SANCTIONS — 1987

JULY — ~~DEC~~ DECEMBER

Anti-apartheid lobby builds up pressure

US liberals link child detainees to tougher sanctions

By Neil Lurssen,
The Star Bureau

WASHINGTON — Liberal Democrats have hit on a new ploy in their determination to tighten the economic squeeze on South Africa — linking the detention of children to a threat of tougher sanctions.

The first move in this direction has come from the influential chairman of the US House of Representatives budget committee, Congressman Bill Gray of Pennsylvania.

He has introduced a House resolution calling for strong and sweeping sanctions unless all the children detained in South Africa under the emergency regulations are released immediately.

The resolution must pass through various committee stages before it goes to the floor of the House where it is likely to be approved without much opposition.

While it does not specify the type of sanctions that must be imposed, nor commit the Congress to a particular course of action, it does help set the tone for the big sanctions debate expected in the US Congress later this year.

President Reagan has to report to American lawmakers on the progress or absence of reform in South Africa in the year following the 1986 sanctions.

Liberal Democrats, disturbed by an apparent decline of public interest in the anti-apartheid debate and by evidence that some congressmen and senators have had second thoughts about the value of sanctions, have seized on the detention of children as a powerful and emotive issue.

KEY ROLE

"There is no doubt that Americans are upset by what they are learning now about children being held in South African prisons," a spokesman for Congressman Gray said.

Congressman Gray, reputed to be the most powerful black politician in the US, played a key role in last year's sanctions

The Democrats fired their first big guns last week with well-publicised hearings on the detentions.

"The issue is not whether it is 20 children, 200 children or 2 000 children. This is not a calibrated situation, but it is a situation of basic human rights," Senator Barbara Mikulski of Maryland told the hearing.

The American Committee on Africa, a New York-based group of anti-apartheid activists, has launched a nationwide campaign to collect keys to demonstrate opposition to all political detentions in South Africa.

The keys are being dropped in goldfish bowls in churches and other collection points. The plan is to take the keys in a wheelbarrow to the South African mission in New York and present them to officials there, while newsmen record the event.

EDITORIAL OPINION

Disinvesting: fighting back

There was a breath of fresh air in the disinvestment news yesterday with two black people from this country actually being involved in resisting efforts which harm workers, and in being successful.

They were the former Transkei Minister of Health, Dr Charles Bikitsha, now chief of a Butterworth tribal authority and manager of a big cattle and grain operation, and Mr Jonas Chaka, a machine operator. They pleaded against a church-sponsored motion for Canada's Varity Corporation to withdraw from South Africa. Varity has a 18,9 per cent stake in the South African Fedmech Holdings, which assembles and distributes farm equipment under licence.

The motion, which was supported by the provincial government of Ontario and the federal government, managed to gather only 15 per cent of shareholders' votes. Thus 85 per cent of the shareholders voted with their business heads and their hearts and not merely with emotions that can sometimes be smug and self-satisfying: incontestably a satisfying high can be attained sometimes by often well-meaning people with anti-apartheid actions that will not in any way harm their own family and financial interests.

Indeed there are many (thank goodness) who cannot live in fulfilment without a worthy cause and opposition to apartheid is eminently fashionable and socially acceptable. Where they should stop short is in campaigning in support of such actions as disinvestment and sanctions that will harm the very people whom they would consider as victims of apartheid and discrimination.

A counter-argument to this is that some should suffer now for the greater good of all at some later stage, though the campaigners (being mortals) can neither put a time scale on the suffering nor calculate how many are likely to suffer poverty and starvation and by what degree. There is also no magic box out of which will pour riches in the form of industrialisation, factories, schools, universities, homes and work for all after apartheid.

Indeed, if this disinvestment-sanctions campaign succeeds in harming Southern Africa (and not just South Africa) not only will the area be in a deprived situation relative to other countries that will have advanced in the meantime, but we may not even get back to a viable working base of development. There is no precedent on this continent for overseas investment to rush in when there is an apparent national settlement. Zambia, Zimbabwe and a host of others that put ideology before commonsense would vouch for that. Apartheid must go but there is great, unknown peril in disinvestment.

ARGUS 11/7/87

Liberal Democrats to link detained children to new threat of sanctions

By NEIL LURSSEN, Argus Foreign Service
Dateline: Washington

LIBERAL Democrats have hit on a new ploy in their determination to tighten the economic squeeze on South Africa — linking the detention of children to a threat of tougher sanctions.

The first move in this direction has come from the influential chairman of the US House of Representatives Budget Committee, Congressman Bill Gray of Pennsylvania.

He has introduced a House resolution calling for strong and sweeping sanctions unless all the children detained in South Africa under the emergency regulations are released immediately.

The resolution must pass through various committee stages before it goes to the floor of the House where it is likely to be approved without much opposition.

While it does not specify the type of sanctions that must be imposed, nor commit the Congress to a particular course of action, it does help set the tone for the big sanctions debate expected in the US Congress later this year when President Reagan reports to American lawmakers on the progress or absence of reform in South Africa in the year following the 1986 sanctions.

Liberal Democrats, disturbed by an apparent decline of public interest in the anti-apartheid debate and by evidence that some congressmen and senators have had second thoughts about the value of sanctions, have seized on the detention of children as a powerful and emotive issue.

Most powerful black politician

"There is no doubt that Americans are upset by what they are learning now about children being held in South African prisons," a spokesman for Congressman Gray said

Congressman Gray, reputed to be the most powerful black politician in the US, played a key role in last year's sanctions legislation and is expected to take a lead again this year.

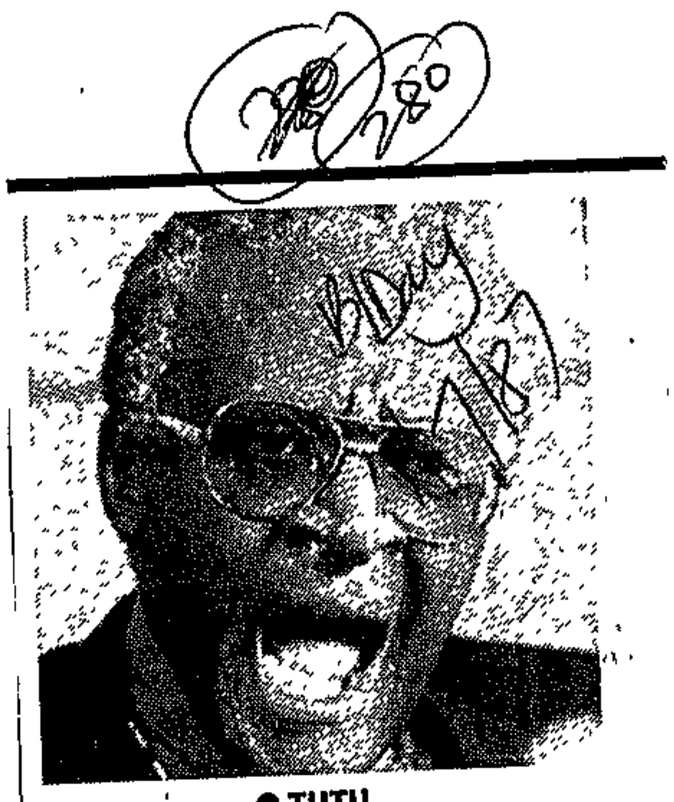
The Democrats fired their first big guns last week with well-publicised hearings on the detentions, and they plan to keep it in the public eye until the last youngster is released.

"The issue is not whether it is 20 children, 200 children or 2 000 children. This is not a calibrated situation, but it is a situation of basic human rights," Senator Barbara Mikulski of Maryland told the hearing.

Senator Mikulski, who has led Senate moves to pressure the South African Government into releasing the children, has declined an invitation by the South African Ambassador in Washington, Dr Piet Koornhof, to investigate the situation for herself.

Meanwhile, the American Committee on Africa — a New York-based group of anti-apartheid activists — has launched a nationwide campaign to collect keys to demonstrate opposition to all political detentions in South Africa.

The keys are being dropped in goldfish bowls in churches and other collection points. The plan is to take the keys in a wheelbarrow to the South African mission in New York and present them to officials there — while newsmen record the event.



● TUTU

Sanctions the last chance, says Tutu

Business Day Reporter

SANCTIONS are the last chance the international community has to push the government into talking to representative black leaders, Archbishop Desmond Tutu said in Johannesburg yesterday.

"If sanctions fail then we've had it," he said, because all means of non-violent pressure would then have been exhausted.

He hoped international lending banks would do "something like" refusing to recycle loans "unless certain conditions are met".

These conditions included the lifting of the state of emergency, he said.

Answering questions, he said the split in the Ned Geref Kerk was a good thing, adding he hoped it would sow even greater rifts in the NGK.

CAPE TIMES 2/7/87

Swedish ban on SA challenged at home

STOCKHOLM. — A major Swedish engineering group yesterday challenged a Swedish government ban on trade and investment in South Africa, saying the boycott would merely benefit Pretoria.

Atlas Copco AB president Mr Tom Wachtmeister told reporters that an enforced pull-out would hand his company's market share over to a South African rival.

He said withdrawal could also damage the economies of South Africa's black-ruled neighbours, which benefit from investment supplied by Atlas Copco, a mining and drilling equipment maker.

"All new developments in our area, all the activity in a recession-hit sector are in South Africa ... our presence there is strategically vital," Mr Wachtmeister said.

An Atlas Copco pull-out would leave the market open for the South African-based Boart, the mining group owned by the giant Anglo American group, he added.
Sapa-Reuter

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CAPE TIMES 2/7/87

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De Beers to set up R100m Manx plant

From MIKE ROBERTSON

LONDON. — De Beers is to set up a R100-million industrial diamond plant in the Isle of Man freeport.

According to the the secretary of the Isle of Man Freeport Authority, Mr Michael Taggart, a deal to take up five acres of the 22-acre freeport will be concluded within the next few days.

News of the deal has renewed speculation about a sanctions-busting deal between the Tynwald (Isle of Man government) and the South African authorities.

Earlier this year it was reported that talks had been held between senior members of the Tynwald and officials of the SA Industrial Development Corporation aimed at using the freeport as a centre for the import and export of goods to and from South Africa.

De Beers declined to comment on the impending deal, referring all questions to the Isle of Man authority.

Mr Taggart said the De Beers deal had nothing to do with the talks between the Tynwald members and the South African officials. "We only started talks with De Beers after that story had been published," he said.

Asked why the Isle of Man authority and not De Beers had released details of the new development, Mr Taggart said it was to offset rumours.

"Rumours were going around that the starting of the plant here would result in the closing of an industrial diamond plant in Ireland. Both De Beers and the Isle of Man authority felt it best to clear the air."

The statement released by the Isle of Man authority said De Beers was indirectly interested in three Manx-registered companies, Pacini Ltd, Manxtal Cutting Tools Ltd and Diamanx Products Ltd, which would produce diamonds to be used as cutting tools in industry, mining and high-technology fields.

To counter disquiet about the South African links, the statement said: "The United Kingdom government has been informed of the proposed venture and has raised no objection to development by De Beers industrial diamond division on the freeport in connection with the processing of industrial diamonds.

"It has also been confirmed that this particular development does not in any way conflict with the UK's policy towards South Africa."

The Isle of Man is a self-governing authority, but Britain has responsibility for its defence and foreign policy.

The statement also denied that the new development would result in the closure of De Beers' Irish plant.

The move makes De Beers the first firm to take space on the 22-acre freeport, which is intended to create jobs on the island.

Another company, Tudor Homes, has signed a contract to develop a similar-sized site for leasing to other operations.

The De Beers development is expected to create about 150 jobs.

Using the freeport will allow De Beers to import, process and export diamonds without VAT being paid or charged locally.

Another advantage is that Manx corporation tax is pegged at 20%.

US govt to ban SA uranium

Cape Times 3/7/87

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WASHINGTON. — The government announced yesterday that it was banning imports of uranium and uranium oxide from SA despite objections from congressmen trying to protect jobs at a US uranium-reprocessing plant.

The Treasury Department in March had allowed the imports to continue till July 1 while it sought clarification of Congress's intent regarding sanctions imposed against South Africa.

The department said the section of the anti-apartheid sanctions that were passed last year needed clarification concerning imports of South African uranium shipped to the US for processing before being shipped to other countries for final use.

In a discussion during debate on the bill, Senator Mitch McConnell of Kentucky had sought to restrict the ban on South African products so that it would not cover uranium meant for re-export to other countries. — Sapa-AP

Argus 3/7/87

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Americans facing big uranium ban backlash

From NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — Thousands of American jobs are in jeopardy and foreign earnings may be cut by hundreds of millions of dollars after the US Treasury ruling that uranium ore and uranium oxide may no longer be imported from South Africa.

The Treasury said it recognised the impact the decision could have on the American uranium-processing industry, but that was an important concern that had to be addressed by the US Congress.

It is the first known instance where the 1986 US sanctions measures against South Africa have the potential for a serious backlash effect on American industry.

Yesterday's decision ends a long dispute over whether section 309 of the Sanctions Bill included a ban on uranium ore and oxide bought from South Africa and shipped to the US for enrichment into nuclear fuel before being re-exported to the owner countries.

Pleas to Reagan

Supporters of the sanctions insisted the raw uranium was covered by the Bill while senators from states that faced job losses, including some who had voted in favour of the sanctions, pleaded with President Reagan to allow the uranium to be imported.

The US Treasury called for public representations on the dispute and issued a temporary permit for the uranium to be allowed in until the matter was resolved.

That permit was allowed to lapse yesterday when the Treasury announced it had concluded that the Congress had intended that South African uranium ore must be banned.

Neither the Sanctions Bill nor the Treasury decision makes reference to uranium hexafluoride, an intermediate stage in the complex conversion process.

This means that, theoretically, the South African ore can still be converted to hexafluoride abroad before being sent to the US for the final enrichment process.

However, the US industry fears that foreign clients, uncertain about what the US Congress will ban next, will send their uranium elsewhere rather than get caught up in the American fight over South Africa.

In addition, the US Nuclear Regulatory Commission must issue permits for the importation of the hexafluoride, another uncertainty for the foreign businesses.

The word in Washington is that the fight over South African uranium is not over and that some senators will introduce a measure to lift the ban.

The decision by the United States to finally ban the import of uranium and uranium oxide from South Africa was not "disastrous", said a spokesman for the South African industry today.

"Although it is not a positive step, anticipatory moves to counter the ban have been taken since last year when the Anti-Apartheid Act was passed in the US."

The Nuclear Fuel Corporation spokesman added that some European clients, who had used the United States to convert and enrich the South African uranium and uranium oxide, would welcome this step to withdraw from contracts held with United States agencies.

Other options

The ban would be detrimental to the United States, as business done through that country could now go to other countries which had such facilities.

Among them are France, Britain and Russia.

The value of contracts affected by this move are not known as uranium export figures are classified.

280 SAM 9/7/87

Sources say Shamir fears counter-measures

Israel to discuss anti-SA sanctions

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

TEL AVIV — A full agenda yesterday did not permit the 10-man Israeli inner Cabinet to debate proposed sanctions against South Africa — however this is the first item scheduled for the Cabinet meeting next week.

Sources say Prime Minister Mr Yitzhak Shamir will try to tone down the 13-point memorandum prepared by a team under Foreign Ministry political director-general Mr Yosef Bailin — a document which reportedly calls for Israel to take a major stand on the anti-South African scene.

These sources say Mr Shamir is most likely to support what were termed "declarative rather than substantive sanctions".

The Prime Minister is worried about the effect harsh Israeli measures would have on the status of the Jewish community in South Africa. In addition he must weigh possible counter-sanctions by Pretoria and add to this economic and industrial damage which would possibly affect Israeli industries if drastic steps are taken.

No new defence contracts

For example, Israel's defence industries have had a rough time in recent years. The purchases from the Israeli Defence Forces (IDF) have been curtailed due to slashed local defence budgets while exports of defence material have also dropped.

In March this year the Israeli government decided "not to renew defence contracts with South Africa nor enter new ones" — a move which if fully implemented could seriously hurt sections of the Israeli industry.

One source said Israel Aircraft Industries (IAI) would have serious problems by not renewing defence contracts with South Africa, especially since the government seemed ready to slow down the "Lavie" fighter aircraft project, which provides work for several thousand people.

The Cabinet decision of March this year established the inter-Ministerial committe headed by Mr Yosef Bailin, mandating it to prepare recommendations for discussion in the inner Cabinet.

The recommendations reportedly call for Israel to take steps beyond those taken by the European Community, such as curbing imports of raw materials — steel and coal being at the top of the list.

Unlikely to be dramatic

Another clause would outlaw the promotion of tourism to or from South Africa, a motion which will face staunch opposition from Israel's Minister of Tourism Mr Avraham Sharir.

A number of steps will be decided upon when the Cabinet eventually discusses the bilateral relations, but they are unlikely to be dramatic.

Opposition to drastic sanctions came yesterday from the *Hatzofe* newspaper, which supports the national religious camp in Israeli politics.

In an editorial, it said Mr Yosef Bailin's recommendations and advice "do not in the main dovetail with Israel's political and defence needs".

"Israel should be the last country to use the sanctions weapon against a state whose regime is unacceptable to it," the paper said.

It added that Israel needed the commercial opportunities offered by the South African market and that tourism from the country was very important to Israel's balance of payments.

"It is essential that Israel should be in no hurry to take decisions that are harmful to it."

Isiah, touch

280 DD 3/7/87 DAILY DISPATCH, FRIDA

Koyana: Bikitsha's success is exciting news to SA blacks

Dispatch Reporter

UMTATA — The success achieved by Transkei's former Minister of Health, Dr Charles Bikitsha, in helping to stop a disinvestment bid, was exciting news to honest blacks throughout Southern Africa, the Minister of Justice and Prisons, Professor Digby Koyana, said here.

But if white South Africans continued to support apartheid laws, Dr Bikitsha would be reluctant, in future, to lobby against disinvestment, the minister said.

He said honest blacks wanted to continue seeing their children dressing decently, receiving three meals a day, and attending good schools.

"The negative effects of disinvestment, which is turning out to hit those very blacks it has been meant to help, have been repeatedly highlighted by those who have consistently opposed disinvestment at home and abroad.

"They have also been admitted by some of those who have piously propounded the gospel of disinvestment."

Prof Koyana said Dr Bikitsha had to be congratulated for his sterling achievement in a sensitive field.

There could be no doubt that the points he made, in order to succeed, would continue to ring loud and clear in the minds of those who had yet to learn that, although the principle of fighting for freedom was admirable, it was worthless if it could not be tempered with prudence, he said.

"But the success is in an important aspect, which was also highly educative to the white South African hierarchy, who are senselessly applying the brakes to the world-wide call for the abolition of the pernicious policy of racial separation."

Apartheid laws, such as the Group Areas Act, and the refusal to admit blacks unconditionally to the legislative machinery of South Africa, highlighted the cessation of any reform process, he said.

From this experience, Prof Koyana said, South Africa should wake up to the reality that blacks were more capable than whites of changing world opinion toward South Africa.

However, he said the instant abolition of apartheid marked the only basis on which blacks could carry out what was an easy task for them.

"Our Dr Bikitsha will be reluctant — and will probably refuse in the future — to go out as an anti-disinvestment ambassador, if he is to find himself and all other blacks high and low, rich and poor, being slapped in the face by pernicious apartheid laws nurtured and maintained by the same white South African electorate which he has set out to rescue. he said."

● Dr Bikitsha leaves today for a visit to England and France.

Uranium ban may affect US

Political Staff

IT APPEARS that the US ban on South African uranium could rebound on America and affect her more than South Africa.

Reports from the US indicate that hundreds of nuclear workers could lose their jobs through the ban. It would appear Congress and Treasury did not have the proper experts to consider the consequences before going ahead with the total ban.

Mr David Sinclair-Smith, general manager of the Nuclear Fuel Corporation (Nufcor), said steps had already been taken to minimize the effect of the ban on SA and its customers.

"It is not as though the move has taken us by surprise and we have had a long time to prepare for it. However, it will make business a lot more inconvenient, but not a total loss," he said.

'Enrichment done elsewhere'

Mr Sinclair-Smith explained that SA sold uranium to its customers and then delivered it to the enrichment facility of their choice.

Up to now America had allowed this uranium in, but had now clamped down on any uranium coming from SA irrespective of who the owner was.

There were two important stages in the enrichment process which many customers had done in America, but could now have them done elsewhere.

The uranium first had to be converted into uranium oxide and then into an intermediary stage, uranium hexafluoride, known as UF6. There was no ban on UF6 entering America, so customers could have the initial stages done in Europe.

"Where America will lose out is on the first stage of conversion, but it could also lose out on the second stage, as this can also be done in Europe," Mr Sinclair-Smith said.

De Beers deny reports of R100m Manx venture

JOHANNESBURG. — Reports that De Beers Industrial Diamond Division (Pty) Ltd is to spend R100m in a commercial venture on the Isle of Man are inaccurate.

A statement from De Beers yesterday said the figure of £30m in overseas and South African reports did not originate from De Beers sources.

"In the interests of accuracy the division announces that less than £2m (about R6,66m) is being invested in a modest increment to long-standing European operations which involve industrial diamonds," the statement said. — Sapa

Sullivan code hopes dashed

Dispatch Correspondent

JOHANNESBURG — All hopes that the American Chamber of Commerce in South Africa (Amcham) would take over the the Sullivan Code of Business Conduct have been dashed after the return of the Signatory Association president, Mr Roger Crawford, from Washington last week.

The Signatory Association has been responsible for administering the Sullivan code in this country since it first came into effect.

It was hoped that the role of administering the code could have been taken over by Amcham and run here.

However, discussions which Mr Crawford held with the Corporate Council, made up of chief executives of companies operating in South Africa, failed to achieve positive results.

This has left American companies in South Africain a quandary over the future of their operations here.

In terms of the sanctions legislation passed in the US last year, American companies operating in South Africa must comply with a code of conduct.

In spite of urgent telexes sent to the US for a decision, Amcham and the Signatory Association have been informed that the future of the code will be decided in the US.

They have been told that Mr Sal Marzullo, who works for Mobil in New York and who heads the Corporate Council, will be in South Africa at the end of the month to advise American companies on the decisions taken.

In the meantime, says the executive director of Amcham, Mr Adrian Botha, American companies operating here are continuing to fill in reports which were necessary under the Sullivan code.

Such reports are sent and evaluated independently by the Arthur Little organisation in the US.

"We are continuing in the same way until we are told to stop," Mr Botha said.

Japan-SA trade surges as sanctions bite

Japan-SA trade grew 25% last year as Western countries imposed more comprehensive sanctions. Just-released statistics reveal Japan is poised to supplant the US as SA's biggest trading partner.

JAPAN is poised to supplant the US as SA's biggest trading partner as Western sanctions take hold.

Japan's two-way trade with SA last year surged 25% to $3,6bn, while US-SA trade — hit by anti-apartheid sanctions — eased to $3,63bn, according to newly-released official trade figures.

The statistics reveal a warm business relationship. But for Japanese diplomats, who maintain a cool stance towards SA, they are an acute embarrassment.

Tokyo has prohibited direct Japanese investment in SA and banned bank loans and weapons sales since 1965. It has also restricted tourism and cultural exchanges.

Two years ago, Japan joined the US and Western Europe in barring imports of Krugerrands and halting sales of computers to the SAP and military.

Last September it pushed through another sanctions package blocking SA iron and steel products.

"We do not promote trade with SA," asserted a Japanese official, who asked not to be identified. "Being SA's No 1 trading partner is something we want to avoid at all costs."

It was so embarrassing for Katsumi Sezaki, Japan's consul-general in Pretoria, he resigned his membership of Johannesburg's thriving Nippon Club because of its declared aim of forging even closer trade links between the two countries.

In any event, Hitachi computers are very much less in evidence here than the Ford Sierras or Land-Rovers widely used by police.

"The Japanese aren't breaking any rules that aren't broken by other companies — disinvestment or no disinvestment," said a local businessman.

About 55 Japanese companies have offices in SA, and although 10 withdrew last year, those left include most of the big-name firms like Sumitomo and Mitsubishi.

The semi-official Japan External Trade Organisation is also represented, but insists it does nothing to encourage trade.

Seiko watches, Sony televisions, Nikon cameras and a host of Japanese appliances are hard to ignore in department stores. Japanese car, mainly Toyotas and Nissans, dominate the local car market.

Japan sold goods worth $1,4bn to SA last year, mainly car parts, video recorders, television sets and electronic equipment. Imports from SA totalled $2,2bn, mostly coal and rare metals and minerals.

SA business accounts for only 1% of Japan's total trade, but some imports are more important than that figure suggests.

The country last year bought nearly 20% of SA's coal exports, worth R3,2bn.—Reuter.

(280) STAR 7/7/87

Israeli story on SA sanctions plan 'is rubbish'

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

TEL AVIV — A Foreign Ministry spokesman dismissed as "full of inaccuracies and rubbish" a local report which said Israel had worked out a long list of sanctions to be implemented against South Africa, measures which, the paper said, might prompt retaliatory sanctions by Pretoria.

The Foreign Ministry would not comment officially "until the sanctions have been brought before the Cabinet", but the spokesman said the "leak" to the *Yediot* newspaper was apparently "designed to torpedo the whole sanctions proposal".

Sanctions outlined by the newspaper were reportedly worked out by an inter-ministerial team headed by the Foreign Ministry political director, General Yosef Bailin. One government official said they were General Bailin's brainchild.

As reported, the sanctions, which have yet to be approved by the government, included:

- Limitations on coal, steel and other raw products imported by Israel from the Republic with a government decree obliging importers to obtain a special permit to import from South Africa.

These permits would be issued by a special committee, on which would sit a representative of the Foreign Ministry, which would make sure the quantities imported did not exceed those of the current year.

- Forbidding Israeli economic bodies to invest in South Africa and the homelands.
- Keeping a close watch on all technological know-how exported to South Africa.
- Forbidding South African or Israeli bodies to promote tourism to or from South Africa, which would effectively outlaw the Satour office in Israel.
- Conducting cultural exchanges with the non-white community only in South Africa.
- Abrogating the bilateral scientific exchange agreement.

The report said South Africa might take Israel to court for breach of contract on this one.

Reaction from top government officials here was varied.

"The report is grossly exaggerated," said one official. "It represents the wishful thinking of those beautiful liberals in the Foreign Ministry," said another.

According to the report, these and other proposals will be brought before the Israeli inner Cabinet this week or next. However, a senior official said it could be even longer.

"We are in no hurry despite what Mr Bailin and the Foreign Ministry want," the official said.

General Bailin has spearheaded the drive for Israel to curtail severely its ties with Pretoria as part of a move to assuage the United States Congress and to ensure continued American funds for Israel.

He wants to bring Israel into line with the European Community in its sanctions.

Those officials willing to talk about the relationship with South Africa stressed that whatever ideas the Foreign Ministry puts out still have to pass muster before the Cabinet.

There will be a lot said when the Cabinet does meet on the issue, whenever it is, and much of it will be harsh words against those who want Israel to take a high moral tone which could rebound against the 120 000 Jews of South Africa

One counter-action the Israelis fear is a limitation on the funds South African Jews are allowed to take out of the Republic when they immigrate here or the millions of rands which South African Jews annually invest in "approved projects" here in addition to the millions raised for Israeli charities.

These are points to be pondered when the Israeli Ministers do meet to thrash out what to do and how.

Cape Times 7-11-18 (16)(6)(1) 280

Anti-SA action 'blocked'

LONDON. — Mrs Margaret Thatcher's Conservative government had deliberately drafted legislation to prevent local authorities from boycotting South African products or avoiding contracts with South African-linked companies, the Anti-Apartheid Movement (AAM) said yesterday.

The AAM said the legislation was contained in the new Local Government Bill, which was due to receive its second reading in the House of Commons last night.

An AAM statement said: "Mrs Thatcher seems to be determined not only to block action by the Commonwealth and the European Economic Community against South Africa, but now she also wants to stop local-authority boycotts.

"Over 100 authorities of all political persuasions have introduced boycott policies in response to community and employee representations."

The AAM said it intended to rally all opponents of apartheid in an attempt to stop the legislation going through parliament. — Sapa

Zimbabwe beer set to pour in

From MICHAEL HARTNACK

HARARE. — Staff at Zimbabwe's National Breweries depot in Bulawayo yesterday resumed loading the first consignment of beer for South Africa after an unexpectedly swift reversal of policy by Mr Robert Mugabe's government.

Zimbabwean officials halted the departure of the beer exports over the weekend, fearing grave political embarrassment to Mr Mugabe in his quest to have comprehensive mandatory sanctions imposed on South Africa internationally.

Zimbabwe's National Breweries maintains an order for 1,1 million cases of lager — worth nearly R4m to the country in desperately-needed hard foreign currency — was sealed more than a month before the recent strike by South African Breweries' workers.

The first thirst-quenching Zimbabwean consignments may now cross the Limpopo today. They will be off-loaded at Messina, according to sources here, and the lorries re-loaded with the high quality packaging material needed for the next consignment. Due to the foreign exchange crisis here, such packaging is unobtainable in Zimbabwe.

A spokesman for National Breweries would yesterday only say that "the matter had been resolved".

Bill would stop bans on SA goods

The Star Bureau

LONDON — A Bill to deprive local councils of the right to boycott South African sherry, oranges and other goods has just passed its first hurdle in the House of Commons.

The Local Authorities Bill, which is being strongly opposed by, among others, the Anti-Apartheid Movement, was given a second reading this week by a majority of 74. Now it will go into committee for a lengthy scrutiny, before coming back for a third reading. After that it will go through the same process in the House of Lords.

If the Bill becomes law, up to 100 mostly Labour-controlled local councils will no longer be able to make non-commercial judgments about the goods or services they buy.

Moving the second reading, Environment Secretary Mr Nicholas Ridley said political discrimination in the award of contracts was an offensive and growing practice.

It subjugated the interests of ratepayers and businessmen to political gesturing.

POSTURING

People did not want councils' political views and posturing on national political issues to be a surcharge on the rates through the imposition of conditions in contracts for services.

More than 40 local authorities imposed contract conditions relating to links with South Africa, he said.

Firms should stand up to local authorities abusing the contractual process, otherwise they would eventually find themselves being told how much to pay their staff, how many homosexuals and lesbians to employ, and for which employers and countries they could work.

The Bill has been condemned by opposition MPs as an attack on local government and it brought a warning from Mr Bernie Grant, one of Britain's four new black MPs.

In a maiden speech, he said: "We are sitting on a powder keg in the inner cities and this Bill and future government legislation could be the spark which ignites it."

The Anti-Apartheid Movement has launched a major campaign to mobilise opposition to the Bill.

Academic boycott 'strategy of political mobilization'

CAPE Times 8/7/82 280

Own Correspondent

JOHANNESBURG. — The academic boycott of South Africa was not contrary to the ideals of academic freedom and had to be seen as a strategy linked to larger political mobilization, a National Union of SA Students (Nusas) conference heard yesterday.

Speaking on the role of tertiary education at the Education Conference of Nusas's July Festival, Ms Jacklyn Cock, a sociologist at the University of the Witwatersrand and author of "Maids and Madams", said the academic boycott had to be "subordinated to a larger political mobilization and not be controlled by academics". This was so because academic freedom did not exist in South Africa due to the war situation in which the country finds itself, truth being the first victim of war, she said.

The concept of academic freedom must not be discarded as a "liberal, misguided" notion, Ms Cock said It must rather be used to stimulate independent, critical thought so as to extend the parameters of academic freedom.

Universities should strive to become "peoples' universities" and must strive to break the constraints imposed by the State and capital As long as they were elite institutions there was a constant danger of universities becoming "islands within the system", Ms Cock said

We made no threats to Israel, says SA

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

TEL AVIV — The South African embassy in Tel Aviv, in an unusual move, has issued a Press statement denying allegations that it gave out "disinformation" or that its diplomats had threatened an increase in anti-semetism in South Africa if Israel adopted severe sanctions against the country.

Press reports had quoted Israeli Foreign Ministry sources as saying the embassy had obtained an unofficial list of proposed sanctions and "distributed them in an inaccurate and exaggerated format". A Ministry spokesman said this week the inaccurate reports were issued to torpedo the sanctions, prepared by an inter-Ministerial team headed by Foreign Ministry political director-general Mr Yosef Bailin.

