partly to avoid growing restrictions on their South African activities as well as to gain access to new markets, what does this mean in terms of their profits?

Obviously, access to government and military markets could prove extremely lucrative for these companies.

But these markets apart, the supply of technologies and components is a profitable business. General Motors will receive a licence fee for the use of its trademarks by the South African company. It will also be paid for the sale of designs, components and assembly kits to the local company.

IBM, too, will receive financial compensation for granting the exclusive IBM franchise to the local company. It will also be rewarded financially for granting a three-year renewable contract for IBM products and services and a five-year renewable contract for spares and services to the local company. Furthermore, royalties will no doubt be paid to IBM for the supply of new IBM technology.

For a company like General Motors, which hasn't made a profit in South Africa since 1981, this is an undisguised blessing. The prospects for the recession-hit South African motor industry are, to put it mildly, not positive.

Under these circumstances, it makes a good deal of sense for General Motors in the US to sell off unprofitable ventures like its South African subsidiary. In this way, it rids itself of having to pay costly overheads, wages, running costs and a wide range of additional expenditures. Instead, it concentrates on raking in

the profits from the supply of technologies, spare parts, etc.

It is noteworthy that IBM recently sold off its subsidiaries in India, Nigeria and Zimbabwe, but retains access to these markets on an agency basis.

This tendency on the part of multinationals — to cut back on ownership and concentrate on supplying technologies to Third World countries — is not new. It is a strategy they have evolved over the past few decades to help them cope with tricky issues like nationalisation of their Third World interests.

Since the West is way ahead of the Third World in terms of the development of new technologies, the Third World company either pays the asking price or risks losing its competitive position on the market. This is the situation South Africa will increasingly find itself in as these self-offs gather pace.

But the fact that these US multinationals are changing the form of their involvement in South Africa is not the only issue at stake. The other — and, arguably, the more important — issue is what effect this change will

For the South African government, withdrawal can actually allow access to sophisticated American computer equipment, previously barred by US legislation

have on the South African economy and government. Will it increase pressure on the white business establishment and the government?

The argument most of the media have focused on is the fact that the change involves a withdrawal of foreign capital from South Africa. This is undoubtedly a loss, and the government must feel uneasy about this aspect of the situation. But how serious is this loss?

In the first place, with gold seemingly set on a new bull run, the loss of foreign investment is not a major problem at the moment (especially as there is virtually no new investment anyway because of the political crisis and the recession).

If gold holds its recent \$75 increase (from \$350 to \$425) for a year — and there is every likelihood that it will do at least that — then South Africa will have earned an extra \$1.5-billion, which should more than compensate for the capital repayments on the sale of American companies. This is especially true as the American companies are having to pay money into South Africa prior to the transfer of ownership and as repayments will be staggered over a number of years. Of course, having to repay this money is not desirable, but we can cope.

Secondly, the American companies are being sold to local white businessmen with, in most cases, financial support from local companies. Such a move, especially if, as is rumoured, the sales are at bargain basement prices and if it opens up access to profitable government markets, must strengthen

It is thus hard to see how a change in the form of American companies' involvement in South Africa, which assures those companies of continued profitable access to our markets, which boosts the local white business establishment and which gives the South African government access to products and equipment it was previously denied, can possibly be construed as an unambiguous victory for anti-apartheid forces.

The economic damage it does impose, such as a loss of capital, is not at this stage a serious problem. Because of the political and economic crisis, our own home-based multinationals and financial institutions are sitting with massive financial resources just dying to find opportunities for investment.

Were the anti-apartheid lobby overseas to carry their campaign further and demand that these foreign companies stop supplying us with technology, products and equipment, that could pose a serious threat to our economy. Cut off from these supplies we would inevitably become less competitive and our future would be bleak indeed.

But as it stands at present, no serious damage is being done.



# US firms' withdrawal will hurt SA citizens'

24/10/85 RWDAP

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WASHINGTON — The withdrawal of US firms from SA could hurt ordinary SA citizens, White House spokesman Dan Howard said on Wednesday.

Commenting on withdrawal plans by GM and IBM, Howard noted these were independent actions by private firms.

He referred to earlier statements by the Reagan administration saying disinvestment or withdrawal by US firms — particularly those following the Sullivan principles and playing positive roles in SA — “would work to the detriment of SA’s people”.

Following GM and IBM’s announcements, leading West German industries said this week they were not considering pulling out of SA.

However, SA’s recession had left its mark on economic relations with West Germany, its third

largest trading partner, they said. West German exports to SA and investments in SA had fallen.

About 300 West German firms — including Siemens, Volkswagen and BMW — had branches in SA. They employed about 45 000 workers.

Federal Union of German Industry spokesman Dieter Rath said one leading car concern had introduced a “social project” for black workers this year.

He added: “You don’t do that when you plan to leave.”

IBM’s plan to sell its SA subsidiary would provide a positive opportunity for customers, Sequel Computers MD Adriaan Dubbelman said in Johannesburg this week.

He added: “Most of the large companies in SA have invested millions of rands in IBM technology, and developed long-term plans

which include IBM products exclusively.”

Customers’ data-processing plans would not be adversely affected as IBM had said it would still make new developments available, and supply products under long-term contracts.

The company had said it would honour commitments to its customers, agents and employees in SA.

In Ottawa, Canadian External Affairs Minister Joe Clark has said he would investigate allegations that federal sanctions against SA had been violated by government-owned Air Canada.

He said he would look into news reports that Air Canada helped arrange flights to London for a tour group headed to SA, contrary to government sanctions prohibiting air traffic and promotion of tourism to SA. — Sapa-Reuter-AP.



STAN  
October 24 1986 (186) 1

# Sullivan Code may be loser in buyouts

By Chris Moerdyk

Buyouts by local management of American subsidiaries in South Africa are snowballing amid fears by other United States companies that new management will dump social responsibility and Sullivan Code practices.

At a meeting this week of the Sullivan Signatories' Association, members were reported to have discussed a slip in Sullivan Code rating by American subsidiaries in South Africa.

Present was a key evaluator of performance in terms of the code, Mr Reid Weedon, senior vice president of the American management consultancy, Arthur D Little.

The president of the American Chamber of Commerce in South Africa, Mr Frank Lubke, said the chamber was aware of the "buyout" trend.

"A lot of companies that feel their United States domestic business is threatened will take the route of management buyouts. It seems to make common sense and will eliminate the 'hassle-factor' of doing business with South Africa."

American corporations were under pressure but would take the least painful route with regard to disinvestment.

"We even have instances of American companies denying that they are American on the basis that they report directly to European-based offices."

## EMPLOYMENT

Mr Lubke said that the American Chamber hoped former United States companies under local management would not "turn back" on employment and social responsibility policies.

"I would like to think the integrity of new management would be such that they would continue. But I am not suggesting they continue to the same extent on the Sullivan Code, particularly from the point of view of outside involvement."

"Paying 15 percent of a payroll on social services might prove to be impossible in this economic climate," he said.

Spokesmen for other American companies have expressed fears that local management of former US subsidiaries would not be under the same kind of pressure to apply the Sullivan Code and would "dump" major portions of these policies.

"It is unrealistic to believe that this will continue at the same level, if only from a purely economic point of view."

"Not only will companies reassess what they might believe to be 'overkill', but where they might previously have been stopped from selling products to the SAP and SADF, for example, it will be seen to make business sense to resume selling to these lucrative markets."

PATCH, FRIDAY, OCTOBER 24, 1986 — 3

# Divestment: US activists prepare for new assault

JOHANNESBURG — Disinvestment activists in the US have indicated they are not impressed by the withdrawal of major companies from direct participation in South African subsidiaries.

"It is clear," said one statement, "that the (US) companies are merely formalising the de facto control of the South African companies in South African hands.

"They are willing to extend loans to South African interests to 'buy out' the South African companies and they are also prepared to continue to supply the South African companies with technology, products know-how and services.

"We will now have to stand against these things. The loans circumvent the spirit of the disinvestment and are unacceptable.

"It is also unacceptable that the South African companies should benefit from licensing and distribution agreements, so these, too, must be stopped."

The activist groups have yet to finalise strategies for their new objectives and it will take time for these strategies to acquire teeth to influence Western foreign policy.

The setting of new objectives in the campaign is not unexpected.

A disinvestment specialist at a major South African bank said: "It was always on the cards among those who have thought through the disinvestment issue that the activists would get round to new targets.

"Just as they will not be satisfied until there is a black government in South Africa, equally their ultimate aim now is to see the SA subsidiaries of US and other overseas companies not just sold to South African interests but closed down fully and finally."

Meanwhile, several more US companies are ready to walk the pullout path. In virtually all cases the reasons given concern "the deteriorating political situation in South Africa".

Also manifestly important, however, is the politically-driven economic malaise — which is swallowing whatever profits the US subsidiaries may have been making.

R. J. Reynolds Industries, one of the largest US employers in South Africa through its subsidiaries Heublein, Del Monte and Nabisco, admits disinvestment pressure is mounting on all fronts.

Smith, Kline and French, whose Isando-based pharmaceuticals subsidiary employs about 250 people, is reported as saying "our patience with the pace of change is now running out".

Xerox, which warned in May it would pull out unless the political and economic climate improved by the year's end, said: "The situation has clearly deteriorated. We are frankly discouraged."

However, a senior manager at Xerox's rival, Nashua, has a different perspective. "The truth is that Xerox is taking a beating in the market place from people like ourselves," he claimed. — Sapa



GERALD REILLY

STATE PRESIDENT P W Botha is under increasing pressure to announce significant moves to defuse the growing sanctions and disinvestment crisis at his November 7 summit with leading SA businessmen.

That is the view of economists who warned yesterday that the IBM, GM, Coca Cola and Honeywell pull-outs could

## PW may face business pressure

be the tip of the iceberg, and that drastic action was needed to stop the rot.

PFP spokesman Harry Schwarz said the disinvestment snowball had begun to roll, and its momentum threatened to increase.

Although the November 7 summit agenda was limited to two items, busi-

nessmen were certain to raise the worsening disinvestment situation under the item on the country's industrial future.

He said there was an alarming attitude taking root that, now that sanctions had been imposed, the worst had happened "and to hell with the world — we'll go it alone". South Africa could, howev-

er, not survive in isolation.

"There must be realistic appreciation of the threat now facing the country, and realistic moves should be made to counter it."

An announcement by Botha on November 7 of a positive programme to get stalled reform moving again, with significant action to remove all remaining discriminatory legislation, could help stop the rot, Schwarz said.

FINANCIAL 24/10/86  
SOFT DRINKS (280)

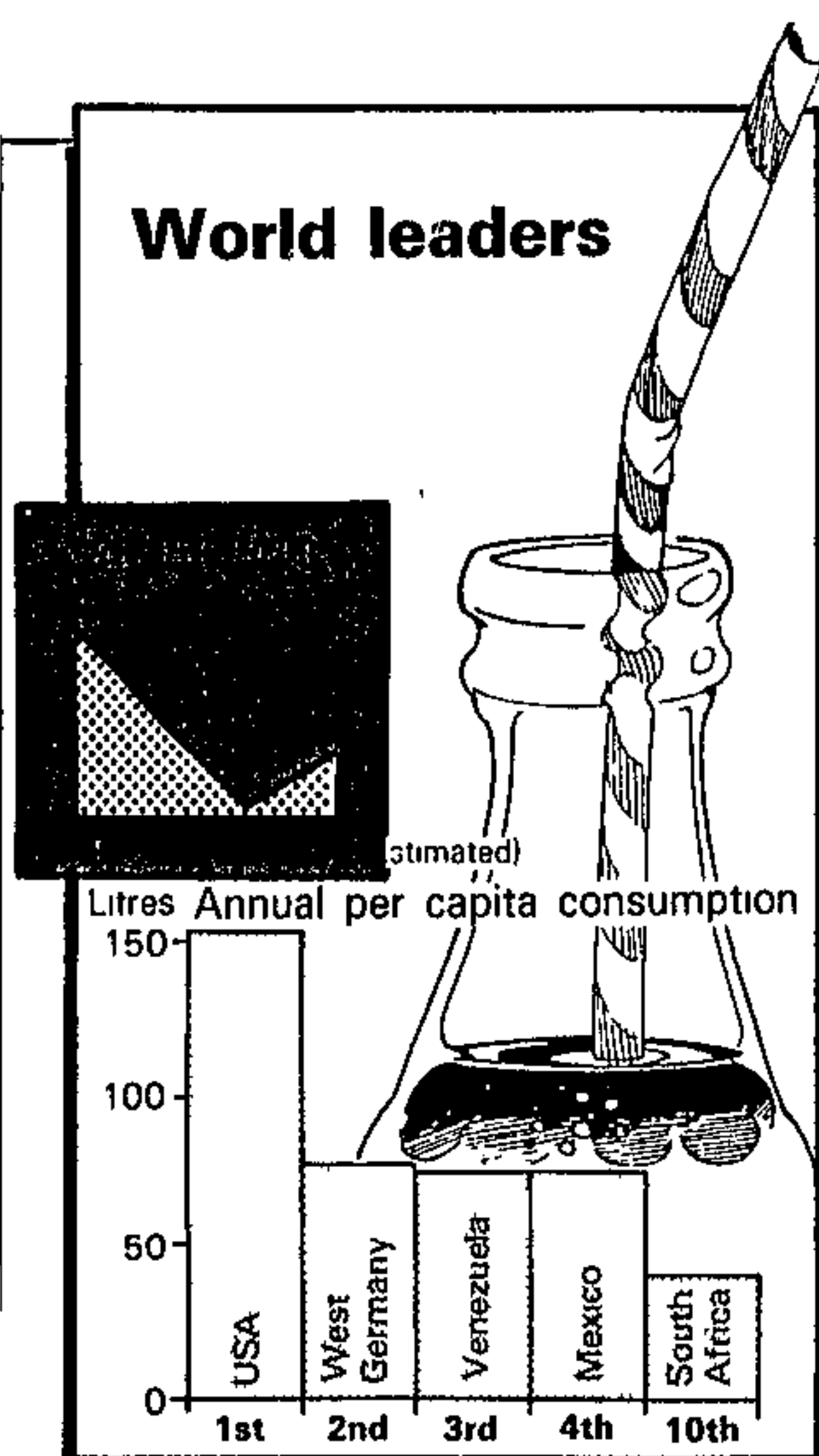
## Less fizz

Just how far was Coca-Cola's decision to sell off its remaining investments in SA really a statement of its opposition to apartheid?

We will probably never know, but the local beverage industry certainly offers little enough profit incentive for Coke to fight SA boycotters in the US, where per-capita soft drink consumption is the highest in the world. The competition in the US also means any lost market share would be difficult to regain.

As it stands, when Coke finally goes sometime in the next six months, the concentrate

## World leaders



syrup — made to a 100-year-old secret formula — will continue to be supplied to South African bottlers. The local operation will become one of 1 400 independent bottlers producing the drink worldwide.

The local soft drink industry has suffered over the last two years. Coke products — which include Coca-Cola, Sprite, Diet Coke, Fanta, Mello Yello, Krest and Tab, hold

some 65% of the South African market, worth R920m a year — small beer compared with Coke's international operating income of US\$10,575 billion. Sparletta with 19%, Schweppes with 6% and Pepsi with 4% account for the rest of local sales.

Up for grabs now is Coca-Cola's 30% interest in Amalgamated Beverage Industries (ABI) and its 51% stake in Amalgamated Beverage Canners. Obvious contenders for the shares in ABI must be the existing major shareholder SAB (55%) and Cadbury-Schweppes (15%). However, a US spokesman says everything depends on negotiations for shares to be acquired by black businessmen. The final decision is not expected for another six months.