One report claimed unnamed people in South Africa had warned Israeli diplomats about an increase in antisemetic acts by conservative white South African groups if the sanctions were applied.

The 10-man Inner Cabinet was due to discuss the sanction proposals today. But officials say the issue may not be discussed as there are a number of items on the agenda.

Declarative action

When it does come up for discussion, it is most likely the proposals as put forward by the Foreign Ministry will not be accepted. Most of the Ministers do not want to take far-reaching steps. They prefer more declarative action — condemnation of apartheid, condemnation of the state of emergency but not harsh sanctions which could well hurt Israel.

Certainly the Likud, led by Prime Minister Shamir, is against any drastic action. The Ministers believe Israel should not be to the fore in such matters.

Defence Minister Mr Yitzhak Rabin also does not see eye-to-eye with the Foreign Ministry proposals and is likely to oppose them, asking for less drastic measures, sources said.

The proposals, according to the Hebrew Press, were to limit raw material imports, technological exports, cultural exchanges with the white South African community and to discourage tourism.

On the last point, Israel's Minister of Tourism Mr Avraham Sharir said: "We will continue with, and even expand the Israeli tourism offices in Johannesburg. There will be no sanctions in the tourism field."



□ SISULU . . . "the people want"

Do black South Africans really want disinvestment?

SIMON BARBER

Business Day's correspondent in Washington, who is on a working visit to SA

TO THE outside world, Soweto conjures a nightmare — a hellish, battle-scarred landscape roamed by apartheid's stormtroopers, their gauleiters and angry resisters toting tyres, petrol and matches.

In the few hours I spent there last Friday, this admittedly fleeting visitor came away with a rather different impression, one unlikely to endear me to those political leaders who wish the outside world to see only the nightmare

Unfashionably, I saw a place no better or worse than the slums of Mexico City, considerably more congenial than the stinking wens of Calcutta and a good deal less hopeless than many an American ghetto

I also saw a community of immense potential and goodwill in grave danger of being condemned to permanent misery by successor elites armed with a political and economic vocabulary they either do not understand or, in some cases, understand only too well

The right-thinking observer can be forgiven for reacting with a certain horror to the clinic where Albertina Sisulu works. A decaying, jerrybuilt shack in a scenery of hovels, acrid coal bonfires and that peculiar detritus of 20th Century poverty — the rusting hulks of cars, washing machines and discarded refrigerators The place is ripe for the brush of a latter day Hieronymus Bosch.

The queue of patients (who must wait a little longer so that the visitor can be accommodated) is especially disconcerting to someone who has rested comfortably in the Carlton Hotel and has spent the morning chatting to Amcham in its offices overlooking the Houghton Golf Club.

The contrast is a sure inducer of guilt, confusion and loathing for a system that could produce such opposite worlds.

Stepping carefully over the huddled sick, the visitor's otherwise hardened sensibilities turn instantly to inchoate, unreasoning mush.

Penitentially, reverentially, he is ready to believe anything he is told. Words like "liberation" and "struggle" wash over him and he is somehow too enthralled by his conscience and the evident suffering around him to ask what they mean and, in particular, what they mean for the halt and maim in the filthy anteroom. Hence, in some respects, Soweto's nightmare image in the rest of the world.

Battling the enthralment, I put to Sisulu an idea that has been gaining currency in Washington. Did it make sense, I wondered, to try to destroy the South African economy when it was that economy which empowered some of apartheid's most effective opponents, the trades unions?

How, I asked, could there be consumer boycotts without consumers? Had not American companies, with their much touted array of educational and social programmes, done some good, however small and marginal.

"The people want disinvestment," the grand old lady replied.

I looked at floor, summoning courage for the next question. Uriah Heepishly, it came out: "With all respect, ma'am, I come from a country where, as one of the people, I was born with the privilege of being asked what I want.

"That is obviously not the case here, so perhaps I have a little difficulty understanding. Forgive me, but how do you know what the people want?"

"The people want disinvestment," she restated, forgivingly. "Are you a member of any organisation?"

I admitted that I was not.

"Well, if you were, you would understand how we know what the people want." There followed a disquisition on "the struggle" and how it would continue for as long as it took for the millenium of "liberation" to dawn.

Profoundly felt, to be sure, but a formula of words, a litany, an abstraction.

In her saintly way, I suspect Sisulu will also forgive me for feeling extremely angry as I picked my way back out through her mute patients and into the squalour beyond — as angry as I felt when a COSATU official had flatly informed me earlier in the week, in response to the same question about economic empowerment. "We are in a war, and in a war there must be casualties"

I do not pretend to have any insight into what Sisulu's people want, but I have an intuition, simply as a human being, that aside from a real political voice in their country they would like jobs, economic opportunity, clean, paved, safe streets, good schools for their children, proper medical care, decent sewers, comfortable, unleaky homes and even the occasional tree to cut the searing drabness of where apartheid has deposited them.

Furthermore, I would hazard that they would like to be able to achieve these things for themselves, not as the wards of some monolithic state.

Nothing Sisulu, COSATU, Archbishop Desmond Tutu or Oliver Tambo say seems to speak meaningfully to these basic, concrete aspirations.

In fact, some even argue to so speak is merely to advocate the gilding of apartheid's cage. Fine, so the victims of this odious system must remain victims to achieve salvation Such is the cant one can expect from empurpled churchmen and other elitists

The real tragedy is the "people" in whose name so much towering rhetoric is delivered are rarely if ever heard The Press, an elitist institution in itself, makes few efforts to test the rhetoric at the level of the common man

In a democratic society, this matters less, because the common man has the chance to make his feelings known and acted upon Such a chance does not exist here, and those who are brave enough to question what is articulated and done in their name risk denunciation and worse, both at home and abroad.

To my mind, addressing the needs and dreams of the ordinary millions of Soweto is an infinitely more important exercise than traipsing off to Dakar to hold highly publicised and politically sexy talks with the ANC, thus according increased legitimacy to an organisation whose authenticity lies chiefly in the untested claim that it owns the people and in Pretoria's propaganda.

The 50 worthy Afrikaners who have embarked on this exercise would surely be better employed in, say, pressing government to grant ownership rights to township residents who have been paying rent for years without receiving even the most minimal services in return.

But no, they prefer to play at the grand, abstract, political simulation because it is easier, offers more immediate psychic income and better befits their status than coping with the nitty-gritty of the human condition.

It has taken the self-confidence of a Margeret Thatcher to break the stranglehold of entrenched, fundamentally unrepresentative political elites in Britain and to launch what may well be the first real "peoples" revolution in history.

Her message to her countrymen is simple. this is your country — it does not belong to trades unions, or to the state or to any other group or class that would like to dictate what is best for you. Would that we had a Thatcher here.

SA investment 'not worth the candle for most companies' but:

Don't pull out, says Canada

13/7/82

By Alan Dunn,
The Star Bureau

WASHINGTON — A Canadian government report has come out against disinvestment from South Africa, concluding that more pull-outs would hurt, not help, black workers.

There was "considerable evidence" that the withdrawal of foreign companies, instead of contributing to economic and social change, had the opposite effect, "particularly when disinvestment results in South African ownership", it said.

The report, the second annual review of the conduct of Canadian companies in South Africa toward black employees, was drawn up by a government-appointed administrator, Mr John Small.

Suspended

Mr Small, a former Canadian diplomat, said four Canadian affiliates had sold their South African interests last year, and a fifth had suspended operations. In the first four months of this year, six firms had disinvested and others were considering doing so aoon.

There were four main reasons: The "hassle" factor, where managements were spending unwarranted time on relatively small affiliates; income from those affilitates generally made up one to two percent of company income; the years of economic recession and socio-political turmoil in South Africa had made investment there unattractive, and most Canadian university endowment and pension funds had divested, hurting share prices.

"In short, for most companies, the South African game is no longer worth the candle."

Most of those who had withdrawn had done so reluctantly. South Africa needed and welcomed foreign capital and overseas technology.

Detailed

Canadian affiliates "on the whole have been and continue to be a beneficial influence with respect to their employment and social responsibility practices".

Mr Small, in a detailed breakdown of how the firms had followed the code, said there had been progress, but much needed to be done.

When South Africans bought up the withdrawing businesses, the new managers tended to have different objectives which sought maximum profits for the new shareholders.

"In the process, some of the gains promoted by the various codes of condct tend to erode or disappear. Similarly, the loss of external capital and technology in the long run can only affect the disinvested companies adversely and, in the process, the welfare of its employees of whatever race."

Thirteen Canadian companies remained in South Africa, employing roughly 11 000 people, 7 600 of them black, Asian or coloured.

Employed

Mr Small found that the economic contribution of those companies which had departed was larger than their numbers suggested. The five that left last year employed about 7 250 people, 5 500 of them black. The affiliates of the six Canadian firms which left early this year employed more than 5 600, almost 4 800 of them black.

He said also Canadian partners should be prepared to support South African businessmen.

"To be fair, white South African businessmen in general seem ready to proceed down the road to the elimination of apartheid at a pace which the South African Government is not yet prepared to contemplate," he said.

Mr Small examined employment conditions for black workers at the Canadian Embassy in South Africa and found practices wanting, workers paid too little and not allowed to unionise, as required by the code of conduct.

Fears of sanctions 'premature'

Israelis likely to discuss report on ties with SA

HAMISH McINDOE

FEARS of Jerusalem's coalition government imposing selective trade sanctions against SA were "overcharged and premature", a senior Israeli diplomat said in Pretoria at the weekend.

But politcal observers believe there is a high probability of the Israeli Cabinet meeting to discuss a government report outlining proposals on future diplomatic and trade ties with SA.

The report was completed two weeks ago.

Israeli embassy spokesman Meir Padan says: "Our government has declared many times it is not able to divorce its policy on SA from the stances taken by the European Community and the US.

"The West has taken a firm anti-apartheid position and Israel, whether we like it or not, is part of this set-up."

Padan makes clear, however, that Israel "does not like sanctions".

A trade source says it is not clear whether Israel will respond to increasing US pressure to actively weaken its trade and cultural ties with SA.

"The bottom line is just how much US pressure is being put on Israel to take a tougher line against SA.

"Jerusalem maintains good diplomatic ties with Pretoria and seems to be trying to do the minimum in terms of sanctions," he says.

Israel came under intense pressure in April to impose sanctions after the release of a US Congress report on its military equipment supplies to SA.

Coal sanctions, seen as a likely choice, would affect only 2% of SA's total exports to Israel, but steel sanctions would be punishing.

Iscor operates a joint venture value-adding steel plant — Iskoor — in Israel and the steelmaker also exports to Israel.

According to a source in London, who contacted several Israeli metal traders last week, the question of steel sanctions has been raised at government level several times over the past two months.

Apart from military sales, Israel's exports to SA last year were R110m, compared with imports of R362m.

'Academic ties will diminish'

HELOISE HENNING

RELATIONS between SA academics and their US colleagues would diminish because of effective anti-apartheid lobbies on campuses, Wits Business school marketing professor Russel Abratt said.

After spending a year at Ohio State University as visiting professor, Abratt said SA delegates would find it increasingly difficult to attend conferences in the US or get any visiting lecturers to come to SA.

The minority anti-apartheid groups on American campuses were articulate, influential and received a lot of publicity.

Prominent anti-apartheid speakers, among them UN representatives of the ANC, regularly addressed packed campus meetings, and the American media, especially TV, continously presented left-wing editorials on SA.

Abratt said: "It is difficult to counter these people because what they come out with is fact. You find little other point of view about SA.

"No matter what we say, the rest of the world will not believe us because apartheid exists in legislation."

Ultimately, long-term growth will de-

Buthelezi's plea refused by Sullivan

Own Correspondent

THE REV Leon Sullivan, the author of the Sullivan Code and one of the latest exponents of US economic withdrawl from SA, has decided to ingnore Mangosuthu Buthelezi's call to oppose disinvestment.

Buthelezi wrote to Sullivan shortly after the May whites-only elections, calling on him to withstand the temptation to join the call for US disinvestment from the country.

In a letter to the KwaZulu Chief Minister, Sullivan said he had taken a stand and called for the withdrawl of American companies until statuatory apartheid had been abolished, and government had made a clear committment of a vote for blacks after negotiating with authentic and representatives, such as Buthelezi.

"I took this position after deep, deep concentration and much prayer," Sullivan said.

"I thought it was necessary for me to take the next step with corporate force to help, hopefully along with other efforts, to move the South African government to meaningful changes in the elimination of apartheid, which I believe is the main cause of problems in your country."

Sullivan said he would never turn his back on the struggle for liberation in SA, and would somehow remain a part of it.

He added that he admired Buthelezi for his historic and extraordinary leadership — from which all of SA would benefit.

"Let us both keep in touch, because although we seem to be going in different directions, we are both converging on the same goals," Sullivan said.

UIF swells to R240m as net widens

GERALD REILLY

PRETORIA — The strength of the Unemployment Insurance Fund has increased spectacularly recently.

Manpower director general Piet van der Merwe told Business Day yesterday the fund's assets had risen from R171,3m at the end of December last year to the current level of R240m.

He said were it not for the repayment of a R75m government loan at the rate of R10m a quarter, the fund would have exceeded the peak level of R270m reached in 1982.

The major reason for the well-filled fund was the raising of the beneficiaries ceiling to R30 000 from R26 000 and increasing employer and employee contributions to 0,9%.

Van der merwe said between R33m and R35m a month was being paid to beneficiaries.

Keep an eye

MOVES are afoot to weed out fake researchers.

People who sell door-to-door or telephonically under the guise of research are making an increasing number of people reluctant to be interviewed — and there are fears that this could distort research findings in some areas.

Research organisations have called on the public to report misrepresentations and have taken steps against "suggers" (people who sell under the guise of research).

The SA Marketing Research Association (Samra) is aggressively following up complaints reported to it and claims

Anglicans decline to sell SA holdings

YORK — Leaders of the Church of England declined at the weekend to order their financial controllers to get rid of all investments in SA, despite pleas by some churchmen that the holdings were morally wrong.

The 570-member general synod of bishops, clergy and laity of the church accepted on a show of hands the annual financial report without amendment.

First church estates commissioner Douglas Lovelock, who controls total real estate and stocks for the church of just over £2bn, said its last holdings in SA were in multinational companies doing a fraction of their business there.

"For an institution of our size, if you have our sort of money to invest, you have to have part of it in large international firms which trade all over the world. They have a very small stake in SA and we have a very small stake in them," he said.

□ Meanwhile, in Seattle, a plan to sell holdings in companies which do business in SA, starting with those that fail to meet the Sullivan Principles, was approved by the United Methodist Board of Pensions.

The 30-member board voted last week for immediate divestment of $25m worth of holdings in six companies, three of the trustees said.

United Methodists' fund has about $2,75bn in assets. About 12%, or $330m, is invested in companies doing business in SA. — Sapa-AP.

CAPE TIMES 14/7/87

Further sanctions against SA blocked

From IAN HOBBS

LONDON. — Britain and Portugal yesterday blocked the issuing of a Declaration of Principles on South Africa by the 12 European Community (EC) countries.

The Anglo-Portuguese action has delayed a threatened rapid intensification of European sanctions, and the calling a major peace conference in the Danish capital of Copenhagen of "all relevant groups" seeking a solution to South Africa's problems

The blocking action was enforced by British Foreign Secretary Sir Geoffrey Howe at a meeting of the 12 EC Foreign Ministers in Copenhagen.

To the thinly disguised anger of some member countries, notably Denmark, Holland and Ireland, Sir Geoffrey said "the timing is not appropriate" for such a move.

Sir Geoffrey did, however, welcome the meeting in Senegal between Dr Van Zyl Slabbert's group and the ANC as in line with London's wish to promote dialogue.

While West Germany did not join the sanctions-blocking action, Bonn officials said they would oppose any demands to ban South African coal imports.

Most disappointed was the Danish Foreign Minister Mr Uffe Ellemann-Jensen He has taken a strong personal interest in Denmark hosting a major all-party conference on South Africa with full EC agreement.

Mr Ellemann-Jensen played a key role in setting up last week's meetings in Senegal, with the Danish Foreign Ministry providing a quarter of the estimated Rim it cost.

With the support of other EC foreign ministeries, most notably Holland and West Germany, Mr Ellemann-Jensen sees the Dakar meetings as at least a first step in dialogue which should be followed up by an all-party conference.

He said that despite the British and Portuguese action; EC countries were still considering holding such a conference.

It is understood that Mr Ellemann-Jensen would seek full representation of all parties from inside South Africa including the government, recognized ethnic and political groups and the ANC, as well as other "liberation movements".

On the punitive pressure of trade sanctions against Pretoria, he said member countries had been instructed to consider how Common Market sanctions could be brought into line with those enforced by other countries

Behind this lies growing anger among some EC member countries — most notably Holland and Denmark.

They feel that the withdrawal of American companies from South Africa is being more than matched by an increase in Japanese investment, and that Britain is failing to live up to the spirit of the EC moves to penalize Pretoria

Cape Times 14/7/87 280

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Clothing concerns dodge sanctions

SA CLOTHING manufacturers are increasingly moving off-shore to Mauritius to dodge sanctions and boost exports.

SA manufacturers already represent 10% of factories in Mauritius and this figure is expected to rise significantly as sanctions pressure increases.

Of the 420 foreign factories in Mauritius, about 40 are SA operations; most involved in textiles, clothing and footwear, said Mauritian trade representative Jean-Michel de Senneville.

National Clothing Manufacturers Federation vice-president Terence Kinnear

KAY TURVEY

said many of the main exporters who had operated from the homelands had moved to Mauritius, Tahiti, Lesotho, Swaziland or Botswana because US country of origin requirements had closed the market to SA-manufactured clothing.

Mauritius is a member of the EC in terms of the Lome Convention, which gives it access to the European market.

The country is particularly attractive for the labour-intensive clothing industry. With workers each being paid R24 a week, wages are about four times less than in SA and the homelands. Working hours are also longer

Textile Manufacturers Federation executive director Stanley Schlagman said Mauritius had no duty on imported fabrics. So manufacturers could source raw materials from SA.

To promote foreign investment, corporate tax in Mauritius is 15%. There is no tax on dividends, which can be repatriated in full, De Senneville said.

See Page 2

TV crews to continue drive against SA ads

The Star Bureau

LONDON — Leaders of the Association of Cinematographic and Television Technicians (ACTT) said yesterday that the union would continue its campaign against television advertisements for South African goods.

This was despite the fact that the union recently bowed to a court order to call off industrial action on the issue at Central Television.

Last week Central was granted an injunction against ACTT after the union shop said it would refuse to transmit a series of advertisements for Outspan fruit.

The television company said that, in terms of the Broadcasting Act, it could not discriminate against advertisers.

Central said that, in effect, it was acting on behalf of five other television companies — Ulster, Thames, TVS, HTV and Scottish — which had been in dispute with the union over the issue.

OTHER COMPANIES LIKELY TO FOLLOW

Mr Alan Sapper, ACTT's general secretary, predicted that other companies would follow Central Television's lead.

He said that, over the past year, conflict over the issue had been avoided through informal agreements that companies would "avoid South African commercials".

Mr Sapper said the union's policy would continue to be effective, even if Central and other ITV companies insisted on showing advertisements for South African products, because the union had also blocked production work for commercials for South African products.

He disclosed that ACTT had recently prevented some companies which rented out transmission facilities from providing coverage of Wimbledon and the Tour de France to South Africa.

(280) STAR 15/7/87

British ban lifted

SA can buy screened and radio programmes after close Equity vote

Argus 15/7/87 280

The Argus Foreign Service

LONDON. — Leaders of the actors' union Equity have lifted a 12-year ban on the sale of television and radio programmes to South Africa.

They are already planning to invite both BBC and commercial television (ITV) officials to sell programmes in the new market.

The remarkable U-turn by the Equity council yesterday means that Equity members will be allowed to perform in South Africa.

The decision follows constant pressure from many of the union's 30 000 members to lift the ban on British actors. They held a referendum on the issue in April last year.

Opposition expected

But television trade unions can be expected to oppose the decision vigorously.

The Equity decision was passed by a narrow majority after a meeting described as "stormy". Union officials will be instructed to open negotiations with the BBC and commercial companies on setting fees for material to be sold to South Africa.

A statement said: "Equity council took the decision in the belief that last year's High Court judgment in the case of Goring versus Equity has had the effect of making its previous policy illegal.

"In the light of this decision we are approaching the BBC and ITV companies, informing them that when we have formulated a detailed claim for payment to our members for material sold to South Africa we will be seeking negotiations with them."

Floodgates opened

The Equity decision opens the floodgates for scores of actors to visit South Africa. But it is bound to split the union.

Mr Derek Bond, who resigned last year as Equity president following a decision to ban all live performances by members in South Africa, said: "No union has the power to say whether its members should perform in a certain country or not. The union can negotiate for contract fees and the like, but it should not be able to tell members what they should and should not do."

Mr Bond, still an Equity council member, said he was delighted that blacks in South Africa would now be able to enjoy some of Britain's better dramas.

TV and radio programmes may be available

UK actors' union ends anti-SA ban

The Star Bureau

London

Leaders of the British actors' union, Equity, have lifted a ban on the sale of television and radio programmes to South Africa.

The union is already planning to invite both BBC and commercial television (ITV) officials to sell programmes in the new market.

Yesterday's remarkable about-turn by the Equity Council also means that union members will be allowed to perform in South Africa.

The decision follows constant pressure from many of the union's 30 000 members to lift the ban on British actors after a referendum in April last year. The ban on television programmes was instituted 12 years ago.

But television trade unions such as ACTT can be expected to oppose the decision vigorously.

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Mr Bond was delighted that blacks could now enjoy British programmes.

Showbiz has mixed feelings about lift

The Equity decision to lift its ban on South Africa was enthusiastically supported by most local entertainers approached today. Others have slated the move as a "blow to South African theatre".

Mrs Hazel Feldman, Sun International's entertainment manager, said it was "probably the best news of the decade".

"Equity members seem to have realised isolation isn't going to bring about change. This reflects the attitude of many in the industry who feel they can do more by coming out here than by sitting at home."

The SABC said it would "endeavour to obtain British productions denied South African viewers for so many years".

Tony award-winning actor John Kani, said: "The initial reason for the ban was Equity's objection to apartheid. In 12 years what has been achieved? Discrimination, unjust laws and oppression still exist."

The general manager of Pact drama, Lynette Marais, said: "People are stretching out hands instead of cutting them off. The chance to see BBC programmes is wonderful. We have been subjected to third rate productions for too long."

Impresario Pieter Toerien does not believe the lifting will make much difference.

"The public want to see local actors. British actors will have to take their place in the queue."

Israel to cut some trade with SA

Post Correspondent

JOHANNESBURG — A senior Israeli Foreign Ministry official yesterday disclosed that Israel would adopt certain measures contained in last year's European Community (EC) sanctions package against SA.

And the Israeli Cabinet is expected to discuss today the recommendations of an inter-departmental committee on its future links with SA.

Speaking from Jerusalem, the head of the Foreign Ministry's SA desk, Dr Alon Liel, said there was a "very good chance" the Cabinet would discuss the committee's report today.

"While SA is not the most urgent issue on the Cabinet's agenda, the report was scheduled for discussion two months ago," Dr Liel said.

The recommendations are a closely guarded secret but Dr Liel said they did not veer from Israel's new policy on SA announced in March. Specifically, the policy includes scaling-down of trade ties and no new defence contracts being signed with Pretoria.

Recent US Congressional pressure has forced Israel to adopt the Western bloc's punitive anti-apartheid stance on SA.

But Dr Liel made it clear the Cabinet favoured the EC sanctions package because it was more moderate than last November's US Comprehensive Anti-Apartheid Act and the various sanctions adopted by the Nordic nations.

"We will imitate but not directly copy the EC model. The measures adopted will be those that are in the best interests of Israel. In short, Israel will take the direction of the EC package but according to our interests."

Dr Liel is advisor to Foreign Ministry Director-General Dr Yossi Beilin, who headed the Government committee on SA.

Israel's exports to SA last year were R110 million, against imports of R362 million. Estimates of Israel's arms trade with SA in 1986 vary from R600 million to R1 2000 million.

The 12-nation EC last September banned new investment in SA and imports of steel, iron and gold coins. It also pledged financial aid for non-violent opposition movements and called for closer EC links with these groups.

Steel, coal, paper and agricultural products are SA's major exports to Israel.

Sanctions: Israel denies pressure from powerful political group

Dateline: JERUSALEM

By PETER ALLEN-FROST
The Argus Foreign Service

SENIOR government officials here deny that this country is under pressure from an extremely powerful American-Israeli political action group to take further steps against South Africa.

A front-page story in the English-language daily the Jerusalem Post said representatives of the pro-Israel lobby in Washington, known as Aipac (American Israel Public Affairs Committee), were pressuring for more sanctions against Pretoria.

The story, by the paper's political correspondent, said the Aipac president Mr Bob Asher and another Aipac leader Mr Tom Dine had pressed Prime Minister Yitzhak Shamir to take further sanctions, urging him to support such "important" action.

Mr Asher said the Jerusalem Post story was inaccurate and misleading. He said there had been no pressure, that Aipac would not countenance trying to influence Israel in its internal matters and that he and Mr Dine had, in the course of a meeting with Mr Shamir, merely mentioned the concern some members of the US Congress felt about the Israel-South Africa issue.

Aipac is regarded as a major force in shaping American policy in the Middle East. Its influence is greater than ever before, with a current annual budget of about R12-million, up about four times in the past seven years. Recently it was alleged by a leading US newspaper that Aipac had used its influence to obtain campaign funds for pro-Israel American politicians.

The same Post story said the Israeli Foreign Ministry had been "swamped" during the past few days by what it termed "hysterical" calls and letters from leading Israeli industrialists with business links with South Africa who were protesting against the proposed sanctions which will be discussed by the Israeli cabinet in the near future.

A Foreign Ministry spokesman denied there had been a mass of such calls.

The paper hinted that the South African embassy in Tel Aviv was responsible for "Israeli press reports earlier last week which considerably exaggerated reports that sanctions are being recommended" by the Foreign Ministry, a charge the embassy categorically denies.

According to the Thursday Post report a Foreign Ministry official gave a precis of proposed sanctions to South African Ambassador David de Villers du Buisson. The precis "subsequently appeared in exaggerated form in a local newspaper report."

This all seems to be part of a complicated and deliberate political doubletalk game going on here, with allegations, exaggerations and tendentious leaks to the local press aimed, it seems, at keeping the issue of Israel's relations with South Africa firmly in the spotlight — and succeeding.

Israel in anti-SA move

HAMISH McINDOE

ISRAEL is to adopt some of the measures contained in last year's European Community (EC) sanctions package, a senior Israeli Foreign Ministry official disclosed yesterday.

And the Israeli Cabinet is expected to discuss today the recommendations of an inter-departmental committee on thecountry's future links with SA.

Speaking from Jerusalem, head of the Foreign Ministry's SA desk Alon Liel told Business Day there was a good chance the Cabinet would discuss the committee's report today.

"While SA is not the most urgent issue on the Cabinet's agenda, the report was scheduled for discussion two months ago," Liel said.

The recommendations are a closely guarded secret, but Liel said they did not depart from Israel's new policy on SA announced in March.

Under this policy, trade ties are to be scaled down and no new defence contracts signed with Pretoria.

Recent US congressional pressure has forced Israel to adopt the Western Bloc's punitive anti-apartheid stance on SA.

But Liel said the Cabinet favoured the more moderate EC sanctions package.

"We will imitate but not directly copy the EC model. The measures adopted will be those that are in the best interests of Israel.

"In short, Israel will take the direction of the EC package — but according to our interests."

Liel is advisor to Foreign Ministry Director-General Yossi Beilin, who headed the government committee on SA.

Israel's exports to SA last year were R110m, compared with imports of R362m. Estimates of Israel's arms trade with SA in 1986 vary from R600m to R1,2bn.

The EC last September banned new investment in SA and imports of SA steel, iron and gold coins.

SA-Israeli Chamber of Commerce chairman Reg Donner ranked steel, coal, paper and agricultural products as SA's major exports to Israel.

Equity screen ban battle is not yet over, says Bond



The Star Bureau

LONDON — Actor Derek Bond (right) was so incensed to hear from his ex-PoW friends in South Africa that some of the coverage of Prince Charles's wedding to Diana were excised by union action that he decided to take up the fight within Equity ... and he has been at it ever since.

Bond is one of the key characters in the latest actors' union drama ... this time over the sale to South Africa of British radio and television material.

He has long been in the thick of the controversy over apartheid bans. He resigned the presidency of Equity last year after the annual general meeting decided to ban all live performances by members in South Africa.

His like-minded colleague Marius Goring challenged that decision in the High Court, and won. The ban on performances was rescinded soon after.

Goring and Bond teamed up again on Tuesday to argue successfully that, in the light of the High Court decision, the 12-year ban on radio and TV material was illegal.

The battle is not over, but Bond insists his view is right.

"I argued that, as no evidence had been brought forward to show that Equity's black or Asian members had been discriminated against, or could be or are likely to be, by releasing British radio or TV material for South African consumption, the purpose of the ban was sectarian. It was simply to support the cultural boycott ... and that is contrary to our rules. That is in line with the High Court decision too. And it vindicated the position I took when I resigned last year.

"And Tuesday's decision cannot be taken to a referendum because the Equity council has a duty to carry out policy within the rules."

But he believes it will be necessary to monitor developments carefully in case hardliners within the Equity administration attempt to jeopardise the new relaxation commercially.

"Clearly those of us who fought this through will have to make sure the union demands are fair and not exorbitant."

"It is more than likely that somebody will try to stop us. I do not know if they will succeed. They could get an injunction to stop us but that seems unlikely. I don't know if they could afford it."

Bond's opponents describe him as pro-apartheid but he declares: "I am very opposed to it. What I do believe, though, is that the cultural boycott is counter-productive.

"It's like Hitler burning books. What you should do is open minds. I have strong views on the exchange of ideas and for a union, particularly a liberal-minded union like Equity, to clamp down on ideas is foolhardy."

"Now we have opened a window ... let's hope it will let into South Africa a breath of fresh ideas."

Ironically, Derek Bond does not believe he is welcome in South Africa. "I doubt that I would be allowed back ... I made some very strong remarks about apartheid when I was last there."

(280)

TV bonanza for SA ... if leftists don't scupper it

By Michael Morris,
The Star Bureau

LONDON — The curtain is rising on a television bonanza for South Africa ... while a bitter storm is blowing up within Equity.

The BBC and one of Britain's major private production companies say they would be delighted to sell programmes to SABC-TV. They are hoping to recoup the huge losses the 12-year ban has incurred.

This would revolutionise South African viewing ... and kill off scores of pirates in one of the world's most notorious video black markets.

Equity's ban-busting decision on Tuesday paves the way for South African viewers to enjoy an impressive host of chart-topping shows — comedies, dramas, crime series, acclaimed period productions and even chat shows.

But there are major obstacles and there is no certainty they can be easily overcome.

While the actors' union decision, won by a narrow 16-14 margin, marks an astonishing watershed, not everyone is in favour.

Two big unions representing cameramen, Bond among them, believe it can be settled "quite quickly".

Irrespective of Equity's position, however, TV companies could still turn down a deal if they believed the asking price was too high.

The BBC is openly enthusiastic at the prospect of South African business.

Mr Ian Duncan of BBC Enterprises said: "Nothing is definite yet, but we would be pleased to do business with South Africa."

One of the major private companies, Thames Television, said: "We are aware a number of our tapes have been available on the black market ... so we would certainly not be opposed to formal agreements. It would be sensible."

There are more ifs and buts. Individuals — Ms Redgrave, for instance — might contractually prevent production companies from selling to South Africa a show in which they have performed. This remains a matter for negotiation.

Stiffest resistance

Then there are the unions. They are the Association of Cinematographers, Television and Allied Technicians,

See what may be coming our way

The Star Bureau

LONDON — A feast of top-class shows could soon be on South African TV if moderates in Equity win battles now looming over the lifted radio and TV ban.

Apart from current shows there is a vast reservoir of material produced since the ban was slapped on South Africa 12 years ago.

These includes memorable productions such as "Jewel in the Crown", a tale of Imperial India, "Upstairs and Downstairs", about the lives and loves of servants in an Edwardian household, and hit shows such as "The Good Life", "Some Mothers Have 'Em" and "To the Manner Born" which have been a huge success in Australia, New Zealand and Canada.

The latest ratings give some idea of current popular shows. Topping the list is "Eastenders", a soap about life in London's East End. Each twice-weekly episode has an audience of more than 20 million.

WELL-LOVED

Another famous soap, "Coronation Street", is set in northern England and watched by 13 million.

Ronnie Corbett of the well-loved Ronnie Cor-

(280) 16/7/87 Star

supported by activists, a powerful brigade within Equity — communist revolutionary Vanessa Redgrave and left-wingers Glenda Jackson and Julie Christie are prominent among them — are committed to the cultural boycott and determined to see it enforced.

Union's ban is 'illegal'

The conflict centres on the Equity council's decision to lift its ban on selling radio and TV programmes to South Africa.

A lobby led by actors Marius Goring and Derek Bond won the highly-charged debate with their argument that Mr Goring's successful High Court challenge of an Equity ban last year on individual members performing in South Africa effectively made the ban on TV and radio sales illegal.

Now Equity officials are formulating a detailed claim for payment to their members for material sold to South Africa, and, when that is done, the union will negotiate with the BBC and the commercial TV production companies.

This could take some time, though the more powerful Musicians' Union, which prevented South Africa from hearing the music performed at the wedding of Prince Charles and Lady Diana.

A spokesman said: "We are having a conference next week and our South Africa policy will probably be discussed then, but I would be misleading you if I suggested we were about to rescind our boycott policy."

By far the stiffest resistance is coming from within Equity itself.

Hardliners have created a petition (they need only 40 signatures) to call a special meeting of all 35 000 members. It will be the first such Equity meeting for five years and is likely to be held in a large central London theatre.

Complex legal arguments from both sides are expected.

Those opposed to the decision this week will argue that it runs counter to a referendum favouring a performer's ban held last year.

If that fails, chairman of Equity's London area committee, Mr Thomas Baptiste, says he is prepared to go to court for an injunction against the union.

bett/Ronnie Barker duo is the star of the next most popular show, a comedy called "Sorry!" watched by just over 10 million.

Next, with about 10 million viewers, is TV personality Esther Rantzen's consumer programme "That's Life".

Also at the 10 million mark last week was "What a Carry-On" — bits and pieces from the "Carry-On" films.

Three situation comedies — "Bread", "Just for Laughs" and "Home, James" — share the eight to nine million slot with "News on Sunday" and ITV's prime-time news programme "News at 10".

Coming last in the list is alternative comedy in "Black Adder 2" — starring Rowan Atkinson — with 7,9 million viewers.

Israelis delay on SA links policy

JOHANNESBURG — The Israeli Cabinet, meeting yesterday to discuss a government committee's recommendations on future ties with South Africa, has delayed by one week its announcement of which proposal it is to adopt.

Speaking from Jerusalem, the head of the Foreign Ministry's South African desk, Mr Alon Liel, said some cabinet ministers wanted more information on several issues relating to the committee's recommendations.

He would not disclose details of the inter-departmental report.

Mr Liel said earlier this week that Israel would adopt some of the measures contained in the European Community's (EC) sanctions package, which is more moderate than the US Anti-Apartheid Act and sanctions adopted by Nordic nations. — DDC

Equity's decision backed by most

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Sunday Express 16/7/82

JOHANNESBURG — The Equity decision to lift its ban on South Africa was enthusiastically supported by most local entertainers approached yesterday.

Others have slated the move as a "blow to South African theatre".

Mrs Hazel Feldman, Sun International's entertainment manager, said it was "probably the best news of the decade".

"Equity members seem to have realised isolation isn't going to bring about change. This reflects the attitude of many in the industry who feel they can do more by coming out here than by sitting at home."

The SABC said it would "endeavour to obtain British productions denied South African viewers for so many years".

Tony award-winning actor John Kani said: "The initial reason for the ban was Equity's objection to apartheid. In 12 years what has been achieved? Discrimination, unjust laws and oppression still exist."

The general manager of Pact drama, Miss Lynette Marais, said: "People are stretching out hands instead of cutting them off. The chance to see BBC programmes is wonderful. We have been subjected to third rate productions for too long."

Impresario Pieter Toerien does not believe the lifting will make much difference.

"The public want to see local actors," he said.

In London film star Glenda Jackson said yesterday she would oppose the decision.

Other Equity members, including Miss Vanessa Redgraye and Miss Julie Christie, might demand a special meeting of the union to renew the ban.

And the Musicians Union may also fight the decision. — Sapa-Reuter

South African actors' boycott threat to lift

From IAN HOBBS

LONDON — The decision by the British actors' union, Equity, to lift its 12-year ban on the sale of film and video material to South Africa may be blocked by the powerful Musicians' Union.

The Musicians' Union, whose members share involvement in the making of nearly all British television and video material with Equity, said it would fight any attempt to breach its boycott of South Africa through the courts if it had to.

The high hopes that the Equity decision meant that the best of the world-acclaimed British television material would soon be available to M-NET and the SABC, were also being treated cautiously by the BBC and the network of 15 commercial television companies.

A spokesmen for BBC Enterprises and the Independent TV Company's Association (ITVCA), who have lost millions of Rands of potential South African business because of the political boycotts, said it was too early to even speculate.

A BBC Enterprises spokesman said: "I would not like to raise anyone's hopes at this stage. We are meeting members of the Equity council within a few days time. Until then I would not dare to say anything about selling our programmes to South Africa.

"It is a very complex technical and possibly legal situation that goes beyond Equity. The Musicians' Union also operates a ban on the sale of audio and visual material to South Africa."

A spokesman for one major independent company said: "Britain would instantly become South Africa's biggest single television programme supplier and we hope we can win this argument, but it is far from settled yet.

"We obviously hope Equity does win this one. It will give South Africa superb television and it means jobs and income for us."

The major obstruction comes in the shape of the radical 38 000-member Musicians' Union, which has maintained a boycott on South Africa for 40 years.

Unlike Equity, it has hardened up its South African boycott, which it expects to have near-unanimously endorsed at its annual delegates conferences in Loughborough next week.

The union's assistant general secretary, Mr Stanley Hebbert, said yesterday: "We do not wish to comment on the Equity decision but we will be holding talks with them very soon.

"But it is my job to know how my membership feels and I can assure you that our boycott on any audio or video sales to South Africa is tougher than it has ever been — at the insistence of our membership.



DEREK BOND

"It is the duty of the executive to carry out the wishes of the membership and any attempt, whatsoever, from any quarter, to break our policy, would be fought. If that required High Court action it would have to happen."

He said their anti-South Africa policy was successfuly tested in the High Court in London some three years ago, when they were sued by a South African promoter for stopping a tour by the pop star Gary Glitter.

Mr Hebbert said: "We won our case on the grounds that our policy reflected the wishes of the membership. The judge decided that it would be wrong to prosecute the corporate entity."

Mr Hebbert said he was not willing to comment on the possibility of British television material being sold to South Africa without music tracks and with music then dubbed in South Africa.

The triumvirate on the 66-man Equity council, who have campaigned for many years to defeat the boycott, are in high hopes.

They are the veteran actor, Marius Goring, who set the precedent for the action, the former president, Derek Bond, and a Manchester variety actor, Dave Eager.

An eleated Derek Bond said they pointed out that they were prepared to take their case to the High Court again and that the union's failure against Marius Goring last year, had already cost the members some 30 000.

Bond said: "If there is any attempt to interfere with the decision we have won, we would not hesitate to seek an injunction in the High Court.

He said that although their victory had been achieved by "a narrow majority" they did not anticipate that the union would be pushed into another expensive court case.

They also stressed that the sale of the British television and video material in South Africa would bring employement and royalties to British actors, and would damage video piracy, which they said was rife in the Republic.

Bond said: "I say what I have been saying for 12 years. Hitler burned books and tried to stop democratic thought and failed — and I equate the Equity boycott to that, and the Equity boycott has now failed."

What viewers could see, P17

TV bonanza for SA, but storm brews

ARGUS 16/7/87

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From MICHAEL MORRIS
The Argus Foreign Service

LONDON. — The curtain is rising on a television bonanza for South Africa following Equity's decision to lift the ban on selling TV and radio programmes, while a storm is blowing up within the actors' union.

The BBC and a major private production company say they would be delighted to sell programmes to SABC-TV. They are hoping to recoup the huge losses the 12-year ban has incurred.

This would revolutionise South African viewing and kill off scores of pirates in one of the world's most notorious video black markets.

CHART-TOPPING SHOWS

Equity's ban-busting decision paves the way for South African viewers to see an impressive list of chart-topping shows.

But there are major obstacles and there is no certainty they can be easily overcome.

While the actors' union decision, by a 16-14 margin, marks an astonishing watershed, not everyone is in favour.

Two big unions representing cameramen, technicians and musicians, and supported by activists are committed to the cultural boycott and determined to see it enforced.

Fierce lobbying and equally fierce legal battles are looming.

A lobby led by actors Marius Goring and Derek Bond won the highly-charged debate on Tuesday with their argument that Goring's successful High Court challenge of last year's Equity ban on individual members performing in South Africa effectively made the ban on TV and radio sales illegal.

Now Equity officials are formulating a detailed claim for payment to their members for material sold to South Africa, and, when that is done, the union will negotiate with the BBC and the private ITV production companies.

This could take some time though some, Bond among them, believe it can be settled "quite quickly".

But the BBC is enthusiastic at the prospect of South African business. Ian Duncan of BBC Enterprises said: "Nothing is definite yet, but we would be pleased to do business with South Africa".

And one of the major private companies, Thames Television, said: "We are aware that a number of our tapes have been available on the black market so we would certainly not be opposed to formal agreements. It would be sensible."

Then there are the other unions. They are the Association of Cinematographers, Television and Allied Technicians which is strongly anti-apartheid and the more powerful Musicians' Union, which prevented South Africa from hearing the music performed at Prince Charles's wedding.

A spokesman said: "We are having a conference next week and our South Africa policy will probably be discussed then but I would be misleading you if I suggested we were about to rescind our boycott policy."

Anti-apartheid activists are also opposing the move. The British Anti-Apartheid Movement which sees the decision as a "temporary setback" has asked for an urgent meeting with the union.

But by far the stiffest resistance is coming from within Equity itself.

Hardliners have created a petition (they need only 40 signatures) to call a special meeting of all 35 000 members.

One-man battle to beat ban

The Argus Foreign Service

LONDON. — Actor Derek Bond was so incensed when he heard from ex-PoW friends in South Africa that some of Prince Charles's wedding coverage was excised by union action that he took up the fight within Equity . . . and he has been at it since.

He resigned the presidency of Equity last year after it was decided to ban members from performing live in South Africa.

The battle is not over, but Bond insists he is right.

Bond declares: "I am very opposed to apartheid. I do believe, though, that the cultural boycott is counter-productive."

Bond says: "Now we have opened a window..."



Derek Bond

New bid to block British TV for SA

From IAN HOBBS

LONDON. — The decision by the British actors' union Equity to lift its 12-year ban on the sale of film and video material to South Africa may be blocked by the powerful Musicians' Union

The Musicians' Union, whose members are involved in making nearly all British TV and video material with Equity, said it would fight any attempt to breach its boycott of South Africa through the courts if it had to.

The hopes that the Equity decision meant the best of the British TV material would soon be available to M-Net and the SABC were also being treated cautiously.

A spokesmen for BBC Enterprises and the Independent TV Company's Association (ITVCA), who have lost millions of rands of potential South African business because of the political boycotts, said it was too early to speculate.

A BBC Enterprises spokesman said: "I would not like to raise anyone's hopes at this stage. We are meeting members of the Equity council within a few days' time. Until then I would not dare to say anything about selling our programmes to South Africa."

A spokesman for one major independent company said: "Britain would instantly become South Africa's biggest single TV programme supplier and we hope we can win this argument, but it is far from settled yet.

"We obviously hope Equity does win this one. It will give South Africa superb television and it means jobs and income for us."

However, the 38 000-member Musicians' Union has maintained a boycott on South Africa for 40 years, and has hardened its boycott policy which it expects to have endorsed at its annual conferences next week

The union's assistant general secretary, Mr Stanley Hebbert, yesterday said "We do not wish to comment on the Equity decision but we will be holding talks with them very soon

"But it is my job to know how my membership feels and I can assure you that our boycott on any audio or video sales to South Africa is tougher than it has ever been — at the insistence of our membership.

"It is the duty of the executive to carry out the wishes of the membership and any attempt from any quarter to break our policy would be fought. If that required High Court action it would have to happen."

What do you think of the reversal of the Equity ban? Phone Teleletters between 10am and midday today on 208-4722

The triumvirate on the 66-man Equity council who have campaigned for many years to defeat the boycott have high hopes.

They are actor Marius Goring, former president Derek Bond and actor Dave Eager.

Goring sued the union successfully in the High Court last year when it imposed a ban, enforceable by expulsion, on members who took contracts in South Africa.

The ban on members visiting South Africa was introduced on the strength of a referendum answered by barely 20% of the members. The High Court threw it out as unconstitutional and an illegal interference in the members' right to earn a living where they wished under British law.

Using this precedent, and with secret arrangement and careful timing, Bond and Eager sprung their action against the boycott on film material at a routine council meeting on Wednesday.

They presented a motion that there was no proof of any discrimination against the casting of black people in filmed material already going to South Africa, like the A-team and Bill Cosby series, and it was therefore illegal for Equity to continue to ban british film and video material.

Derek Bond said they pointed out they were prepared to take their case to the High Court again.

ANDREW DONALDSON reports that the SABC said it "welcomes the Equity decision and will now naturally endeavour to obtain British products that have been denied to SA viewers and listeners for so many years".

The general manager of M-Net, Mr Koos Bekker, welcomed the decision but said the service was "not yet planning any acquisitions".

"No one is keen to rush into a relationship that might be terminated a few weeks later," he said.

Theatre producer Mr Pieter Toerien said there was a "genuine chance" that actors of the calibre of Sir John Mills, Rex Harrison, Sir Anthony Quayle and Edward Fox would now come to South Africa.

Award-winning actor John Kani said: "The initial reason for the ban was Equity's objection to apartheid. In 12 years what has been achieved? Discrimination, unjust laws and oppression still exist."



Glenda Jackson

Glenda for ban

LONDON. — Film star Glenda Jackson said yesterday that she would oppose the Equity decision to lift the ban on TV material for SA.

Ms Jackson, a prominent supporter of Britain's opposition Labour Party, said: "I am very distressed at this decision." — Sapa-Reuter

Cape Times 16/7/82

Cosatu poised to become key apartheid foe'

JOHANNESBURG. — The Congress of South African Trade Unions (Cosatu) yesterday launched its annual congress with a warning that the country's biggest labour federation was poised to become a key force in the fight against apartheid.

In his opening address, Cosatu's president, Mr Elijah Barayi, told 1 500 delegates gathered at the University of the Witwatersrand that Cosatu made no apologies for connecting factory-based issues with political demands

The Cosatu president also dispelled speculation that the federation would review support for disinvestment and economic sanctions announced at the federation' launch in November 1984.

Mr Barayi emphasized that Cosatu's resolution on sanctions and disinvestment was a non-violent means to fight apartheid

Jobs lost

"In the light of growing attacks against us, workers are calling for more decisive and mandatory measures against the regime," he said. "Thousands are losing jobs through rationalization and mechanization, not disinvestment."

Cosatu had consolidated its organization by forming 12 national industrial unions out of the 33 unions that participated in its launch.

Membership had grown from 450 000 to 712 000 paid-up members The total signed-up membership was nearly one million, Mr Barayi said.

Resolutions calling for a 40-hour work week, a living wage of R4 50 an hour, six months' paid maternity leave and public holidays on May 1, March 21 and June 16 have also been tabled

□ A top United Democratic Front official emerged from hiding yesterday to tell the Cosatu congress that workers in South Africa had become the most powerful force in the fight to end apartheid

Mr Murphy Morobe, acting publicity secretary for the UDF, told delegates that "Cosatu has grown into a giant that no exploiter can ignore".

Mr Morobe condemned the banning of rallies designed to launch Cosatu's Living Wage Campaign earlier this year as well as attempts to brand the campaign a "government plot".

"Why has the government not branded the unbridled profiteering of the huge monopolies which have recorded huge profits of 30 to 50 percent over the last year ... We grow the food and harvest the crops to feed our fat masters yet we and our children go hungry every day," he said.

Mr Morobe, who has been in hiding since a swoop on anti-apartheid activists at the time of the declaration of the state of emergency in June last year, also took the opportunity to air publicly the UDF's opposition to any form of talks with the Nationalist government

Reacting to a recent statement by the Deputy Minister of Constitutional Affairs, Dr Stoffel van der Merwe, that he would be prepared to hold talks with the UDF, Mr Morobe said· "If the government of this country seriously wants to talk . . we must tell them they must know what they did to the ANC in 1960 and they must realize that organization represents the majority of South Africans" — Sapa

JOHANNESBURG. — The South African Catholic Bishops' Conference (SACBC) yesterday said it appreciated the "constructive" role of Cosatu in improving the lot of workers.

In a message of support to the national congress of Cosatu, the SACBC said Cosatu's launch in November 1985 had been a historic moment for South Africa's workers.

"It signalled the beginning of a new drive towards greater unity, and greater unity means greater strength.

"Despite recent well-orchestrated harassment and intimidation, you have become an important rallying point in the struggle for social justice.

"Many of your leaders have suffered detention ... suffering need not dampen one's determination but can be an impetus to increase one's resolve." — Sapa

Israel delays sanctions move

HAMISH McINDOE

THE Israeli Cabinet, meeting yesterday to discuss a government committee's recommendations on future ties with SA, has delayed by one week the announcement of which proposals it will adopt.

Speaking from Jerusalem, the head of the Foreign Ministry's SA desk, Alon Liel, said some Cabinet ministers wanted more information on several issues.

He would not disclose details of the inter-departmental report.

It is believed, however, that Israel's Labour Party-Likud coalition government is in broad agreement over the adoption of the committee's proposals.

Liel said earlier this week that Israel would adopt some of the measures contained in the EC's sanctions package.

EDITORIAL OPINION

Equity: be positive

The decision by Equity, the British actors' union, to lift the ban on the sale of film and video material to South Africa, is one that should be applauded on many grounds here and overseas, including that of commonsense.

It has lasted 12 years and beyond rightfully expressing its distaste of apartheid and giving a certain amount of satisfaction to some Equity members it has achieved little that can be termed as positive in removing discrimination from the South African scene.

The ban has been widely circumscribed. National TV networks may have been both honourable and expedient in not showing British material but it has been screened by neighbouring states and seen and recorded for use throughout the country, and there has been widespread pirating of BBC and ITV series. Popular comedians such as the Two Ronnies, Benny Hill and series of excellent standard are all freely available for hire in video form.

It has thus been an ineffective ban, succeeding only in depriving Equity members of income, denying the organisation producing the material of the extra profit from South Africa on their investment, and putting money into the hands of people who have not hesitated to benefit from pirating.

It has also, of course, been a blanket ban. It cannot be applied only to people who are pro-apartheid. If there is any suffering involved in not seeing Benny Hill it has also been inflicted upon those who are at the rougher end of apartheid, which is a curious kind of morality allied to actions that have discredited the cultural boycott in Britain: this included active picketing of plays at London theatres by anti-apartheid campaigners with strong messages against the South African system featuring black actors who were themselves virulent critics of discrimination.

Perhaps the lifting of the ban should not be assessed at all in money terms, or in the extra opportunities it may afford Equity members. If it is a victory for commonsense, perhaps Equity should consider best how they can help to bring about change positively and not by tilting uselessly at windmills.

There are many organisations in this country and without that are doing much in the name of humanity and uplift without seeking overt publicity or resorting to such empty gestures as blanket bans on material that are ineffective: Equity could well follow their example and help to rewrite the South African scenario. It is not enough merely to take emotionally satisfying action that is empty in effect.

Survey: Equity plan welcome

DD 17/7/89

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Dispatch Reporter

EAST LONDON — The news of a possible lifting of the equity ban on South Africa was welcomed here yesterday.

In a street survey by the Daily Dispatch, residents said the lifting offered great potential for much more interesting entertainment.

A booking agent, Mrs Yvonne Marshal, said that the news was absolutely wonderful.

"Due to the ban, South Africa has missed some outstanding British stage productions, films and videos, which will hopefully be made available to us now."

A businessman, Mr David Hogg, said that it was definitely a step in the right direction.

"I am sure it will give South Africa recognition and probably our TV programmes will be a lot better."

A restuarant manageress, Mrs Marcia Holmes, said the move was fantastic.

"British television is definitely the best."

A shopowner, Mr Alan Brookes, said that British televison was far superior and he hoped that now there would be a lot more coverage of overseas sport events.

A shop assistant, Mrs Avriel Murdoch, said British television is first class viewing and definitely the best.

A private secretary, Mrs G. Salkinder, said she was pleased as it would give South Africa more scope and comparison.

The Assistant Manager of the cinema, Mrs T. Schaeffer, said that the move offered better and more exciting entertainment but added that she did not think it would effect the cinemas all that much.

A shop assistant, Mrs S. Davidson said, "this had been one of our big problems and she was pleased it had been solved."

However, those pirating British videos are likely to walk the plank over the news.

The chairman of the South African Video Distributors Association, Mr John Smithers, says the 20 per cent share of the rental market held by pirate videos, could drop by seven per cent from early next year, after Equity's decision to lift its boycott.

This year's sales of pirate videos are slated at R6 m—R10 m, but revenues from illegal copying have dropped dramatically over the past six years as the retail industry has become more established.

"British producers have lost a fortune in potential royalties but nobody has been prosecuted for using Equity material illegally," Mr Smithers said.

Equity's decision means that scratchy copies of pirated British titles should be replaced by good-quality recordings from early next year.

Equity set for tough battle



GLENDA JACKSON

Dispatch Bureau

LONDON — The 66-member council of the British actors' union, Equity, has been summoned to a special meeting next Tuesday in response to the angry reaction of some members to the decision to lift the ban on film and video material being sold to South Africa.

Council members led by veteran actor Derek Bond, who led the anti-ban campaign, say they believe there is a left-wing attempt under way to summon a special general meeting of the entire union.

"It is astonishing but I don't think they can overturn what we have won," he said.

Mr Bond said he felt the narrow majority of council members who voted for filmed material to be free for sale to South Africa would "hold the fort".

"I presume the left's plan is to try to move the goal post by forcing a change in our constitution. I am sure they will fail.

"But we do have a long, hard battle ahead of us.

Among those opposed to the lifting of the ban are actresses Glenda Jackson, Vanessa Redgrave and Julie Christie.

Miss Jackson, a prominent supporter of the opposition Labour Party, said: "I am very distressed at this decision. It's a great mistake. There is no question of leaving things as they are."

Editorial opinion P12
See also page 2

School boycotts flare

Row over dead ANC man triggers stayaways

By GAYE DAVIS, Cape Town

THOUSANDS of Western Cape students stayed away from school yesterday in widespread action not seen in the region since the '85 class boycotts.

Teachers cited as a major contributing factor the shooting of Ashley Kriel, 20, by police in Cape Town last Thursday Kriel was a former Bontcheuwel student activist who fled the country to join the African National Congress. His funeral tomorrow is expected to draw thousands of mourners.

The affected schools fall under the Department of Education and Culture which has come under fire from community organisations for persisting with misconduct charges against 72 teachers. The teachers allegedly refused to administer exams at the end of 1985. The first hearing starts on Monday

A department representative said attendance was "very low" at "a few" schools, but declined to elaborate

Independent sources indicated that of the department's 60-odd high schools on the Cape Flats, total stayaways occurred at at least 14, while at several others pupils staged awareness programmes or were dismissed early by principals in a bid to defuse the situation.

Sources said all three Bontcheuwel high schools were deserted yesterday — a day which community organisations had called to be one of mourning for Kriel.

On Wednesday, more than a thousand Bonteheuwel pupils gathered for a rally at Kriel's former school, Bonteheuwel High, where they strung fences with placards reading "Our school belongs to the ANC".

In Manenberg a burning-tyre barricade was erected in a street and later dismantled by police.Students at one of three Manenberg high schools stayed away and those at another were sent home early, sources said. There were no reports of police action against pupils.

(See also PAGE 2)

◆The contents of this issue have been restricted in terms of the Emergency regulations



Placards at an Athlone school this week. Police watched, but did not declare the protest an 'illegal gathering'
Picture. ADIL BRADLOW, Afrapix

Equity moves to turn unbanning around

By JO-ANN BEKKER

CONTRARY to most reports, the decision by the council of the British actors' union, Equity, to lift its ban on sales to South Africa is neither universally welcomed by South African actors, nor irreversible

"Speaking personally, as a black actor, it makes me very angry," John Kani commented on the council's decision to end the prohibition of sales of television and radio programmes to South Africa.

"It is so hypocritical. Equity in its rejection of apartheid felt a moral obligation to boycott South Africa Are they supposing things have changed? Instead, I suspect the politics of the stomach have triumphed."

His response was very different from the enthusiasm of organisations like the SABC, and theatre folk like Sun City's entertainment director Hazel Feldman — who found "any decision to lift any ban commendable" — and Des Lindberg, head of the South African Association of Theatre Management, who claimed some credit in lobbying Equity people to lift the "meaningless" ban

Kani said South African actors would suffer as "has-been West End actors" and dusty British Broadcasting Corporation programmes were imported, instead of developing work with a South African identity

"I don't see anything to jump around about," commented Johannesburg actress Gcina Mhlope

British film actress Glenda Jackson has said she will oppose the decision and other actresses and Equity members — including Vanessa Redgrave and Julie Christie — are reportedly considering demanding a special meeting to renew the ban

The 40-year-old prohibition by the British musicians' union on sales to South Africa, remains in effect, and would complicate sales of programmes

The London Anti-Apartheid Movement's executive secretary, Mike Terry, told *Weekly Mail* the movement deplored the council's decision.

"It overturns the express wishes of Equity's membership On a number of occasions members have voted to adopt this policy But, he said, the result was "a temporary setback, not a defeat."

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Dutch move out, Israeli comes in

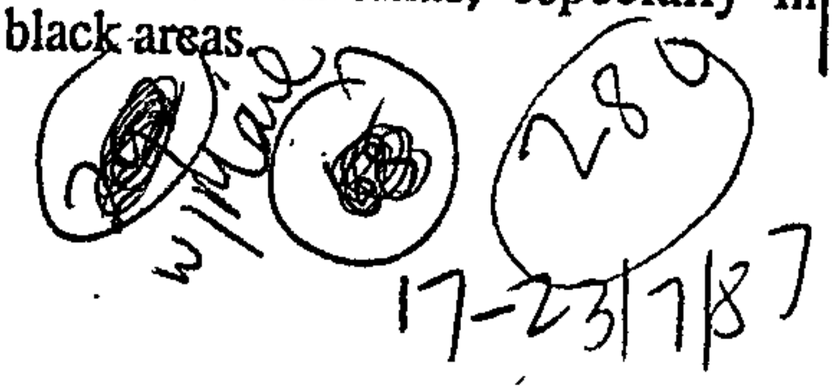
ANOTHER disinvestment move this week saw an Israeli film producer living in South Africa buying out the cinema interests of Dutch company Cinema International BV.

Cinema International sold its 31 Metro cinemas to the New Century Entertainment Group, formed earlier this year to take over the video distribution interests of the United States Cannon Group. The Metro chain employs about 650 people. Financial details of the deal were not disclosed.

New Century is a private company belonging to Avi Lerner, who came to South Africa three years ago to produce films.

The New Century Production company has produced 12 films in Southern Africa, including *King Solomon's Mines* and *Alan Quartermain.*

Metro Cinemas' new owner has expansion plans. "It will take time but we believe there is a good market here and we've got the products from overseas," Lerner says. New Century is looking to split existing cinemas to increase the number of screens and to build new cinemas, especially in black areas.



Lion strike-out was no secret (just to employees)

By HILARY JOFFE

THE latest in disinvestment moves — the sale of Lion Match by Swedish Match — was an open secret in business circles. The only ones who weren't informed seem to have been the employees.

Business circles had been tipping Rembrandt or United Tobacco to purchase Lion and the only real surprise was the eventual purchaser, South African Breweries.

But while the Lion Match sale was no secret in business circles and shareholders were warned that it was about to happen, workers did not seem to have been informed of the change. Sources in the union which organises Lion Match plants, the Congress of South African Trade Union's Paper Wood and Allied Workers' Union, say they read about the deal in the newspapers.

The giant Rembrandt Group had been shopping in the disinvestment market lately, with its acquisition from British-based Consolidated Gold Fields of a 10 percent stake in Gold Fields SA, in a move seen as a rebuff to the Anglo American corporation.

What SAB bought — for R8,8-million — was the 64 percent of Lion Match's share capital owned ultimately by Swedish Match.

The Lion Match story began in March last year when Swedish Match, the world's top match manufacturer, announced its intention to buy British-based Wilkinson Sword, its closest rival in the match business, from United States company Allegheny International. The Swedish takeover included Wilkinson Sword's subsidiaries in England (Bryant and May), Brazil and majority shareholding in South African Lion Match.

The *London Financial Times* reported Hans Larsson of Swedish Match as saying the company "would dispose of Lion Match when a commercially viable opportunity arises".

The Swedish government has banned trade with South Africa but does not necessarily oblige multinationals to close their South African operations.

Lion Match's interests include Wilkinson Sword razors and razor blades, packaging (Interpak) and electrical appliances.

According to stockmarket analysts, Lion Match will fit well into the SAB stable, with its focus on the manufacture of consumer goods.

The buyout is small stuff for SAB though, adding only about two percent to it's "bottom line" of R294-million.

The SAB statement issued on Tuesday said: "The acquisition of Lion Match will not have any immediate material effect on either SAB's earnings per share or net asset value per share. However, Lion Match's activities are considered complementary to those of SAB's portfolio of businesses which are principally engaged in meeting mass market consumer needs. The acquisition of Lion Match is thus considered an important step in the development of SAB's manufacturing interests."

As one of the largest industrial companies quoted on the Johannesburg Stock Exchange, SAB could easily manage the buyout, analysts say.

Swedish Match's priority was to get cash for Lion Match — as disinvestors they didn't want Lion Match paid for in South African shares.

Almost 36 percent of SAB's shares are owned by the Premier Group, another 12 percent by Old Mutual and the rest by institutions and the public. The Premier Group, in turn, is ultimately controlled by Anglo American and Liberty Life.

The price of Lion Match shares went up by R1 on Wednesday after the SAB buyout was announced. The shares have not been very tradeable, because such a high proportion of the them were in the hands of one foreign company.

But the price rose once the deal was announced because of the SAB offer to minority shareholders, analysts say. SAB had to make an offer to the minority shareholders — a JSE regulation obliges companies to do this in cases where there is a change of control of a listed company.

Minority shareholders are being offered SAB shares or cash for their Lion Match shares, and a special dividend will be paid on Lion Match shares in August. Analysts suggest shareholders will do better to take the SAB shares than the cash.

Judge rules in favour of disinvestment lobby in US

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SPM 2-07-87

By Alan Dunn, The Star Bureau

WASHINGTON — A United States judge has rejected a legal action challenging a disinvestment law against South Africa, striking a blow for disinvestment activism in what is being seen as a landmark case.

He upheld an ordinance passed by the Baltimore City Council last year ordering its R2,4 billion employees' pension fund to sell off its interests in companies doing business in South Africa

"It's a national test case, definitely," said Mr Russell Frisby, an attorney for the city council.

Anti-apartheid groups were elated at the judgment — believed to be the first since the wave of American disinvestment started.

The case was keenly watched by US Treasury, the State Department and many state, county and municipal authorities which have issued their own disinvestment regulations or are considering doing so.

In a 32-page judgment, Baltimore Circuit Judge Martin Greenfeld last week turned down arguments from the city employees' pension fund that its members would lose money if its South Africa-linked investments had to be sold and re-invested elsewhere.