The sad state of the South African industry will obviously affect the outcome. In August, for instance, trade sources say the soft drink industry only managed to break even. However, the summer months and top trading period is just around the corner, and overall the industry hopes for a 2% growth. Recession is not the only factor behind 1985's negative growth and the minimal gains estimated for 1986.

Manufacturers have been hit by rising costs of raw materials, particularly containers. The industry uses 110 000 t of sugar, a commodity which has risen in price by 15%.

The black community consumes some 76% of production and the unrest has hit township distribution. With a fully laden value of R300 000, vehicles run risks in the

townships which distributors are reluctant to take. Rural areas have also been hard hit, showing negative growth of between 4%-9%.

SA has a comparatively low per-capita soft drink consumption rate, ranking 10th in the world. Advertising is vital as the market is particularly sensitive to promotion. A major bottler who once tried to cut back on advertising is still, years later, trying to recapture lost market share.

Hennie Viljoen, president of the SA Federation of Soft Drink Manufacturers, believes the government could do something to help the industry. One sore point is the 1,7c/l excise duty payable on soft drink production — rather than sales.

Last year, despite the negative growth, 1,2 billion litres were produced and the levy applies whether the product is sold or used to promote sales. Viljoen says that fruit flavoured wine, despite its higher value, is not subject to duty.

So why pick on soft drinks? As he says: "We're all in the beverage sector."



DISINVESTMENT

# Titans in retreat

The withdrawal from SA of two of the giants of world business, General Motors (GM) and IBM will, on the face of it, have little immediate impact on the economy of the country (see *Leaders*).

Both US companies are adamant that their products will still be available on the local market and that technological know-how will continue to be made available.

The local operations, which in both cases are to be bought by companies formed by the SA managements, will probably suffer initially from a fall in customer confidence. But if tight and enthusiastic local control enables the companies to adapt more quickly to local consumer demands, and if they take full advantage of their new freedom in world markets, they should soon recover.

The independent company which will emerge from IBM's shadow (by March 1 at the latest) will be able to move strongly from its starting blocks. IBM is currently estimated to have an annual turnover of R400-R450m—some 20% of SA's total computer market. Its closest competitor is the merged Sperry/Burroughs operation with an annual turnover estimated at R300m.

The move has not caught the local operation napping. MD Jack Clarke, who will remain as head of the new company, says contingency plans were drawn up in SA some time ago.

"Our people," he says, "have been up to speed, but the final decision came from the (US) corporation. We wanted to do the right thing for employees and customers while we are in a position to do so."

In terms of the deal, IBM in the US will provide a loan (amount undisclosed) for the purchase of the local operation's shares, which will be placed in a trust "for the benefit of employees."

The loan will be paid off out of profits, and any distributable profits remaining after meeting the loan commitment will be transferred to the trust.

"Employees," Clarke explains, "will share in the profits of the company and if we ever went to the market or if we ever sold off the shares, they would benefit from the proceeds at a later stage."

What Clarke is understandably anxious to do is allay any fears among staff and clients. "We intend," he says, "to ensure that our customers continue to enjoy a leading edge and, as far as technology is concerned, we will be well served."

"In terms of our agreement, we will continue to obtain systems engineering support facilities, support from international centres and we will continue to have the right to attend IBM education courses."

The deal also secures at least short-term supplies for the new SA company from the US, with a three-year guarantee of product delivery and a five-year commitment to supplying spares.

For the rest, anything seems possible. Clarke says the new company may well look at a listing later on, but it will first have to be bedded down.

Local manufacture is another possibility, but a GM-style buy-back option is not on the cards. "I'm not interested in buy-backs at this stage," Clarke avers. "First we have to put our guts into this thing to make it work. What we have agreed is that if IBM wants to buy back at a later stage, we will negotiate in good faith."

Local management control will remain pretty well intact. Clarke foresees the board of the new company remaining pretty much as is. "I wasn't interested," he says, "in running a company on the basis of a show of hands on Mondays."

But will the move satisfy the anti-disinvestment lobby, particularly in the US? Long term, Clarke is hopeful it will. But for the moment he is realistic. "I don't believe," he says, "that this is going to get the monkey off our back."

In contrast to IBM, the company that takes over GM's Port Elizabeth assembly line will face a good deal more uphill. GM, which had turnover last year of R5231m, has not shown a profit since 1981, and in today's depressed car market competition is vicious.

But the Detroit parent is to bring in funds — some sources speculate it could be as much as R100m — to pay the local company's creditors. This will help clean up the balance sheet and to get it back on track.

MD Bob White, who is to return to the US parent, will not name the GM executives currently negotiating the takeover of the SA company, which has assets of R400m and had sales last year of R500m.

He insists there is no single big financier behind the deal, but industry sources believe that GM's main dealer, Williams Hunt, which sells 20-25% of the plant's output, or its parent W & A Investments, will take a stake in the equity.

GM's decline from the early Seventies, when its Chevrolet range was the undisputed market leader, has been exacerbated by the depressed SA car market, which has seen sales decline from last year's 204 000 to a forecast 177 000 this year.

And worse, the company has been losing share in the diminishing market. In the first nine months of this year, sales totalled 10 507 for a 7.9% share. In the same period last year, GM held 9.1% of the market.

But White is confident that, given commitment, the new operation will succeed. The object of the Detroit talks, he says, "is to create a viable restructured company that will ensure the continuity of GM's products in the South African market through the sale of Opel cars and Isuzu and Suzuki commercial vehicles."

He says GM's present operations in Port Elizabeth will remain intact, securing the current 3 000 jobs.

Meanwhile, the company is going ahead with the launch of the new Opel Monza on November 4.

While it seems clear that the executives are being offered the company at a bargain price, major new investment could be necessary down the line.

The current Commodore and Kadett range has been phased out in Germany in favour of the Omega, and tooling up for a completely new model in SA now runs at R60-R100m.

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24/10/86

# Pik raps US envoy over knuckles

MAX du PREEZ  
Political Correspondent

FOREIGN Affairs Minister Pik Botha summoned US chargé d'affaires Richard Barkley to the Union Buildings in Pretoria over the US Consulate's document on SA's economic and political future.

Barkley was told SA "took the strongest exception" to the document prepared by the consulate in Johannesburg.

The document — leaked to *Business Day* yesterday — launched a blistering attack on SA, which, it said, was becoming "just another African State".

Barkley was told by Deputy Foreign Minister Ron Miller that government strongly objected to the "insulting and hostile language" of the document.

Botha said it was made clear to Barkley that SA was part of Africa and therefore objected to the arrogant and insensitive comment that SA was "closer to becoming just another African state".

He said Barkley indicated the document was prepared for the internal use of the consulate only. Botha added that, according to his information, the document could be obtained on request.

"Mr Barkley was told this practice was most unacceptable and was asked to furnish the department with an explanation as to whether the document reflected official US opinion," he said.

Describing the document as "dangerously laive", Deputy Finance Minister Kent Durr said earlier it was "neither accurate nor helpful" and would make no

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## Pik raps US envoy over knuckles

contribution to the easing of a difficult constitutional and economic situation in SA.

A US Embassy spokesman in Pretoria told *Business Day* the report was a planning document reflecting trends in the SA economy.

He stressed it also reflected some of the reasons the Reagan administration opposed disinvestment.

It is believed the US Embassy was not happy about the language used in the

report nor the fact it had been leaked. One source called it "one big screw up".

□ Federated Chamber of Industries vice-president Lance Japhet described the report as "fashionable worst-case scenario painting".

He said: "It suits the moral and business justification for US disengagement from SA."

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THE US government is intent on maintaining access to SA markets, despite pressure for tighter sanctions.

This emerges from the contentious report by the Johannesburg US Consulate published in *Business Day* yesterday.

Although some US officials initially suggested the document may have been a Soviet plant aimed at embarrassing the US government, Harvey Leifert, a spokesman for the US Information Service, yesterday confirmed that the quotes in the report were accurate and not taken out of context.

The report highlights five key sectors in the SA economy, which offer opportunities for US business.

These are:

□ Mining equipment. The best prospects for US firms, according to the report, include equipment for processing residue for back filling, wear- and corrosion-resistant coating and linings, trackless mining equipment, refrigeration and ventilation machinery, and computer software. But, it says, the trend to minimise dependency on foreigners as sole suppliers is accelerating.

"The desire for total self-reliance creates business possibilities for US firms interested in joint venture manufacturing or technology licensing. The report says bans on new investment in SA by some countries have become competitive factors. Japan, for example, has such a ban already in place. "The door is thus open to exploit competitive disadvantages."

But, it warns: "The SA companies which supply the mining industry repre-

# US out to keep hold on SA trade

GERALD PROSALENDIS  
Economics Editor

sent formidable competitors. Local manufacturing is widespread and represents a very serious barrier for equivalent products manufactured abroad and imported into SA.

□ Computers, where the best opportunities are with financial institutions, industrial manufacturing companies, the mining industry and public corporations. But it adds: "SA's fledgling electronics industry is flexing its puny muscles and seems set, because of threats of sanctions and a commitment by the SA Government, to establish a local com-

● To Page 2 ➡

## Trade access in US mind

puter products industry."

□ Telecommunications, where West Germany is firmly established as the market leader, with about 40% of the import market share. The US share is about 15% to 20%, the UK's 11%, France's 6% and Japan's 5%. US firms will need to use aggressive marketing techniques to increase market share, with fibre optics being one of the best openings.

□ Residential and industrial security equipment, where there is a market for high-quality, high-tech products such as access control (electrical identity), alarm systems, glazing products, locks and locking devices and safes.

□ Medical equipment. As the SA government's privatisation programme unfolds, US companies in this field can work out new strategies for further market penetration. Also, locally manufactured products are relatively unsophisticated.

But, says the document: "US companies will minimise their local involve-

ment, distancing themselves from the marketplace and further eroding their positions. Sales to SA will be increasingly cloaked by third-country subsidiaries, thus largely vanishing from US trade figures."

Other measures to boost US trade with SA include:

□ Using the Foreign Commercial Service (FCS) bi-monthly bulletin to emphasise new products and technology and to identify business opportunities;

□ Compiling an index of SA firms active in the most promising industrial target sectors;

□ The FCS in SA and the US business community should seek or create public relations opportunities to counter the inevitable hostility of the SA government and all population groups as sanctions bite, disinvestors leave and "the besieged racist factions draw into the laager".

← ● From Page 1

# Fears of ban on American firms trading in SA shares

By Sven Linsche

There is some speculation on the Johannesburg Stock Exchange that American companies could be prohibited from trading in South African shares.

In the wake of recent announcements of withdrawals from South Africa of US multinationals like IBM and GM, analysts said that an extension of the US legislation could include a ban on investments in local shares.

This speculation has not been substantiated, but the rumour was enough to trigger off a flurry of US selling pressure yesterday afternoon.

Over the last two to three weeks there has been major profit-taking, much of it from US investors on fears that the recent ban on US investments and the subsequent corporate pull-out could have repercussions on investments in the local stock market.

The JSE All Gold index plummeted by almost 70 points yesterday to close at 1 863, and dealers expect more profit-taking in the next weeks.

South African gold shares are also expected to be hit by expectations that

The Chamber of Mines has confirmed that its overseas gold promotional company, Intergold, would be taken over by the new World Gold Council.

"Intergold will, however, remain in existence as a South African company to manage the domestic and proprietary interests of South African gold producers, members of the Chamber of Mines and will retain its Johannesburg office," a spokesman said yesterday.

"It will continue to sell gold in the form of Kruggerands, locally and overseas on behalf of South African producers.

"It will also continue to promote gold jewellery within South Africa and manage its other interests in this country.

"Some compensation may be paid by the World Gold Council for Intergold's relatively modest foreign assets — mainly office equipment — but no payment will be made for any goodwill which would in any case be difficult to quantify."

the gold price could be hard-put to maintain levels of over \$400 after signs that the US dollar is set to strengthen in the next few weeks.

Gold opened at a two-month low of \$412.90 in Hong Kong this morning, shedding more than \$10 on yesterday's close, while in New York it dropped by \$12 to a closing level of \$414.80 last night.

European metal markets are expected to follow suit this morning.

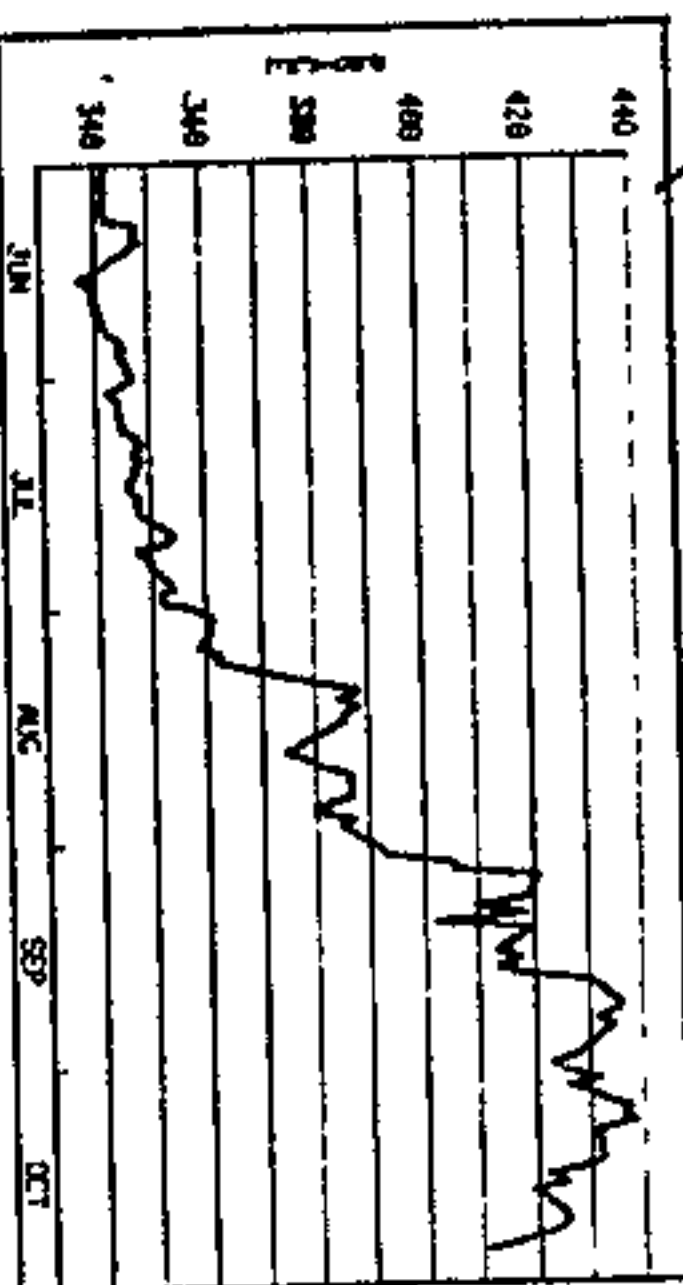
The dramatic drop came hard on the heels of yesterday's announcement that the US budget deficit for the financial year was about \$10 billion less than anticipated, although it recorded a record

\$220 billion.

US orders for durable goods also jumped by almost five percent yesterday, the largest monthly gain in two years, suggesting that a rebound by US manufacturers is imminent.

These signs of strengthened US economic growth fuelled a powerful rally by the dollar, which hit a three-month high against the yen and rose substantially above the two Deutschmark level.