He also rejected broader constitutional arguments that Baltimore's disinvestment law intruded on the federal government's prerogative to run foreign affairs and violated the foreign and interstate commerce clauses of the American Constitution.

Disappointment

Lawyers for Baltimore's pension fund expressed disappointment at the judgment and said an appeal was likely. It is understood lawyers representing several other local US pension funds will not regard this decision as binding, but may use it as a guide in their deliberations on similar litigation.

Judge Greenfeld found that although disinvestment and re-investment may create some initial costs and possibly losses, the amounts were so small that they did not violate the Baltimore trustees' obligation to seek the best investment yields.

"Even if the impairment were more significant it would be insubstantial when compared to the salutary moral principle which generated the ordinance," he said.

On widespread fears among US municipal pension fund administrators that disinvestment would mean serious financial losses, Mr Frisby said "I hope that (court) opinion helps put that to rest."

Baltimore's ordinance requires the pension fund to rid itself of shares in companies operating in South Africa within two years.

DD 20/7/87.

Zimbabwe clamps down on shopping trips to SA

HARARE — Zimbabwe's Minister of Home Affairs, Mr Enos Nkala, has ordered a further clampdown on black housewives taking shopping trips to South Africa, saying that they are being exploited by "enemy agents".

Some of the women had been used as "couriers" by South Africa, while others had been recruited as security informants, Mr Nkala said.

The minister gave the first official Zimbabwean Government reaction to the news of a pact, signed in Washington DC between the Mozambican National Resistence movement and the exiled Zimbabwean opposition leader, the Reverend Ndabaningi Sithole.

Rev Sithole founded Mr Robert Mugabe's Zanu Party and in 1963 launched guerilla operations against white rule in Rhodesia.

"Mr Ndabaningi Sithole has now started operating through South Africa and the situation along our eastern border is not quite stable," Mr Nkala said.

Mr Nkala said large numbers of former "Pfumo re vanhu" militiamen for Bishop Abel Muzorewa's Zimbabwe-Rhodesian Government were deployed across the Limpopo River

He said the women going on shopping trips had political links with Bishop Muzorew's defunct United African National Council

"Most of these women are vulnerable because they are always short of money when they go to South Africa, and money is one commodity the enemy is not short of."



MR NKALA

In addition to present restrictions, precluding any traveller from drawing a holiday allocation more than once every six months, women would in future be closely questioned on their motives for wanting to visit South Africa and intended movements, Mr Nkala said.

"Genuine tourists and ordinary visitors might be caught up in this, but we will try our best to be careful."

Mr Nkala said the police, customs men and immigration officials had orders to be "courteous, but firm" in turning back those going to South Africa just to shop. — DDC

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Cosatu favours mandatory, not selective sanctions

JOHANNESBURG — Two resolutions, on sanctions and disinvestment respectively, have emerged as the most controversial decisions adopted by the second Congress of South African Trade Unions (Cosatu) congress.

On Friday the organisation rejected the selective sanctions applied thus far by Western governments as having been ineffective as a form of pressure on South Africa. The resolution also said such sanctions could cause serious regional unemployment and often served the interests of the "imperialist states" applying them.

Instead, Cosatu has come out in favour of compensatory and mandatory sanctions as "the only ones which are likely to bring effective pressure to assist in bringing about non-violent change in South Africa".

It has listed a number of measures it says it will support. These included: stopping international loans to government, local government and business; diplomatic isolation; stopping emigration, tourism and overseas trips by businessmen and government officials; preventing local capital being invested, and skilled labour recruited, abroad; and the implementation of the United Nations arms embargo.

Cosatu leaders said debate on disinvestment focused on dealing with the withdrawal of foreign companies.

It was resolved these companies should give Cosatu "adequate notice" of their intentions, and they should negotiate with the representative union the terms of their withdrawal.

The congress adopted the Freedom Charter, which it said encompasses the minimum demands of the majority and lays the basis "for the building of a non-exploitative society". The congress also decided Cosatu should consider applying for affiliation to the Organisation of African Trade Union Unity, and called for the implementation of United Nations Resolution 435 in Namibia.

It rejected Regional Services Councils and warned Cosatu would take action if employers began deducting rents from wages in terms of the proposed Bill before Parliament.

NUM ordered to release suspected spy

JOHANNESBURG — The National Union of Mine Workers (NUM) was ordered to release a mine employee and not to interfere with the freedom of movement of this person, or any of Randfontein Estates Gold Mining Company Limited's other employees.

This interim order was granted by Mr Justice C. Margo in the Rand Supreme Court last night after an urgent application. The return date of the rule nisi is September 18.

There was no appearance for the union.

Cosatu Congress there.

Mr J. A. Geldenhuis, the manpower manager at the mine, said he was telephoned by Mr Jimmy Vithi, a NUM official whom he knows well.

Mr Vithi said Mr Justice Tsukulu, another NUM official, wanted to speak to him.

a member of the security department was held by NUM members for two nights, assaulted and accused of being a spy.

The mine has an illegal strike in progress at present, Mr Geldenhuis said, and NUM could declare a legal strike at any time.

Mr Geldenhuis be-

EAST LONDON

detective. The man had been investigating a fraud case, which had had nothing to do with NUM, and had been told to make observations at a particular point.

He was on duty at 9 am on Thursday, but when Mr Barnard went to see him at 2 pm yesterday, he had vanished, the court was told.

Mr Geldenhuis said that when he spoke to Mr Tsukulu he asked if the man was with NUM officials of his own free will, to which he got no response.

"Mr Tsukulu merely said they had him in a

Thatcher in clash over SA sanctions

KINGSTON, Jamaica. — Mrs Margaret Thatcher and the Prime Minister of Jamaica, Mr Edward Seaga, differed publicly yesterday over the question of imposing full economic sanctions against South Africa.

In a lunch speech during a lightning visit by Mrs Thatcher to the former British colony, now celebrating 25 years of independence, Mr Seaga said there was one fundamental issue on which they had agreed to differ.

"And that is the means of bringing to an end the abhorrent apartheid regime in South Africa," the Jamaican leader, a pro-Western moderate, said.

Jamaica belongs to a majority of countries in the Commonwealth that want full economic sanctions against Pretoria.

Britain is opposed to the idea, taking the view that such a move would affect black workers more severely than whites.

In her speech Mrs Thatcher described apartheid as "an utterly repulsive and detestable system, and it must go", but added that what was needed were positive measures to help the black people of Southern Africa.

Earlier yesterday a group of eight Jamaican organizations, mainly concerned with Africa, joined in appealing to Mr Seaga to urge Mrs Thatcher to impose economic sanctions on Pretoria.

Apart from the sanctions issue the two leaders appeared to be in total agreement after their meeting yesterday, categorized by Mrs Thatcher as between two of the longest-serving government heads in the world. Mrs Thatcher came to power in 1979, Mr Seaga in 1980.

Mrs Thatcher was last month re-elected to a record third consecutive term in power. Mr Seaga is attempting the same in elections likely to be called this year or next.

The British Prime Minister was on her way home from a 24-hour visit to Washington during which she expressed strong support for President Reagan and rejected suggestions he was politically weakened by the Iran arms scandal.

In Washington Mr Reagan and Mrs Thatcher called on UN Secretary-General Mr Javier Perez de Cuellar to undertake a personal initiative to end the Gulf war and threatened an arms embargo on whichever of the combatants refused the offer of mediation. — Sapa-Reuter

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Cosatu calls for total sanctions

JOHANNESBURG. — About 1 500 delegates to the Congress of South African Trade Unions (Cosatu) annual congress have adopted resolutions in favour of "total and mandatory sanctions", disinvestment and the Freedom Charter.

Cosatu's executive committee said yesterday that delegates had reaffirmed Cosatu's stand in favour of sanctions and disinvestment.

The resolution on sanctions calls for a ban on loans to the government and business in South Africa and a halt to travel abroad by South African tourists, businessmen and government officials.

It also demands the withdrawal of SAA landing rights, an end to the recruitment of skilled workers overseas, a halt on emigration by South Africans and a ban on tours by South African sporting teams and individuals.

The final resolution made no mention of calls for a ban on gold and platinum bought by foreign states that were included in a draft resolution to the congress.

Mr Jay Naidoo, who was re-elected general secretary, said the congress had also come out in full support of disinvestment.

"We will conduct a campaign to ensure that companies pulling out will negotiate the terms of the withdrawal. We will also contact our international allies to ensure that mulinationals who are disinvesting comply with the demands of the workers of South Africa," said Mr Naidoo.

Asked about the possibility of workers accepting shares or sitting on the boards of companies that withdraw from South Africa, Mr Naidoo said: "Forms of working-class participation within the present parameters of the apartheid system are not acceptable."

Cosatu's political policy will be shaped by its adoption of the Freedom Charter, drawn up by the ANC and allied organizations in 1955.

While formal affiliation to any political organization was ruled out, it is clear that the federation has shifted strongly towards an alliance with the United Democratic Front (UDF).

Mr Naidoo said the congress had ruled out any form of co-operation with the UDF's rival, the Azanian People's Organization (Azapo), which he said adhered to a black consciousness position.

The final resolution said only that the fight against "national oppression" and "capitalist exploitation" were complementary and called for full discussion on socialism, democracy and the Freedom Charter within Cosatu. — Sapa

Support for mandatory measures

Cosatu rejects selective sanctions

ALAN FINE

TWO resolutions, on sanctions and disinvestment respectively, have emerged as the most controversial decisions adopted by the second Cosatu congress.

On Friday the organisation rejected the selective sanctions applied thus far by Western governments as having been ineffective as a form of pressure on SA. The resolution also said such sanctions could cause serious regional unemployment and often served the interests of the "imperialist states" applying them.

Instead, Cosatu has come out in favour of compensatory and mandatory sanctions as "the only ones which are likely to bring effective pressure to assist in bringing about non-violent change in SA".

It has listed a number of measures it says it will support, including stopping international loans to government, local government and business; diplomatic isolation; stopping emigration, tourism and overseas trips by businessmen and government officials; preventing local capital being invested and skilled labour recruited abroad; and implementation of the UN arms embargo.

Debate on disinvestment, according to Cosatu leaders, focused on dealing with the withdrawal of foreign companies. But they said the organisation still supported disinvestment.

It was resolved these companies should give Cosatu "adequate notice" of their intentions, and they should negotiate with the representative union the terms of their withdrawal.

The resolution does not state what union demands in such circumstances should be. It does say that disinvestment, as carried out so far, has amounted to "corporate camouflage which often allows these companies to increase their support for the SA regime".

The congress adopted the Freedom Charter, which it said encompasses the minimum demands of the majority and lays the basis "for the building of a non-exploitative society". The congress also decided Cosatu should consider applying for affiliation to the Organisation of African Trade Union Unity, and called for implementation of UN Resolution 435 in Namibia.

It rejected RSCs and warned Cosatu would take action if employers began deducting rents from wages in terms of the proposed Bill before Parliament.

The congress laid down minimum employment conditions for domestic workers; decided to fight for social security benefits for the unemployed, as well as help to organise them; and spoke out against attacks on Cosatu and other forms of repression.

Equity holds crucial meeting on SA issue

The Star Bureau

LONDON — Equity's controversial decision to scrap its TV ban on South Africa enters another, possibly even more heated, phase today.

The special meeting of the union's council today is to reconsider the lifting of the 12-year-old ban decided last week at a meeting attended by only 30 of the 65 council members.

Both Mr Peter Plouviez, the union's general secretary, and the executive of the ruling Act for Equity group, headed by president Mr Nigel Davenport, advised against the move.

Some members, however, were delighted. Among these is actor Derek Bond who resigned as president last year after a huge row over his stage appearances in South Africa.

Actor Thomas Baptiste, a member of the opposition Centre Forward group, was deeply angered by the decision.

He believes British TV companies will conspire not to use black artists to make sure their programmes can be easily sold in South Africa.

Last year's Act for Equity council election victory was considered to have been the definitive stand on the issue of South Africa. But now a number of actors who broadly support Act for Equity's essentially rightist aims have been alienated by some issues, including Bond's South African tour.

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Soft shoe shuffle from sanctions

SA clothiers take Mauritian option

Finance Staff

JOHANNESBURG. — SA clothing manufacturers are increasingly moving off-shore to Mauritius to dodge sanctions and develop their export market.

Already SA manufacturers represent 10% of factories in Mauritius, a figure likely to rise significantly as the pressure of sanctions increases.

Of the 420 foreign factories in Mauritius, about 40 are South African operations mainly involved in textiles, clothing and footwear, the Mauritian trade representative in SA, Jean-Michel de Senneville, says.

National Clothing Manufacturers Federation vice-president Terence Kinnear says there has been growing interest in the industry to run a tandem operation in Mauritius to maintain growth potential locally and abroad.

Mauritius is a member of the European Community in terms of the LOME Convention, which gives it access to the European market.

Kinnear said many of the main exporters which had operated from the homelands had moved to Mauritius, Lesotho, Swaziland and Botswana, as in the US, country of origin requirements had closed the market to SA-manufactured clothing.

Mauritius is a particularly attractive destination for the labour-intensive clothing industry as wages at R24 a week are about four times less than in SA and the homelands. Working hours are also longer, bringing down unit costs in relation to overheads.

Stanley Schlagman, executive director of the Textile Manufacturers Federation, said a further advantage to clothing manufacturers moving to Mauritius was they could still source their raw materials from SA as there was no duty on imported fabrics.

To promote foreign investment, corporate tax in Mauritius is 15%. There is no tax on dividends, which can be repatriated in full, De Senneville said.

The Cosatu congress still leaves some vital questions unanswered

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ALAN FINE

COSATU'S positions on the burning issues of the day are not easy to define even after its policy decisions last week — as a large number of local and foreign journalists discovered at its post-congress Press conference.

As expected, the highlights of the congress were the debates on sanctions, disinvestment and political policy and alliances. And they certainly did produce a clearer posture than existed before.

But the final resolutions still leave a number of questions unanswered — reflecting, perhaps, Cosatu's position as a fast-growing organisation attempting to come to grips with labour's role in the process of change in SA.

On sanctions and disinvestment, Cosatu has taken some note of a well-researched document commissioned from a local service organisation which analyses the probable effects of various types of sanctions. And there is clear unhappiness that the organisation has had little say over international campaigns for sanctions.

Cosatu accepted that the selective sanctions measures implemented so far have done little, if anything, to advance the anti-apartheid cause — and, indeed, often merely serve the interests of the "imperialist states" implementing them. In addition, the resolution states, they "can cause serious regional unemployment".

It goes on to argue that only comprehensive and mandatory sanctions can assist in the process of peaceful change.

Leaving aside debate on whether this is correct, the resolution leaves unsaid how the "imperialist states" can be persuaded to implement these comprehensive sanctions, which will harm those countries' national interests. It also gives no guidance on what overseas lobby groups (and, indeed, Cosatu) should aim for should this best-case scenario be unachievable.

Support

But it was Cosatu's resolution on disinvestment that gave rise to the most heated question-and-answer session at last Saturday's Press conference.

Briefly, the resolution reaffirms Cosatu's support for "effective pressure on the SA political and economic system" and its view that "SA's social wealth should remain the property of SA's people".

And it notes that disinvestment so far was "nothing more than corporate camouflage".

But discussion at the congress centred on the clause stating "where disinvestment takes place companies must give Cosatu adequate notice ... so that bona fide negotiations can take place".

General secretary Jay Naidoo said the resolution should be read to mean Cosatu supported disinvestment. But again the theme was that the labour movement wanted more control over purported anti-apartheid economic measures.

The resolution does not, however, specify what unions should demand of withdrawing companies.

The original congress motion listed a number of demands, mostly related to employment security, but these were scrapped — apparently because consensus on their contents could not be reached. Nevertheless, some foreign companies can expect to hear about them.

The demands included: unions should be given full information on the nature of disinvestment and any remaining licensing and franchise arrangements; new owners should continue to recognise the affected union; no benefits may be prejudiced and control of pension funds should be transferred to the union; monetary compensation of one month's pay for each year of service; and five years' guaranteed employment under the new ownership.

Questions that still remain are what form of disinvestment *is* acceptable to Cosatu; how much power unions have over disinvesting companies to enforce their demands, given the GM experience; and, again, what to do in the absence of a "best-case" scenario?

'Minimum'

After an apparently spirited debate, the congress adopted the Freedom Charter as encompassing "the minimum demands of the democratic majority which lay the basis for the building of a non-exploitative society".

In doing so, Cosatu formally aligned itself closely with charterist political, student and community organisations and, indeed, resolved to establish joint structures at local, regional and national level with them. Sources say about two-thirds supported the resolution without reservation.

Opposition ranged from those who wanted the charter to be complemented by a workers' charter, to others who believed it would be divisive to adopt any particular political programme.

Behind these positions are differing attitudes to tactics and strategy, and the degree of independence labour should maintain from nationalist political organisations. In addition, although the debate is still in its formative stages, they reflect varying views about future political and economic structures.

Precisely how the congress will change Cosatu's approach to political campaigns remains to be seen.

Its most successful endeavour has probably been its living wage campaign — with affiliates winning increases well above the national average. And the mineworkers' campaign against migrant labour and hostels promises to bring significant improvements to their quality of life in the medium term. Both are decidedly workplace issues.

But the organisation has never shied away from taking militant political positions — and often actions. The extent to which Cosatu implements a sensible and pragmatic blend will determine how crucial a role it plays in SA's future.

Moderates angry over TV about-face

'We'll fight new ban by Equity'

By Sue Leeman,
The Star Bureau

LONDON — Moderates led by actors Derek Bond and Marius Goring have vowed to fight the crucial decision yesterday by the Equity council to reinstate the ban on sales of television and radio material to South Africa.

In a special ballot, the council voted 28-7 to overturn last week's 16-14 decision lifting the 12-year ban.

Yesterday's decision came after a week of intense internal conflict which has polarised the 67 council members into staunch pro-ban and anti-ban factions.

"We lost this battle, but we will win the war — it is by no means over," said Mr Bond after the ballot, indicating that the "battle of the ban" could become even more protracted.

He said he and his supporters would consider either pushing for another referendum of the union's 35 000 members — two referendums have already confirmed the ban — or taking the union to court.

Black actor Thomas Baptiste, who has vehemently opposed last week's council decision to overturn the ban, hailed yesterday's decision as "wonderful — common-sense has prevailed".

He had threatened that if last week's decision was reinforced he would take the union to court.

Anti-Apartheid Movement executive secretary Mr Mike Terry said he was delighted. "We hope very much that the vote will put an end to any moves to lift this ban. The decision is a major setback for all those seeking to undermine the cultural boycott."

Equity general secretary Mr Peter Plouviez said the decision taken in the referendums was binding until reversed by another referendum or by a decision of the courts.

The council would have to approve another referendum, meaning that Mr Bond will have to put together significant support within the executive body.

Mr Bond said he believed that last year's High Court ruling that it is not illegal for Equity members to perform in South Africa also means that the sale of television and radio material to the country is legitimate.

"Our rules state that we must look after the professional interests of our members — and it is therefore not right for us to refuse to negotiate terms (for sales to South Africa)."

It has emerged that a confidential affidavit from SABC Director-General Mr Riaan Eksteen helped swing last week's vote against the ban.

Mr Eksteen gave his personal guarantee that the SABC did not discriminate against blacks or Asians in programming its television stations.

Equity members reinstate TV ban

LONDON — The ban on British television and video material being used in South Africa is back again.

A special meeting of the council of Equity, the actors' trade union, yesterday reversed last week's decision that the ban be lifted.

However, an executive member of Equity, Mr Derek Bond, gave a pledge to South Africans last night.

"I want my South African friends to know that we will continue tirelessly to work for the right of South Africans to see the work of British artistes."

He described yesterday's decision as "deplorable" and said that, although he had to accept the majority decision, the matter would not rest there.

"We have lost a battle and we will lose and win other battles but in the end we will win the war," he said.

Mr Bond said the next step would be to explore all avenues open to members to rescind yesterday's decision. He was confident this would be done.

The chairman of the Afro-Asian group in Equity, Mr Louis Mahoney, last night welcomed the council's decision.

He said that as long as apartheid continued in South Africa and there were not full and equal rights for all, British actors could show their concern by withholding their work from the Republic.

Yesterday's special council meeting was attended by "an overwhelming majority" of its 67 council members. — Sapa-RNS

CAMC Trials 22/7/87

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Equity brings down curtain on SA again

Own Correspondent

LONDON. — The ban on British television and video material for South Africa is back.

A special meeting of the council of Equity, the actors' trade union, yesterday reversed last week's decision that the ban be lifted.

Last night Mr Derek Bond, an executive member of Equity — whose trip to South Africa while he was president of the union caused an uproar among members, gave a pledge to South Africans: "I want my South African friends to know that we will continue tirelessly to work for the right of South Africans to see the work of British artists."

He described yesterday's decision as "deplorable" and said that while he had to accept the majority decision, the matter would not rest there.

"We have lost a battle: We will lose and win other battles, but in the end we will win the war."

Mr Bond said a solicitor's letter had been received last week from two members of a left-wing pressure group within Equity, Centre Forward, demanding a special general meeting to debate the lifting of the ban on South Africa.

An assurance was also sought that no action would be taken to negotiate with the SABC or any other South African body in the interim.

Now, of course, with the reversal of the earlier decision, this fell away

Mr Bond said the next step would be to explore all avenues to rescind yesterday's decision.

Mr Bond, as spokesman for those who had sprung the boycott of South Africa at a routine council meeting last week, getting it almost surreptitiously lifted, added: "I particularly want a message to go to my Zulu friends, who wanted their children to learn English from Shakespeare and Dickens rather than from the A-Team and Dynasty.

"We are determined to get this sort of material to them and the ban lifted."

South Africans should not give up hope that the wealth of English programmes from Britain would eventually be available to them, he said.

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Labourer

PABX still holding on

HELOISE HENNING

DESPITE American ITT Corp's decision to disinvest, its ITT 5200 PABX will be available and maintained, and its future technology developed.

This is possible as it is largely locally manufactured under licence from Alcatel Austria by Fuchs Electronics, says Jasco Business Communication Systems MD Dave Rocke.

The name of the product is to be retained.

The ITT 5200 is capable of handling voice, text and facsimile switching between up to 844 ports.

Rocke says the ITT group's decision will affect SA companies that have ITT products.

ITT Austria, now named Alcatel Austria, became part of Alcatel NV two months ago.

FRONTLINE CHIEFS ADMIT SANCTIONS FAILURE

THE acknowledgement by Zimbabwe and Zambia that they cannot implement their threat to cut air links with South Africa is a severe setback to the international sanctions campaign against the Republic.

Cutting the air links was regarded as the most feasible and likely form of sanctions open to the two frontline militants and their decision to drop it means they are unlikely to be able to apply any other form of economic sanction against South Africa.

SOWETAN Africa News Service

Zambian president Kenneth Kaunda's explanation that the two states could not impose the air embargo because it was not backed by all other African countries appears to be an excuse for a decision that comes as an embarrassment after their vociferous support for air and other sanctions.

It would appear that they could have cut their air links with South Africa even if the other African countries did not do likewise. The real reason seems to be that they were unwilling to suffer the economic losses that would result.

OAU report welcomes tougher sanction

Ministers urge more funds for arms against SA

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23/7/87

ADDIS ABABA (Ethiopia) — African foreign ministers called for more money, arms and supplies yesterday for guerilla-backed activists fighting the white-led government in South Africa, officials said.

The ministers, on the third day of a weeklong meeting to prepare for the annual Organisation of African Unity (OAU) summit next week, also condemned South Africa's occupation of SWA/Namibia and its destabilisation of neighbouring black-ruled states, the OAU's assistant secretary-general, Mr Sylvester Nzanzimana, of Rwanda said.

The Ethiopian Foreign Minister, Mr Berhanu Bayih, addressing the closed ministerial council meeting, castigated the Reagan administration for advocating dialogue with Pretoria through its policy of constructive engagement, the Ethiopian News Agency reported.

But, by contrast, the ministerial council congratulated European governments and the United States for imposing economic sanctions against the "despicable regime", Mr Nzanzimana said.

In particular, the ministers singled out Canada and Scandanavian nations for special praise.

An OAU report on sanctions, being considered by the ministers, also paid tribute to Washington-DC for introducing a tougher package of economic boycotts than the 12-nation European Economic Commission.

"The economic sanctions measures taken by the US were of great importance, for they were adopted by a country which is fiercely opposed to comprehensive and mandatory sanctions, and a major trading partner of South Africa," the report said.

It will be presented to the summit between July 27 and 29. The annual conference of African leaders will also focus on the Chad-Libya war and member states' collective $200-billion foreign debt.

Mr Nzanzimana said ministers had urged for greater funding and material support for the guerilla-backed liberation movements in South Africa and also for the Frontline states, a regional grouping of six nations in direct confrontation with Pretoria. They are Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

Main benificiaries, he said, should be the African National Congress that seeks to topple white domination in South Africa and The South West Africa People's Organisation that is fighting for control of SWA/Namibia.

Mr Bayih re-newed his Marxist government's offer to train and arm 10 000 South African resistance fighters.

With 240 000 troops, Ethiopia has one of the biggest regular armies in Africa.

Mr Nzanzimana said 38 foreign ministers would attend the meeting this week, out of the 50-member OAU.

City Parking charges R1 an hour for its uncovered lot between Bree and Long streets.

Cape Times 23/7/87

Dockers won't load uranium

Own Correspondent

LONDON. — Dockworkers in Liverpool will refuse to handle further shipments of uranium hexafluoride manufactured from South African and Namibian uranium.

Till now it has been exported through Liverpool for further processing in the United States.

The dockers' decision follows a direct appeal made to trade unionists by Mr Ben Ulenge, general secretary of the Mineworkers' Union of Namibia, speaking to a Labour conference on Southern Africa in Liverpool in February.

Too late for classification

BIRTHS

US firms disinvesting are 'cop-outs'

LONDON — US companies disinvesting from SA were called "cop-outs" by American Assistant Secretary of State for Africa Chester Crocker yesterday.

Crocker, interviewed from Washington by journalists in London and Lisbon through a TV satellite link-up, said such disinvestment was destructive and removed influence.

He said: "We think disinvestment is a wrong-headed and negative policy — if you want to call it a policy at all.

"It is not a policy at all really — it is a cop-out. Disinvestment means that you just walk away from the situation, you wash your hands of it. It's a search for clean hands.

"But it doesn't work. All you do is to remove a limited external influence and turn over the assets which are involved at bargain-basement prices to local interests.

"What has happened is that SA firms have bought American assets. We have seen people no longer applying the positive employment principles our firms used to apply under the Sullivan code.

"We have seen a reduction in foreign funding for black education and training programmes.

"Now I don't pretend that this is an earth-shattering change, but to the extent that we had an influence, a positive one, through our investment presence, it has been reduced and will not have any positive consequence for the future of SA — on the contrary a negative one."

Crocker said the US administration had been constant in what he termed its "common sense" policy of trying to maintain influence with all parties in southern Africa in an effort to secure negotiated solutions. — Sapa.

Frontline move to isolate S Africa

(280 STM 24/7/87)

LUSAKA — Leaders of southern African states seeking to establish an effective offensive against South Africa will today search for greater regional economic co-operation to isolate Pretoria.

Heads of state of the nine countries in the Southern African Development Co-ordination Conference (SADCC) are to meet here to review progress by the eight-year-old group in reducing economic dependence on South Africa.

The one-day summit today will follow a meeting yesterday of Angola, Zambia, Zimbabwe, Mozambique, Botswana and Tanzania to combine strategies in the face of what they see as Pretoria's increasing military and economic aggression towards its neighbours.

The six Frontline states championing Africa's fight against Pretoria are joined by Lesotho, Swaziland and Malawi to form the SADCC.

The nine nations are expected to seek further ways today of strengthening co-operation in strategic areas such as transport and industry to put pressure on South Africa.

'TOTAL LIBERATION'

Zimbabwean Prime Minister Mr Robert Mugabe told the Frontline leaders yesterday: "The total political and economic liberation of our southern African region is a long and arduous task. SADCC must help to bring us our long-awaited economic victory."

The chairman of the Frontline states, Zambia's President Kenneth Kaunda, set the tone of the meeting by calling on those African nations who were strong enough to impose their own economic sanctions against South Africa as a way of putting pressure on Pretoria to end apartheid.

"Let us join forces to achieve this supreme objective. Let us not be found wanting at this crucial stage in Africa's history," President Kaunda said.

The issue of sanctions has caused disagreement among the allies.

Citing lack of unanimity among the states, Zambia and Zimbabwe said on Monday they could not cut air links with South Africa. — Sapa-Reuter

Loosening SA ties under review

16 African states say Africa must lead on sanctions

ADDIS ABABA — Sixteen African states said yesterday that black Africa should lead the way in imposing comprehensive sanctions on SA.

The 16-nation steering committee of the Organisation of African Unity (OAU), in its report to a conference of OAU foreign ministers, said the organisation's 50 member states should "spearhead the struggle against the fascist regime in SA and be exemplary in the imposition of sanctions".

The report proposed that African states should draw up a plan identifying alternatives for countries which depend on SA as a market or trade route.

The OAU has repeatedly called on its members to boycott SA, but some have retained extensive contacts with SA.

Zambia and Zimbabwe earlier this week postponed plans to stop direct flights to and from SA, arguing that other states would not join them.

In Lusaka, leaders from nine African nations meet today for a one-day summit to review efforts to looseneconomic ties with SA.

Heads of state of the seven-year-old Southern African Development Co-ordination Conference (SADCC) will meet for their annual talks at a time when most members still depend heavily on Pretoria for trade and transport routes.

"Monumental tasks still lie ahead of us," Zambian Prime Minister Kebby Musokotwane told the opening of the two-day ministerial council session on Wednesday. "A lot remains to be done."

But he appealed to foreign ministers preparing for the summit not to allow their countries to surrender to Pretoria's economic or military power.

The SADCC — comprising Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe — was founded in 1980 as a regional bloc seeking to free member states from reliance on SA markets, roads, railways and harbours.

Zambia and Zimbabwe promised last year to impose some economic boycotts against Pretoria in accordance with an 11-point Commonwealth package aimed at forcing SA to abandon apartheid. But both feared they would suffer most from the embargoes. — Sapa-AP.

● See Page 4

A Relly thumbs-down to Cosatu's 'hands-off' call

By SEFAKO NYAKA

THOSE who promote sanctions and disinvestment cannot expect their appeals for support against state attacks to be treated sympathetically, according to Anglo American chairman Gavin Relly.

He was responding to an open letter the Congress of SA Trade Unions addressed to employers more than a month ago, calling for support in defending the federation from a concerted attack from the state and rightwing elements.

Several Cosatu offices and those of its affiliates were destroyed by arsonists in mysterious circumstances. In some cases union office workers were hounded out of town through physical threats.

The attacks culminated in the killing of six railway workers and the bombing of Cosatu House.

Cosatu then wrote open letters to employers and a number of democratic organisations calling for their "support in defence of democracy".

Relly's is the first known response from an employer. Organisations, including the UDF, have come out in support of Cosatu and vowed to defend the federation from attack.

In his letter, Relly said supporting political policies which have the effect of undermining the economy in which the industrial relations system operates while calling for the defence of the system is both illogical and detrimental to the interests of all South Africans

"We cannot therefore be expected to treat sympathetically the appeals for support of those, including trade unions and trade union federations, who promote sanctions and disinvestment, the more so when such advocacy is part of a wider political programme inimical to the very survival of the free enterprise system of which we form part."

Relly sent a copy of his reply to Dr PJ van der Merwe, director general of the Department of Manpower.

Collective bargaining, Relly said, has in many instances achieved the orderly resolution of conflict, "but the procedures have not been uniformly followed in all cases by your member unions and there have been precipitate actions which have not assisted the cause of constructive labour relations".

Relly's reply is expected to harden further Cosatu's resolution to challenge the "bloody alliance between capital and the state to divert and subvert our struggle for freedom".

In its letter, Cosatu asked employers whether they wished to stand for a free, democratic society where differences are allowed, or "do you wish to remain silent and watch Cosatu convicted?".

Delegates at last week's congress, in dismissing a Cosatu/business political alliance, noted that "employers have tacitly supported these campaigns of terror and smear campaigns the state and rightwing elements have mounted against Cosatu in particular and the labour movement in general. We, as workers, including our children, do not want to defend the apartheid system, which is a crime against humanity."

Relly said "fragile workplace democracy" taking root in the mines and factories needs to be strengthened and not weakened.

The negotiating process needs to be enhanced and not suppressed and interpersonal relationships preserved, not polarised.

"Those of whatever persuasion who jeopardise these processes through violence, intimidation and sabotage should be brought to account on specific charges in a court of law," he wrote.

Relly was included in the delegation of businessmen that met with the ANC in Lusaka in 1985.



Anglo's Gavin Relly: No sympathy for unions who call for sanctions

DESMOND TUTU

'If not this, then what?'



The *FM* spoke to Archbishop Tutu about his stand in support of sanctions against SA.

***FM:*You have long been a supporter of both sanctions and disinvestment. Neither strategy seems to be having the effect you desire.**

Tutu: I don't want the unpleasantness of sanctions. If we were able to achieve a non-racial democratic SA without sanctions, I would be the first to sing Hallelujah. The reaction of the white community, particularly businessmen, shows that there hasn't been anything quite like this to touch raw nerves. It is interesting that it is they, more than the so-called victims, the people over whom they suddenly seem to have grown so altruistic, who complain. My position has been to throw the question back at the people who say (no to sanctions): "If not this, then what?"

There is not going to be a let-up on disinvestment until blacks recognised as authentic leaders say so. If my critics claim I am a prime mover in the disinvestment campaign, then the obverse is obvious. If I, among others, were to say today, put your plans on hold, a lot of people would listen. I am prepared to do that if the State of Emergency is lifted, political prisoners and detainees released, our political organisations unbanned and government says seriously it is willing to talk to an open agenda.

But can you give a practical example of where sanctions and disinvestment in SA have worked in the way you envisage?

First you need to ask when sanctions have been applied effectively and then consider the time span in which you are able to judge the effects one way or another. In a sense, we were taken by surprise when our calls elicited the sort of response that they did. Look at what's happening right now: Anglo American is talking about shares for workers. I don't think it would have happened had it not been for the pressure of sanctions. Businessmen are trying hard to prove they are changing.

Look further back. When did the Sullivan and EEC codes come into being? Didn't they arise in response to the threat of sanctions when suddenly everyone began to say, we want to improve the quality of life of black workers? This has all been part of the response to sanctions. Would it not also be true to say that government has tried to project to the world a SA that is changing. I would go so far as to say that the 1984 Constitution and the more recent noises by Chris Heunis are part of the cumulative effect.

You reportedly counter the argument that sanctions will cause blacks to suffer by saying that they are already suffering under apartheid; you appear to reason that the more blacks are made to suffer, the greater the chance that they will rise in violent revolt?

I am not unaware of the deleterious effects of sanctions and disinvestment. Some people say, look at the unemployment that has resulted. But that is not entirely true. You must look, for example, at the number of people who have lost jobs through the mechanisation of agriculture, and also look at the structural unemployment built into the whole economic system. Nobody has really jumped up and down because of this. If the burden of your questions is to say that this strategy has failed, then you must be aware of what we are really saying; you are saying that the last possibility for peaceful change in SA is gone.

How will you know when the time is right to advocate violence? What criteria will you use?

The criteria (if you want a theoretical framework) when it becomes abundantly clear to me that we have tried everything and there is no hope whatsoever of moving this intransigent lot, would be the same questions one asks in relation to war Have you tried all available methods for bringing about change non-violently? Have you any reasonable guarantee that you are going to succeed? Will what obtains after this particular dispensation has been dismantled be better? Those would be the kind of questions one would have to ask.

Ultimately, it's really a matter of opinion — but would also be determined by my own experience of the black community What is the level of the people's tolerance of what is happening? Far too many white people have no notion of what we have had to put up with and what we are having to put up with even now.

It has been argued that some of the most significant socio-political changes in SA have come about during times of economic growth and that whites resist change when they are economically weak?

All the evidence is to the contrary Some of the most vicious and repressive legislation in this country has been imposed not at times of recession, but when the economy was booming. Look at the facts. When did businessmen start trundling off to Lusaka? Was it not when American banks refused to roll over loans? Then suddenly these guys discovered the air around Lusaka was healthy and they needed to breathe it more frequently. But now they have lapsed back into complacency. Government appears to be in control again, the price of gold is steady, most of the business community believes, because it is making such huge profits, that everything is hunky-dory. How many booms have we had since 1960, and would you say that our lot — politically — has improved significantly? The homelands have become independent, many blacks have been turned into aliens in the land of their birth, forced population removals have taken place. Even now when government claims we are in the middle of reform, here in Cape Town they say to people who have been living happily that they must move (in terms of the Group Areas Act).

What role do you believe businessmen and in particular the multinational corporations who choose not to disinvest should play?

We told them long ago that they had clout they were not using. They were sitting pretty at the time and said nonsense. The multinationals said they were really guests in the country. I told them their presence here was as much a moral and a political issue as it was economic, but they didn't listen. At that time I told them to talk economics, not politics to government, to say the migratory labour system doesn't make economic sense and so on.

They could have told government they wanted to remain in SA and even increase their involvement provided certain socio-political conditions were met. But we are now past that point. If the requests that were regarded as radical and revolutionary five or 10 years ago had been implemented, I believe they would have permeated into our political consciousness and would have helped to change perceptions.

Businessmen now have to accept that they have a political role. They should tell government that unless certain things happen, and they can tell them nicely and in a manner that doesn't seem to be an ultimatum, but they ought to be saying certain things must happen or we will have to pull out. People say it doesn't really matter if they pull out, but why then are they worried?

Surviving sanctions

Obstacle to progress



BY HARRY OPPENHEIMER

THE Urban Foundation is a highly unusual, indeed probably unique, private-enterprise project designed to meet a crisis situation in South Africa.

It was conceived as a practical, powerful and humane reaction by the South African business community to the violence that erupted in 1976.

The original form that the Urban Foundation took owed much to research work that had been carried on for some time within the Anglo American group into mass housing projects.

For this reason there was at this early stage a strong, though never exclusive, emphasis on helping to ameliorate the black housing problem.

Conference

The outbreak of rioting in 1976 was seen as marking a turning-point in South African history. It was widely recognised that individual South Africans had to do something practical about the situation and not just think it sufficient to address angry condemnations or pious exhortations to the Government.

This feeling was particularly strongly felt in the business world, and it led, in due course, to a decision to try to organise a major business conference to consider what action should be taken.

The conference was held in December 1976, and the decision to form the Urban Foundation was then taken.

From the beginning we clearly understood that the foundation would not be able to operate successfully unless the Government, on whose goodwill it would to a large measure depend, had faith in its integrity and freedom from party-political bias.

It was equally, if not more important, to secure

Satisfy

and be able to demonstrate a large measure of support from authentic leaders of the black and brown communities.

Obviously, also, the support of the business community would have to be maintained What was required was a long-term policy and programme which would test the staying power of all concerned. It was further not going to be easy to satisfy any of the three constituencies — that is, the Government, the black community and the private business sector.

Mr Justice Jan Steyn became the chief executive. Without his exceptional gifts it would never have been possible to satisfy and reconcile these interests

It was plain from the beginning that the new foundation would never get off the ground without powerful Afrikaans-speaking support.

Advice

Government acceptance of the good faith and patriotism of any organisation working for social change that had its origin in the English-speaking business section and, in particular, in the offices of the Anglo American Corporation would certainly not otherwise be forthcoming

The immediate step we took, therefore, was to seek the advice and co-operation of that acknowledged leader in the Afrikaans business world, Dr Anton Rupert.

He willingly gave his help and support, and agreed to become the deputy chairman. Most importantly, he emphasised that any such business initiative would have to be much wider than any housing project, and should address itself to improving the quality of life of blacks in the urban areas.

This would call for major changes in regard to education standards, social and economic conditions, and, indeed, in the South African political system as a whole.

It was not only the Government which was likely to be suspicious about the motives of the new organisation; there was every bit as much from another among the communities we were trying to help. Black leaders, naturally and rightly, resent any suggestion of paternalism.

Black suspicion, however, went deeper than that.

The more radical leaders were disposed to think that any attempt, particularly by whites, to improve the material conditions under which they lived must really be aimed at offering them an inferior substitute for political power and at building up a black middle class in order to facilitate a white policy of divide and rule.

Kingdom

Black leaders, in the same way as Kwame Nkrumah, demanded the "political kingdom" and thought that better education, higher living standards and social justice were matters which could be left over until later

The devastating effects of such thought can be seen only too plainly in the greater number of newly independent African states

Nevertheless, it was, and remains, a difficult matter to persuade the more radical black leaders that, in seeking to improve their quality of life before the attainment of political power, the Urban Foundation was not seeking to fob off their just demands

Suspicion

It was very difficult for them to accept the contrary position, maintained by the foundation, that it was only through improving the quality of life that a fair share of political power could be attained peacefully

The suspicion that the real object of the business community is not freedom and democracy for South Africa but a new, more acceptable and more defensible form of apartheid goes very deep

The Urban Foundation has done much to help to remove this suspicion, but it will not be eradicated without infinite patience and a demonstration of true integrity, humanity and honesty of purpose in the handling of race relations by the business community as a whole

The work of the foundation has sadly been made much more difficult by sanctions

The adoption of these policies has hardened attitudes to the right and the left of the political spectrum It has slowed down the economy and added to what was already a grave problem of unemployment, it has brought the Government's reform policy, which, while plainly inadequate, was by no means merely cosmetic and unimportant, to a dead stop, and it has encouraged among many South Africans of goodwill a sense of despair just when vigorous action for reform is vitally necessary

This has made financial support both inside and outside South Africa more difficult to obtain.

Desperate

And, yet, the policies and programmes of the foundation, based on tackling in a practical way the problems of a desperate housing shortage and of gravely inferior standards of black education, of eliminating racial discrimination in the offices and factories of South Africa's industry; and of mobilisng the strength and influence of the business community for social and economic reform and political power-sharing, must surely be just such a programme as ought to appeal to businessmen of goodwill in America and Europe

The fact is that these businessmen have been taken for a ride by the politicians

It is highly encouraging that, in spite of such difficulties, the Urban Foundation has retained the confidence of the South African business community.

Success

I believe, too, that many old friends and growing numbers of new friends overseas are coming to look on the foundation as a practical way in which we may hope to bring peace, justice and prosperity to this troubled land, and that it has infinitely greater chances of success than any policy of trying to ruin the country's economy in the belief that this will bring about a change of heart in our obstinate Government.

● *Condensed from an article in Leadership magazine by Mr Oppenheimer, president of the Urban Foundation, on the foundation's 10th birthday*

AFRICA

ARGUS 27/7/87

Brake on Zimbabwe trade ban

Argus Africa News Service

HARARE. -- Zimbabwe this week pulled back from the brink of imposing severe restrictions on trade with South Africa to give the business community time to give its views

A series of urgent meetings has put a brake on implementing a plan to have South Africa and several other countries declared designated countries for which special permission would be required for any trade dealings.

The plan is said to have reached such an advanced stage that officials jumped the gun when import permits for some goods were stamped "not valid for designated countries"

It is understood, however, that the plan has now been frozen while its implications are re-examined.

Deep gloom

There was deep gloom in business circles when they heard that the Government had decided that drastic action was necessary to divert trade away from South Africa. The word was that the Government would grant waivers or exemptions only in exceptional cases.

South Africa is by far Zimbabwe's biggest single trading partner and last year supplied goods worth more than R400-million, nearly double that of the next biggest supplier, Britain

The business community here fears that if they are forced to turn elsewhere for imports there will be delays, increased transport costs and often highsr prices, putting added strain on the already limited availability of foreign exchange

One example quoted is that of iron and steel imports, mostly from South Africa, which last year cost R47-million. From Japan the price would have been twice as high

The other countries singled out for special treatment are understood to be Israel, South Korea, Taiwan and SWA/Namibia

Behind the plan

Zimbabwe businessmen have been urged by the Government to reduce reliance on South Africa. But last year trade in fact increased, which may have accounted for the new plan of action.

This week Zimbabwe and Zambia announced that they were unable to go ahead with their proposed ban on air links with South Africa, under the Commonwealth sanctions package, because they were not able to get other African states to go along with the ban.

Zimbabwe said it was still studying the implications of imposing other sanctions.

While the proposed new restrictions may not strictly fall under the category of sanctions the likelihood is that they would be interpreted as such.

If they were implemented, the question of South African retaliation would arise. One view is that if Zimbabwe introduces "abnormal" trading conditions, then Pretoria could bar all trade.

ARGUS 27/7/87

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Sanctions pressure likely to be relaxed

The Argus Foreign Service

ADDIS ABABA. — No drastic action on countering South African pressure on the frontline states is likely to follow this week's Organisation of African Unity summit which opens here today.

In spite of the fact that most of the discussion will focus on the issue, the frontline countries have already decided to tread softly in applying sanctions against Pretoria.

At the mini-summit in Lusaka last week, leaders from Botswana, Mozambique, Angola, Tanzania, Zambia and Zimbabwe agreed not to press Botswana and Mozambique to sever air links with South Africa because they depended completely on these links for trade and communication.

President Kaunda of Zambia and Zimbabwe's Prime Minister Robert Mugabe also decided to retain their countries' air links with South Africa until they could reduce their economic dependence on their white-ruled neighbour. This situation apparently has been accepted temporarily by the OAU.

The sanctions issue has featured prominently at many previous summits, but the difficulties of the frontline states were never spelled out as clearly as they were last week.

And, for all the resolutions and threats made by African states against South Africa, few have made any substantial contributions to the OAU liberation committee which helps finance and co-ordinate the activities of the ANC, Swapo and other bodies, it has been disclosed.

The other leading topic on this week's agenda will be the enormous foreign debts crippling African states, now totalling about R375-billion.

● Tanzania and Zimbabwe will lead a counter-offensive against Israel's drive to restore diplomatic relations with African states.

They want the states which have renewed links with Jerusalem — Ivory Coast, Cameroon, Zaire, Liberia and Togo — to sever them in the interests of Afro-Arab solidarity.

Business Day

0c (45c + 5c tax)
For other prices, see Back Page

Natal, Western Province, Eastern Province 80c (71c + 9c tax)

(280) B/Day 27/7/87

Big three make running in acquisition league

DESPITE government's reassurances that the level of violence is dropping, foreign concerns, nervous of any SA connections, continue to leave at the rate of nearly one a week.

During the past year the departures have been steady, creating a ready market for local acquisition-hungry conglomerates whose activities are being closely monitored by the Competition Board.

Anglo American is leading the race with Sanlam and Old Mutual sharing second spot in the acquisition league.

HAMISH McINDOE and MICK COLLINS

Exactly how much Anglo has paid for disinvesting companies is not known, as the corporation refuses to comment on speculation over its holdings.

Only six companies have disclosed how much was paid to take over the local operations of disinvesting companies — it amounts to R1bn.

During the past year, Anglo has added to its huge corporate portfolio, either directly or indirectly, foreign banking, chemicals and pharmaceuticals.

Most of the 46 corporate leavers have either sold their operations to local management or to other companies. Only Eastman Kodak, Scholl-Plough and Dutch investment bank Pierson, Heldring and Pierson cut all ties with SA.

But overseas trade unions are openly sceptical that IBM and several other flagship corporations have really jettisoned their SA operations.

The Competition Board is holding a watching brief but, while aware of the situation, will not act until such time as it feels the economy is threatened.

A spokesman says: "We are well aware of the acquisitions, but the overriding factor is not whether it is a disinvestment or ordinary acquisition but whether the acquisition is in the public interest.

"We will treat all cases on their merits. SA is sitting in a situation on which government is keeping a close watch. We have to see how it will affect the economy at large."

Of 20 foreign companies sold locally

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P.T.O.

Big 3 of Acquisition league

● From Page 1

since last June (excluding management buyouts), about a third went to the corporations, either directly or through subsidiary and associate companies.

Anglo and its associates, Southern Life and De Beers, own more than half of First National Bank after Britain's Barclays Bank sold the remaining 40,4% share of its SA holding for R527m last December.

Seven months later, First National swallowed up US Citicorp's SA banking operations. It paid R130m for Citibank SA.

The Anglo American Industrial Corporation (Amic), through its stake in AECI, acquired a share of Allied Colloids when the British industrial chemicals group sold its SA operations last December. Anglo owns 47,4% of Amic.

Anglo and SA Mutual's stakes in Cullinan Holdings gave both corporations an interest in British International Calender Cables, which sold out in May.

Anglo's stake in US Dow Chemicals pharmaceutical division via Premier is contentious. The authoritative "Who Owns Whom" rates Anglo as Premier's ultimate controlling shareholder, but Anglo, in its latest annual review, reports a 13% stake in Premier.

The SA operations of US computer firm Honeywell came under Sanlam's umbrella last September through its holding in Murray and Roberts.

Old Mutual, through its majority holding in Safren, gained Makro supermarkets' remaining SA interest after its Dutch-West German owners were forced to leave by anti-apartheid activists burning Makro stores in Holland.

Both insurance giants bought small stakes in the SA subsidiary of British merchant bank Hill Samuel, but neither have board status at Hilsam.

Thirteen foreign companies have sold out their SA interests to companies that are not linked or could not be traced to the big corporations.

There have been 15 management buyouts during the past 12 months. These include General Motors, Playtex, McGraw-Hill, ITT and Leyland.

Eve Post 28/7/83

Book ban is no cause for concern

Post Reporter

THE ban on book sales to South Africa by 13 American publishers for political reasons should not slam the door on sources of supply.

Booksellers interviewed today dismissed the latest ban on mainly academic textbooks as "just talk" and were confident that supplies would not dry up.

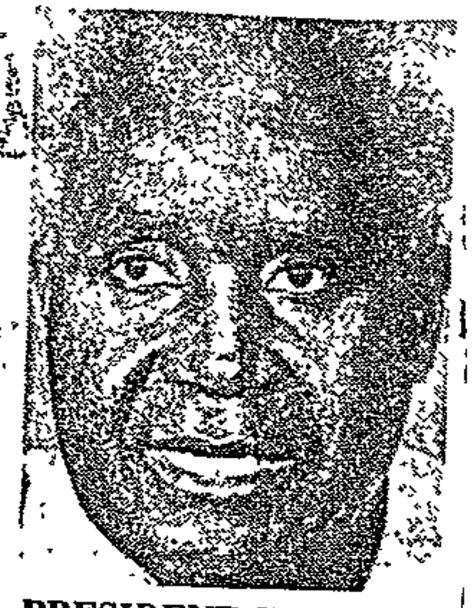
Certain British film industry publications have also been withheld. The manager of University Publishers and Booksellers in Grahamstown, Mrs Hazel Nel, said only three of the 13 publishers named were major suppliers: South Western Publishers, of accountancy books, DC Heath, of science textbooks, and Little Brown and Company, of economics books.

Mrs Nel said the companies "would be cutting their own throats" by refusing to supply SA. But should the ban be enforced, a number of British agents had offered to supply any American textbook "at a price".

However, the agent's commission would further inflate the "ridiculous prices" — prescribed university science books cost from R70 upwards, while the pharmacists "bible" was priced at R230.

A spokesman for Nasionale Boekwinkels on the University of Port Elizabeth campus, said several publishers had given written notice that they would no longer supply SA.

Poverty ties the hands in call for sanctions



PRESIDENT KAUNDA strong enough to do so to impose them.

PASCAL FLETCHER: Lusaka

Southern African states struggling under burdens of debt, drought and war are calling for tougher measures against South Africa. But their own economic weakness is the biggest obstacle to translating words into action.

Strong and familiar appeals for mandatory and comprehensive economic sanctions against Pretoria emerged from a series of meetings of Southern African leaders in Lusaka last week.

These were expected to be renewed with force at a summit which started in Addis Ababa yesterday of the Organisation of African Unity (OAU), the continent's main political group.

But at the Lusaka talks of the Frontline and Southern African Development Coordination Conference (SADCC) states, pleas for international assistance for the economically depressed region were as loud, if not louder, than the calls for sanctions.

Angola, Botswana, Zambia, Zimbabwe, Mozambique, Tanzania, Lesotho, Swaziland and Malawi pledged to step up their economic cooperation within the SADCC to further isolate Pretoria.

The rhetoric against South Africa and the evils of its apartheid system was as strong as ever. Zambian President Kenneth Kaunda referred to South Africa as "this time bomb ticking in our midst" and warned of a holocaust in the region if apartheid was not dismantled.

But behind the hardening of political positions there was also a sombre acknowledgement by the states that their capacity to act was severely conditioned by the weakness of their economic position.

President Kaunda, host to the Lusaka talks and the leading candidate to be the new OAU chairman, clearly outlined this predicament in a series of key-note speeches.

The Zambian President told the Frontline states that they had a moral duty to support the fight against apartheid. "Let us not be found wanting at this crucial stage," he said.

He called on African states through the OAU to try to convince the world community to impose sanctions against South Africa, first setting an example by introducing sanction measures themselves.

But it was also President Kaunda who painted the starkest picture of Africa's economic plight, referring to the nations of the continent as "we, the underprivileged, the real victims of the present rigid and widely unbeneficial world economic order."

The SADCC regional economic report for 1986/1987 makes gloomy reading, highlighting debt and balance of payments problems, deteriorating terms of trade for the region's mineral and agricultural commodities, a persistent drought and South African destabilisation, especially against key transport routes.

Most of the nine SADCC economies either stagnated or had negative growth rates in 1986/1987, while the grain harvest for the year dropped more than 50 per cent largely due to drought.

Total outstanding debt for the nine states increased from 12,9 billion dollars in 1984 to 14,6 billion at end-1985, a staggering 50 per cent of the region's gross domestic product.

"South African destabilisation" was estimated to have cost the region 30 billion dollars in destroyed assets, lost growth and higher transport and defence costs between 1980 and 1986.

Given this weakness and the continuing degree of dependency on South Africa, the regional economic power, President Kaunda suggested a compromise solution to the sanctions issue, calling on those African states who were

But the difficulty facing SADCC nations was apparent recently when Zambia and Zimbabwe, the main proponents of regional sanctions, said they were shelving a plan to sever air links with South Africa because of lack of support from their allies.

Underpinning the region's economic plight was a deteriorating se-

curity situation, southern African leaders said.

SADCC states condemned South African raids and the killing of anti-apartheid activists in neighbouring states, a continuing South African military presence in southern Angola and what they called Pretoria's stranglehold on Namibia (South West Africa)

One glimmer of hope came from Marxist Angola which announced it was ready to be more flexible over a partial withdrawal of Cuban troops from its territory. The Cuban presence is a major stumbling block in long-deadlocked negotiations for Namibian independence.

But an apparently unenthusiastic initial response from the United States, a key player in the Namibia talks, made prospects of a quick settlement look remote.— Sapa-RNS

Import licences set to be revoked

Dismay grows in Zimbabwe over sanctions

MICHAEL HARTNACK

HARARE — Zimbabwean businessmen and industrialists have been dismayed by confidential briefings at which government ministers warned them of imminent plans to impose sanctions on Pretoria by cancelling all import licences for South African goods.

Leaders of the Confederation of Zimbabwean Industries (CZI) and the Zimbabwe National Chambers of Commerce (ZNCC) were told last week that export deals to SA and the transit of goods through the country would still be permitted for the time being, but priority was to be given to finding other markets and other routes.

Conflicting accounts have come out of the secret briefings.

Trade and Commerce Minister Oliver Munyaradzi reportedly said at a meeting with his department heads last Tuesday that licences were being cancelled "with immediate effect", not only for SA but also for goods from Namibia, Israel, Taiwan and South Korea.

However, at a session with CZI leaders Industry and Technology Minister Callistus Ndlovu suggested this action might be deferred until the next import quota period, or a six month "period of grace" might be allowed.

Business sources in Harare said Cabinet ministers then received a telephone call from Lusaka, where Prime Minister Robert Mugabe was attending the summit of the Southern African Development Co-ordination Conference, saying the issue had been "put on hold".

A final decision would only be taken when Mugabe returned at the end of this week from his trip to the OAU summit in Addis Ababa.

Mugabe is said to be determined to rebut suggestions Zimbabwe is dragging its own feet while urging the West, in ever more strident terms, to impose a comprehensive, mandatory programme of sanctions against SA.

Sources report sharp differences between Cabinet ministers favouring the immediate, hard-line approach outlined by Munyaradzi and those behind Ndlo-

● To Page 2

Harare businessmen dismayed

● From Page 1

vu's far more cautious scenario.

News of the latest moves in Zimbabwe comes only a week after Mugabe and Zambian President Kenneth Kaunda abandoned the idea of closing their air space and airports to planes bound to or from SA — suggesting a weakening of their previous commitment to the Commonwealth sanctions package.

Revoking all import licences for SA goods goes far beyond the terms of the package agreed by leaders of five Commonwealth states at a 1986 London "mini summit" which followed the collapse of the Eminent Persons Group initiative.

Leaders of private enterprise in Harare were far too nervous to discuss last week's briefings publicly, but drew attention to the fact that SA was Zimbabwe's biggest supplier of imports last year, dispatching 21,3% of the total — some R461,2m worth.

SA's R261,3m purchases — 10% of Zimbabwe's exports — made it this country's best customer. Britain was runner-up as a trade partner.

Finance, Economic Planning and Development Minister Bernard Chidzero presents his budget to parliament tomorrow in the face of mounting problems over the cost of the Mozambican war, high unemployment, 14% annual inflation, reduced international prices for Zimbabwe's exports and a heavy foreign debt burden.

□ A South African Foreign Affairs spokesman said there had been no official communication on the matter of import licences by last night.

Australia 'has its own Soweto'

The Star's Foreign News Service

MELBOURNE — Australia has its own Soweto, according to Judge Marcus Einfeld, president of the Human Rights and Equal Opportunities Commission here.

Judge Einfeld's comments have been given wide publicity this week as he begins an inquiry into an outbreak of racial strife in northern New South Wales near the Queensland border.

The judge is inquiring into an outbreak of racial strife in the area arising from Aborigines from Toomelah Mission invading the Queensland border town of Goodiwindi, smashing hotel bars and assaulting whites.

They claimed after the attack last January that it was in retaliation for a white assault on two Aborigines.

Judge Einfeld said after visiting Toomelah Mission: "It is beyond belief that Australian citizens could be asked to live in circumstances like these.

"I've been to Soweto and to the concentration camps of Europe. I've been to all sorts of place. I've been to Africa, all over Africa, but this is my own country."

The judge had just inspected the mission where 496 Aborigines live in shanties and where the water main is turned on only twice a day for 15 minutes each time. Streets do not exist and the authorities refuse to collect rubbish.

The judge was told that Toomelah children at school in Goodiwindi have to sit separately from whites.

The hearing continues.

Birch: sanctions and dialogue

30/7/87

By Adele Baleta

Australian Ambassador Mr Robert Birch outlined his country's two-pronged foreign policy approach — pressure and encouragement, sanctions and dialogue — at a South African Institute of International Affairs speakers' meeting in Johannesburg last night.

His speech on "Current Australian Foreign Policy with Special Reference to South Africa" was made at the University of the Witwatersrand.

He said the path Australia will follow depended on the nature and pace of negotiation and reform.

"It will also depend on the international community's judgment on the amount of time available to achieve a peaceful political transition in South Africa.

"Sanctions are a persuasive, not punitive, means of encouraging negotiations across the political spectrum," he said.

"We deplore human rights violations wherever they occur and we reject attempts to portray this concern as interference in the internal affairs of other states."

Mr Birch said Australian links with South Africa had changed rapidly and fundamentally in the past few years.

This was due to:

- Changes in South Africa among all communities, especially the politicisation of blacks and their growing rejection of the political and economic status quo.
- Increased action both internationally and bilaterally in initiatives for peaceful change, including sanctions.
- Growing concern that violence and instability in South Africa might undermine long-term Australian interests in the region.

Mr Birch said his government welcomed recent changes in South Africa, notably the liberalisation of labour laws and the relaxation of influx control, but the creation of the tricameral Parliament had the effect of "further entrenching statutorily enforced racial divisions".

Of Namibia, he said: "We consider the United Nations' independence plan (Resolution 435) the only internationally acceptable basis for a durable settlement in Namibia."

US moves on detention of children

The Star Bureau

WASHINGTON — Conservative Republicans in the US Congress believe South Africa may be spared tougher economic sanctions later this year if the South African Government releases all children still being held without charge.

They believe that the detention and alleged ill-treatment of black children will be central issues when the sanctions debate starts up again — probably in October.

And they feel that the South AfricanGovernment will take much of the steam out of the debate if it accepts the principle of due process of law in dealing with violence by children.

President Reagan must report to the Congress by October 2 on progress toward change in South Africa.

The expectation is that the President will be hard-pressed to find positive things to say and that the many enemies of the South African Government will seize on his report to tighten the economic noose placed in 1986.

At least two measures dealing with the detained children are moving through both the Senate and the United States House of Representatives at present.

One of them, a resolution introduced by House budget chairman, Congressman Bill Gray, links sweeping but unspecified sanctions to the detention of the children.

The other, a resolution merely calling for the release of all the children, has more than 100 co-sponsors in the House and equally strong support in the upper chamber. It moved a stage closer to congressional approval yesterday when a sub-committee accepted it with an important amendment that is being seen as a precursor to the tougher Gray resolution.

The amendment says that the children must be freed if there has not been due process of law — in other words, if they have not been charged.

Significantly, this change allowed the senior Republican on the sub-committee, conservative Congressman Dan Burton of Indiana, to vote for the resolution even though he believes that township children are being incited to commit violence and murder by the African National Congress.

Afterwards, he said that the detention of children without due process was simply unacceptable and that no American could condone it. If the South African Government accepted this principle, it could stave off sanctions in October, he said.

SA union sets conditions for disinvestment

ALAN FINE

THE Cosatu-affiliated Chemical Workers' Industrial Union (CWIU) has sent a letter to at least 26 multinational companies with which it deals setting out a series of stringent demands to be negotiated should those companies decide to disinvest.

This development represents the most detailed union position ever spelt out on the issue.

Details of the letter were disclosed by an industry source.

The demands relate largely to job security for workers and disclosure of information. Forms of disinvestment are also discussed.

The letter, written by CWIU general secretary Rod Crompton, proposes a discussion forum between the union and the companies to thrash out the issues.

It has precipitated something of a storm among employers; they have begun responding in a variety of ways, and are still trying to fathom the union's motives.

The CWIU has demanded one year's notice of disinvestment, during which time negotiations should take place.

Demands include payment of one month's separation pay for every year of service, wages to be guaranteed for one year after closure, and company loans to employees to be written off.

The CWIU wants full disclosure on all aspects of the disinvestment arrangement, including reasons for disinvestment, details of the sale of assets and destination of proceeds, details of any remaining financial and business connections in SA, copies of any contracts of sale of assets and details of the winding-up of the company.

The union wants companies to pay, to the pension or provident fund, contributions for each worker up to retirement age. Future control of the fund should be negotiated.

Where a company withdraws completely, it should pay over the proceeds of the sale of assets to a CWIU trust fund.

Where partial disinvestment (including, presumably, a local management buyout) occurs, the union demands to know the names of the new owners, the pre-sale value of shares and the selling price, copies of any agreements of sale, and details of remaining business connections such as royalties, franchises and licence fees.

The letter says the new owners must sign an agreement to disclose details of profits regularly to the CWIU, and they must guarantee that conditions of employment will be no less favourable that before the sale.

They must recognise the CWIU, and where a change in ownership occurs in the future, this must first be negotiated with the CWIU during a similar one-year period.

A canvass by Business Day of some industry spokesmen, most of whom did not wish to be named, disclosed there had been, or would be, a variety of responses to the letter.

Some, such as Unilever and Ciba Geigy, say they do not plan to withdraw from SA, so there is no point in discussing the matter.

Others are likely to respond in a more hostile manner — criticising the demands as unrealistic and slamming the union for associating with Cosatu, which has called for disinvestment from SA.

But, as employers mull over the matter behind the scenes, other ideas are emerging. Some believe if they are able to produce an agreement with the CWIU, this might serve to reduce foreign pressures on them to disinvest.