Within minutes of the announcements the gold price plummeted to its depressed levels, and dealers now suggest that bullion is set for a downward trend for some time to come.



Gold price in dollars

Analysts added that "the lack of bad news" from South Africa's political and labour scenario had recently exerted downward pressure on the gold price, and today's wage agreement between the NUM and the Chamber of Mines is expected to put the lid firmly on any speculative buying on this account.

Bullion will also be negatively affected by a more stable oil price, and news emerging from the Opec summit talks suggest that an agreement on the allocation of quotas is highly likely.

A controlled oil price will have a deflationary impact in the industrialised countries and could reduce gold's importance as an inflationary hedge.



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campaign will prove counterproductive is obvious to anyone who understands something about the power relationships and other political realities in South Africa.

**"South Africa will survive sanctions. Also, as far as foreign investments and loans are concerned, the new restraints imposed in recent weeks by the EEC and the US Congress do little more than change a de facto situation into a de jure one."**

It is not as if a significant inflow of foreign capital is now suddenly to be cut off, he said. On the contrary, foreign banks have for some time been reducing their exposure in South Africa. And foreign investment in the country has for some time been negative.

"The point is that South Africa has in many ways already adjusted to this capital outflow. Indeed, gold and foreign exchange reserves, the rand and general economic activity are all tending to rise at present — sanctions notwithstanding.

"It is ironic that the third quarter of this year — the period in which both the EEC and the US imposed new sanctions — has emerged as the best quarter for our domestic economy and for the balance of payments for some time.

"Nevertheless," said Dr De Kock, "there is little doubt that the combination of capital outflow and sanctions will prevent the economic upswing from gaining the momentum it might otherwise have done and will retard growth in the longer term."

"It would therefore be a mistake to underestimate the adverse impact of sanctions and disinvestment on the economy...

"Likewise, however, it would also be a mistake to overreact. The fact that many people abroad have behaved in an emotional and irrational way does not give us reason to play into the hands of our enemies by reacting in an equally emotional and irrational way."— Sapa.

# Ban on SAA could benefit passengers

By Winnie Graham

The United States withdrawal of landing rights from South African Airways will not greatly affect the 90 000-a-year US-bound travellers from this country, according to the Association of South African Travel Agents (Asata).

Asata general secretary Mr John Bing said this week that there was little need for pessimism. The "boycott" could be overcome easily by rerouting passengers via Europe.

"The landing ban will hardly affect business travel, which in today's economic climate is more a necessity than a luxury.

"Businessmen should actually welcome the extra European break to get them over their jet lag, and thus improve their negotiating skills at the other end.

No one can function with a razor-sharp wit after the excruciating back-breaking 18-hour haul from Johannesburg to New York."

He was supported by Asata's new president, Mr Hendrick Conradie, who claimed that businessmen could spend an extra few days in Europe drumming up new export orders.

The chairman of the executive air committee, Mr Karl Flatau, added: "The leisure traveller can enjoy the added bonus of a stopover in Europe at no extra cost now that SAA has decided not to increase fares to the US via Europe."

A travel agent in Johannesburg said the US banning of SAA landing rights was playing into the hands of both the US and European carriers, who were now profiting at SAA's expense.

"Like hungry sharks they are positioning themselves for an

extra bite at the market," added. "Cash-strapped deregulated US carriers are ravening for extra income."

Meanwhile, Lufthansa has started its South African advertising campaign, offering 11 flights a week out of Frankfurt to a multitude of US destinations, while British Airways promoting 18 flights a day out Heathrow to the US.

Fortunately, say travel agents, South Africans can expect to benefit from the discount warfare so much favoured by US airlines.

The other advantages for South African travellers are that the US carriers can fly passengers closer to their destination, be it Chicago, Detroit, Los Angeles, San Francisco, Miami or elsewhere.

It also gives passengers a more flexible flight plan, a wider choice of arrival times, and a choice of destinations.

"Only masochists enjoy the 18-hour flight from South Africa to the US, arriving at 6.50 am in New York and kicking their heels till midday when they can check into their hotels," said a travel agent. "Or worse, changing airports and waiting a connecting flight to another city."



# Drama as Red Cross ousts SA

28/10/86  
280  
WKE Post

**GENEVA — A major International Red Cross conference today voted to suspend the South African Government delegation because of the country's policy of apartheid.**

The conference voted 159-25, with eight abstentions, to back a Kenyan proposal that the delegation be suspended until South Africa abandoned its racial policies.

The Kenyan proposal emphasised that only the official Pretoria delegation was being excluded, and that the delegation representing the South African Society of the Red Cross was welcome to stay.

A spokesman said the SA Red Cross Society delegation would remain.

Pretoria's team led by the Ambassador to Switzerland, Mr Jeremy Shearer, left the hall immediately.

It was the first time in the history of the International Red Cross that a country had been ousted from such a conference, usually held every four years.

Mr Shearer reacted angrily when the chairman, Mr Bolliger of Switzerland, refused his request to speak before the vote.

He dashed down the aisle, rushed up to the podium behind Mr Bolliger, threw his delegate's badge on the president's desk and then stormed out.

He returned before counting finished and tried for a second time to make a statement. Mr Bolliger again intervened and told the South Africans affected by the vote to leave the hall, but Mr Shearer grabbed the microphone to say that he was protesting against "this travesty of justice" before walking out again.

Before going, he said: "It is not we, Mr Chairman, who are humiliated here today."

Mr Shearer later told reporters: "What I fear is that the message this conference is sending to South Africa is a message of encouragement to violence."

He did not consider the meeting "a genuine Red Cross conference". Some delegates, he said, had turned it into a "political United Nations forum".

"This failure calls into question the society's ability in future to play a neutral role in international conflicts. It has now assumed the right to discriminate between its members, hence between the wounded on the field of battle," said Mr Shearer.

He said the decision should not affect

long as the national society remained "neutral and impartial".

The conference groups more than 300 official government delegations and non-government national Red Cross delegations. Each delegation is allowed a vote.

Diplomats at the week-long meeting noted that about half of those entitled to vote refused to join the roll-call ballot, reflecting the bitter nature of the debate on South Africa which stalled the opening of the conference for three days.

The International Committee of the Red Cross, the all-Swiss arm of the organisation which handles mediation efforts for hostages and prisoners around the world, also refused to vote, saying it opposed the precedent which could be set by the move.

A bloc of some 50 black African and Communist states forced the issue of suspending South Africa by threatening to walk out of the conference.

The move to exclude Pretoria was opposed mostly by Western countries — notably the United States and the Netherlands — which argued that the Red Cross statutes did not permit suspension of a member and the precedent could wreck the Red Cross movement.

While denouncing apartheid as an "affront to all humanity," the American Red Cross president, Mr Richard Schubert, said the decision triggered a "process of destabilisation" of the movement.

"Our Red Cross movement must continue to be a body governed by law or we will reduce ourselves to chaos as we have so well demonstrated over the last 36 hours," he said.

Mr Schubert and other Western speakers also voiced concern that South Africa might join Iran, Afghanistan and other nations in restricting Red Cross delegates in visits to detainees.

● In Pretoria, the South African Minister of Foreign Affairs, Mr Pik Botha, said this afternoon the Government would now have to consider whether the International Red Cross could still play a useful role in the

# Next SA envoy likely to be black — Quint

By BARRY STREEK  
Political Staff

THE next South African ambassador could be an African, the new ambassador in Holland, Dr Frank Quint, said yesterday.

Dr Quint, who is classified as coloured, said in an interview that he thought more black people would be appointed to diplomatic posts abroad in the future.

The ambassadorial vacancy in Canada could be filled by a new person, or if someone in the diplomatic service was transferred to this post, a vacancy would occur elsewhere.

"I am just keeping my fingers crossed. In all probability it will be a black."

An African? "Yes, it may well be a black black!"

"If you draw a line through reform that would be a rational conclusion. That is my deduction and my interpretation of the current attitude," Dr Quint said.

Asked if anti-apartheid groups in Holland would not regard him as a sell-out, he replied: "There is a possibility of that but I will deal with it if it blows up."

## 'The right of choice'

However, he had received a phone call from an ex-pupil who was married to a Dutchman. "She was ecstatic — so I will have at least two friends in Holland."

Dr Quint, who is a Labour Party representative on the President's Council, said his party's position on the Group Areas Act was "fairly clear".

"The party stands for the right of choice to live where you chose to live."

"I think the whole exercise (of getting rid of the act) should be attended to as painlessly and as quickly as possible."

Asked if he would not be in a difficult position if he had to defend the Group Areas Act, he replied: "No, I will not be in a difficult position. I will give my view, my party's view and the government's view."

"The president has said it is not a holy cow. Whenever he has used this term, it means he is not going to put a spoke into the wheel or have the teeth pulled from moves to get it removed."

"I don't think it is going to be a question of defending the government but of explaining the situation and then they can draw their

own conclusions.

"Mr (Pik) Botha said that although in a way I would be representing the government, I would be in Holland not as a representative of the government but as a representative of the State."

"I will put the situation as fairly and objectively as possible — because I might get flak from both sides of the fence."

Asked if he was worried about dealing with tricky diplomatic issues such as the Klaas de Jonge affair, Dr Quint replied: "No, not really. I will have the information at my disposal. It does not frighten me."

Sanctions would be one of the issues which would come up regularly, but he did not think the people behind sanctions had thought out the consequences.

"Sanctions will have the opposite effect of what was intended, because they will work against the very people they were intended to support," he said.

"We will have to live with sanctions."

His new appointment "did not come as a complete surprise". He had been approached about it beforehand, but he did not know if anybody else had been approached about it as well.

However, he was not surprised that he had been appointed to Holland because he knew it had to be there or Canada.

He did not have any apprehensions about the appointment, as he had had the experience of being the first from his community to be appointed to a particular position.

He would be open and honest in his approach: "I don't expect anything. I will just take it as it comes."

Throughout his life he had been dealing with people and he had considerable experience of dealing with people from overseas.

"In that respect I have had a fairly good grounding."

He had also had experience in office routine "but I will have to swot up a lot about protocol".

He had studied Dutch and Dutch literature for his first degree, but that was in the 1940s.

"I won't take a chance on speaking it immediately. I understand Dutch and I read it. I think it will take about a month before I can use it without embarrassment," Dr Quint said.



DD 28/10/86 (280)

# Union wants GM to pay up

**Dispatch Correspondent**  
**PORT ELIZABETH** — General Motors has dismissed a union demand that workers be given "separation" payments because they were no longer employed by the company.

A GM spokesman said yesterday it appeared the National Automobile and Allied Workers' Union (Naawu) was demanding "some form of conscience money from GM for withdrawing from South Africa".

Implications of GM's withdrawal were considered by union members employed at the Kempston Road assembly plant, and the

Aloes locomotive division at a meeting on October 23, according to the union's regional secretary, Mr Les Kettle-das.

Workers had demanded that GM:

- Pay a separation payment to all workers as they would now all cease to be employed by the company.

- Refund all company and worker contributions paid into benefit funds to members of such funds.

- Clarify the appointment of the new directors and how the workers will be involved in such appointments.

Yesterday, GM responded by saying the company was doing everything possible, in forming the new company, to preserve jobs and ensure continuity of employment.

28/10/86 (289)  
**Massive  
pull-out  
unlikely  
— claim**

**Dispatch Correspondent**

**JOHANNESBURG** — If British companies pulled out of South Africa the vacuum they would leave would quickly be filled from other market places, even in the event of a Labour government taking over in the United Kingdom, according to the chairman of the British Industry Committee on South Africa, Sir Leslie Smith.

Sir Leslie, who is on a private visit to this country, said there was no likelihood of a massive "pull-out" of UK companies.

Nor was it likely that British companies would move into the vacuum left by US sanctions.

He said the ending of apartheid in South Africa would not automatically restore confidence in the country for foreign investors, primarily because of unrealistic expectations raised in the black and coloured communities.

"Obviously with both General Motors and IBM pulling out, there is increasing concern that the trickle could turn into a flood but I am sure no major British interest will pull out in the foreseeable future," he said.



# Govt team expelled from international Red Cross conference

# SA KICKED OUT

GENEVA. — A major International Red Cross meeting today suspended indefinitely the South African Government delegation because of the country's apartheid policies.

By a vote of 159 for, 25 against and eight abstentions, the conference ordered the South African Government delegation to leave.

The non-Government South African Society of the Red Cross was allowed to stay.

The South African Ambassador, Mr Jeremy Shearer, told the conference before leaving the room "It is not we, Mr Chairman, who are humiliated here today."

A bomb threat forced the evacuation of 1 400 delegates from the 144-nation conference yesterday as several countries, including the United States and the Netherlands, fought the expulsion moves, warning that they could destroy the Red Cross.

The South African Government delegation is attending as a signatory of the 1949 Geneva Convention on humane treatment of prisoners.

African and Soviet bloc states led the move to expel the delegation.

The move does not include the delegation from the South African Red Cross Society.



Kenyan delegation leader Mr Denis Afande led the campaign by some 50 African and communist countries to suspend the Pretoria delegation because of its apartheid policy of racial segregation.

The delegate spoke in defence of South Africa.

The conference, which groups governments and national Red Cross and Red Crescent societies from around the world, is held every four years.

Some 900 delegates were scheduled to review the records of states bound by the 1949 Geneva conventions on humane treatment of prisoners, wounded, the sick and civilians in international and civil conflicts.

Red Cross officials said the conference may not deal with political matters or be a forum for political debate, but the South African wrangle has stopped all other work at the week-long meeting which opened yesterday.

Mr Afande said the suspension should last until the scrapping of apartheid, he added.

The president of the International Committee of the Red Cross, Mr Alexandre Hay, said the dialogue which was the purpose of the conference would be interrupted if states which violated international humanitarian law were excluded.

He noted that exclusion of such states would leave the victims of these violations defenceless.

Red Cross officials had vainly argued that any move to evict a government delegation from a state adhering to the conventions would set a dangerous precedent and seriously harm the entire Red Cross movement around the world.

Mr Hay, in private conversations, warned that it could make ICRC work even more difficult in Southern Africa.

The conference adjourned and behind-the-scenes efforts were made to forge a compromise.

During the adjournment police said an anonymous caller telephoned the conference centre saying a bomb would explode there. Delegates were asked to leave the building but were readmitted after a search failed to uncover explosives.

Sapa-Reuter-AP.



Picture PIERRE OOSTHUYSEN Weekend Argus  
Natal's Darryl Bastall plays a forward defensive stroke to a ball from Western Province's Mike Minnaar, with wicketkeeper Richie Ryall looking on, during the Currie Cup match at Newlands today. Match report Page 32

## Furore Britain, break i with Sy

LONDON — An international furore has and Syria cut diplomatic links over a jetliner.

Britain announced it was severing its day after a Jordanian was found guilty of destroying an El Al Jumbo jet in the which implicated the Syrian ambassador.

Damascus retaliated by excluding space and ports.

The US then said it was withdrawing its ambassador to Syria in support of Britain.

Administration officials said the move ranked above mere recall of the ambassador for consultations but below breaking relations, and was regarded as an extremely serious action.

"It is a sign of great displeasure with that country's policies," an official said.

At least for the moment, the US Embassy in Damascus will continue to operate under the guidance of a charge d'affaires.

"In the coming days we will be in close consultation with Her Majesty's government regarding additional steps that we and House spokesman Mr Larry Speakes said.

gan's plane.

When Nezar Hindawi was sentenced to prison, the move set off a swift diplomatic.