They might even require, as a *quid pro quo*, that the CWIU call on overseas pressure groups to desist from lobbying against them.

Others are aware that a stiff agreement built into company policy might discourage takeover bids, while the threat of an impending agreement could hurry prospective buyers into a quick deal.

Some employers say they are "exasperated" at the union's attitude. Others, though, are wondering whether this is not, in reality, a backdoor attempt by the union to discourage multinational withdrawals from SA.

Crompton, in response to these observations, said the union would make a full statement shortly.

However, he said, many employers had misunderstood the letter and seemed to be ignorant of the situation regarding disinvestment.

Sanctions threat hardens

SA poised to tear up pact with Harare

PRETORIA is likely to tear up its long-standing Preferential Trade Agreement with Zimbabwe if Prime Minister Robert Mugabe bans SA imports.

And this was only the first of a number of damaging steps SA could take, business observers said yesterday.

The threat of sanctions hardened yesterday with Zimbabwe Information Minister Nathan Shamuyarira saying his government was reviewing its SA trade ties as part of broader efforts to change Pretoria's apartheid policies.

He said a decision would be made in a few days.

The SA government has already indicated it will strike back. Foreign Affairs Minister Pik Botha said this week Zimbabwe must bear the consequences of whatever action it took.

It is not clear whether Botha was hinting at sanctions or highlighting the economic damage Zimbabwe will inflict on itself by embargoing SA imports — Zimbabwe's mining and textile industries

HAMISH McINDOE

will be particularly vulnerable.

While Pretoria has made it clear it strongly opposes reverse sanctions, it is widely expected action will have to be taken to protect local business from the loss of about R180m worth of trade.

A reliable source said banning SA imports amounted to a "unilateral withdrawal of Zimbabwe from the Preferential Trade Agreement".

Late last week, Zimbabwe businessmen received foreign exchange import licences that were not valid for SA, South Korea, Taiwan and Israel.

This has caused confusion and dismay among businessmen. Many are uncertain whether they should continue buying from SA as no formal Zimbabwean decision on sanctions has yet been announced.

Economists in both countries have pointed out that Harare would virtually

To Page 2

SA likely to strike back over Harare bans

From Page 1

be committing economic suicide Specifically, Zimbabwe's reliance on SA oil and its use of SA ports as an export window

It is unlikely SA will suspend oil sales to Zimbabwe. Observers believe such a move will attract more anti-SA opprobrium from overseas

Pretoria's "transport diplomacy" with Harare, which allows Zimbabwe's exports to be shipped from SA ports, is not expected to fall away for the same reason. Zambia will also suffer from Pretoria cutting rail links as the bulk of its exports are routed through Bulawayo to SA ports.

SA Transport Services would, however, be in a strong position to re-call its rolling stock from Zimbabwe should a shortfall occur in SA.

Government would possibly urge the railways to find alternatives if bilateral relations were on a more even keel.

The Department of Foreign Affairs declined to comment on what steps — if any — it intended taking against Zimbabwe

Department spokesman Chris Badenhorst said: "We have not yet received offical notification from the Zimbabwe government telling us import licences on SA goods have been cancelled."

☐ Bilateral trade levels rose at a rapid rate last year with SA exports to Zimbabwe rising by 36% and imports by 27%.

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SA Business Day PRETORIA — The

Business D

50c (45c + 5c tax)
For other prices, see Back Page

Natal, Western Province, Eastern Province 80c (71c + 9c

Union sets pull-out preconditions

ALAN FINE

THE Chemical Workers' Industrial Union (CWIU) has asked at least 26 multinational chemical companies for a meeting to discuss an extensive list of demands the union would like met should the companies disinvest from SA.

Demands in the widely distributed letter, disclosed yesterday by an industry source, include various guarantees regarding workers' job security.

The document, written by union general secretary Rod Crompton, does not address the issue of whether the union considers disinvestment a positive or negative policy.

The union has asked for at least 12 months' notice of withdrawal, during which time the demands would be negotiated.

They include one month's separation pay for each year of service, no less favourable employment conditions to be introduced and an undertaking that any new owner will continue to recognise the union.

Some companies have responded to the letter saying they have no intention of leaving SA so any discussion would be pointless.

Others have dismissed the letter as "absurd", given the CWIU's affiliation to Cosatu, which supports disinvestment.

The union has demanded disclosure of all details of any disinvestment arrangement, particularly in the case of local buyouts.

It also proposes that, in the event on a total withdrawal, proceeds from the sale of assets should be transferred into a union-nominated trust fund.

The union will hold a Press conference on the matter soon.

● **Full details of the letter and employer responses are on Page 7**

B'Day 30/7/87

Trade links with SA spark high fevers

HARARE — Mention of Zimbabwe's trade ties with SA is likely to send temperatures in this city soaring.

Government officials are incensed that, seven years after independence, economic links with the nation they call the "racist regime" remain umbilical.

And in the white-dominated business world, the subject evokes fevered talk laced with words such as "vital" and "essential".

Apparently, on the orders of Prime Minister Robert Mugabe, two ministers and another senior official privately informed the country's three main commercial bodies of a plan to end trade with SA, business sources say.

But little has been done by either Western nations or Africa, and Mugabe has been unable to fulfil his own commitment to an 11-point Commonwealth sanctions package.

SA is easily Zimbabwe's largest trading partner, buying 10% of total exports worth US$125m in 1986 and supplying more than 20% of total imports, valued at $210m last year. Over 60% of the imports are classified as essential. — Sapa-Reuter.

Zimbabwe sanctions against SA 'unlikely'

Star 31/7/87

By Robin Drew,
The Star's Africa News Service

HARARE — The Zimbabwe government has backed away from imposing trade restrictions on South Africa which could lead to confrontation with Pretoria.

Reliable sources say the Cabinet has finally decided after nearly a fortnight of confused and conflicting reports to leave the re-direction of trade away from South Africa to the private sector.

Prime Minister Mr Robert Mugabe is said to be furious over the way the matter has been handled and has placed his deputy Prime Minister, Mr Simon Muzenda, in charge of a committee to oversee the whole issue of trade sanctions.

After yesterday's Cabinet meeting, conflicting accounts of how the government intended to handle trade with South Africa were still doing the rounds.

But a well-placed source indicated a single policy would be applied which would essentially come down to appeals and encouragement to the private sector to do their utmost to look for sources of supply and markets other than South Africa.

'FALSE REPORTS'

No official statement has been issued on the government policy and none is likely.

A government spokesman is quoted in the local Press today as saying the public should not be swayed by "false reports appearing in the South African Press and other media organisations abroad" regarding the issue of economic sanctions against South Africa.

The spokesman said the government was continuing its programme of reducing dependence on South Africa which began when Zimbabwe joined the SADCC.

"The issue of sanctions is constantly under review following talks in Zambia and Ethiopia and no decision has yet been taken," said the report in today's *Herald*.

Move to force total broadcasting blackout

BBC may ban all sales to SA

280

Star 31/7/87

The Star Bureau

LONDON — The BBC may ban the sale of features, news and current affairs programmes to South Africa following a national joint council meeting of Britain's broadcasting unions in September.

This move to force the BBC into broadening the South African boycott into a total broadcasting blackout follows the recent reversal of the decision to allow programmes, involving members of the actors union, Equity, to be sold to the country.

Until now, the boycott has been mounted by Equity only, leaving news and documentary material unaffacted. But now the National Union of Journalists (NUJ) is "furious" at the BBC's reported claim that the union had "not made an official communication to us that we should not sell programmes which include its members".

The NUJ says it has made several approaches to BBC Enterprises, the marketing arm of the corporation, to clarify the situation, but has been unable to get any satisfactory response.

And yesterday, a letter from BBC director-general Mr Michael Checkland — then head of BBC Enterprises — to a programme dealer wanting to sell to South Africa and leaked to the industry's newspaper, *The Stage and Television Today*, appears to promise that "where the BBC has the necessary rights, programmes will be sold to South Africa".

The letter also denies that the BBC had "colluded" with Equity in the boycott, but that the Equity ban had deprived the BBC of marketing rights.

The newspaper goes on to report that South African buyers had been in Britain following Equity's reinstatement of the boycott, and that talks had been held with BBC Enterprises.

It also claims that an unnamed "outsider" was gathering finance to support an unnamed Equity member — also unnamed — considering suing the union "for considerable damages" based on calculations of how much the British TV industry had lost in projected sales to South Africa through the Equity ban.

Meanwhile, the NUJ is insisting that it will strenuously oppose any marketing agreements to sell to South Africa programmes involving its members. All the broadcasting unions, including the NUJ, will meet in September to discuss the issue.

Stanbic shares are suspended

Stancha set for a total withdrawal

YESTERDAY'S suspension of Standard Bank Investment Corporation's (Stanbic) shares is a clear indication the climax of Standard Chartered Bank Plc (Stancha) total withdrawal from SA is imminent.

Intense negotiations are under way between prospective SA buyers for Stancha's 39% shareholding in Stanbic, and will be finalised in weeks ahead, possibly next week ahead of a Stancha shareholders meeting in London.

But, a senior banking source said: "This deal will still take some time. There are a lot of people running around trying to structure it. Negotiations are at an extremely delicate phase."

It is understood that some large insurance companies and mining houses are bidding for a share in what amounts to an extremely attractive investment.

Obviously, Liberty Life will be keen to top up its present holding to 30%, the limit allowed by the Banks Act. It will also work hard to ensure the remaining shareholdings will fall into "friendly hands".

Speculation surrounds the role of the Rembrandt group in the deal. It has recently expanded its holdings in financial service companies such as Sage and Allied and is believed to be increasing its holding in Volkskas which was diluted after the UBS/Volkskas deal. There is also talk of a strong connection between Liberty's Donald Gordon and the Rupert family.

GERALD PROSALENDIS
Financial Editor

However, the eggdance for the shares, competitive as it may be, is being done in such a way so as not to push up the price.

Standard Merchant Bank said yesterday: "The bank is authorised to announce the listings of the ordinary, preferred ordinary and both classes of preference shares of Stanbic have been suspended on the JSE until the close of business on Tuesday, August 4, 1987. This suspension has been requested by the board of Stanbic which is aware that discussions are taking place concerning the future of Stancha's 39% shareholding in Stanbic."

It is understood it is unlikely Stancha's share will be sold to foreign buyers. This gives SA companies the opportunity to buy shares in an extremely sound bank at well below market price.

A senior banker said: "Under normal circumstances, SA would not be able to buy into a bank on such favourable terms."

The Reserve Bank has been actively involved in the negotiations which led to the suspension of the shares

Reserve Bank Governor Gerhard de Kock said: "For some time we have been fully informed but we are not in any position to comment."

Despite exemptions in the past, it is unlikely the monetary authorities will

● To Page 2

Stancha looks set for total pull-out from SA

● From Page 1

allow any one shareholder to obtain more than a 30% holding in Stanbic in line with the provisions of the Banks Act.

A source said: "These exemptions were granted for special reasons. For example, in the case of Nedbank, Old Mutual was forced to underwrite the issue of new shares in difficult times for the bank. It was important Old Mutual stood ready to take up a large proportion of the shares to ensure the issue was a success."

Stancha, like other disinvesting companies, will be required to take the proceeds from the sale out of the country through the financial rand. The outflow of the funds will not affect the country's reserves or the domestic economy. Nor is it likely to affect SA's trade and other banking credits and existing lines will remain in place much along the lines of what occurred after Barclays Plc's departure.

The speed of the withdrawal of Barclays Plc's funds suggests there is sufficient demand for financial rands.

It is understood the share was suspended because of the proliferation of rumours in recent weeks. Unlike the Barclays disinvestment, which was possibly SA's most well kept financial secret, too many parties were involved in the initial Stancha negotiations to prevent information about the pending disinvestment to leak out ahead of schedule.

'Essential items' to be excluded

Zimbabwe forges ahead with SA sanctions plans

HARARE — The Zimbabwean Cabinet has reportedly decided to go ahead with a plan to cut back imports from SA to "essential items only", a move which threatens grave consequences for the economy.

According to business sources, a Cabinet meeting chaired by PM Robert Mugabe finally agreed on the plan late on Wednesday, shortly before Finance Minister Bernard Chidzero and Trade and Commerce Minister Oliver Munyaradzi left for a UN Commission for Trade and Development meeting.

The Cabinet met again yesterday morning to discuss further ramifications of the plan, intended to set an example to the international community and, especially, SA's major Western trading partners.

MICHAEL HARTNACK

Business sources say organisations representing commerce, industry, mining and agriculture are being told imports of SA goods will only be permitted in exceptional cases when current import licences (from the last quota period) are used up.

This, they believe, will lead to a drying up of vital supplies as early as the end of August.

For the time being they may go on exploiting SA markets and utilising SA transit routes, but these must be phased out "as soon as possible".

Businessmen believe a boycott will have a ruinous effect on the economy within six months, without Pretoria needing to impose any retaliatory measures.

Without SA inputs, many products will price themselves out of world markets, commercial sources say.

A confused and despondent business community yesterday waited in vain for a public statement clarifying their position. Since last Friday they have been receiving import licences for the new quota period stamped "Not valid for designated countries", and were made to understand these countries were SA, Israel, Taiwan and South Korea.

Sources say the Cabinet has now reduced the list to SA (including Namibia).

More than 21% of Zimbabwe's imports come from SA.

In a radio interview on Wednesday, Information Minister Nathan Shamuyarira said Zimbabwe's position on sanctions "had not changed", but he made no attempt to explain the new restrictions stamped on import licences.

According to sources here, Mugabe ordered the move after his meeting with Zambian President Kenneth Kaunda in Victoria Falls on July 20. The Zimbabwean leader, who is chairman of the Non-Aligned Movement, is determined to prove his sincerity on the sanctions issue.

He wants to be in a particularly strong position to put pressure on Margaret Thatcher at the Commonwealth summit in Vancouver next month, despite being forced, along with Kaunda, to abandon the idea of closing his airspace to flights bound to or from SA.

Businessmen, fearful of being branded "pro-apartheid", have yet to make any public comment on Mugabe's move.

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Trade pact to stand — Steyn

MICK COLLINS

MINERAL and Energy Affairs Minister Danie Steyn yesterday denied reports government was about to scrap its Preferential Trade Agreement with Zimbabwe.

The denial comes after reports SA was poised to take retaliatory steps against a Zimbabwe trade boycott.

In a statement to Business Day, Steyn said government was consistent in its policy to conduct non-discriminatory trade in line with the General Agreement on Tariffs and Trade (Gatt) policies, of which SA was a member.

Media reports that SA was considering terminating its trade agreement with Zimbabwe were not true.

"Speculation that the government is poised to tear up the trade agreement with Zimbabwe, which has been renegotiated and signed by SA and Zimbabwe as recently as July 31, 1986, is devoid of any substance."

Meanwhile, Sapa yesterday reported Shamuyarira saying efforts by Zimbabwe to reduce economic dependence on SA could have gone much further if Pretoria did not "help sabotage rail routes in Mozambique".

Asked in a BBC interview if sanctions were on the cards, Shamuyarira said: "There is consideration of sanctions as well as reduction of dependence on SA."

3/7-6/8/87
Witness

you find a 'Ja Baas' in your organi- ers."

Zimbabwe: Trade curbs yes, total sanctions no

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By HOWARD BARRELL, Harare

ZIMBABWEAN businessmen are lobbying intensively against the introduction of proposed measures which would place curbs on trade with or through South Africa.

The measures under discussion would not constitute sanctions as such, if introduced. Instead, they would seek to reorientate Zimbabwe's trade patterns substantially away from South Africa.

They would consequently make any subsequent imposition of sanctions easier for Zimbabwe.

Prime Minister Robert Mugabe has spoken repeatedly of the need to develop the "political will" for sanctions in Zimbabwe, other neighbouring states and among South Africa's major Western trading partners. The introduction of the measures would demonstrate that will for Zimbabwe.

But it would be out of character if Mugabe or his government introduced the measures without a thorough investigation of their likely consequences for the country, and the proposed measures have been discussed at some length between government officials and business leaders over the past three weeks.

Zimbabwe currently depends on South Africa and its transport routes for the movement of more than 70 percent of its foreign trade.

South Africa is the largest single market for Zimbabwean exports (around 18 percent) and largest source of imports (more than 18 percent).

The measures under discussion would be likely to include restrictions on trade with or through South Africa if other markets, sources of supply or transport routes were available.

A system of incentives for non-South African trade is also under discussion.

It is understood that, at this stage, no decision has been taken on the introduction or scope of the proposed measures. But Information Minister Nathan Shamuyarira said a decision could be expected soon.

Reports in South Africa that the measures are already being administered by banks in Zimbabwe on foreign currency import permits appear inaccurate.

Zimbabwean businessmen are concerned that the measures could lead to costly bureaucratic bottlenecks if rigidly applied or, worse, to serious shortages in the event of South African counter-measures.

The measures could also endanger the Preferential Trade Agreement between Zimbabwe and South Africa which gives Zimbabwean exports, among others, preferential access to the South African market.

South African Foreign Minister Pik Botha has already spoken of "consequences" if Zimbabwe goes ahead with the measures under discussion. And South African counter-measures could exact a high toll on Zimbabwe.

Most of Zimbabwe's liquid fuel requirements are pumped up the pipeline from the Mozambican port of Beira to the eastern Zimbabwean border town of Mutare.

But Zimbabwe has been dependent on South African transport routes to top up its fuel requirements.

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Shell UK in anti-SA court case

Own Correspondent

LONDON — Shell UK is going to court to stop left-wing Labour councils joining the anti-apartheid boycott. This is viewed as a vital legal challenge to the whole boycott movement in Britain.

Shell has secured a judicial review to consider the legality of Labour-controlled Lewisham's decision not to buy Shell products because of the company's links with SA.

At stake is more than the current R182 000-a-year contract the company has with Lewisham. Shell has become the main business target of anti-apartheid campaigners following the decision of Barclays Bank to pull out of SA.

Shell fears that unless it stops Lewisham's ban then other Labour councils will follow and boycott the firm's products. As many councils are Labour-

● To Page 2

Shell UK to fight anti-SA action

● From Page 1

controlled and anti-SA, boycott action could have a very damaging affect on Shell, as well as on other companies who have links with SA.

Among those who will take a keen interest in the outcome are GEC, ICI, PLessey and ICL, who are among the other firms on the anti-apartheid "hit list".

In the High Court, Shell will argue that Lewisham is acting outside its legal powers.

"We will vigorously contest this legal challenge," said a council spokesman.

Amampondo gets green light

Own Correspondent

LONDON. — The ANC has given the Guguletu musical group Amampondo the all-clear to perform overseas.

Recently the group cancelled an appearence in Jerusalem claiming the ANC had put pressure on them not to appear, but later reversed their decision.

However, in the past few days the group has been meeting with the ANC.

According to a statement released by the ANC here, "they have shown how they support the mass democratic movement".

The statement added that Amampondo was discussing with the South African Musicians' Alliance ways in which it could further contribute "in the struggle for an undivided and democratic South Africa.

"Their actions speak loud, the ANC supports their given opportunities to expose the culture of our people," the ANC statement concluded.

The ANC has recently softened its position on the cultural boycott.

It no longer opposes tours by artists who are given the backing of organizations such as the Musicians' Alliance which the ANC sees as part of "the broad democratic alliance".

Amampondo is the second group to be given the backing of the ANC to tour abroad. The first was Johnny Clegg's Savuka.

W 1/8/87

Red tape to strangle SA imports?

Sanction plan put on hold

Dispatch Correspondent

HARARE — Zimbabwean businessmen were yesterday still puzzling over the extent to which Mr Robert Mugabe's government has backed away from sanctions — or if it now plans to strangle imports from South Africa with newly designed "red tape".

The head of the South African trade mission in Harare, Mr Johan Viljoen, flew to Johannesburg on Tuesday and was expected to have top level consultations in Pretoria.

Prolonged confusion and the epidemic of rumours here were not checked by a terse official statement yesterday.

It said: "No decision has yet been taken (on sanctions) one way or the other," and "The public should not be swayed by false reports appearing in the South African press and other media organisations abroad."

The white managing director of one leading import-export firm was unashamedly gleeful in the belief that sanctions were, to all practical purposes, "a dead letter" following a cabinet meeting on Thursday.

But many of his colleagues were more guarded about the effect proposed new government committees are likely to have on vital trade.

Yesterday morning, leaders of the private sector showed obvious signs of relief at what they regarded as a favourable resolution to the situation — for the time being.

Members of the Confederation of Zimbabwean Industries and the Zimbabwe National Chambers of Commerce are being told confidentially, it is understood, that the government's new trade committees will promote alternative trade patterns "on a purely voluntary basis".

The government, however, still retains control of the ultimate weapon — the power to refuse import licences in specific instances.

A week of mounting uncertainty about Zimbabwe's "South African connection" began with the issue of import licences for the new quota period bearing the stamp "Not valid for designated countries" These were apparently headed by South Africa.

It ended with the unofficial report on Thursday that instead of formally banning South African imports, the authorities would only apply indirect pressure to restrict them to essential commodities and merchandise.

Business sources said the cabinet decided earlier on Thursday to establish committees headed by government ministers to help industrialists, retailers, miners and farmers find other sources of inputs, other markets, and other transport links to world markets.

This appeared to be a major reversal from the immediate and total ban on all South African imports announced by the Minister of Trade and Commerce, Dr Oliver Munyaradzi, at a briefing on July 21.

Mr Mugabe was thought to have made a decision to impose the ban following a disappointing meeting with Zambia's President Kenneth Kaunda at Victoria Falls, on July 20, at which they admitted that airline sanctions "would not work".

On July 23, however, a special cabinet committee on strategic reserves warned Mr Mugabe that the country was nowhere near ready to sever trade ties with South Africa, on which it still relies for 21 percent of imports.

Private sector economists said the loss of vital South African inputs would soon price Zimbabwean exports out of all foreign markets, besides leading to runaway inflation at home.

South Africa is Zimbabwe's best customer, as well as its biggest supplier, buying over ten per cent of its manufactured exports

More importantly, it controls Zimbabwe's access to world markets.

Counter sanctions with stronger economic ties

An abridged version of the address by Professor P. Smit, chairman of the Africa Institute of South Africa, at the institute's annual meeting.

South Africa's relations with black Africa are becoming more important by the year as the issue of international sanctions draws attention once more to the importance of Africa as South Africa's hinterland.

There is a direct connection between the attitude of black Africa and the acceptance or condemnation of South Africa by the international community.

Efforts to dismantle the economic and other bonds between South Africa and its neighbours are being encouraged by some Western countries. There is the danger that serious conflict with neighbouring countries is seen as inevitable, a perception no less short-sighted than earlier hopes of a southern African economic and defence alliance under South African leadership.

Both viewpoints betray an ignorance of the underlying realities of Africa in general, and the region in particular. The more important realities of South African regional policy are:

● South Africans must appreciate black Africa's urge to be master of its own destiny, virtually regardless of the cost in human sacrifice or economic efficiency.

● South Africa's domestic policies are anathema to black Africans because these policies are seen as an offence to their self-esteem.

● Socialism has a strong appeal for black Africans, partly as the opposite of capitalism — which they equate with colonialism and racism — and partly because of its apparent affinity to the strong communal bonds which traditionally prevailed in black Africa. It is short-sighted to conclude that no useful commercial or other relations could be envisaged with a "socialist" African country, Mozambique's relations with South Africa being a case in point.

● The mounting economic difficulties of black African countries, together with the measures prescribed by the IMF and the waning enthusiasm of Western nations for "aid" to the continent, are leading to a greater readiness to follow market-oriented policies.

● A pre-eminent regional power is rarely, if ever, popular with the weaker countries surrounding it. Nigeria and the US are examples.

● South Africans must realise the growing fear and revulsion with which their country is viewed by its neighbours as a dangerous and unpredictable bully, intent to destabilise, impoverish and intimidate them.

● South Africans underestimate the extent to which South Africa's economic, technological and military power overshadows that of its neighbours. Its Gross Domestic Product, for instance, is four times that of the eight member states of the Southern African Development Co-ordination Conference (SADCC) that have combined to oppose South African economic dominance.

By actively forging bonds of co-operation rather than severing or jeopardising them, South Africans could counter sanctions and international isolation. This entails more than verbal protestations of goodwill and offers of assistance. South Africans have to see southern Africa not as the "enemy", but as a foremost asset in their quest for long-term security and material wellbeing.

Large trade surplus

Bearing in mind that South Africa's trade surplus with the rest of Africa was about R2,9 billion, or roughly half the balance on current account in 1985, this economic hinterland clearly warrants careful attention.

A coherent and far-sighted strategy vis-a-vis southern Africa that acknowledges the region as essentially one economic entity is needed, based on the conviction that this serves South Africa's own security and prosperity.

The emphasis would rest less on large and spectacular schemes than on the promotion of the countless everyday commercial, financial and other business transactions that are the lifeblood of economic life.

Would it not make sense if South Africa's private and public sectors were to co-operate in an imaginative scheme aimed at expanding and strengthening economic ties? Japan has shown the world what can be achieved if business and government act in unison towards a clearly defined objective.

Could not efforts be made to utilise the numerous personal and institutional contacts between South African businessmen and their regional counterparts?

Could not special conditions for countries in the region be envisaged as a matter of public policy?

It is easy to list many obstacles in the path of this approach — not least the SADCC and the wide international support it enjoys. But it is a fact that these states today, seven years after the founding of the SADCC, are as dependent on South Africa as in 1980 — possibly even more so.

The choice for South Africa seems clear: either we continue on the present path of growing polarisation, hostility and violence in the region, or we make a concerted effort to strengthen mutually beneficial economic links.

South Africa's interests demand economically prosperous and politically stable neighbours who, though they may not love South Africa, will be more likely to act with restraint if they have something to lose by behaving rashly.

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MUGABE'S ABOUT-TURN ON SANCTIONS

PRIME Minister Robert Mugabe last week came to the brink of imposing sanctions on South Africa, took a lingering look into the economic abyss, and pulled back.

On Thursday night his acting Minister of Trade and Commerce, Mr Emmerson Munangagwa, told despairing heads of commerce that the Government would definitely go ahead with its plan to stamp new import licences "not valid for specified countries" — the sole specified country being South Africa.

He was called back for further top level consultations later that night and it was only towards 11pm that relieved business chiefs were told of a substitute plan agreed by Mr Mugabe's Cabinet.

It was to establish two committees headed by Government Ministers to "liaise with the private sector" and encourage the development of alternative markets, supply sources and transit routes "on a voluntary basis".

In the plush Harare Club, social haunt and watering hole of Zimbabwe's Mercedes-driving "Wa-benzi", there was an undisguised holiday atmosphere at lunchtime on Friday.

Only the previous day a respected local economist had predicted that devastating effects would be visible within weeks if Mr Mugabe forged ahead with his sanctions plan.

He forecast:

- A wave of company bankruptcies and production line shutdowns, leading to tens of thousands of redundancies.

Damage

- Runaway internal inflation.
- Widespread failure to meet export orders due to lack of vital South African-origin inputs.
- Pricing of Zimbabwean exports out of all foreign markets due to purchase of essential components from more expensive sources than South Africa.

"South Africa would not need to take retaliatory action," he said, referring to the possible cancellation of the preferential trade agreement renegotiated last August.

"It wouldn't be in their interests because we are going to do ourselves so much damage anyway."

The Zimbabwean leader is due to confront Britain's Mrs Margaret Thatcher on the sanctions issue at the Commonwealth leaders' conference in Vancouver, Canada, later this month.

At the last Commonwealth summit in the Bahamas in 1985 Mrs Thatcher is reported to have told Mr Mugabe:

"Go ahead and cut your own throat if you want to, but don't come crying to me for bandages."



Mugabe: Yes, No, Perhaps later!

Why Friday was like no other lunchtime in the watering hole of the Wa-benzi

By DON JACOBS
Harare

Sober observers fear, however, that Mr Mugabe is still determined to cut trade links with South Africa in the next 12 months.

This could come in gradual stages by applying discreet pressure to businessmen through the new consultative committee system, or delaying the issue of import licences for South African goods on the pretext that further efforts should be made to find alternative sources.

Mr Mugabe appeared to rush into the "specified country"-list plan to ban imports from South Africa on July 20, following a dismal meeting at Victoria Falls with Zambia's President Kenneth Kaunda.

The Zimbabwean leader was apparently angry that he was giving the impression he had "gone soft on sanctions", having agreed with President Kaunda that closing airspace to South Africa-bound flights "would not work".

Mr Mugabe's Ministers telephoned business leaders from Victoria Falls to convene the meetings at which they were told, aghast, of immediate plans to ban all imports not only from South Africa but also Israel, Taiwan and South Korea.

On July 23, however, a Cabinet committee given the task of stockpiling strategic reserves warned Mr Mugabe that Zimbabwe was "nowhere near ready" for sanctions.

But the following day businessmen began receiving the newly stamped import licences for the third 1987 quota period stating: "Not valid for specified countries".

For 10 days they waited in total confusion about the value of the licences for obtaining essential South African supplies.

Alternative

Mr Eddie Cross, general manager of the Beira Corridor group company, said last week that economic independence of South Africa would be greatly enhanced if Zimbabwe could reopen its direct rail link to Maputo early next year, as scheduled.

The route, which once carried 90 percent of Rhodesia's trade to and from world markets, has been closed continuously by Mozambique resistance movement sabotage since August 1984.

As a result, 75 percent of Zimbabwe's trade now goes via the South African transport system, quite apart from the 10 percent of total exports bought by South Africa itself.

Unionist split.

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lit on sanctions

Pull-outs could boomerang and leave 2-million without jobs

UNION moves this week to seek advance safeguards from multinational companies if they decide to pull out of South Africa have highlighted deep divisions among trade unionists.

The Chemical Workers Industrial Union (CWIU) wants talks with 46 multinationals — representing 30 000 workers — over proposals to protect workers' interests in the event of pull-outs

Some observers see it as an attempt by Cosatu affiliates "to have their disinvestment cake and eat it"

The CWIU initiative is expected to presage feelers from other unions about negotiations for a set of "preconditions" to ease the pull-out pain for mainly black workers hit by disinvestment.

Consensus

Some of the demands relating to employment security are similar to discarded motions originally planned for this month's Cosatu national congress

But some of these were scrapped — or watered down — because delegates could apparently not reach consensus on their contents

The crux of Cosatu's dilemma is that it firmly supports sanctions and disinvestment as "the major form of international pressure against the South African regime"

By DAVID JACKSON

Its congress this month rubber-stamped a motion calling for comprehensive and mandatory sanctions "as the only sanctions likely to bring about effective pressure"

On the other hand, Cosatu is mindful of an authoritative report — commissioned by the umbrella body itself — which argued strongly that indiscriminate sanctions could boomerang

The document said across-the-board sanctions and disinvestment, if applied non-selectively, could push up the jobless figure by as much as 2-million in the next few years

The reaction of Cosatu's general secretary, Mr Jay Naidoo, was that the movement's basic stance would remain unchanged.

Ignorance

But at the same time, he insisted there would have to be negotiations with union representatives on the terms of any withdrawal The Cosatu congress endorsed Mr Naidoo's view.

The union's general secretary, Mr Rod Crompton, told the Sunday Times yesterday the move was "consistent with the resolutions passed at the Cosatu congress"

He added "It appears to us that there is a great deal of confusion and ignorance about the real issues involved."

In a letter written by Mr Crompton to multinational companies — leaked this week — the CWIU is asking for one year's notice of disinvestment, during which time negotiations should take place

Reaction

Other demands include payment of one month's separation pay for every year of service, wages to be guaranteed for one year after closure and company loans to employees to be written off.

The union also wants full disclosure on all aspects of the disinvestment arrangement and a guarantee that conditions of employment will be no less favourable than those before the sale.

Initial reaction from companies has been cool They feel disinclined to show their hand on a possible pull-out by entering into such negotiations in advance

And if they are not intending to disinvest, they regard such talks as futile anyway.

Sowetan 4/8/87

Ramphal issues sanctions warning

HARARE — The Secretary General of the Commonwealth, Sir Shridath Ramphal, has indicated he does not believe the time is right for the Frontline states to impose economic sanctions against South Africa.

He said the Frontline states were vulnerable regarding sanctions and Commonwealth members understood their difficulties.

The Frontline states should carefully time any imposition of sanctions against South Africa, he said in Harare shortly after his arrival here at the weekend to attend a conference of Commonwealth ministers responsible for women's affairs.

"I know that people feel that they want to make their contribution, but the rest of the world does not want to see the Frontline states weaken themselves," he said.

"We have to continue to recognise that there is going to be a particular question of timing so that, while they want to apply sanctions, they must do so at the right time and under the right circumstances.

The immediate task was to ensure the intensification of sanctions already imposed by other countries, he said.

He said the programme of sanctions was developing steadily and the pressure on the South African Government was increasing.

Sir Shridath's remarks follow two important retreats by members of the Frontline states group on the issue of sanctions over the past three weeks.

It now seems probable that the Frontline state members of the Commonwealth will go to its Vancouver summit later this year without themselves having imposed any sanctions on South Africa.

Zambia and Zimbabwe gave notice last week they would not be severing air links with Pretoria.

Observers had seen a cut in air links as perhaps the two countries' handiest sanctions measure against South Africa.

And last week Zimbabwe pulled back from imposing a proposed set of restrictions on trade with South Africa which, while not themselves amounting to sanctions, would have gone some way towards reducing trade dependency on South Africa and hence cleared the way for subsequent sanctions. — *Sowetan Africa News Service.*

Standard Bank still uncertain

JOHANNESBURG — The Standard Bank Investment Corporation, whose shares on the Johannesburg Stock Exchange have been suspended for five days in anticipation of a disinvestment announcement by its London-based parent, said yesterday that negotiations had not yet reached finality.

Standard Chartered PLC, which owns a 39 per cent stake in the South African bank, would become the third multinational bank to disinvest from South Africa.

London-based Barclays withdrew last November and Citicorp of New York sold its local interests in June this year.

Mr Conrad Strauss, managing director of Standard Bank, said yesterday: "We are aware negotiations are going on and have reason to believe that finality has not been reached. I don't know if our shares will be relisted tomorrow or not."

Mr Strauss added that if the transaction under dicussion did take place, it would be substantially larger than any previous banking disinvestment.

He was referring to the sale of Barclays Bank PLC's 40,4 per cent stake in Barclays National Bank Ltd, now known as First National Bank. — Sapa-AP

Hold back from sanctions — Ramphal

The Star's Africa News Service

HARARE — The Frontline states should hold back from imposing sanctions against South Africa until Pretoria's major trading partners and the rest of the international community had shown a real readiness to impose them, the Commonwealth Secretary General, Sir Shridath Ramphal, has said.

Countries such as the Frontline states, which were vulnerable to South African economic counter-measures, should not be expected to lead on the sanctions campaign, he added.

Sir Shridath had been asked to explain comments, made on his arrival here at the weekend, that now was not the "right time" for the Frontline states to impose sanctions.

Speaking shortly before his departure for London last night, Sir Shridath said the "right time" for Frontline state sanctions would come "when the rest of the international community shows a willingness to do so, when countries that are not vulnerable do so".

"The vulnerable countries like Zimbabwe should defer," he told the national news agency, Ziana.

He foresaw that sanctions against South Africa and South African "destabilisation" of the Frontline states would be major issues at the summit of Commonwealth heads of state and government in Vancouver, Canada, later this year.

Sir Shridath's statements are likely to be welcomed by Prime Minister Robert Mugabe of Zimbabwe and President Kenneth Kaunda of Zambia, whose countries have pulled back from the imposition of sanctions in the past three weeks.

South African destablisation would "attract at least as much attention" as sanctions.

On destabilisation, the Commonwealth "does not need to be divided, because some countries like Zimbabwe have troops in Mozambique, Britain is offering military training assistance to Zimbabwe and Mozambique — so the Commonwealth is involved", Sir Shridath said.

The Vancouver summit would also discuss the eminent persons group's reports on their mission to South Africa in late 1985 and early 1986, he said.

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Zimbabwe starts to sever SA links

HARARE — The government is starting immediately a "programme of economic disengagement from SA", says the Zimbabwe National Chamber of Commerce, which is advising members to find other trading partners.

A confidential memorandum, signed by ZNCC president Dawn Taunton, warns the government will stop companies trading with SA in certain circumstances.

But the restrictions are much milder than a comprehensive trade embargo ordered on July 21 by Prime Minister Robert Mugabe.

His Cabinet reversed the decision 10 days later after frantic lobbying from businessmen who argued the economy could be ruined if Zimbabwe immediately cut ties with its biggest trading partner.

Last year the two countries traded $708m worth of goods.

Taunton's memorandum says the government will use the bureaucracy of import and export licenses to ensure that businessmen "diversify their present sources and markets to other places".

It says the Ministry of Trade and Commerce will consider applications for exemptions "only where change causes difficulties".

Economists believe the restrictions will be implemented gradually and escalate as businessmen move away from SA markets and supplies.

Zimbabwean businessmen fear SA will take retaliatory action. — Sapa-AP.

2 more firms to pull out of SA?

LAKE SUCCESS (New York) — Tambrands Incorporated announced yesterday that it has completed its withdrawal from South Africa by selling its subsidiary there to a new company formed by local management.

Tambrands makes and markets personal care products including Tampax tampons, which are sold in over 135 countries.

The Tambrands board of directors decided in January to withdraw from South Africa because of deterioriating political, social and economic situations there, the company said.

The divestment will have no material effect on Tambrands' financial results, the company said.

The former subsidiary in South Africa accounted for less than 1 per cent of the company assets, revenues and profits, according to Tambrands.

Meanwhile, the Daily Dispatch London correspondent reports that Suter, the industrial conglomerate which acquired the Mitchell Cotts group last month, is considering selling its South African operations.

Suter announced the sale of Mitchell Cotts Engineering (Australia) this week and a spokesman said yesterday they were looking at the disposal of the Mitchell Cotts at some of its mining, engineering and property interests in South Africa.

He said the most likely sale was the Kobar Mining coal interests.

He stressed that at this stage Suter was still exploring its options.

In regard to the coal mining operation, he said: "At this stage it depends on whether we can reach a conclusion to the negotiations with any of the parties who have offered to buy it."

He was not prepared to say which companies Suter was negotiating with, but confirmed it had received a number of offers.

He said that at this stage, Suter had no plans to dispose of the Mitchell Cotts transportation and freight interests. — Sapa-AP

Judge to fight SA divestment?

WASHINGTON — The appointment of the conservative judge, Mr Robert Bork, to the United States' Supreme Court could curb the flow of American divestment from South Africa, the Washington correspondent of Inside South Africa said in the latest issue of the news analysis magazine.

If Judge Bork is confirmed by the Senate he will be in a position next year to cast the deciding vote against divestment, the magazine stated.

Going by the judge's record as a strict constitutionalist, it seems likely that he will support those who argue that it is illegal for US state and local governments to pass divestment laws aimed at any foreign country, the magazine added.

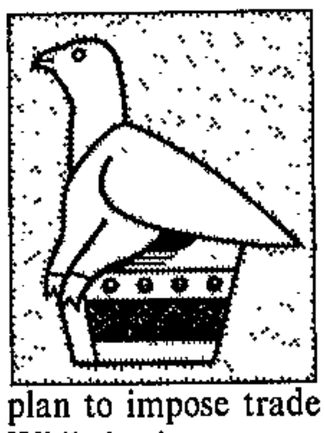
"Should such divestment laws be struck down as illegal, it will take tremendous pressure off US companies now doing business with South Africa," the magazine article said.

There are nine Supreme Court judges and students of the court say the remaining eight are evenly split along ideological lines. Thus the ninth man would have the pivotal vote.

Democrats in Congress are strongly opposed to Judge Bork. They are certain to fight his nomination but in the end he will probably be confirmed because he is so well qualified and because President Ronald Reagan is expected to support him, the magazine said. — Sapa

ZIMBABWE/SA TRADE

Mugabe succumbs to reason



Zimbabwe's threat of sanctions against SA are far softer — thanks to economic realities — than they at first appeared. In the longer run, however, political pressures may compel Prime Minister Robert Mugabe to take some action — though, boxed in as he is by transport realities and the constraints of inept economic policies, they are difficult to imagine.

After 10 days of confusion, rumour and frenzied action by private sector business organisations, Zimbabwe pulled back from the brink. Its Cabinet decided, last Thursday, to drop the plan to impose trade sanctions on Pretoria. While businessmen in Harare have breathed a collective sigh of relief, the fact is that considerable damage has been done.

The episode began in mid-July when Mugabe returned from his Victoria Falls meeting with Zambian President Kenneth Kaunda at which the two leaders reluctantly agreed that they could not impose airline sanctions against Pretoria — denying SAA landing rights, and so on.

However, apparently in an effort to Gunga Din his neighbour, Kaunda raised Zambia's diversion of its copper traffic from South African ports, pointedly asking what Zimbabwe was doing. On his return to Harare, Mugabe lost no time in telling his ministers to investigate a trade ban against SA; and later that week private sector business leaders were summoned to be told two different versions of what was intended

One version held that there would be an immediate ban on all imports and exports, while the second interpretation was that a ban of most trade — though not on transit traffic — would be imposed at the beginning of 1988.

It was clear from the outset that the Cabinet and government officials were deeply divided over the issue, and over the next 10 days, at a series of Cabinet meetings, the politicians were warned of the likely repercussions of a trade ban In 1986, Zimbabwe sold 9,5% of its total exports worth some US$123m to SA and imported 21% of its total imports valued at $205m.

Furthermore, while there have been public claims that the port of Beira is handling 40% of Zimbabwe's foreign trade, informed sources put the figure at closer to 25%, warning that if Pretoria retaliated by banning transit traffic then the Zimbabwean economy would be in dire straits.

Clearly Zimbabwe could find another source from which to obtain the imports it is purchasing from SA — but at a substantially higher cost But that would fail too if Pretoria refused to allow Zimbabwe to import goods from overseas via the South African transport system. This was a major consideration that forced the Cabinet to drop sanctions It was stressed that the agricultural, mining, transport and manufacturing sectors would all find themselves short of essential inputs resulting in stoppages, retrenchments and large-scale unemployment

On the export side, it was pointed out that at least a third of the exports of manufacturing industry are sold in SA, and there is simply no viable alternative outlet for most of these products. The balance of payments effects of South African sanctions are conservatively estimated at more than $200m — which would have had a far-reaching impact on the already fragile Zimbabwe economy.

And so, at the crunch, economic rationality prevailed — this time at any rate

What is less surprising, however, is Mugabe's woeful ignorance of the extent and depth of his own country's economic dependence on SA. For a man who has so much to say about this country, he is remarkably ill informed.

One consequence of this latest episode of economic sanctity is that Zimbabwean trade and transport dependence on SA will probably shrink a little faster than before. For, faced with another (though temporary) loss of Mugabe's economic reason, the minds of importers and exporters have been focused on the need to hedge their risks by diversifying their markets and their suppliers. The same process is likely to take place without SA too. To that extent, Mugabe's economic brinkmanship may well have some lasting effects in the longer run The fact is that Zimbabwean sanctions against SA are inevitable — what is at stake is their content and timing. The business community in both countries has got this message loud and clear

Although he suffered a setback when the Cabinet came out against his sanctions plan, it's unlikely that Mugabe's political stature has been materially damaged. He remains committed to sanctions. There was no division within the Cabinet on the *principle* — merely on timing

At the same time, there is little doubt that the Mugabe administration's international reputation has suffered The suggestion that the sanctions reports were just a figment of the fertile imaginations of the foreign media both in SA and internationally failed to mask the very deep divisions, the indecision and the confusion that gripped Harare for two weeks last month. It was not a picture of a well-ordered administration that knew where it was going, but of politicians who, having made a policy pronouncement, discovered that it simply could not be successfully implemented

On the South African side, the cutting edge, such as it might be, of sanctions is the issue of import permits not valid for goods from a short list of taboo, and accordingly embargoed, countries — including SA Certain background factors help to put the situation into perspective.

According to Safto GM Warren Smith, SA's total exports to Zimbabwe are currently running at about R500m annually, of which 40% reflects the consumer goods component. The remainder of the total comprises raw materials, and intermediate and capital goods — all of which are absolutely vital for the continued functioning of the Zimbabwean economy (see ***Economy***).

Smith considers it inconceivable that Zimbabwe would be so suicidal as to interfere with imports of



Mugabe ... ideology the real constraint

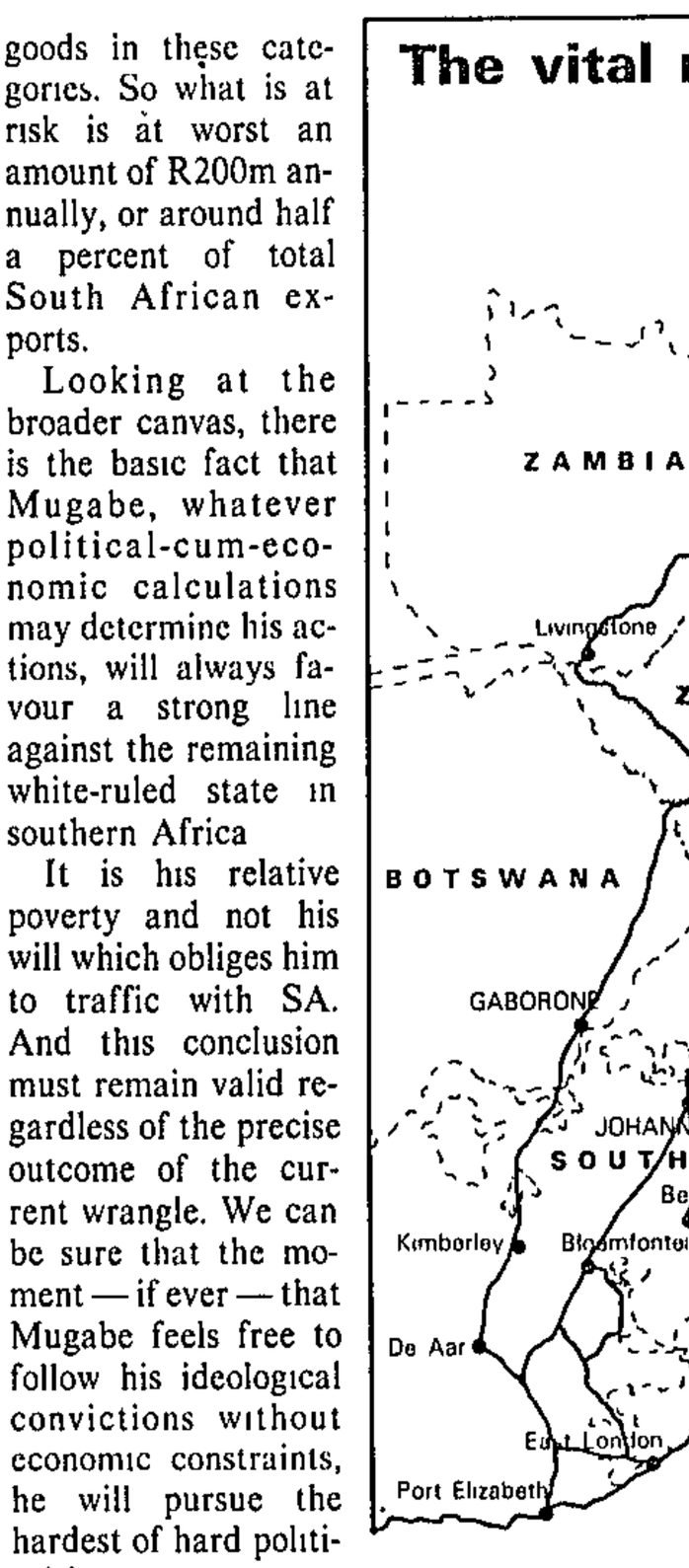
goods in these categories. So what is at risk is at worst an amount of R200m annually, or around half a percent of total South African exports.

Looking at the broader canvas, there is the basic fact that Mugabe, whatever political-cum-economic calculations may determine his actions, will always favour a strong line against the remaining white-ruled state in southern Africa

It is his relative poverty and not his will which obliges him to traffic with SA. And this conclusion must remain valid regardless of the precise outcome of the current wrangle. We can be sure that the moment — if ever — that Mugabe feels free to follow his ideological convictions without economic constraints, he will pursue the hardest of hard political lines.

What also concerns Smith, however, is that Zimbabwe is merely one of a number of black states with which SA collectively transacts trade which, in aggregate, is of great value

And the same degree of anti-South African resentment — expressed in joint public commitments to the cause of sanctions, for example — is in many other cases married to the same sort of economic difficulties as Zimbabwe's In cases like Zambia, current economic difficulties can be described without exaggeration as outright crisis



But whether in the foreseeable future any of these countries will be sufficiently economically strong to eschew South African trade is extremely doubtful. For the domestic policies they are following can only increase their impoverishment.

Economic difficulties in sub-Saharan Africa are of too profound a structural nature to be ascribed glibly to drought or past exploitation by colonials and imperialists. The plain fact is that Africa's various brands of authoritarian socialism — financed by foreign aid — have all but ruined the flourishing economies they took over on independence.

Totalitarian governments like that of Zambia's Kaunda have shown themselves to be incapable of making the painful structural adjustments necessary to return to any semblance of prosperity. Zimbabwe appears to be taking a similar route, despite the celebrated pragmatism of Mugabe

Yet without foreign aid, they have neither the wit nor wherewithal to even feed themselves, let alone provide basic consumer goods.

As that aid diminishes, and as their former imperial rulers are not about to come to their aid if they impose sanctions on SA, their economic plight is bound to become more profound.

The longer they take to apply sensible economic policies — which imply, moreover, a greater degree of democracy — the less likely they are going to be able to afford an alternative to South African trade.

The limit to the cost of not trading with SA is probably Kaunda's own political survival, which hinges more than he would like to acknowledge on his ability to feed and clothe his own people. As Mugabe inherited a larger and more robust economy and has had less time to ruin it, he may take a little longer to face reality

It is in our interests here for the Nat government to make their facing that reality as easy for them as possible. That means avoiding retaliation, such as blocking Zimbabwe's trade routes through this country or even threatening to do so.

It needs to be understood in Pretoria too that both comrades Mugabe and Kaunda like to cut a figure at Commonwealth conferences. Enough verbal swaggering and political posturing at these gatherings helps to cloak their own humanitarian shortcomings in righteous indignation.

So Pretoria must accept that, in practice, the bark about anti-South African sanctions must always seem worse than the bite. SA, moreover, is strong enough economically and militarily, in a regional context, to be able to afford abstention from inflammatory rhetoric of its own In the broader context of anti-South African sentiment within the Western world, we can only be the losers from hysteria.

There should also be a continued willingness to maintain low-key technical assistance where it is wanted, once again on the basis of doing good by stealth.

We cannot claim in SA to be on the side of the angels. Manifestly we are not. But patience and the other cheek — better known as maturity — have been shown by businessmen sometimes to have their economic rewards in emergent Africa.

Simply put, Mugabe is becoming increasingly boxed in by the very real economic constraints of his own ideology. He cannot afford to close the drifts the longer he adheres to what he belives to be his principles.

In contrast, SA does have a choice. It can stand prepared to do business as usual and continue to dismantle its racist social policies that give Mugabe so much convenient political sustenance — and inhibit its own economic potential.

Or it can turn its back both on regional diplomacy and foreign trade and seek relief in markets elsewhere.

What it risks if it chooses the latter course is escalating regional instability. What man can rest comfortably while his neighbour starves — even if it be because of his neighbour's own foolishness? ■



Safto's Smith ... hampering trade is suicidal



Zambia's Kaunda ... the blame lies at home

FINNISH SANCTIONS

Though Finland recently formally imposed legal sanctions against SA, the effect on the market for coated and uncoated paper is unlikely to be drastic.

Sappi Fine Papers MD Ken Lechmere-Oertel says as little as a year ago Finnish paper suppliers were very dominant in the South African magazine market. But the combination of a very weak rand and political protests by Finnish trade unions led South African users of these types of paper to look elsewhere.

As far as local suppliers are concerned, Lechmere-Oertel says Sappi has never really been in the market for supplying magazine-type paper. Mondi, however, has played a significant role in paper import substitution.

Moreover, a Mondi spokesman adds, a lot of coated and uncoated paper is now imported from West Germany and Holland — often in cross-supply deals. While a fairly substantial amount of Finnish paper is still entering SA, the consensus is its loss will not impact greatly on the market.

"The slack will be easily taken up by other less sensitive European countries and local suppliers," he says.

Times Media Limited (TML) deputy MD Roy Paulson says Finnish sanctions will prove a boon to local paper mills — especially to Mondi. The magazine industry currently absorbs about 60 000 t of paper a year, so the market is substantial.

"At the moment TML does not use any Finnish paper, though Finland has been a possible source of supply for the *FM*. We have since switched to Austrian paper," he says.

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Bans on the bans: Tory plan to squash sanctions

BANS by local British authorities on South African products may soon be outlawed if a new Bill currently being debated in the House of Commons becomes law.

The Local Government Bill, which had its second hearing just before parliament closed for the summer recess, could prohibit the bans on South African goods that have been imposed by more than 100 local authorities in Britain over the years.

The Anti-Apartheid Movement has condemned British Prime Minister Margaret Thatcher's latest anti-sanctions move as an attempt to stop "local authorities from imposing a ban on the purchase of both South African and Namibian products and choosing to avoid contracts with companies with links with South Africa or Namibia".

The Bill requires local authorities to conduct purchasing and contract agreements "without reference to matters which are non-commercial", an AAM publication explained.

It warned that Britain's Race Relations Act of 1976 could be "weakened" by the proposed law.

"Local authorities will not be able to argue that it is legitimate to take action such as imposing a ban on South African purchases on the grounds that they have a legal duty to promote good race relations," AAM said.

"If local authorities are obliged to purchase South African products ... it will cause widespread anger among the black community who have a special affinity for the black majority in South Africa and Namibia."

The AAM also says the Bill, if it becomes law, will undermine industrial relations in Britain. Expecting workers to handle South African products will be a "provocative move in the light of the treatment being meted out" to trade unionists in South Africa.

The AAM also pointed to an irony in the proposed legislation. "It will prohibit local authorities from even taking action to give effect to the British government's own voluntary restrictive measures, for example on new investment and tourism.

Once the new Bill becomes law, Britain's international standing will be damaged, according to AAM. One of its most effective ways of isolating South Africa will be undermined.

"If South Africa was to re-establish a significant market among local authorities it would provide much needed foreign exchange which it requires for arms, oil and other strategic materials."

By MOIRA LEVY in London

The proposed legislation also affects the ban on Namibian products and is a breach of international law, the AAM said.

The United Nations has decreed that it is illegal "to plunder Namibia's natural resources". Councils who purchase goods from Namibia will be acting in breach of international law,"

The organisation said although "the boycott of South African products is widely accepted in Britain", there were still a number of local authorities that did not adhere to the ban.

"At present local authorities can decide democratically what policy to pursue."

●End Loans to Southern Africa, together with the Namibian Support Committee and other organisations, intend to make their presence felt at the AGM of Consolidated Goldfields later this year.

Eltsa is planning to buy a block of shares in Consolidated Goldfields to distribute among activists, and it is mobilising proxy votes of those who will not be able to attend the annual general meeting.

A one-day conference on sanctions in South Africa against the Republic's coal, planned by the AAM and the British National Union of Mineworkers, will be addressed by NUM leader Arthur Scargill and a South African labour leader.



An incident in a day of controversy: The Lenasia by-election. NPP candidate Salem Mayet, left, confronts opponents

Picure: ERIC MILLER, Afrapix

Conservative US judge could be a boon for SA

WASHINGTON — The appointment of conservative judge Robert Bork to the US Supreme Court could curb the flow of American disinvestment from SA, the Washington correspondent of Inside South Africa said in the latest issue of the news analysis magazine.

If Judge Bork is confirmed by the Senate — and the indications are that he will be — he will be in a position next year to cast the deciding vote against disinvestment.

Going by the judge's record as a strict constitutionalist and hard-line conservative, it seems likely he will side with those who argue it is illegal for US state and local governments to pass disinvestment laws aimed at any particular foreign country.

"Should such divestment laws be struck down as illegal, it will take tremendous pressure off US companies now doing business with SA," the magazine said.

The issue rose in a case in Baltimore in which it was argued that it was illegal for the city council to order disinvestment from its pension fund.

The case will go to the Appeal Court and it is likely it will go to the Supreme Court next April. One of the functions of the Supreme Court is to interpret the constitution as it applies to law, and it is argued that by passing disinvestment laws the state and local governments are taking over foreign policy — which can only be made by Washington.

There are nine Supreme Court judges and Judge Bork will replace one who resigned for health reasons.

Students of the court say the remaining eight are evenly split along ideological lines, four liberal and four conservative. The ninth man will have the pivotal vote.

Congress Democrats are strongly opposed to Judge Bork because he is so conservative. They are certain to fight his nomination, but in the end he will probably be confirmed because President Ronald Reagan is expected to push hard in his favour.

Reagan is prepared to make political deals with individual members of the Senate to get Bork confirmed. — Sapa.

Standard to sell its R715-m stake in SA

FINANCE STAFF

In the largest disinvestment move from the country so far, the London-based international banking group Standard Chartered yesterday announced the sale of its 39 percent stake in its South African subsidiary.

The R715,9 million deal will leave the Standard Bank Investment Corporation (Stanbic) completely in South African hands, with Liberty Life becoming the new major shareholder in the group.

At a Press briefing in Johannesburg yesterday, Stanbic directors also announced that the company's shares, which were suspended in anticipation of the disinvestment move, will be reinstated on Monday.

Standard becomes the third multinational bank to disinvest, following London-based Barclays last November and Citicorp of New York in June.

● See Page 13

Standard Bank pulls out of South Africa

DD 2/8/87

JOHANNESBURG — Standard Chartered (Stancha), the London-based international banking group, has disinvested completely from Standard Bank Investment Corporation (SBIC) in a R715,9-million deal which leaves its entire 39 per cent stake in SBIC in South African hands, it was announced last night.

A joint announcement by Stancha and SBIC said agreement had been reached between them and Liberty Life Association of Africa, Gold Fields of South Africa, Rembrandt Group and SA Mutual Life Assurance Society on the acquisition of Stancha's stake in SBIC at an effective price of R18,75 per share.

When the arrangements have been completed, Liberty Life's stake will go up from 22,6 to 30 per cent, Old Mutual's from 17,1 to 20, Gold Fields from 3,4 to 10 and Rembrandt from nil to 10 per cent.

The Standard Bank Pension Fund will hold 5 per cent, and the other 25 per cent will be held by the general public.

Proposals are to be submitted to SBIC shareholders in terms of which ordinary and preferred ordinary shareholders can elect either to receive a special dividend of 412,5c per share, or to waive their right to the dividend.

All shareholders will be entitled to participate in a rights offer.

Liberty Life and Gold Fields agreed to underwrite the offer made to all shareholders other than Liberty Life, Gold Fields, Old Mutual and the Standard Bank Pension Fund.

The SBIC directors said they welcomed "the consolidation of the group under a strong and stable South African ownership This will open up a variety of opportunities locally and internationally, offering potential for future growth.

"SBIC looks forward to the continuation of the close relationship with Standard Chartered, which has been developed over more than a century of business activity."

The SBIC's JSE listing will be reinstated on Monday.

Stancha, which is to take the special dividend offered in terms of the agreement but will not exercise its right to buy additional shares, will take out R715,9-million from the deal, plus R8,7-million from the ordinary dividend announced this week, all through the commercial rand channel.

Meanwhile, the group's managing director in London, Mr Michael McWilliam said the decision to write down its Third World debt prompted the sale.

He said the decision was taken in June and July this year after Britain's largest bank, National Westminster, increased its bad debt provision by £466-million.

He said the decision was a purely finacial one, and had nothing to do with the political campaign mounted against the bank by the Anti-Apartheid Movement (AAM).

Since Stanbic had become an associate company of Stancha's in 1984, its earnings were not as higly valued as core earnings, he said. Rather than retain a minority stake it was decided to redeploy the capital.

Mr McWilliam said he expected to have all the money out of South Africa by November.

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By pulling out of SA, bank nets 'peanuts'

By DAVID CARTE

SOUTH AFRICAN business, led by Liberty chairman Donald Gordon, registered another victory over the City of London in Standard Chartered Bank's R517-million disinvestment this week.

In withdrawing from SA after more than 100 years, Standard Chartered (Stancha), like Barclays before it, is taking home relative peanuts.

The South African buyers, Liberty, Old Mutual, Rembrandt and Gold Fields of SA, are acquiring 38 percent of South Africa's biggest and most profitable bank and one of the bluest chips on the Stock Exchange — cheaply.

Standard Chartered was one of the biggest remaining foreign investors and employers in SA. Standard Bank Investment Corp (SBIC) employs 2 3000 in SA.

"I am saddened by their withdrawal," said Mr Gordon. "It was the severance of an old and very important business link. We increased Liberty's stake to 30 percent with some reluctance.

"But they could not have expected a better price. After all, they were placing a lot of paper in a relatively small South African financial market. We told them if they wanted to leave they couldn't leave in glory."

Mr Gordon thinks Stancha's withdrawal was as unwise as those of Barclays PLC and Guardian Royal Exchange (GRE), which pulled out of Liberty in 1978.

"We paid R1,25c a share for GRE's Libhold shares. Now they are worth R37 a share. The annual dividend today is twice the price GRE took for their shares."

Stancha is repatriating 155-million pounds sterling — about seven times the contribution of SBIC to its taxed profit.

The SA buyers are paying R18,75 a share, compared to the price of R26 a share six weeks ago before the market got wind of the deal.

The price being paid is a discount of 28 percent on the pre-deal price It is about 8,7 times earnings. The average banking share on the JSE is valued at 10 times earnings. Stanbic has recently enjoyed the highest rating and has traded at 12 times earnings.

While it is probably disappointed at the terms of the withdrawal, Stancha is obliged to continue being friendly to its old subsidiary.

It has $1-billion of debt owing to it in the SA debt standstill net. Stanbic keeps its banking links with Stancha for the foreseeable future.

Standard Bank of SA is not even obliged to change its name.

"When a child leaves home," said Stanbic managing director Conrad Strauss,"it does not have the effrontery to ask its parents to change their name."

Over more than a century, Standard Bank of SA has been the jewel in Stancha's international crown. Retention of the name will be reassuring for Stan-



Henri de Villiers, chairman, Standard Bank Investment Corp, discloses sale

dard's staff and customers.

Mr Gordon has ensured that Liberty comes out of the deal better than anyone.

Before the transaction, Liberty had 22,1 percent and its arch rival, Old Mutual, 17,1 percent.

Until 1983, Old Mutual had the biggest stake in SBIC after Stancha but then Stancha let Liberty take up its rights i a rights issue and Liberty became th biggest SA holder.

Had Stancha's 38 percent been di tributed between existing shareholde on a pro-rata basis, Liberty's stak would have risen to 31 percent and Ol Mutual's to 24 percent.

Stancha has done far better in th withdrawal than Barclays PLC, whic repatriated only 87-million pounds ste ling.

That is partly because Stancha's adv sors, Corporate Merchant Bank (Co bank) and Hill Samuel UK, were able t persuade the Reserve Bank to perm SBIC to pay a special dividend of R4,12 a share worth R157,5-million to Sta cha.

Dividends are remitted through th commercial rand, which is worth 5 percent more than the financial rand

This week SBIC announced result which disappointed the stock marke Its earnings level pegged, when mos analysts expected a rise, promptin suggestions that earnings were conser vatively stated to keep the severenc price low.

"That's an impertinent suggestion," said Dr Strauss.

Canada will cut ties if sanctions fail — Clark

ABIDJAN. — Canada is prepared to cut diplomatic and economic ties with South Africa if sanctions do not work, Canada's Foreign Minister, Mr Joe Clark, said yesterday.

Speaking to journalists here on the first stop of a four-nation African tour, Mr Clark said Canada had instituted a number of sanctions and would institute others to bring about an end to apartheid

But he said he anticipated no change in Ottawa's South Africa policy before Canada hosts the Commonwealth and Francophone summits later this year.