The British Foreign Secretary, Sir Geoffrey, said that the Syrian ambassador Mr Hindawi had been told to close his embassy and leave the country.

There is conclusive evidence of Syrian official involvement with Hindawi, Sir Geoffrey said, adding that the 19-strong British Embassy in Damascus would also close.

Damascus accused Britain of "racist imperialist malice" against the Arabs and said British embassy and cultural staff had just seven days to leave the country.

No comment

Syrian air space — overflown by 70 British flights a week at present — would be closed to British air traffic and the country's ports would be closed to British ships.

The British Foreign Office had no immediate comment on the Syrian moves, which halved the 14 days Sir Geoffrey had allowed for the embassy closures.

The loss of the British Embassy in Soviet-allied Syria will deprive Britain of an important listening post in the Middle East.

The Israeli ambassador in London welcomed the British moves, while Canada said it was recalling its ambassador to Damascus for consultations.

But the official Soviet News agency said it was not commenting.

## Train smashes car, kills driver

Weekend Argus Reporter

RAILWAYS signal control personnel watched in horror today as a passenger train smashed into a car, killing the driver.

The accident happened at 11 50am at a private level-crossing at Woltemade signal control centre on the Strand-Cape Town line.

The dead man was Mr R J Koster, 40, of Vrijzee — a train control official at the centre.

Mr Koster was on duty at the time of the accident and was driving to a nearby cafe when his car was struck, said police liaison officer, Lieutenant Attie Laubscher.

The car was dragged about 75 metres along the line. Metro Emergency Unit members used mechanical jaws to free the body.

## All Up betting gives a big boost to tote

By JAN BOTHA, Racing Editor

ALL UP betting has given a big boost to the tote win and place pools and it has also helped to increase the overall tote turnover.

Mr Richard Mitchell, manager of the Totalisator Agency Board, said racing administrators were happy with the response to All Up betting.

"When it was introduced two weeks ago, the tote win and place pools were increased by 140 percent and we can safely assume that from now on the tote win and place pools will be more than double what they were before," Mr Mitchell said.

"This is just what we wanted to achieve by increasing these



attractive."

Mr Mitchell said tote turnover on the past two Saturday meetings was about 17 percent up on the corresponding meetings last year.

All Up betting at the past two Wednesday meetings at Milnerton generated R52 000 and at the two Saturday meetings R75 000.

"This is what we expected as the official double."

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# GM to carry on making locomotives

THE sale of General Motors South African to a SA executives will not effect its huge locomotive business with the South African Transport Services.

A spokesman for Sats said: "The issue surrounding GM will have no effect on the supply of locomotives for the foreseeable future."

GMSA has sold 679 ultra-expensive diesel-electric locomotives to Sats. Of these 584 were built at GMSA's Aloes plant near Port Elizabeth.

GMSA has a contract for the supply of 45 Class E11 locomotives for the Richards Bay coal line. Twenty-five have still to be taken into service. But Sats says this does not mean they have not been built, but perhaps have not been commissioned.

The SA Government has given its blessing to the sale of GMSA to SA businessmen.

It is believed that the matter was discussed at a Cabinet meeting on Wednesday and Minister of Manpower Pietie du Plessis commented on the resilience of the businessmen involved and wished them success.

Details of the deal are expected to be announced within 10 days. Negotiations between GM in Detroit and the new owners continue. The formal documents are being studied by lawyers.

General Motors America said several factors lay behind the decision to withdraw.

They included the difficult SA business climate, disappointment in the pace of political change and the fact that the SA operation had been losing money for many years.

The proposed sale is designed to place the operation in a position which will make it more competitive.

By Don Robertson

It has been suggested that GM America will inject about R100-million into GMSA to liquidate its debts.

Managing director Bob White said this week that the buyers would "get the best balance sheet in 15 years".

GMSA's assets are about R400-million. The sale will be based on net assets less the amount owed.

The deal is being put together by a "few friendly financiers" and no merchant bank is involved.

## Favourable

Preliminary reports from a project team set up to establish SA reaction has been favourable.

Dealers have offered their support and a full-page advertisement has been placed in today's Sunday Times congratulating "our South African entrepreneurs for their foresight and faith in the SA motoring industry". It is signed on behalf of 200 dealers.

Fleet owners have also indicated that they will continue to support the company, provided they are assured of service and back-up. The launch of the Kadett with a boot — the Monza — will go ahead on November 4.

The project team has also established that GMSA staff favour an SA-owned company. GMSA employs 3 000 people.

Last year the company imported about R200-million in components. It last made a profit in 1981.

Mr White says: "The company has been on the defensive for the last few years. We are thrilled to have a bunch of guys dedicated to the industry ready to buy the company."



# US business waits for new assault

SUN TIMES  
28/10/86  
280

AMERICAN companies with interests in South Africa are battenning down the hatches, expecting a new assault by the anti-apartheid lobby in the US.

According to American business people in South Africa, the SA-bashing fraternity in Washington is not satisfied with management buy-out arrangements announced by General Motors, IBM and General Electric.

Gold shares and the financial rand weakened on the Johannesburg Stock Exchange on Monday because of a report that a ban on gold-share ownership was next. The US Congress is expected to ask for tighter sanctions when it reconvenes.

## Pressure

Although some US liberals regard the withdrawals as a victory, others are reported to regard the buy-outs as "business as usual" or attempts to circumvent sanctions.

They are concerned that other companies may try to emulate them. One Washington report has it that all members of the US Corporate Council on SA, a grouping of US companies in SA, will follow the GM, IBM and GE example, but this has been denied. They are acting independently.

The objection among some US liberals is that buy-outs benefit SA because it obtains US assets cheaply — and continues to receive products and technology without accountability to Washington.

## Business Times Reporter

Liberal groups have exerted pressure on US companies in SA by persuading churches, universities, state and municipal pension funds as well as "moral" investment trusts with billions of dollars of assets not to hold the shares of companies represented in SA.

Once buy-outs have been effected, this leverage falls away. The stock prices of IBM and GM both rose on news of the deal. Other US corporations are under pressure to follow GM, IBM and GE.

IBM and GM will both step down from the US Corporate Council on SA. Although their SA off-shoots will continue with progressive employment policies, the two companies will no longer be subscribers to Sullivan principles.

## Parent happy

Honeywell, another US computer giant, says it is "considering various options for the sale of its SA affiliates." But other American companies interviewed by Business Times profess to be hanging tough.

TV, video and radio group National Panasonic, a subsidiary of Barlow Rand, has confirmed its commitment to its SA operations. Last week, however, a small part of the operation, the Industrial Systems division, was involved in a management buy-out.

A spokesman for Burroughs Ma-

chines says there has been no pressure on the company to quit SA.

"Burroughs Machines is profitable in dollar terms so it is valued by the US organisation."

A spokesman for Dow Chemical says that although there is pressure from some people in America, the parent company is happy with its SA presence.

At least three major US-owned companies supplying SA agriculture are determined to continue unaffected.

Bill Hubbard, managing director of John Deere in SA, says "It is our firm intention to maintain our operation here. But there is no knowing what political events can happen that will change this decision."

"We are in an important market and we continue to believe that our presence is beneficial to most South Africans."

At the end of the day, says Mr Hubbard, economic factors are stronger than political ones in determining whether a company stays in business in SA.

Barney Strydom, managing director of Case International in SA, says it is "business as usual".

"We are not privy to board decisions in the US about whether to stay or not, but we have had no indication from our parent that it intends to get out."

Mr Strydom says not one of the US-owned companies which are leaving SA will stop selling its products here.

"There are going to be about 50-

● To Page 2

# Red Cross boots out SA delegates

26/10/86  
SUNDAY TIMES  
(25)  
(280)

A MAJOR International Red Cross meeting voted yesterday to suspend the South African Government delegation in protest against apartheid policies.

The SA Government representative, Mr Jeremy Shearer, ordered out of the conference hall after three days of bitter debate, said the move would send "a message of encouragement to violence".

It was the first time in the history of the International Red Cross movement, which helps victims of war and natural disasters, that a state had been suspended.

About 50 black African and communist countries forced the issue by threatening to walk out of the week-long conference unless Pretoria's delegation was excluded.

Kenyan delegate Mr Denis Afande, who led the expulsion move, said the suspension should remain in force until Pretoria abandoned apartheid. However, the South African Red Cross Society delegation was allowed to stay.

The conference voted 159 to 25, with eight abstentions, to order Mr Shearer and his colleagues to leave. More than 300 government delega-

## Sunday Times Reporter Geneva

tions and non-government national Red Cross and Red Crescent societies were entitled to vote.

Diplomats noted almost half of those delegations refused to join the ballot, reflecting the bitter and divisive nature of the debate.

Many delegates told the



Mr Shearer hands his accreditation to conference president Bolliger

conference that they felt they would be condemned, whichever way they voted — either being accused of supporting Pretoria's apartheid policies or setting a precedent which could ruin the Red Cross movement.

Mr Shearer told reporters after the vote: "What I fear is that the message this conference is sending to South Africa is a message of encouragement to violence."



# Cross fears tasks in SA

DD 27/10/86  
280

## Red for

**JOHANNESBURG** — The International Committee of the Red Cross (ICRC) said yesterday it feared serious consequences for the people it helped and protected in South Africa when it was forced to leave the country.

The deputy head of the South African delegation, Mr Angelo Gnaedinger, yesterday confirmed the organisation had been asked to leave the country.

This followed a statement by the Minister of Foreign Affairs, Mr Pik Botha, of the government's decision to expel the ICRC shortly after a government delegation was expelled from the 25th International Red Cross Conference in Geneva.

It is believed about 20 Swiss nationals — all with diplomatic status — will have to leave the country by the end of November.

The statement made it clear that the ICRC delegation would be allowed to return on condition that South Africa was given a platform to speak at international Red Cross conferences. "Until then, their representation here is suspended."

Delegates at the Geneva conference had voted 159 to 25 to oust South Africa.

However, the ICRC's president, Mr Alexandre Hay, said in Geneva yesterday the organisation had declined to vote against South Africa's participation at the conference on the grounds that it would be against the conference's rules and procedures.

"What has been called into question for the first time is the representative character at the conference of the government delegation of a state which is, and no-one contested the fact, party to the Geneva Convention."

"Any party to the Geneva convention is by right a member of the conference, therefore the exclusion of a del-

state runs counter to the statutes as they stand."

Mr Hay said the international conference of the Red Cross was the "supreme deliberative body" of the Red Cross movement and was composed of the 165 states party to the Geneva Convention, the 144 duly recognised Red Cross societies, the League of the Red Cross and the ICRC.

The activities of the ICRC delegation in South Africa consisted of visiting about 300 sentenced prisoners, supporting the work of the national society and giving aid to 20 000 Mozambican refugees in the country, he said.

Meanwhile, the South African Red Cross Society will continue to operate as normal.

The secretary-general of the society, Mrs Rosa Ferreira, said yesterday that although the South African Government delegation had been asked to leave the conference the society's South African members had not. They had, in fact, been praised.

"We have no idea yet what the repercussions will be for the society here but I understand that we will be allowed to continue as long as we maintain our neutrality — which we have always done," she said.

The president of the Black Sash, Mrs Mary Burton, said yesterday it would be "a dreadful blow" to the people they had helped if the International Red Cross mission had to leave South Africa.

Saturday's vote was the first time in the organisation's over 100-year history, including World War II, that a state party to the Red Cross convention has

DD 27/10/86

## Hendrickse: curbs will not help (280)

JOHANNESBURG — The Labour Party (LP) leader, the Rev Allan Hendrickse, said at the weekend economic sanctions would be detrimental to the social, economic and political advancement of underprivileged South Africans.

Sanctions would also lead to poverty and hardship in Southern Africa, he told the LP Transvaal regional conference in Eldorado Park.

Mr Hendrickse, the chairman of the Minister's Council in the House of Representatives, urged the business community across the colour line to become more involved in reconciliation and the creation of a new society.

"The Labour Party itself is dedicated to a non-racial geographic federation of states, which I believe is the only answer for South Africa," said Mr Hendrickse. — Sapa



# SA Red Cross will have to bear extra burden — Walton

Post Reporter

THE expulsion from South Africa of 18 Swiss members of the International Committee of the Red Cross (ICRC) would place an increased burden on the local Red Cross Society, the society's president, Mr Gurth Walton, said yesterday.

He also indicated that visits by the ICRC to 300 convicted political detainees, including ANC leader Nelson Mandela, might be halted or reduced by the move.

The ICRC has been asked to leave South Africa following the suspension on Saturday of a SA Government delegation from the international Red Cross conference which continues in Geneva this week.

Port Elizabeth-based Mr Walton is heading the four-man South African Red Cross Society delegation at the conference.

The society was not suspended.

He said the ICRC was not directly responsible for the anti-South Afri-

can vote, in which it had not participated.

Speaking from Geneva, Mr Walton said the local Red Cross Society had received a lot of support for its programmes from the ICRC in the past — "not only financially, but also through ideas and expertise on technical matters in terms of relief work".

For example, he said, the groups had worked together to provide relief following the devastation of a large section of Crossroads earlier this year.

In the light of the ICRC's expulsion, he said, the society would take a positive view of the "bigger questions of the Red Cross — the relief of human suffering".

To this end the task — "likely to get heavier in the coming months" — would demand that the society "intensify its work which would have to be carried out with greater efficiency and dedication".

"We are in South Africa to stay," he said, noting that the first Red

Cross Society in Africa was formed in the Transvaal Republic in 1896.

The SA Red Cross Society had been well received at the conference which, he said, recognised the valuable humanitarian work its volunteers had carried out in South Africa.

The regional director of the Red Cross in the Eastern Cape, Mr Paul Kruger, said today the South African Red Cross Society, which was an independent, self-sufficient organisation, would not be affected by the weekend's events in Geneva.

However, the work of the International Red Cross Committee, whose representatives dealt with the issue of detainees, political prisoners and refugees, would come to an end.

"That work will fall away.

"It is entirely outside our scope."

The decision was a sad precedent in an organisation with such a tremendous reputation, he said.

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# Food union welcomes sanctions solidarity

By DICK USHER  
Labour Reporter

INTERNATIONAL solidarity and economic pressure "in support of just demands for political change" in South Africa have been welcomed by the 62 000-member Food and Allied Workers' Union (Fawu).

In a statement on sanctions the union said that in recent months employers in sectors of the food industry likely to be affected by sanctions had tried to get the union to take a position against sanctions.

Some employers had tried to impress on workers that it was up to them and their union to oppose sanctions. Some had tried to hold ballots among workers and some had broken off wage negotiations because of the union's refusal to issue a statement opposing sanctions.

## "IRRESPONSIBLE"

"This response by employers is in line with various provocative and highly irresponsible statements by the Minister of Manpower against people in favour of sanctions," said Fawu.

"As an affiliate of Cosatu (the Congress of South African Trade Unions) we welcome the international solidarity shown in support of our just demand for political change in South Africa and we welcome international economic pressure aimed at bringing about change."

This did not mean unions were not prepared to discuss the merits of sanctions. They were only one form of economic pressure and their effects were still being debated, but unions had no intention of conducting this debate with employers.

## EMERGENCY

"It is not for workers and the unions to oppose sanctions, but for employers to make it clear where they stand regarding our demand for political change."

Only political change would end sanctions and if employers were concerned then they should distance themselves from the Government and support change.

Employers should state where they stood on the immediate lifting of the state of emergency, the release of all detainees and political prisoners, the unbanning of political organisations, freedom of political organisation and a living wage and the unconditional



## Costly loans for SA's subsidiaries

280 55 ALAN SENDZUL 27/10/86

SA subsidiaries of multinational corporations which break overseas links may find the raising of loans will be more expensive without the stronger credit rating of their offshore parents.

Bankers say that the bottom line for credit risk will be based entirely on the newly-constructed balance sheet after the management has bought out its former parent.

The SA companies, many of which have profitable operations, will now have to stand on their own when drawing on foreign and domestic credit lines, say banking sources.

Many foreign subsidiaries have

● To Page 2 ➡

## SA companies out on their own

achieved undoubted borrower status because bankers knew that the parent company would stand behind its subsidiary.

Executives of companies who have bought control say their access to debt has not been impaired.

Some companies could even gain more borrowing flexibility as a result of their independence.

Exchange control regulations limit the local borrowing of companies with 25% or more of their equity in foreign hands.

Wholly-owned subsidiaries of foreign multinationals may borrow 50% of total

share equity, retained earnings and long-term debt — including any intra-company debt owed their parent.

But bankers believe that this level of borrowing is sufficient. Whether increased local borrowing will be used depends largely on the cost of forward cover.

It is also understood that foreign parents have agreed, at present, to assist in financing the cost of imported components by providing trade finance.

← ● From Page 1

# US firms' exits set divestment poser

By Alan Dunn  
The Star's Foreign  
News Service

WASHINGTON — Exit announcements by General Motors and International Business Machines last week have thrown a wave of US shareholders considering disinvesting into confusion.

Some billion-dollar shareholders seem satisfied the withdrawals meet their demands. Others, like the anti-apartheid groups, see the announcements as a "shell game" and a sham.

American business analysts specialising in the disinvestment campaign believe the dust must first settle after last week's flurry of corporate announcements, denials and hints of impending moves to leave South Africa.

Only then will a trend

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emerge, they say. But some large investors and pro-divestment bodies have already indicated their positions on the GM, IBM, Warner Communications and Honeywell actions last week.

New York State Comptroller, Mr Edward Regan, who used pension fund billions to pepper companies with SA links with shareholder resolutions calling for withdrawal, said the GM and IBM announcements were adequate for now.

"GM and IBM are to be commended, and for the time being it's important to encourage others to follow their action ... If it turns out to be transparent, that is if it turns out to be a sham, we have the power to escalate our definition — and to enforce it.

"Since mid-August, 13 com-

panies have pulled out of South Africa, and all of them have called us in advance to ask what is our definition of a pull-out," said Mr Regan. "We've been saying it means no assets and no employees in South Africa."

While shareholders examine and redefine what they mean by "divest", some US cities which have exerted considerable domestic pressure on American companies by applying selective contracts, have stated their views.

"None of the actions taken by IBM, GM or Coca-Cola would satisfy our contracting policy," said Mr Mark Fabiani, legal counsel to the mayor of Los Angeles, Mr Tom Bradley.

He said the city policy defined "doing business" as selling or licensing products as well as producing them in South Africa.

"All three of those companies are still doing business and significant business in South Africa. Even if they've sold off assets, they're continuing to sell products there," he charged.

New York city's mayor, Mr Ed Koch, last week urged an acceleration in divesting employees' pension fund shares (it has \$25 million invested in 1 200 companies) with South African links.

San Francisco has suggested it might, on the other hand, buy back the IBM and GM shares it sold and Washington DC officials are scrutinising last week's announcements.

The largest private US Pension Fund, the \$50 billion Teachers Insurance and Annuity Association-College Retirement Equity Fund, is considering its responses.



# Red Cross 'fears result of S A break'

GENEVA.—The International Red Cross said yesterday it feared serious consequences for the people it helped and protected in South Africa when the organisation left the country.

The South African Government yesterday ordered the all-Swiss International Committee of the Red Cross to leave South Africa 'as soon as possible'.

The move came shortly after an International Red Cross conference suspended the official South African delegation.

The 159-to-25 vote, with eight abstentions, was the first time a country had been ousted from a Red

Cross conference since the movement was founded more than 100 years ago.

The ICRC said in a communique South Africa's expulsion order covered 20 ICRC representatives.

'The ICRC strongly fears that the decision by the 25th (Red Cross) conference risks serious consequences for those the ICRC helps and assists' in South Africa, the communique added.

The ICRC regularly visited some 300 convicted prisoners in South Africa, assisted the national Red Cross Society and helped about 20 000 Mozambican refugees in the east of the country, it said.

The week-long International Red Cross conference in Geneva groups some 900 delegates, representing 166 countries and 144 non-governmental Red Cross and Red Crescent societies.

Black African and Soviet bloc states demanded the Pretoria team be suspended and threatened to walk out otherwise.

The vote to suspend the

South African Government delegation until apartheid was abandoned did not cover the non-Government South African Red Cross Society, which remained at the conference running through this week.

The ICRC, with the permission of national governments, works in countries around the world to implement the 1949 Geneva Conventions. — (Sapa-Reuter)

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## I'll swim where I please, says MP

**Dispatch Correspondent**  
**PORT ELIZABETH** — The Labour Party MP for Addo, Mr Peter Hendrickse, said yesterday he was ready to swim from Port Elizabeth's whites-only beaches again this summer.

And he made a renewed call on the Administrator of the Cape, Mr Gene Louw, to accede to the city council's request to open the beaches as soon as possible, thereby obviating confrontation, racial prosecutions and accompanying bad publicity for the city.

But, on Friday, the town clerk, Mr Paul Botha, said he did not expect the province to take a decision to open the city's beaches before next year.

Mr Botha said while he could not speak on behalf of the provincial administration, he did not believe a decision would be taken on the council's request before the government had is-

sued a White Paper on the President's Council's report on separate amenities.

"I can't see a White Paper this year."

Mr Hendrickse, who made international headlines in January when he and a group of friends went for a swim off the whites-only Kings Beach, described the administrator's tardiness in opening the beaches as "unforgiveable".

"The sooner beaches are opened to all, the better," he said, adding that as the summer season approached, it was vital this be done urgently.



# Apartheid squeeze begins in earnest

STAR  
28/10/86  
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WASHINGTON — President Reagan yesterday signed an executive order implementing the stringent sanctions imposed on South Africa by Congress last month despite his opposition.

His order directed executive departments and agencies to "take all steps necessary, consistent with the constitution" to implement the anti-apartheid legislation.

The sanctions include severing air links between the United States and South Africa, banning South African imports such as textiles, coal, steel and uranium, and prohibiting new US loans and investment.

The legislation also wrote into law some limited actions which President Reagan ordered last year in the face of Congressional pressure, including a ban on imports of Krugerrands and exports of nuclear and computer technology to South African state agencies.

President Reagan vetoed the sanctions measure on September 26, saying Washington should not cut and run, but rather work for constructive change in South Africa.

Mr Reagan's executive order, effective immediately, also established an inter-agency co-ordinating committee chaired by Secretary of State Mr George Shultz. It will serve as a forum for consultations on policy towards Pretoria.

Mr Reagan directed the committee to "monitor implementation (of sanctions) to ensure consistency with US-policy objectives".

BOPHUTHATSWANA : 19

8.16 NUMBER OF AFRICAN  
KWANDEBELE : 1980 -

8.17 NUMBER OF OLD AGE  
PERSONS 65 YEARS AND

8.18 MAXIMUM MONTHLY SOC  
1961 - 1983

8.19 MAXIMUM MONTHLY SOC  
1961 - 1983

8.20 MAXIMUM MONTHLY SOC  
COLOURED PENSIONERS  
1983

EC close  
to decision  
on limited  
sanctions

The Star's Foreign  
News Service

LUXEMBOURG — European  
Community Foreign Ministers  
are said to be close to agree-  
ment on the implementation of  
limited sanctions against South  
Africa.

Reports suggest a compro-  
mise has been reached in which  
the Community will take joint  
measures against the Republic.

But the sanctions proposed  
will apparently not be as severe  
as some nations — the Dutch  
especially — wanted.

#### TOUGH ACTION

Because of protracted discus-  
sions on Britain's call for tough  
action against Syria following  
the El Al bomb plot, not much  
time was given over to South  
Africa.

It is understood that the  
meeting was adjourned late last  
night and will be resumed  
today.

There is speculation that the  
sanctions will include a ban on  
new investment in South Africa  
and the cessation of imports of  
Krugerrands.

But a Dutch call for a total  
ban on the importation of South  
African coal is said to have been  
rejected out of hand by both  
West Germany and Britain.

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PERCENTAGE OF

REAL TERMS :

MONEY TERMS :

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TES : 1961 -



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## Poll shows ignorance of S A in U K

JOHANNESBURG—In spite of the fact that most people in Great Britain have a grossly distorted view of conditions in South Africa, no more than one out of three support sanctions against this country.

This is the finding of a Markinor Gallup Poll, designed and commissioned by Markinor in South Africa, but carried out earlier this month by its Gallup affiliate in Great Britain. Markinor conducted this Gallup Poll on its own initiative and at its own expense.

'We found that 33% of Britons are in favour of sanctions, compared with 20% who are opposed to them and 38% who are undecided,' says Mr Nick Green, managing director of Markinor. 'While 44% of Labour Party supporters believe sanctions are an appropriate means of fighting apartheid, no more than 18% of Conservative Party supporters agree. Those under 45 years of age (35%) support sanctions more strongly than those over 45 (30%).'

### Widespread ignorance

Across all parties and age groups, however, people in Britain believe apartheid is more restrictive and oppressive than is actually the case. They also believe that due to the current unrest, the lives of whites are in danger every day, and that normal life has become impossible for all.

The widespread ignorance is indicated by the number who said they believe the following statements to be untrue, compared with those who disbelieve them. The balance is made up of those who were uncertain:

	True (percent)	False (percent)
— Blacks are not allowed into white hotels and restaurants	75	9
— Blacks and whites are not allowed to mix socially	63	21
— Blacks and whites are not allowed to marry each other	52	28
— Blacks and whites are not allowed to play sport together	41	37
— Blacks and whites are not allowed to work in the same room	30	32
— Whites are served first in a shop, even if they come in after blacks	46	14

'These figures show that some misconceptions are very strongly held, while other opinions, such as those concerning sport and the working environment, are evenly divided,' says Mr Green. 'In addition, a great many Britons believe that due to the unrest, conditions here have worsened to a point verging on chaos — for whites as well as blacks.'

	True (percent)	False (percent)
— The lives of whites are in danger every day	58	31
— Normal day-to-day life is impossible for both whites and blacks	56	30
— Foreign tourists in South Africa actually have to fear for their lives	44	38

### Grave concern

'We also asked people whether they believe the South African Government is sincerely committed to reform. A mere 8% regard the changes that have been made in the past year or so as serious reforms: 55% acknowledge that there have been some superficial reforms, while 23% deny that there have been any reforms at all,' says Mr Green.

'This ignorance regarding the realities of South Africa today, in a country as important to us as the U K, is cause for grave concern. For one thing, the belief that any tourists coming out here are taking their lives into their hands, has already had a devastating effect on the travel industry and on foreign earnings.'

'As long as South Africa fails to inform the world of what progress we are making,' says Mr Green, 'we don't stand a chance of regaining our rightful place in the international community.' — (Sapa)

# Govt delays meeting with ICRC

THE Department of Foreign Affairs yesterday postponed a meeting with representatives from the International Committee of the Red Cross (ICRC) but allowed them to visit the Soviet survivor of the Machel crash at 1 Military Hospital in Voortrekkerhoogte.

Deputy head of the ICRC delegation Angelo Gnaedinger said last night Soviet authorities had requested a medical visit by the ICRC late last Thursday and this was agreed to by SA officials on Friday morning.

PA 288-1  
288-1  
DOMINIQUE GILBERT

The request was not affected by either decision taken on Saturday," he said, referring to the expulsion of SA officials from the Red Cross conference in Geneva and the SA decision to expel the ICRC.

The visit was on a purely humanitarian basis and left the ICRC satisfied with conditions and facilities surrounding Vladimir Ndvoselov, the Soviet survivor.



#### JUSTIFICATION

"Botswana is a producer of diamonds, metals and minerals and we have proved to the CAA (Civil Aviation Authority) that there is ample justification for the introduction of a direct BCal passenger and freight service," the airline said.

"At present the substantial Botswana business community has no direct intercontinental services."

The BCal service will be an extension of an existing service to Lusaka, in Zambia. Kenya Airways has also announced that it will extend its weekly Nairobi-Harare service to Gaborone on November 5.

The two new additions mean that Botswana now has direct links with Swaziland, Zambia, Zimbabwe, South Africa and the United Kingdom.

BCal will almost certainly be joined on the Botswana route by other European airlines if further air sanctions against South Africa materialise.

Sir Seretse Khama Airport could replace Jan Smuts Airport as the "hub" of southern Africa.

SPAR

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## Airlines <sup>280</sup> setting <sup>280</sup> course for Botswana

By Zenaide Vendeiro,  
Transport Reporter

Botswana's decision to build a new R75 million airport is paying off handsomely because of the threat of further air sanctions against South Africa.

International airlines operating to Jan Smuts Airport are looking for an alternative destination in southern Africa in the event that direct air links with South Africa are banned — or if the Zambian and Zimbabwean governments carry out threats to stop SA-bound flights from landing in their countries.

The Sir Seretse Khama international airport in Gaborone, only 30 minutes' flying time from Johannesburg, is seen as the only viable proposition.

The airport, opened in December 1984, is one of the few airports in the region capable of handling aircraft as large as Boeing 747s. It will, however, have to upgrade its passenger handling facilities and ancillary services.

Recently British Airways and British Caledonian were involved in a squabble over the rights to operate direct services to Botswana.

The licence was awarded to BCal, which will begin twice-weekly services in April.

BCal said their application was "based on legitimate requirements to provide a direct European link for the business community in Botswana".

# Krige to act again on beaches

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*282*

## Post Reporter

THE Port Elizabeth City Council is to be urged to press for a decision over open beaches.

Mr Ivan Krige, who led a campaign for the city's beaches to be opened, said today he would ask the Town Clerk, Mr Paul Botha, to send a council delegation to Cape Town to discuss the issue with the Administrator, Mr Gene Louw.

The MEC in charge of local government, Mr J P Schoeman, today confirmed that no decision on the council's request — first made in March this year — would be taken until the Government had released a White Paper in response to the President's Council's (PC) report on separate amenities.

The secretary of the PC, Mr Kobus Bauermeester, said it was possible the report would be discussed by a plenary session of the council late next month.

If approved by the PC, the report, now with a committee on constitutional affairs, would go to the State President, after which it would be tabled in Parliament, which resumes next February.

Mr Krige said that citing the PC's investigation into separate amenities

was a "nice excuse" for not acting on the council's decision, which was reaffirmed by a vote of 18-7 in June.

"The Government is asking for confrontation," he warned, referring to a situation which could arise if the MP for Addo, Mr Peter Hendrickse, and others were arrested for swimming from a beach reserved for whites.

In January Mr Hendrickse and friends swam at the whites-only King's Beach.

This week he said he might do so again this summer.

This month the Labour Party resolved at its Eastern Cape congress to support any of its members prosecuted for swimming on whites-only beaches.

Mr Krige said: "The Government is waiting for this situation to arise.

"While it states it is committed to reform, this is the most piddling reform I can think of and they are sticking on it."

He was pessimistic that a council delegation would have any impact on the Administrator.

"We know the answer will be that we must wait for the President's Council's report and the Government White Paper."



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EVENING POST, TUESDAY, OCTOBER 28, 1986

# Plans to bust sanctions should remain a secret — Prof Wait

By KIN BENTLEY

SOUTH AFRICA cannot afford to boast of sanction-busting, Prof Charles Wait, project co-ordinator of the East Cape Strategic Development Team, cautioned today.

"We can't go around boasting how we'll bust sanctions. If we have such plans, we must regard them as trade secrets. "When new industries

start up in SA as a result of sanctions, let us hope they will reach the required standards of efficiency so that, when sanctions are lifted, they will be able to withstand competition."

Professor Wait, who is professor of economics at the University of Port Elizabeth, will address the Cape Midlands branch of the SA Institute of Man-

agement on economic sanctions and the Eastern Cape in Port Elizabeth tonight.

He said the present sanctions package would not drastically affect this region, although embargoes on some items would affect the volume of cargo moving through the PE harbour.

Despite the fact that the international commu-

nity was unlikely ever to be entirely satisfied with South African political reforms, this should not deter the country from going ahead with such changes.

Asked when he thought sanctions might be lifted, he said those imposing them should lift them with the successful implementation of the Government's reform

programme, but he was pessimistic that they would be entirely satisfied.

"However, this must not prevent us from going ahead with reform."

Prof Wait said he would also give a historical background to international sanctions, citing those imposed on Italy when it raided Ethiopia

prior to the Second World War, a Moroccan embargo on phosphate deliveries to SA in 1956 and the arms embargo imposed on SA in the mid-1970s.

He would also sketch differences between sanctions imposed on a country from outside and self-imposed embargoes, tariffs, import quotas and other measures used to protect local industries

## Talks on demands by GM workers

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28/10/80

A MEETING of black workers at General Motors has been called for tonight to hear a report back from the National Automobile and Allied Workers' Union (Naawu) officials on the company's response to demands put to it last week.

On Friday a GM spokesman dismissed a demand arising from a similar Naawu meeting last Wednesday that workers be given separation payments because they would no longer be employed by GM when it was bought by a consortium of local directors.

Other demands made at the meeting were that GM:

- Refund company and worker contributions, paid into benefit funds, to members of such funds.
- Clarify the appointment of the new directors and how workers would be involved in such appointments.

The meeting was also critical of GM management for allegedly not consulting the union about plans to withdraw and sell the company.

The GM spokesman was reported as saying conditions of employment for all employees, including the continuation of pension benefits based on years of service, would remain unchanged.

The union spokesman said a statement would be issued after today's meeting in Schauderville, starting at 5pm.



# Sanctions bid likely to fail

28/10/86. (280) BUDM



● HOWE

Own Correspondent

LONDON — A bid by Holland and Denmark to tighten European sanctions against SA is likely to fail on several counts today.

West Germany has indicated it will strongly resist the move — the existing EC sanctions package has not yet been fully implemented — and the Anglo-Syrian crisis is likely to overshadow the SA issue.

Before a meeting of EC Foreign Ministers in Luxembourg began yesterday, Dutch and Danish officials said they would make a new effort to include a ban on coal imports in the sanctions package adopted in Brussels last month.

But the crisis in British relations with Syria — over court disclosures that the Syrian Embassy in London was used as a terrorist base — should overshadow the SA issue.

Ironically, British Foreign Secretary Sir Geoffrey Howe will be trying to persuade his 11 European counterparts to adopt a package of economic and diplomatic sanctions against Syria.

And British government sources said the SA sanctions issue was not likely to be discussed.

It is anticipated, however, the EC will briefly discuss developments in Mozambique since the death of President Samora Machel.

West German Chancellor Helmut Kohl is strongly opposed to strengthening sanctions against SA and is promoting the idea of a conference of Western nations to co-ordinate a new diplomatic initiative on SA.

It also emerged yesterday that the EC is still in deadlock over implementation of vital aspects of the Brussels sanctions package.

They have yet to resolve their differences over the means of implementation of the ban on new investment and the boycott of SA gold coins.

Britain and France are fiercely resisting moves by Belgium, Holland, Denmark and West Germany to have the sanctions implemented on a community basis.

Britain and France's resistance is based on their opposition to the principle that Brussels — as the permanent seat of the EC headquarters — should be allowed to supervise essentially political sanctions.

# May 28/10/86 Mayor seeks R5m beach aid

Dispatch Reporter

EAST LONDON — The mayor, Mrs Elsabe Kemp, flies to Cape Town this morning with two councillors on a crucial mission in connection with the thorny beach issue.

Mrs Kemp will be accompanied by Mr Patrick Kay and Mr Eric Whitaker when she presents the MEC in charge of local government, Mr J. Schoeman, with the R50 000 study by a firm of consultants.

The still unreleased report which the council

has accepted in principle contains one important message: it is inevitable that all the city's beaches will be open to all races.

The mayor's delegation is going to Cape Town to ask province for R5 million to phase in beach development proposals.

But a pessimistic Mrs Kemp said last night their chances were slim. "I know from my provincial council days that there have been severe cut-backs and we only hope that we will gain something tomorrow."

The commissioning of the study is one of the most concrete steps taken to address the beach issue since 25 000 blacks invaded the whites-only Eastern Beach on New Year's Day.

The study looks at what capacity the coastline from Nahoon to Hickman's River could accommodate, potential environmental sensitivity, beach users' requirements, crowd control and lays down a guideline for development of the coastline.

The point of departure was that limited recreational capacity made it difficult to distribute environmental resources among the different races, that it was costly to duplicate services and that the transportation system focused on the central area and was unlikely to change.

It is understood the study says that exclusive use of facilities is unrealistic and that planning intervention and management policies must be anchored on the concept of open beaches.



(280) DD 28/10/86

# Meeting postponed, ICRC see survivor

Dispatch Correspondent

JOHANNESBURG

The Department of Foreign Affairs yesterday postponed a meeting with representatives from the International Committee of the Red Cross (ICRC) but allowed them to visit the Soviet survivor of the Machel crash at 1 Military Hospital in Voortrekkerhoogte.

The deputy head of the ICRC delegation, Mr Angelo Gnaedinger, said last night Soviet authorities had requested a medical visit by the ICRC late last Thursday and this was agreed to by SA officials on Friday morning.

"The request was not affected by either decision taken on Saturday," he said referring to the expulsion of SA Government officials from the Red Cross conference in Geneva and the decision by the Department of Foreign Affairs to expel the ICRC from SA.

The visit was on purely humanitarian basis and left the ICRC satisfied with the conditions and facilities surrounding the Soviet second flight engineer Vladimir Novosselov.

The ICRC was given no reasons for the delay in yesterday's meeting. Foreign Affairs declined to comment on it.

The meeting is expected to be held today.

● At the Red Cross conference in Geneva, the ICRC president, Mr Alexandre Hay, named six countries where he said the all-Swiss humanitarian body was not allowed to visit war captives, and several others where conditions needed to be improved.

The list included Afghanistan and Iran as well as Angola and Mozambique, two of the African states which forced the South African Government delegation's exclusion from the conference on Saturday

because of Pretoria's apartheid policy.

"Practices prohibited by international humanitarian law are becoming more and more common — taking of hostages and sometimes their subsequent murder, acts of terrorism, torture and other ill-treatment of detained persons, and people reported unaccountably missing," he said.

"It has even reached the point where whole civilian populations are subjected to starvation for the purposes of war," he added.

Mr Hay referred only obliquely to the bitter wrangle over South Africa that stalled the conference for three days, saying merely that the meeting had "a difficult start".

Mr Hay had earlier said the 159-25 vote suspending the South African delegation was unprecedented and against the rules and procedures of the conference.

Mr Hay said certain governments and other parties in conflicts around the world had violated on various pretexts the 1949 Geneva Red Cross conventions on humane treatment of war prisoners.

He said that for the past two years the ICRC had not been allowed to visit Iraqi prisoners captured by Iran in the Gulf War, and was also unable to see captives held in Afghanistan, Kampuchea, northern Chad, Angola and Mozambique.

Countries where Red Cross had access to prisoners but wanted their conditions improved included Iraq, Lebanon, Morocco, Algeria, Ethiopia, southern Chad, Israel, occupied Arab territories and SWA/Namibia.

Mr Hay said "some" prisoners captured in the Western Sahara con-

flict between Morocco and Polisario guerillas, and in the 1977-78 Ogaden war between Somalia and Ethiopia had been held for almost 10 years, and the families of many did not know whether they were alive or dead.

He submitted a draft resolution to the conference, which continues until the end of this week, deploring indiscriminate attacks on civilians and use of chemical weapons, and the difficulties encountered by the ICRC in visiting prisoners.

● In London, the British media was sharply critical yesterday of the decision by the ICRC to suspend the South African delegation.

The centrist national daily, The Independent, said the move had "destructive implications" and had set a "fearful precedent".

The newspaper said that by suspending the SA delegation the ICRC was making the Pretoria Government more untouchable than the Nazi regime in Germany in the 1930s.

Condemning both the IRC move and the retaliation by the SA Government The Independent said:

"Since its foundation the International Red Cross has ignored boundaries.

"The IRCC struggled desperately to maintain access to Nazi concentration camps and prisoner-of-war centres.

"It did not boycott Germany — yet South Africa has been expelled because of its 'evil and inhuman policies'.

"Amnesty International's annual report suggests that most black African states, most Arab states, the entire Soviet bloc and half Latin America are equally evil and inhuman.

"All the more reason for keeping them in the fold - and for restoring South Africa to membership forthwith," the editorial said.

The Times said the IRC decision to expel the SA delegation "must be deeply regretted."

"That the Red Cross should now be turned into a forum for extraneous discontent must be a matter for serious concern.

"The prospect of its conferences being turned into a vehicle for Third World rhetoric and cant is profoundly disturbing."

The left-of-centre Guardian described the decision as a "tragedy for the victims of apartheid inside South Africa."

The Guardian accused African delegates to the IRC conference in Geneva of adopting a "doctrinaire approach" which, while understandable, was also evidence of "sloppy thinking about how to oppose apartheid."

"They have ensured that a lot of people are going to suffer more than they would have done with the Red Cross present," The Guardian said. —Sapa-RNS

# Red Cross holds urgent talks on SA expulsion

By Sue Leeman, Pretoria Bureau

Top officials of the International Committee of the Red Cross held urgent discussions in Geneva last night after their South African mission had been formally told to leave the country, an ICRC spokesman said in the Swiss capital.

The South African Department of Foreign Affairs yesterday told the ICRC's local representatives that they must leave the country as soon as possible.

The retaliatory move followed the expulsion of the South African Government delegation from the International Conference of the Red Cross in the Swiss capital at the weekend.

Neither the department nor local ICRC officials are commenting on the latest development, and the focus has shifted to Geneva, where the ICRC is looking for solutions.

But an ICRC spokesman said from Geneva last night that he doubted if the conference could be persuaded to change its decision to bar South Africa's Government delegation, even though the ICRC believed the ruling was unconstitutional.

African countries, notably Kenya, lobbied for the expulsion of the South Africans and the decision was ratified by a majority vote.

The ICRC has repeatedly stated that the expulsion of a government which has signed the Geneva Convention is a contravention of International Red Cross rules.

Last night the US State Department endorsed this view, but added that it also regretted the South African Government's decision to send the ICRC representatives home.



29/10/86

# Sanctions must not halt reform says Relly

SPAR 280

A political strategy to diminish the effect of sanctions is more important than a business strategy for dealing with them, says Mr Gavin Relly, chairman of the Anglo American Corporation.

"I fear that, rather than speeding up the process of reform, the imposition of sanctions and the desire to beat them may take our eye off reform," Mr Relly told a meeting of the South Africa Israel Chamber of Commerce recently.

It had become clear, he said, that one could not easily have political reform without economic growth — "although, no doubt, we could more easily have revolution."

"But South Africa has now become a net exporter of capital, which means that much of the work of improving educational facilities, developing housing and necessary basic infrastructure will have to be shelved unless we can reallocate resources or achieve higher economic growth than has been possible in the past few years," he said.

Growth had been inadequate to provide sufficient employment for the "large and ever-increasing percentage of South Africans who are of working age" — and the situation had deteriorated in recent years, he said.

The Government must continue as speedily as possible with reform and, while he believed it would, "the difficulty is that we cannot be assured of the international community's support for these changes which might not satisfy the mob rule which pronounces judgement from afar on South Africa and expects instant rectitude."

"In these circumstances we can easily fall into a state of mind which tells us nothing we do can possibly please the international community and therefore we might as well slow up the programme of reform ... I think this would be a policy of despair and I want no part of it."

"Sanctions, to the extent that they diminish South Africa's ability to create wealth, will also diminish its ability to pay for reform which, in the last resort, is not least a matter of finding the wherewithal to allow the bulk of the people to be drawn into a better way of life."

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# Iscor steels itself for sanctions

CASTING a pall over Iscor's record profits posted this week is the prospect of a wrenching bottom-line drop in the current term.

The local steel market is not an arena for growth, and a run of steel sanctions from key trading partners since last month threatens Iscor's foreign earnings.

If this is not headache enough, the world steel market is set to reach a plateau over the next two years after a demand rise of a mere 1% in 1985.

And the oversupply in the world steel industry has led to a barrage of anti-import measures — quotas, voluntary restraint agreements and subsidies. The net effect for Iscor in fiscal 1987 would appear

to be an earnings drop, and the chance of government receiving a share dividend hanging in the balance — R65m was ploughed into State coffers by Iscor last year.

Iscor's group profits climbed to R172m from R24m on a 25% turnover increase to R3,9bn in its fiscal year to June 31.

The pathfinder for this remarkable performance was a sharp rise in steel sales and higher income from iron ore exports, coupled with good house-keeping and productivity improvements, the chairman's review says.

Post-sanctions Iscor will not publish detailed breakdowns of its operations, but it is thought about 60% — more than 3-million tons — of its steel sales are consumed locally.

Despite Pretoria's attempt to re-activate the economy, Iscor chair-

## HAMISH McINDOE

man Floors Kotzee has noted with concern a 25% slump in motor sales, a declining property market, and expenditure curbs by Sats, Escom and Water Affairs.

Generally low economic activity caused a 3% drop in local steel demand after a 13% fall in Iscor's 1985 fiscal year.

On the flip side, Iscor expects to clinch a "substantial share" in the construction of Soekor's off-shore fuel rig at Mossel Bay and is developing new speciality steels for the project, says MD Willem van Wyk.

Kotzee adds that Middelburg Steel & Alloys and Highveld Steel & Vanadium could not make the steels need for the rig.

Iscor will not raise its steel prices again this year. Despite heavy sniping from steel converters, Iscor insists that hikes have been pegged well below the inflation rate — and without a sacrifice to profitability.

SA ranks about 14th in the world steel-making league, with Iscor exporting to about 80 countries.

Foreign exchange earnings on Iscor's steel exports in fiscal 1985 amounted to R923m, against R488m previously. Last year's foreign earnings may have passed the R1bn mark, because most of Iscor's 400 000-ton increase in steel product sales to 5,7-million tons was probably landed overseas.

This year's loss of 582 000 tons of steel to the US under Washington's import-restraint agreement with Pretoria, and an import quota of

about 350 000 tons to the European Community (EC), will hit Iscor — and others — hard.

As the review quietly puts it: "Economic sanctions by traditional trading partners will affect Iscor detrimentally. However, alternative markets have been developed and will be utilised to best advantage."

On the iron ore front, Iscor increased marginally its Sishen exports by 3,4% to 9-million tons — again on undisclosed earnings (1985 revenue R246m).

As matters stand, the iron mandate on sanctions does not cover iron ore. But heavy oversupply and pricing pressures from EC and Japanese steelmakers are expected to adversely affect producers' bargaining stance when talks start early next year for the key 1987 delivery, says Iscor GM (mining) Ben Alberts.

Iscor increased sharply its pig iron sales to 501 000 tons from 181 000 tons in fiscal 1985 — it is not clear, however, what percentage of this will be lost through sanctions this year.

The corporation's capex bill rose by R125m to R355m, but all projects are to be limited to the modernisation and rationalisation of facilities.

"We're not increasing capacity," Van Wyk says.

No major steel-related capital projects were completed last year. Van Wyk discloses, however, that the hot-strip mill at the Vanderbijlpark works will be modernised at a cost of R300m over the next four years.





# German airline dispels fears of pull-out from S A

**Mercury Correspondent**

**JOHANNESBURG**—Lufthansa officials in South Africa yesterday dispelled any fears that the German airline may pull out of the country.

Announcing that the airline intends to offer South Africans one-stop-over flights to the U S via Frankfurt following the ban on S A Airways to the U S, the southern Africa general manager Gerhard Kemper said: 'We are optimistic about staying in S A. We're investing a lot of money right now.'

He emphasised that new schedules for 1987, which include more seats and cargo tonnage and fewer but more direct flights, are not as a result of recent sanctions against S A.

'I want to dispel any idea that we are trying to be vultures capitalising on sanctions,' he said.

'Our policy is to fly where there is a market and demand by people regardless

of ideology. If we were to discontinue flying to countries where we did not approve of ideology we would probably have to cut about two-thirds of our routes.'

The dropping rand value over the past two-and-a-half years has meant that the airline has had to increase its fares by 60%. However, a 300% increase was needed, Mr Kemper said, and has resulted in the airline 'barely breaking even'.

'We haven't been able to compensate for the loss in revenue. Germans have

stayed away by the tens of thousands but S A is still the travel bargain of the century and because of this we are selling well and expect to exceed our target by 25%.'

Instead of the present five weekly flights to Frankfurt, three of which stop over at Nairobi, next year there will be only four flights but they will all be direct to Frankfurt.

Mr Kemper said Frankfurt, the stop-over, should be considered as S A's gateway to 16 U S destinations

Red Cross now has tarnished image

# Expulsion will leave 'a huge aid vacuum'

SA's decision to expel the International Committee of the Red Cross (ICRC) has not only tarnished the image of the Red Cross but will leave a huge vacuum in terms of funds and expertise used in aid programmes here, Red Cross members say.

The Geneva-based ICRC, active in SA since 1978, may have been seen by government as an unwanted independent organisation working to improve conditions in the country's trouble spots. Its most important functions have been visits to political detainees and work with Mozambican refugees.

Unconfirmed reports suggest that SA security forces have at times violated the Geneva Convention, of which SA is a signatory, by ignoring the Red Cross emblems in black areas during troubled times.

The ICRC is reluctant to comment on this saying it walks a difficult tightrope in which it has to maintain absolute impartiality and neutrality. It cannot be for or against any particular government. Its only interest is dealing with "humanitarian aid" where it is required.

By signing the Geneva Convention in 1952, the international community gave the ICRC a mandate to "take any humanitarian initiative in any country which could be useful in times of civil war or internal strife".

The local Red Cross (SARC) has already postponed major fund rais-

ing events pending clarification "of the true situation".

The SARC's dissemination officer, Neil Macaulay, said the Red Cross' image had been "sadly tarnished" by the recent involvement of politics at the international conference in Geneva. The ICRC itself was not responsible for the anti-SA vote in Geneva.

Macaulay said that while the SARC and ICRC work with one another they are separate organisations.

In terms of financial assistance at the Crossroads squatter camps alone, the ICRC allocated about R300 000 this year to assist in aid projects run by the SARC. That was used for 3 260 tents, blankets, food, medicine and other necessities.

While no official figure has been put to it yet, the ICRC has carried a large slice of the financial implications of the work carried out by the SARC, which, by its own admission, has inadequate funding necessary for the extent of its task.

Macaulay said projects already started will not necessarily be halted but funding will be more difficult.

The ICRC has sent an open letter to President P W Botha, denouncing the exclusion of SA from the world Red Cross Conference and urging SA to reconsider its retaliatory measures.

DOMINIQUE GILBERT



WORLD

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# Reagan signs order for SA sanctions



● REAGAN

WASHINGTON — US President Ronald Reagan has signed an executive order implementing the stringent sanctions imposed on South Africa by Congress last month despite his opposition.

The order directs executive departments and agencies to "take all steps necessary, consistent with the Constitution" to implement the anti-apartheid legislation.

The sanctions include the severance of air links between the US and SA; a ban on SA imports such as textiles, coal, steel and uranium; and the prohibition of new US loans and investment.

The legislation also wrote into law some limited actions which Reagan ordered last year in the face of congressional pressure, including a ban on imports of Krugerrand gold coins and exports of nuclear and computer technology to SA state agencies.

Reagan vetoed the sanctions measure on September 26, saying Washington should not cut and run but rather work for constructive change in SA.

His executive order, effective immediately, delegates responsibility for carrying out the sanctions to the cabinet secretaries under whose jurisdiction they fall.

It also establishes an inter-agency coordinating committee chaired by Secretary of State George Shultz, which will serve as a forum for consultations on policy toward Pretoria. — Sapa-Reuter.

## Post Reporters

TOWNSHIP residents have called for the opening of all beaches and swimming pools to avoid wasting R400 000 on a new pool for New Beach.

In a snap survey people said the money could be better used to create new avenues for the unemployed people and to build or upgrade existing recreation facilities in the townships.

They said there were already three swimming pools in the townships — in New Brighton, Kwa-zakele and Zwide.

Yesterday the city's community services committee heard argument about the siting of a R400 000 pool. Parks

# Open all beaches rather than build pool at New Beach, say blacks

Department chief Mr Peter Gibbs said it should be sited at New Beach. Councillors Graham Young and Mr Ivan Krige said beach erosion was a major problem and the pool should be in the townships, so children could use it more easily.

Miss Pamela Mekuto, head of the non-racial Advancement Secretariat College in North End, said she saw no need for the council to spend such a huge

sum of money on a pool when there were thousands of retrenched and unemployed people starving in the townships.

"I am one of those people who feel the council should open all existing beaches — and these have swimming pools for children — to all people living in the city."

Mr Welcome Duru, chairman of the Eastern Cape Taverners Association said it was time all

beaches were open, to avoid wasting money.

"A swimming pool is really no priority to us. I think the council has even overlooked the fact that we need proper showers at New Beach itself."

"We have three small and unattractive swimming pools in the townships and these need vast improvement to make them attractive," he said. Mr Howard Maben-

geza, a resident, said the money could be spent on providing better recreation facilities such as parks and playgrounds for township youngsters to keep them from playing soccer in the streets.

"They can also improve those swimming pools in the townships or spend that money to alleviate the plight of the unemployed," he said.

The issue will be discussed by the city council

for a second time.

Mr Young and Mr Krige opposed the pool plan in August but the council voted to go ahead with it.

Yesterday Mr Young told the committee he considered the plan a wasteful misuse of public funds, particularly at a time of economic distress.

Mr Jacobus Nel, committee chairman, said ar-

guments favouring the pool plan as well as comments from the council and Mr Young, would be forwarded to the Administrator, but that the issue would be discussed by the council soon.

"If a pool or pools are required for the great numbers of people who do not have this facility, then it would be good sense to place them conveniently in residential areas especially for the benefit of young children," Mr Young said.

Mr Gibbs said in a report that although New Beach was not ideal, it was closest to the greatest concentration of people in the metropolitan area of Algoa Bay.



## Red Cross out next month

GENEVA — South Africa has set a November 30 deadline for the departure from the country of the delegates of the all-Swiss International Committee of the Red Cross.

An ICRC statement said it "deeply regretted" the decision, which followed the ousting of the SA Government delegation from the world Red Cross Conference last Saturday.

The statement said the departure of its delegates "directly affects the people the ICRC has assisted and protected to this day".

They had seen about 300 security prisoners to check on detention conditions and also provided aid for about 20 000 refugees from Mozambique.

The committee had been notified that Red Cross delegates could immediately resume visits to Iraqi prisoners in Iran which had been ordered halted by Teheran two years ago.

The visits were suspended after the committee reported that its delegates had witnessed the shooting of six Iraqi prisoners by Iranian guards at the Khoran camp in October 1984. — Sapa-AP

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# Workers at GM down tools

WSPR

Post Reporters

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**THREE thousand workers, demanding a say in the General Motors handover, downed tools today, bringing production at the Kempston Road and Aloys plants to a halt.**

The assembly line of the new Opel Monza, due to be launched next month, was stopped.

The company is taking legal advice on applying for a court interdict to declare the strike illegal.

The National Automobile and Allied Workers' Union has made various demands and said its men stopped work today to force the company to the negotiating table. Among other things,

the men are asking for two seats on the new board which takes over the company early next year.

Mr Bob White, the company's managing director, said he was not going to be blackmailed and would not negotiate with the union until the men had either resumed work or left the premises.

"If it prejudices the launch we have just got to accept it," he said.

"I would have thought that the principal concern of the union and the employees would be that they would like to continue to have jobs in Port Elizabeth.

"I suppose there is a certain element which feels GM has not provided them with enough."

Asked how long the company could endure the strike before the launch of the Monza was affected, he said: "If this goes on for a few days it's going to affect the number of cars produced."

"On November 23, we want to have them in the dealers' hands. By November 8 or 9 we would be distributing to the various parts of the country. Obviously if we are going to be shut down for days it's going to restrict the numbers we can supply."

Asked why the men had downed tools today, he said: "We had these demands in the form of a letter last Friday. We responded on Monday — they asked for a response prior to the mass meeting last night and we told them what our answers were."

"They came in today and told our people they weren't prepared to work or leave the plant until I sat down and talked to the union. I said I would not talk unless they either went back to work or left the plant."

At a Naawu meeting attended by about 2 000 workers in Schauderville last night, workers expressed "disgust" at the handling by GM of its withdrawal from SA and the sale of assets to local interests.

The Naawu official, who asked not to be identified, confirmed that one of the union's demands, submitted to GM after a meeting last Wednesday was that: "Since the management of the new company is to be controlled by a new board of directors, two of the seats should be taken by our members employed in the company."

Another demand was for "severance pay as at the date of cessation of business by GMSA".

This demand arose because workers were being "left in the dark" about their future.

They also demanded that company and worker contributions paid into benefit funds be refunded to members.

A statement released by Naawu today said: "The union membership

Turn to Page 5



# Anti-apartheid monitor on US firms leaving SA

WASHINGTON — Efforts are being made to determine if US companies are complying with anti-apartheid demands in the manner in which they are pulling out of South Africa, spokesmen for investors said yesterday.

The pullout of IBM and General Motors has left their products on the SA market and their plants running.

Spokesmen for some institutional investors said they are taking a close look to see if such arrangements satisfy divestment demands.

Mr Mark Fabiani, legal counsel to Los Angeles Mayor, Mr Tom Bradley, said the city's three-month-old anti-apartheid law still would prohibit the city from entering into contracts with IBM, GM

and other firms keeping ties to SA.

Miss Heidi Soumerai of Boston investment firms said: "There is going to be more attention focused on just what is meant by divestment... what it means varies."

A University of California spokesman said the action of GM and IBM seemed to fulfill the university's divestment policy although this was "open for interpretation."

Several specialists at colleges and local governments said IBM and GM appear to have satisfied their divestment rules.

● A mission from eight non-aligned countries met Italian officials in Rome yesterday at the start of a trip to persuade Western

Europe and Japan to clamp comprehensive sanctions on SA.

Zimbabwe's Foreign Minister, Mr Winess Mangwende, said comprehensive mandatory sanctions were the only peaceful alternative to armed struggle.

● The Nonaligned movement had made progress on setting up a fund to help the frontline states endure the

effects of sanctions, an Indian official said yesterday.

● A Kenyan delegation to the first World Livestock Producers' Conference has walked out in protest against the presence of a SA representative.

The SA delegate, Mr Jan Van Der Walt, was placing his nation's flag with the flags of 30 other participating nations

when the Kenyans decided to leave. "I was rather sad when I learned what they had done," he said.

● In Mexico City the World Boxing Council (WBC) has announced it will break ties with any promoter, manager or agent who promoted boxing in SA in any form. This will KO a number of SA title hopes. — Sapa-AP

# Ban on flights taking hold

*9:00 post 21/10/86*  
*280*

WASHINGTON — The US Government today moved to halt South African Airways' flights to the United States under the anti-apartheid legislation passed over President Ronald Reagan's veto earlier this month.

Meanwhile, South African Airways, which reduced its Johannesburg-New York service to twice a week after passage of the Bill two weeks ago, announced to travellers plans for what could be its last direct flights from New York next Friday and Monday.

The airline also offered to book passengers on other carriers' Transatlantic flights to connect with its continuing service to South Africa at London and Frankfurt.

A US Transportation Department announcement said it was inviting objections to, or comments on, why the service halt order should not become final on Thursday, October 30. It would take effect three days after the order becomes final, the department said.

The order would also bar US carriers from providing airline service or landing in South Africa. Pan American Airways formerly flew to Johannesburg but no US line currently goes there.

Action by the Transportation Department was preceded by a notification by the Secretary of State, Mr George Shultz, that the United States was terminating the two countries' air traffic agreement.

SAA officials in New York could not immediately be reached for comment on the DOT action but a reservation clerk said the airline planned two last flights between South Africa and New York on November 1 and November 3.

A South African airways employee said SAA will continue to offer flights to the US through connecting service with other airlines.

An end to air service between the US and South Africa was required by the Comprehensive Anti-Apartheid Act of 1986, which became law early this month. — Sapa-Reuter



# US orders SAA flights to stop on Monday

The Staff Bureau

WASHINGTON — South African Airways flights to and from the United States will end on Monday, the first of a list of economic sanctions imposed by Congress to take effect.

The US Department of Transportation yesterday issued an order terminating the service, some days after it should have been stopped in terms of the "comprehensive Anti-Apartheid Act of 1986".

Other sanctions are now expected to be implemented quickly after President Ronald Reagan signed an executive order on Monday night.

It is understood that officials are nearing completion of a list identifying South African "parastatal" organisations.

## OBJECTIONS

Products manufactured or imported by parastatals are prohibited in the US by the Act.

The Department of Transportation yesterday set a deadline of 5 pm on Thursday for lodging of objections to the termination of the flights. Failing that, Monday will be the last day in the US for SAA.

The sanctions specified that landing rights should be revoked within 10 days of the law passing. Congress finally approved it on October 2 but the twice-weekly SAA flights between Johannesburg and New York continued.

It is believed that both US and South African Government officials have encountered problems in sorting through the law which contained ambiguous and contradictory passages.

● Asked if SAA was considering legal action, a spokesman in Johannesburg said: "When the situation becomes clear, we will issue a statement."

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## US must not pull out — Ackerman

CAPE TOWN — Pick 'n Pay chairman Mr Raymond Ackerman last night made a plea to American businessmen to stay in this country.

"By investing and not running away," American businessmen could create the jobs necessary to bring peace to South Africa.

Mr Ackerman was speaking at the pre-opening function for the new Ottery Hypermarket, at which he presented R50 000 to the Mayor's Relief Fund.

Mr Ackerman, who is to attend a conference this month between the Government and top local businessmen, said South Africa had two years in which to fight sanctions and disinvestment.

"It is time for us to get off our butts and talk, not adopt a hard-line attitude," he said.

Mr Ackerman said black leaders would have to realise that "they must put their hands across as well". — Sapa.



# Door left open to investment

JOHANNESBURG — The European Economic Community's (EEC) ban on new investment in South Africa, on which final agreement was reached this week, is unlikely to affect European investment in the Johannesburg Stock Exchange.

Although details are only expected to be made public next month, a source in the British Department of Trade and Industry said that portfolio investment — investment in stocks and shares — was likely to be excluded from the ban.

"The only share investments that may be banned are those in which the shareholders take an active part in the management of the company," he said. Most foreign holders of shares, however, do not take an active part in the management of South African companies and this qualification will have little practical effect.

Furthermore, this exemption leaves the door open for future European investment in SA through the JSE. One economist said the exemption showed how ineffective the new ban was.

A ban on imports of SA iron and steel became ef-

fective last month. At the time the EEC agreed to ban SA gold coins and new investments but has only now worked out a method of implementation.

Details will be released in the EEC's official journal and the prohibitions become effective from the date of publication, within the next month.

The ban on SA gold coins will be implemented under EEC law and applies to all SA coins minted since 1961.

However, the investment ban was imposed by a decision of individual member states meeting in council, effectively making the individual states responsible for its enforcement. Commentators suggest that this may result in the new investment ban not being fully implemented by some.

Agreement on the investment ban was held up by West Germany's insistence that it be implemented under EEC law. However, diplomats say that West Germany backed down at the last minute for fear of allegations that they were delaying the implementation of the ban. — Sapa-RNS

ARGUS 29/10/86

BUSINESS

TRADE

# Clothing exports deadline looms

Finance Editor

THE Government must give top priority to maintaining exports, says The Cape Chamber of Industries in a report which points out that December 30 will be the last day South African clothing and textiles will be allowed to be imported into the United States.

The South African embassy in Washington has told the National Clothing Federation that textile and clothing exporters will have 90 days from October 2 to deliver merchandise to the United States in terms of section 309 (B) of the Comprehensive Anti-Apartheid Act of 1986.

This means the last day of

entry into the United States will be December 30.

The Director of US Customs says once the ship is within the limits of the port of entry documents can be presented to customs for clearance and that date will be declared "date of entry" even if the merchandise is offloaded at a later date.

The Chamber says that October has been characterised by an escalation in the debate on sanctions. This has resulted in the various Federated Chamber of Industries' committees dealing with foreign trade to discuss strategy to withstand the effects of boycotts and sanctions.

They have drawn up a course of action which

includes:

- Re-evaluating the entire approach towards maintaining and expanding exports and according national priority;
- Aggressive action by the private sector to diversify export markets and develop new products;
- Continuous communication between Government departments involved in the export effort and the private sector;
- The work by the Kleu-Reynders Committee of Investigation into export support should be accelerated; and
- South Africa's undertaking to accede to the GATT code on subsidy and countervailing duties should be re-evaluated.



THE US ban on new investment in SA will probably make share issues of new gold mines inaccessible to American investors.

But the sanctions Bill, signed into law on Monday by President Ronald Reagan, should not bar them from existing shares on US markets.

The Office of Foreign Asset Control will clarify the question of investment in SA shares later this week when it publishes its formal interpretation of the sanctions package for public comment.

The issue has been uncertain since Congress voted to override Reagan's veto of the Bill on October 2. Because the wording of the Bill is vague, simply prohibiting any new investment in SA, stock-brokers have been cautious in their dealings in gold shares. Two major US investment banks, Merrill Lynch and E F Hutton, temporarily suspended purchases of SA shares.

Ivor Jones partner Doug Brooking says: "At first, we found ourselves frozen out of dealing with our US counterparts."

And even now, says Ferguson Brothers Hall Stewart partner Paul Ferguson, the practical outcome remains uncertain.

But local brokers say they now have indications the new law will be less severe than originally feared, and will al-

# US ban will hit new gold issues

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BUS DAY

## Economics Reporters

low investors in New York to trade freely in the over-the-counter American Depository Receipts (ADRs) representing SA shares that already exist.

David Borkum Hare economic consultant Michael Brown says: "It doesn't look like the intention of the Bill was to prevent US investors from holding SA shares." Rather, he and others say, the law is aimed at restricting new capital inflows into SA.

This means investors would not be allowed to take part in any new rights issues, from either new or existing companies.

Brokers remain concerned about the effect of the sanctions Bill because trading in SA gold shares on the New York over-the-counter market typically accounts for the largest part of worldwide volume.

A ban on the purchase of any SA share, including those already issued, could therefore severely depress gold share prices.

# UK's distorted views

Own Correspondent

30/12/88  
LONDON — In spite of the fact that most people in Britain have a grossly distorted view of conditions in SA, no more than a third support sanctions against the country. This was the finding of a Markinor Gallup Poll, designed and commissioned by Markinor in SA but carried out this month by its Gallup affiliate in Britain.

The poll found that 33% of Britons were in favour of sanctions while 29% were opposed to them and 38% undecided. Many people polled also believed apartheid to be more restrictive and oppressive than it actually was, that the lives of whites were in danger daily and that conditions in SA had worsened to a point verging on chaos.

Besides this, 46% of those polled thought that whites were served first in a shop, even if they came in after blacks, 30% thought that blacks and whites were not allowed to work in the same room while 41% thought that blacks and whites were not allowed to play sport together.



# Coal exports meet target

DESPITE limited sanctions on SA coal, exports for the first eight months are on target to equal the record 44,7-million tons shipped from Richards Bay last year.

Figures compiled by the Minerals Bureau show between January and August 29-million tons of coal were sold abroad.

If this tempo of about 3,6-million tons a month is maintained until the end of the year, exports won't be far behind those of 1985.

However, sales are expected to increase as producers try to meet outstanding export contracts before December.

Meanwhile production has not slowed despite depressed markets

and the threat of sanctions. In August, 14,7-million tons of coal were produced compared to 14,3-million tons in July.

However, gold production for August was slightly lower at 53 273kg (54 024kg in July), with sales fetching R1,5bn (R1,7bn).

Other interesting figures for August are those for tin, which show the severity of the crisis in international tin markets.

In August 1985, SA produced 179 tons of tin metal, while sales earned R4,1m. This year production was down 5% to 169 tons, but revenue from sales fell 44% to R2,3m.

CHERYLYN IRETON

# Ackerman: 'For God's sake stay' 280

PICK 'n PAY chairman Raymond Ackerman has made an impassioned plea to American businessmen to "for God's sake stay in this country".

"By investing and not running away" American businessmen could create the jobs necessary to bring peace to SA.

"I appeal to those companies who are still here, in spite of the hassle factors and the criticism, to stay here. We need you," he said.

Presenting R50 000 to relieve the plight of Cape Town's unemployed to the Mayor's Relief Fund during the pre-opening function for the new Ottery Hypermarket, Ackerman said he had thought "very deeply" about the poverty which resulted from the unemployment crisis in Cape Town.

"We need jobs more than hand-outs, but the fund is there and I hope this contribution will go some way to relieving the poverty," Ackerman said.

Own Correspondent

Ackerman, who is to attend a major conference this month between government and top local businessmen, said SA had two years in which to fight sanctions and disinvestment.

"Sanctions have only just begun. It will be a long time before punitive, mandatory sanctions are imposed.

"It is time for us to get off our butts and talk to everyone, not to go into the laager and adopt a hard-line attitude," he said.

Ackerman said black leaders would have to realise that "they must put their hands across as well".

He believed 80% of South Africans believed in the same things: democracy, protection for minorities and peace.

Only by talking to each other would we discover how much we all had in common, he said.



SPAR.  
Thursday October 30 1986

## SAA to file protest today on halting of US flights

By Zenaide Vendelro  
Transport Reporter

South African Airways is expected to lodge an objection today against the termination of its US flights from Monday, according to official sources.

SAA's chief executive, Mr Gert van der Veer, who flew to America earlier this week, is likely to object on the ground that the move contravenes the agreement between the two countries which says that notice of one year be given for the termination of services.

The landing rights ban is the first of the economic sanctions contained in the Anti-Apartheid Act, passed despite President Ronald Reagan's veto.

President Reagan signed an executive order on Monday night authorising government departments to act on the law.

And on Tuesday, the US Department of Transportation issued a "show cause" order, setting a deadline of 5 pm today for lodging objections to the termination of flights from Monday.

While SAA is expected to object, the airline is still undecided about whether it will launch legal action for compensation—estimated by the Association of South African Travel Agents (Asata) to be R30 million.

# Tougher sanction deals urged

BRUSSELS — A senior representative of the Non-Aligned Movement urged the European Community yesterday to impose tougher sanctions against South Africa, saying present limited measures were counter-productive.

Zimbabwe Foreign Minister Mr Witness Mangwende said he told senior officials at the EC executive commission that a diluted package of sanctions agreed by Community ministers last month was too weak to affect Pretoria's economy.

"Limited sanctions at this point are counterproductive," he told a news conference.

"They are leaving Pretoria strong enough to bring countries in the region to their knees and at the same time claim sanctions don't work."

Mr Mangwende was heading an eight-nation delegation from Non-Aligned countries.

Mr Mangwende said the delegation urged the Commission to back tougher measures, including a ban on coal imports.

The other countries represented in the delegation were Algeria, India, Nigeria, Congo, Peru, Argentina and Yugoslavia.

In London the British Government yesterday rejected opposition pressures to tighten the sanctions noose on South Africa and provide military backing for the frontline states.

Calls for tougher action against South Africa came from the Labour benches in the House of Commons during questions on foreign affairs.

Shadow foreign secretary Dennis Healey called on the British Government to follow the example of the United States and impose wide-ranging punitive sanctions against South Africa.

But Foreign Secretary Sir Geoffrey Howe side-stepped Mr Healey's call saying that Britain had done what it could through the EEC and "it is not possible to take things further".

Also in London, a powerful consortium of county councils, with over R300 million to spend on supplies and services, has imposed strict sanctions against South Africa.

Contractors who trade with South Africa or who use materials manufactured there will be blocked from doing business with the nine county and 50 district councils in the group.

County councils applying the ban include Avon, Cornwall, Dorset, Dyfed, Gloucestershire, Gwynedd, Powys, Somerset and Wiltshire.

In the United States penalties are being added to Los Angeles's anti-apartheid policy.

A city council committee has approved an \$11-million (about R24 million) engineering contract on condition the contractor's parent firm, Ashland Oil, sever ties with South Africa or pay up to \$1 million (about R2,2 million) in fines. — Sapa-Reuter-AP



# Black and white down tools together

## WEEKLY MAIL REPORTER

IN a rare show of worker unity across racial lines, 3 000 black and white workers at Port Elizabeth's General Motors (GM) plant downed tools on Wednesday to protest management's handling of GM's withdrawal from South Africa.

Management claimed the whites had only stopped work because they could not carry on alone. However, union officials said the whites had supported the demands of the striking black

workers as both felt insecure about their future in the new company.

"They're all inside, black and white, and they're not coming out," a striking worker told the Weekly Mail.

According to the National Automobile and Allied Workers' Union (Naawu), 2 000 workers refused to leave the plant's premises on Wednesday night and slept in

canteens and locker rooms. Management said only 500 workers had remained in the factory.

GM was granted an urgent court order on Wednesday, calling on its striking employees to show cause by Monday why the strike should not be declared unlawful.

At the heart of the dispute lies worker dissatisfaction with the manner in which GM is selling its South African company to as yet

unnamed local buyers.

The workers downed tools after receiving a written refusal from management to meet Naawu's proposals that two union representatives be appointed to the board of the new company, that workers receive one month's severance pay for each year employed by the company and that employer and company contributions to the life and pensions funds be repaid.

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# CAD/CAM can blunt the impact of sanctions

CAD (computer-aided design) and CAM (computer-aided manufacturing) hold the key to blunting the impact of sanctions on SA's unskilled workforce, says Peter Maginn, a CAD/CAM specialist.

Maginn, MD of Vector Graphics — part of the Reunert Computers group — says sanctions could give local manufacturing a "boost of opportunity".

But this will be true only if SA possesses the skills and can manufacture economically.

"It is tragic that the brain drain has caused highly skilled engineers, who would be the leaders of an upturn in the economy, to leave SA.

"There is no point in crying over lost opportunities — SA must now address itself to getting the most out of its reduced engineering skills pool. It is essential that local entrepreneurs focus on what can be made locally.

"Sanctions are only likely to get worse. Local manufacturing will, in time, ensure that our black workforce can be employed, thereby contributing to a more stable socio-political situation."

Maginn says computerised design and manufacturing systems are ideally suited to maximising

the available skills and meeting the local market's demand for short-run manufacturing.

Many local companies are not using the latest manufacturing techniques. Even where numerical control (N/C) machines are being used, it is generally on fairly simple tasks. Point-to-point operations and two-and-a-half axis machining are the order of the day.

"With an effective CAD/CAM system a manufacturer can design and model a part comprising complex geometric surfaces, automatically generate a cutter file and, through N/C, machine these components in a fraction of the time used by traditional methods."

Complex surfaces can be generated, assessed and modified, and colour-shaded images can be produced for evaluation, often eliminating the need for making prototypes. With a CAD/CAM system capable of generating output for five-axis machining, even the most complex products can be manufactured locally.

Maginn says many of the moulds used for plastic injection moulding are made overseas and then modified locally. Despite SA's limited skills supply, these moulds could be developed locally using CAD facilities.

Software is available which

would enable a plastics designer to analyse the performance of a mould and determine the optimum gate locations and minimum runner size; predict the material fill paths and location of the weld lines as the moulded object is formed. Therefore, even before the mould is manufactured, the designer would know the maximum pressures required and the effects of different mould temperatures.

"Even large plastics companies tend to rely on a limited pool of specialist mould designers. Computers could aid this group by optimising their productivity and expanding their capabilities," he says.

"Automation is often viewed negatively by labour unions as a means to reduce jobs, whereas in SA the contrary is true. By increasing the capabilities and capacity of our limited number of designers and engineers we will be able to create many more jobs for those in a semi-skilled and supportive role in the manufacturing process.

"Sanctions are at this stage limiting our export opportunities with little reduction on our imports. Therefore, we shall need to curb imports ourselves by expanding our local manufacturing capacity and putting South Africans to work."

# Red Cross delegates in S A given deadline

GENEVA—South Africa has given delegates of the all-Swiss International Committee of the Red Cross until November 30 to leave the country, the ICRC announced yesterday.

A statement said the ICRC 'deeply regretted' the decision, which followed the ousting of the South African delegation from the world Red Cross conference last Saturday.

The statement said the departure of its delegates 'directly affects the people the ICRC has assisted and protected to this day'.

Committee spokesman Michele Mercier said the delegates had been regularly visiting about 300 security prisoners to check on detention conditions and that the ICRC also provided assistance for about 20 000 refugees from Mozambique.

At the same time, Miss Mercier confirmed the committee had been noti-

fied that Red Cross delegates could immediately resume visits to Iraqi prisoners in Iran which Teheran had halted two years ago.

The visits were suspended after the committee reported that its delegates had witnessed the shooting of six Iraqi prisoners by Iranian guards at the Korman camp on October 10, 1984.

Teheran charged the ICRC issued a 'distorted version of the incident and said the killings occurred in fights between rival groups of prisoners.

Negotiations between the ICRC and Teheran began early this year and a senior Iranian Government official told reporters on Tuesday that the 'political problems' between the two sides had been resolved following a 'positive letter' from ICRC President Alexandre Hay last August. — (Sapa-AP)

## Free released