"I have authority from my cabinet colleagues to take some other actions but I don't anticipate doing that in the forseeable future, certainly not before the two conferences," Mr Clark said.

He said the African trip would help sound out African leaders on their views about South Africa.

"We are very earnestly seeking any dialogue that would be productive and that is a large part of the reason for my visit to Southern Africa."

Mr Clark met for 90 minutes with Ivorian president Mr Felix Houphouet-Boigny on a variety of issues including South Africa The 82-year-old leader, black Africa's longest-serving president, has opposed sanctions.

Mr Clark leaves Ivory Coast today for Lusaka where he will hold talks with leaders of the African National Congress.

Tomorrow he travels to Maputo and stops in Johannesburg on Friday for talks with government officials and opposition leaders before returning to Ottawa the same day. — Sapa-AP

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UWC body endorses free opinions

Staff Reporter

THE senate of the University of the Western Cape yesterday passed a motion endorsing the free exchange of opinions — but on condition that it did not "disrupt the free exchange of opinions of others".

The motion also endorsed freedom of speech on condition that it did not affect academic functions at the university.

The rector of UWC and chairman of the senate, Professor Jakes Gerwel, last night said he could not comment on senate procedures.

The motion was proposed by Professor Neil du Plessis, of the applied-mathematics department, and seconded by Professor Attie Basson, of the chemistry department, at a special meeting of the senate

It reads. "This senate endorses the principle of free exchange of opinions on condition that it does not occur in a manner which disrupts the pursuance of exchange of opinions of others and especially on condition that it does not affect this university's academic functions."

A member of one of the university's faculties, who declined to be identified, said he was concerned about the motion, because it echoed the hard-line sentiments of the Minister of National Education, Mr F W de Klerk, after his recent meeting with the heads of all South African universities.

Vlok calls for speech by Mandela

THE Minister of Law and Order, Mr Adriaan Vlok, has called for the full text of a speech by Mrs Winnie Mandela at the weekend, in which she was reported to have made a call for the "struggle" to be carried into the white areas.

This was confirmed by a spokesman for the Ministry of Law and Order in Cape Town.

Mrs Mandela's call — made to an audience at the University of the Witwatersrand on Sunday — echoed similar recent calls by the ANC in various Radio Freedom broadcasts in Zambia and Angola.

A spokesman for the minister's office said Mr Vlok was "dismayed" by Mrs Mandela's reported statements and had called for the full text of her speech. — Sapa

Royal Navy minesweepers to help in Persian Gulf

MANAMA, Bahrain. — A convoy of reflagged Kuwaiti tankers and their United States warship escorts safely reached Kuwaiti waters yesterday amid increasing concern over mines in the Persian Gulf and nearby waters

And in further developments late yesterday:

☐ Britain said it would send four minesweepers and a support ship to the Persian Gulf.

However the Defence Secretary, Mr George Younger, said Britain was making no commitment to the US to help in the US Navy's escort of reflagged Kuwaiti tankers.

He said the British minesweepers would help Britain's Armilla patrol, which escorts UK vessels and UK-registered vessels, only as far as Bahrain.

☐ France announced it would send two minesweepers to the Gulf to protect French-registered tankers.

The Defence Minister, Mr André Giraud, said the minesweepers would join the aircraft-carrier Clemenceau and three support vessels.

Three tankers and their escorts stopped for 24 hours in Saudi Arabian waters after a mine was spotted floating in their path.

To the south, in the Gulf of Oman, four mines were discovered yesterday near where a US-operated supertanker was damaged by a mine on Monday

A diplomatic source in the Gulf region said the Sultanate of Oman had appealed for US help in clearing the coastal waters south of the strait

In Washington, chief Pentagon spokesman Mr Robert Sims said three Kuwaiti tankers and their warship escorts reached Kuwaiti waters "with no further incidents".

The tankers were "in Kuwaiti territorial waters under escort by Kuwaiti ships", Mr Sims said.

In London, Mr Younger said UK minesweepers would operates only between the entrance to the Persian Gulf and the island state of Bahrain.

In Moscow, the official Soviet news agency Tass accused the US of "pursuing imperial, hegemonic goals" in the Gulf region. — Sapa-AP

SA tourists may profit from Aussie air link cut

SMR 13/8/87

By Zenaide Vendeiro,
Transport Reporter

The suspension of South African Airways' direct flights to Australia on October 26 may prove a boon for South African holidaymakers, Mr Kobie van Rooyen, SAA route director for the Far East and Australasia, said yesterday.

He said SAA had completed arrangements with Cathay Pacific, China Airlines, Air Mauritius and Singapore Airlines to accommodate its passengers on connecting flights to various cities in Australia

The airline had also managed to limit air fare increases for its passengers to 10 percent — while passengers travelling to Australia on other airlines would have to pay a 25 percent surcharge.

"Although some passengers may feel frustrated by the stopovers, what they will get in exchange is a bargain This is a situation where a negative can be turned into a positive," said Mr van Rooyen.

PASSENGERS' OPTIONS

Passengers had three options·

- Taking the weekly Friday SAA flight to Hong Kong and boarding a Cathay Pacific flight to Perth or Sydney the same day. As passengers would arrive in Hong Kong in the morning and depart for Australia in the evening, SAA was putting together a day tour package for Hong Kong. Those deciding on a longer stay could make use of SAA's "Costcutter" programme.

- Travelling on the weekly Tuesday SAA flight to Taipei, boarding connecting flights to Hong Kong and then on to Australia on China Airlines or Cathay Pacific.

- Travelling to Mauritius on SAA flights and then on to Australia via Singapore on either Air Mauritius, Singapore Airlines or other carriers.

Mr van Rooyen said all the stopovers were choice tourist destinations which SAA passengers would have the opportunity of visiting at little extra cost

Provision had also been made for air freight and no increase in rates was envisaged, he said. Freight would probably be taken on SAA's flight to Hong Kong and then on to Australia.

SAA's direct services to Australia will end on October 26 because the Australian Government has suspended the airline's landing rights.

Rembrandt tipped for Stanbic

LIBERTY LIFE and the Rembrandt Group are being tipped as buyers in what is likely to be the biggest banking disinvestment move so far, British bank Standard Chartered's sale of its 38,9 percent stake in Standard Bank Investment Corporation of South Africa.

Trading in Stanbic's shares was suspended a week ago in anticipation of the disinvestment announcement. By Tuesday this week, negotiations were still under way, and the shares have now been suspended again until stock exchange trading closes today.

Stanbic managing director Conrad Strauss told a press conference that if the transaction takes place, it will be substantially larger than any previous banking disinvestment.

The move would make Standard Chartered the third foreign parent bank to sell its South African holdings.

Britain's Barclays plc sold its 40,4 percent stake in Barclays South Africa, now First National Bank, last year for R527-million. The sale gave Anglo American Corporation and its associates, Southern Life and De Beers, ownership of more than half of First National. Earlier this year First National paid American parent Citicorp R130-million for its South African banking arm Citibank SA.

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Weekly Mail Reporter

In the wake of Barclays' disinvestment last year, Stanbic's Strauss told *Weekly Mail* that Standard Chartered was likely to reduce its shareholding in the South African banking group to about 25 percent.

But now it seems likely that the British bank is considering pulling out altogether. The move has probably been prompted by its situation in the London finance world, rather than any sudden pressures on the South African front. In response to pressure from rival Lloyd's Bank it may choose to buy another London bank. Disinvesting would provide some cash and, by removing the taint of a South African connexion, might assist it in raising further capital.

Liberty Life is the second biggest shareholder in Stanbic, with a 22,8 percent stake and is almost certainly one bidder for Standard Chartered's stake. But in terms of the Banks Act a life assurance company such as Liberty is not allowed to own more than 30 percent of a bank.

The mystery then is who else will buy in. Liberty is likely to be looking for a friendly partner.

Speculation is that the Rembrandt Group may be in line for the remaining chunk of Stanbic.

The tobacco multinational recently bought 10 percent of Gold Fields of SA from British-based Consolidated Goldfields. Gold Fields is already a significant shareholder in Stanbic and may be bidding to enlarge its stake. And Rembrandt has been moving into the field of finance, acquiring interests in companies such as Sage and Allied and building close ties with Volkskas.

If it sells, Standard Chartered will probably take the money out in financial rands, presently at 30 US cents. — Own Correspondent and Sapa.

War and strike talk drive up gold

Weekly Mail Reporter

JUST a couple of weeks ago economists were predicting that the gold price would hover between $440 and $460 for a while. But this week gold shot over the $470 mark, reaching $475 before dropping back somewhat.

The crystal ball gazers are now confidently predicting that the gold price will reach $500 before the end of this year.

This week's increase was largely a result of the escalating war in the Gulf, although talk of a South African mines strike also had something to do with it.

Gold is seen by investors as a "safe haven" for their money in times of political uncertainty in the world — and particularly when the uncertainty involves oil as it does in the Gulf. The prices of other precious metals such as silver and platinum have also been rising.

The gold price in rand terms is now around R980 an ounce and this increases the appeal of gold shares — as reflected in the leaps of the gold index of the Johannesburg Stock Exchange this week.

The soaring gold price may lead people to believe that the South African economy is taking off, but this, says one economist, could be a misconception.

An unusual feature of this week's events in the financial markets was that the dollar also rose against other currencies — although usually gold and the dollar are inversely related. But, it seemed, investors were also seeing dollars as a "safe haven": The dollar's rise certainly did not reflect any improvements in the American economy.

The dollar was soon restored to its previous levels.

Reagan's report on SA will be critical to the sanctions debate

14/8/87 280 SMC

By Neil Lurssen,
The Star Bureau

WASHINGTON — United States government officials are hard at work on a report that will play a critical role in a renewed debate here on South African economic sanctions in less than two months.

The report must be sent by President Reagan to the US Congress by October 2 — a year after the sanctions contained in the Anti-Apartheid Act of 1986 were voted into US law over the president's objections

If President Reagan sends the Congress a gloomy assessment of the SA Government's efforts to end apartheid, there will almost certainly be demands for even tougher pressure on Pretoria.

It is understood that several drafts of the report are being seen by senior officials. But the final wording — to be approved by the highest levels in the White House, the State Department and the National Security Council — will not be settled until shortly before the October 2 deadline.

While last year's legislation directs the president to report on a wide range of matters involved in the anti-apartheid struggle, three separate topics seem to be dominating the SA issue here.

They are the detention of children without trial, plans to claim rental arrears from the paypackets of black workers, and the role of the SA authorities in the miners' strike.

Heavy-handed action by the SA Government in these areas is expected to add momentum to the drive by liberal Democrats to impose sanctions that will hurt.

VISITING SOUTH AFRICA

As a precursor to the coming focus on the country, a large number of congressional officials are visiting South Africa this month They will be preparing reports for their congressmen and senators on their findings Many are there at the invitation of the SA Government.

Among the visitors is an aide to Senator Paul Simon, a liberal Democrat who is seeking his party's presidential nomination in 1988. Republican Senator Robert Dole, a leading contender for his party's nomination, is also represented.

President Reagan must address specific issues in his October report. They include progress in setting a timetable for ending all apartheid laws and in starting negotiations with leaders of all race groups on a new political system.

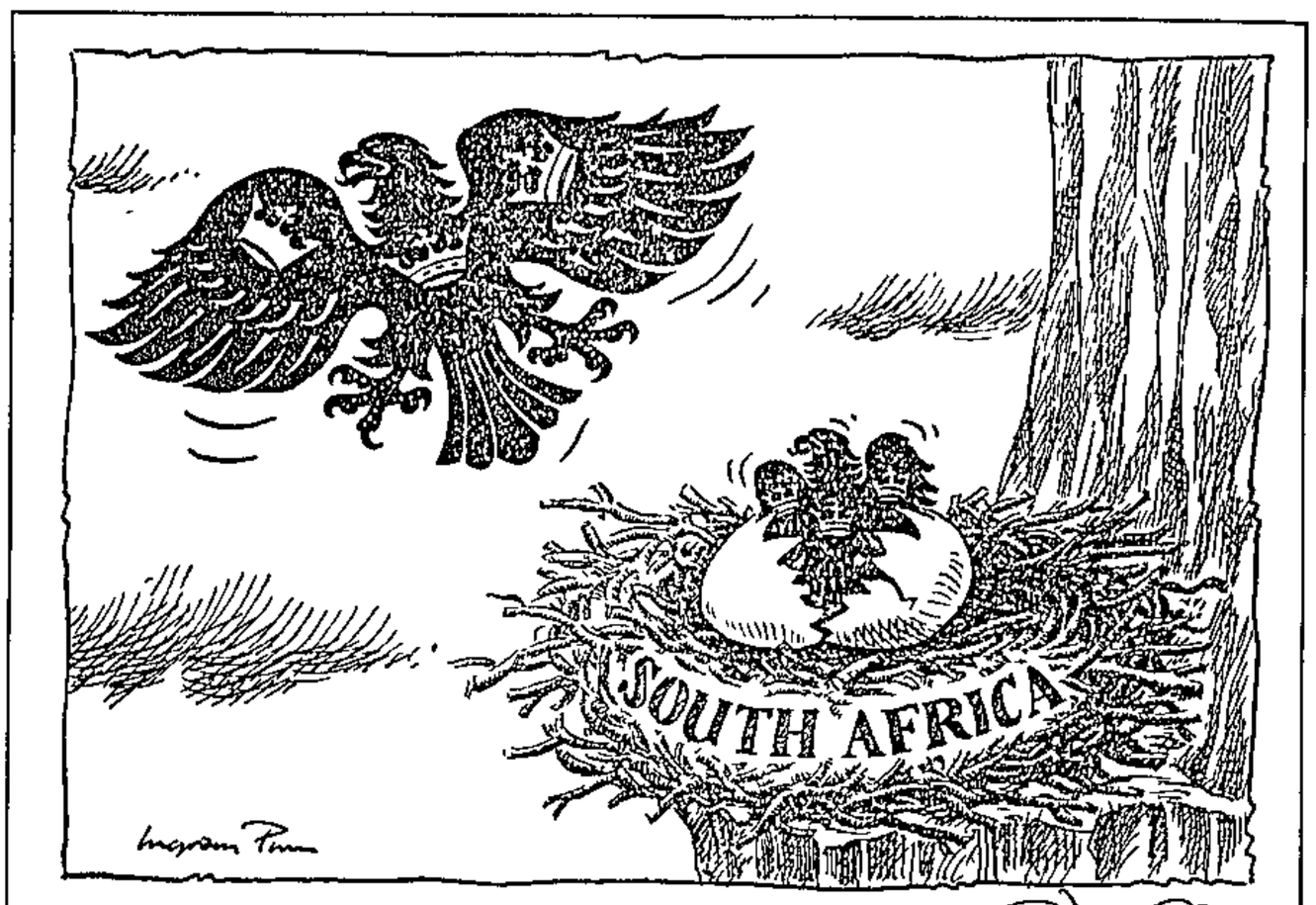
The president must assess whether South Africa has ended military and paramilitary actions aimed at neighbouring states and whether it has moved to end the state of emergency.

Progress in the release of all political prisoners, black trade union leaders — and specifically Nelson Mandela, Govan Mbeki and Walter Sisulu — must also be assessed.

Whether South Africans of all races are getting the right to form political parties, express political opinions and take part in the political process will form an important part of the report.

Conservative leaders in the US are watching the SA situation with anxiety. They fear the Democrats will use the issue in the coming election season and that Republicans, even those who oppose sanctions as counter-productive and harmful to US interests, will be forced by political considerations to approve new punitive measures.

They say the SA Government needs to strengthen the conservative hand by being conciliatory.



Barclays — a fledgling fending well for itself

CLIVE WOLMAN of the Financial Times in London

THE decision by Barclays Bank to pull out of SA last November after 17 years of mounting pressure from students and other campaigners was heralded in Britain as a supreme achievement for the anti-apartheid movement

Of all the foreign-owned companies in SA, Barclays National Bank (Barnat) was one of the largest and by far the most visible The familiar blue eagle logo in nearly all the country's shopping and commercial centres testified to its dominant share of an over-banked market.

Thus the consequences of the withdrawal should provide some indications of the efficacy of disinvestment as a way of hastening political and economic change in SA — at a time when Standard Chartered is negotiating the sale of its 40% stake on its South African subsidiary Stanbic

The Barclays withdrawal has certainly done nothing to end the political controversies surrounding the bank During this year's election campaign, President P W Botha attacked Barnat's MD Chris Ball for alleged sympathy for the banned African National Congress

Many believe that the attack highlighted the bank's greater vulnerability to pressure from the right since it lost the protection of its British parent.

The withdrawal has to be judged against the claims, made by anti-apartheid and black political groups, that foreign disinvestment will deprive South Africans of access to international business, managerial and professional skills, end the steady transfer to South African companies of essential technology; deny them the marketing advantages of links with foreign parents; undermine inventor confidence and erode company profitability; and lead to an outflow of capital from the country.

On the face of it, at least, the Barclay's withdrawal has failed to fulfil any of these expectations

When Barclays annouced that it was selling its 40% stake in Barnat to the Anglo American Corporation, Barnat's management in Johannesburg put on a brave face

But behind the scenes many felt they had been betrayed by the British parent which, they said, had previously assured them there would be no withdrawal In fact, a detailed plan of withdrawal had been developed by head office in 1981

According to Michael Henderson, who is now head of Barnat's property services· "It was an emotional wrench more than anything else. Individuals get comfort from being part of a big banking group.

"But when it came to actual management, they generally left us alone We didn't think there was much that 'PLC' could teach us."

PLC has played an important role in training Barnat managers and giving them international banking and financial experience.

Ball spent a period in London and Eddy Cade, Barnat's finance and treasury manager, is a former PLC employee PLC continues to train employees, particularly at more junior levels. Barnat senior managers emphasise the continuing closeness of their relationship with London. According to Jimmy McKenzie, senior GM· "The personal bonds remain We still send people to London and call on them whenever we go there."

Henderson says he has relied extensively on PLC's advice in restructuring his property organisation over the last nine months

"We have the same access and they continue to ship out data to us. I have my opposite number in London on automatic dial."

But the interchange of ideas and information, at least on high street banking, is becoming less important. Terry Smith, banking analyst at Barclays de Zoete Wedd, says "Five years ago, there were a lot of similarities between the South African and UK retail markets From looking at one, you could tell how things would go in the other But the UK system has changed enormously since then"

And so has the South African market, not least because of the increasing sophistication of black customers

Over the long-term, the personal ties which allow SA to keep in touch with new developments in banking and business management generally will weaken. But this penalty of disinvestment is unlikely to bite until the next century

The transfer-of-technology argument in favour of disinvestment is similarly dubious Stockbroking analysts believe that, far from benefiting from its foreign ownership, Barnat's computer systems suffered as a result of its British links, and reliance on ICL equipment.

The consequence, they say, have been to place Barnat at a competitive disadvantage in it's automated cash machine network and its payments and cost-control systems from which it is only now starting to recover

The technological leader in the banking sector has been the United Building Society, which has no foreign ownership links

One senior Barnat employee says the bank chose ICL, a British company, because of the British background of its managers and Barclays' group-wide policy on computer systems

However, nearly all SA's scarce computer programmers and analysts were IBM-oriented "The trouble was that the people here who believed in ICL would not



□ BALL . . . high-profile role

change their minds until it was too late We should have made a decision to write off the ICL equipment" The lack of decisiveness in SA mirrored that in London, where Barclays has had similar computer difficulties

In contrast, Barnat's chief rival, Stanbic, has absorbed computer technology much more effectively, by acting independently of Standard Chartered, within the group's loose federal structure

In Stanbic's case, the transfer of technology has, if anything, been the other way, with Standard's London managers visiting SA to seek advice

Sanctions to stop South African imports of high technology would, bankers believe, be hardly any more effective than disinvestment Licensing agreements it routed through third parties can easily evade government controls, particularly when only small but vital high-tech components have to be shipped One economist estimates that the additional costs to SA of evading a worldwide high-tech trade ban would be equivalent to a 2% to 3% fall in the gold price

As far as the marketing of its retail banking services is concerned, Barnat has suffered little from the disinvestment According to one management consultant specialising in South African financial companies

"In the last two or three years there were several disadvantages to being perceived as foreign and non-South African bank, Barnat could use disinvestment to say 'Now we are a patriotic South African institution'"

Barnat's corporate clients no longer have the advantages of its membership of an international fund-raising, trade credit and branch network The correspondent banking relationships that Barnat has established are rarely a satisfactory substitute for ties of ownership and control

However, until SA's foreign debt moratorium is lifted, the lack of international banking links will be a limited handicap

The most substantial change in marketing terms has been the replacement of "Barclays" by a new name — "First National Bank" — and a new logo, featuring a tree in the sunset Between the tree's branches, some of the bank's Afrikaner critics have discerned the shapes of a map of Africa, a rifle and a rabbit, supposedly a symbol of the ANC

That Barclays could be suspected of secretly supporting SA's leading black liberation movement demonstrates the gulf between perceptions of the bank in Britain and in SA

Ball had assumed a high-profile political role by meeting ANC leaders in London and being outspokenly critical of government's apartheid policies

Matters reached a head in April when he was accused by President Botha of providing a loan to finance a pro-ANC advertisement Barclays later placed advertisements in the Sunday Press saying that the rabbit was not an ANC symbol

The consequences was that Barnat suffered a loss of accounts, particularly in the conservative Afrikaner areas of the rural Transvaal This has been partially offset by a gain in the number of accounts, albeit much smaller ones, in the black townships.

Botha's attack on Ball outraged much of the English business community But since then, criticism of government policy by businessmen has been muted to the point of inaudibility, which was probably Botha's aim

Adverse political consequences for the white anti-apartheid forces and the black trade unions, who officially support disinvestment, could have resulted from the method by which Barclays disinvested

The black trade unions officially oppose the sale of shares in South African companies by foreigners either to other foreigners or to their black employees Implicitly, they also oppose shutting down the operations of these companies and laying off their workforces.

The only alternative method of disinvestment is to sell the companies to white South African owners But in most cases, the new owners, as well as being given assets at firesale prices, feel less constrained by foreign pressure

They can dismiss large numbers of black workers, as General Motors has done, and begin supplying government and armed forces. Barclays came up with the least embarrassing solution — selling its stake to the relatively liberal Anglo American Corporation.

Barnat policy is now to increase its proportion of non-white employees to 40% by 1990 and to promote them to senior management positions Most South African financial institutions officially subscribe to similar policies, only to find them diluted at branch level. However, Barnat's management is though to have tackled traditional white attitudes more forcefully than many of its competitors.

There is little evidence that company profitability has been harmed or investor and managrial confidence undermined by disinvestment, either by Barclays or by the many other US and European companies which have taken similar action over the last year.

In fact, as a result of all the disinvestment sales of companies to South African buyers and the boom in stock market flotations, the profitability of the corporate finance departments of Barnat and other banks has soared.

The issue of disinvestment by foreign banks is often confused with the withdrawal of foreign loans from SA, which led to the debt moratorium of September 1985

More than any other sanction, the ending of fresh loans is likely to have a fundamental effect on the South African economy by forcing it to become a large-scale capital exporter, unless it refuses to repay the loans. But because of exchange controls, the selling of equity stakes in South African subsidiaries has no such consequences

Barclays, for example, had to repatriate the proceeds of its sale of Barnat through the financial rand This means that it has had to find other foreign investors to purchse the rands from it.

But the sale also ends the outflow of fairly generous dividends from Barnat in SA to a foreign owner Dividends can be paid at the higher commercial rand rate, which is also used for exports and imports As a result, the Barclays disinvestment may even have a favourable effect on SA's balanca of payments.

Sanctions: pragmatism triumphs in Zimbabwe

Although Mr Robert Mugabe is believed to be under pressure to act against South Africa, an early decrease in bilateral trade is unlikely, writes Chris van Gass of The Star's Pretoria Bureau.

The Zimbabwean Government had in the past weeks walked to the precipice of economic sanctions against South Africa — but had refrained from jumping.

This is how Zimbabwe watchers described the see-saw issue of whether or not Zimbabwe's Prime Minister Mr Robert Mugabe would finally implement his oft-repeated threat of sanctions against South Africa.

A disturbing aspect of the outcome of the sanctions tussle for Mr Mugabe appears to be the strength of the anti-sanctions lobby in his own Cabinet — not for their love of their neighbour to the south, but based purely on pragmatism, according to informed sources.

The entire sanctions issue seemed to hinge on two considerations, the sources say:

- As a member of GATT (General Agreement on Tariff and Trade), Zimbabwe would have defaulted on a contract agreement, laying itself open to reciprocal action.
- By jeopardising the preferential trade agreement with South Africa it would have left South Africa with the whip-hand to take action of its own.

Essential goods

Considering that in a 10-month period last year Zimbabwe's trade with South Africa amounted to about R800 million the effects of sanctions on the Zimbabwean economy would be considerable.

In South African commercial circles the feeling is that there will not be much of a decrease in South African trade to Zimbabwe at this stage

"The goods being sent to Zimbabwe are mostly essential goods which they cannot produce at present. Should they wish to obtain them from other sources it would mean only one thing: paying more," one businessman said.

Piecing together the puzzle of what actually happened indicates that the Zimbabwe Minister of Trade and Commerce, Dr Oliver Munyaradzi, had held closed-door discussions with the Zimbabwean Chamber of Industries and the Zimbabwe National Chamber of Commerce.

At this meeting businessmen were informed that the Cabinet had decided to restrict trade with South Africa to a minimum. This would have been achieved with the implementation of a system of "designated countries" — affecting not only South Africa, but other countries, including Israel, Taiwan and South Korea.



Mugabe . . . Cabinet tussle.

This meant that if an importer applied for permission to import goods from a particular country, other than the Southern African Development Co-ordination Conference (SADCC) countries or Preferential Trade Area (the SADCC countries plus Kenya, Tanzania other East African countries), the application would be stamped "Not for designated country"

Urgent representations were apparently made to the Government by the CZI and the ZNCC pointing out in no uncertain terms the folly of such moves.

Mr Mugabe on the other hand, as leader of the non-aligned nations, perhaps future leader of the OAU, and vociferous proponent and catalyst for sanctions against South Africa at the most recent Commonwealth Conference, is believed to be under pressure to "deliver the goods" on sanctions, according to the sources.

The "designated countries" proposal has now been replaced by a system requiring import permits. Although import controls had been in place before these events — aimed specifically at conserving scarce foreign exchange — the actual structure and implications of the new system are still to be explained.

Sources in Pretoria indicated that whereas the old import controls were not administered on a basis of "geographic discrimination", the new import licensing system is almost certain to be applied in this manner.

How this will work in practice remains to be seen, according to commercial trade sources, who said no clear-cut information was yet available from Zimbabwe. They added that even if there was a tail-off in trade it would be difficult to pinpoint exactly whether it was due to applying licensing procedures or as a result of Zimbabwe's acute foreign exchange shortages

The Zimbabwe Government has, however, justified the licensing move with its long-stated desire, as part of the SADCC, to become less dependent on South Africa economically

A further implication, informed sources believe, is that it would now give Zimbabwe the opportunity to expand trade with its Eastern Bloc allies, a desire which has always been present but which has been hampered by lack of money. It now appears certain that Zimbabwe will make more use of barter trade deals to achieve this.

How would the new system work in practice?

Should regular importers of raw materials be found to be continually importing goods from South Africa, their import permits will be withdrawn.

But such a step is expected only if it falls outside the restrictions of the GATT and the South Africa/Zimbabwe trade agreement.

Top Israeli businessmen cut SA ties

The Star's Foreign News Service

TEL AVIV — Three of Israel's top business executives are angry after being told firmly they must cut their company ties with South Africa — and despite their objections they have to comply.

Koor Industries, owned by Israel's mammoth Histadrut trade union, will honour its contracts but has been formally told by the Histadrut secretary general, Mr Israel Kessar, that Koor is not an exception to the Histadrut policy of ending all trade links with South Africa.

Mr Danny Rosolio, head of the Histadrut holding company Hevrat Ovdim, Mr Arnon Gafni, chairman of Koor's board of directors and Mr Yeshayayu Gavish Koor's managing director, pointed out that this decision would cost the company and its subsidiaries millions of rand, but they had to obey orders.

A source inside Koor said the three were angry that political decisions had been imposed on the company, but since these men are political appointees (from the Labour Party) they have no leg to stand on.

OBJECTION TO ISCOR TIES

Mr Kessar made the move after pressure from inside the union, following allegations that a Koor subsidiary had continued doing business with the South African Government owned iron and steel company Iscor.

The Koor subsidiary Iskoor jointly owned with South Africa imported South African steel and scrap iron valued at about R50 million last year.

The contract for the iron and steel reportedly has several more years to run and the Histadrut will honour this contract.

Koor officials won't formally discuss other ties with South Africa which presumably will be affected by the reaffirmation of its anti-Pretoria policy by the Histadrut.

Mr Gavish refused to be interviewerd on this, referring all queries back to the Histadrut spokesman.

Yet despite this reticence Koor has a lot of irons in the South African industrial fire and might have to do some fancy footwork if it wants to keep up its profitable trade with the country.

Asked about these ties, one Koor executive said: "South Africa? Where's that? Doesn't Africa end at the Limpopo?"

Japan to refuse business visas?

Business Day Reporter

THE VISA section at the Japan Consul-General's offices in Pretoria had not heard by yesterday that Japan intended refusing visas to "some South African businessmen" in protest at SA's apartheid policy.

SAPA-REUTER reports a foreign ministry spokesman said in Tokyo at the weekend: "We're tightening up on visas issued to (South African) businessmen dealing in ... areas we've prohibited, such as computers."

Two years ago Japan joined the US and Western Europe in banning sales of computers to the SA police and military and barring imports of Krugerrands.

Arms sales and bank loans to SA have been illegal since 1965 and visitors' visas were stopped earlier this year.

The Japanese spokesman said precise rules on who would be refused a visa had not been worked out.

"This isn't exactly a new sanction. It's a follow-through of sanctions Japan has imposed before," he said.

Japan's growing business ties with SA have become a diplomatic embarrassment for Tokyo with some 55 Japanese companies trading with the country.

Two-way trade last year rose 25% to $3,60bn. SA's trade with the US, still its largest partner, fell to $3,63bn.

Tokyo has restricted tourism and sports and cultural exchanges and, since the Second World War, Japan has twice rejected SA requests to exchange ambassadors.

Strike lifts lid on embargoed coal to France

ARGUS 17/8/87 (38) (25) (280) (28)

From JAMES TOMLINS
The Argus Foreign Service
Dateline: PARIS

HUNDREDS of thousands of tons of South African coal are breaking France's 1985 embargo by being invoiced as Australian.

This situation has emerged owing to the South African strike of coal miners.

For France's giant state-owned EDF-GDF electricity and gas power authority has privately expressed concern in case this "Australian coal" is no longer available.

The authority was opposed to the coal embargo imposed on November 13, 1985, by Socialist Prime Minister Laurent Fabius. He announced an immediate and total halt to all imports of South African coal as a protest against apartheid

Coal imports at the time were running at a level of about four million tons annually

But trade circles here said that 600 000 tons of South African coal were imported into France illegally in 1986, and over 800 000 tons in the first half of this year

The South African coal is shipped to ports in Belgium and the Netherlands and sent to France by train.

Shipping invoices list the country of origin as Australia.

An official of the EDF-GDF authority said South African coal costs $26 per ton, compared to $52 per ton for French coal and $32 50 for Polish coal.

Meanwhile, France's major anti-apartheid movement, MRAP, in a recent communique, urged "a total boycott of South Africa in all sectors to ensure the collapse of apartheid".

The MRAP expressed its "admiration and support" for the striking miners, and added that it was a "scandal" that the French government was permitting South African investment in seven of France's main casinos.

The Paris daily *Le Matin* described NUM Secretary General Cyril Ramaphosa as South Africa's Lech Walesa.

It noted that the arrests of leaders of anti-apartheid political movements "gives a new role to trade unions, and Cyril Ramaphosa is in the front line of a movement becoming more and more political"

provement this year over 1986 and further improvement in 1988. Whether we must be cautious of forecasting too much long-term growth."

Pressure on BBC to stop TV news sales to SA

Own Correspondent

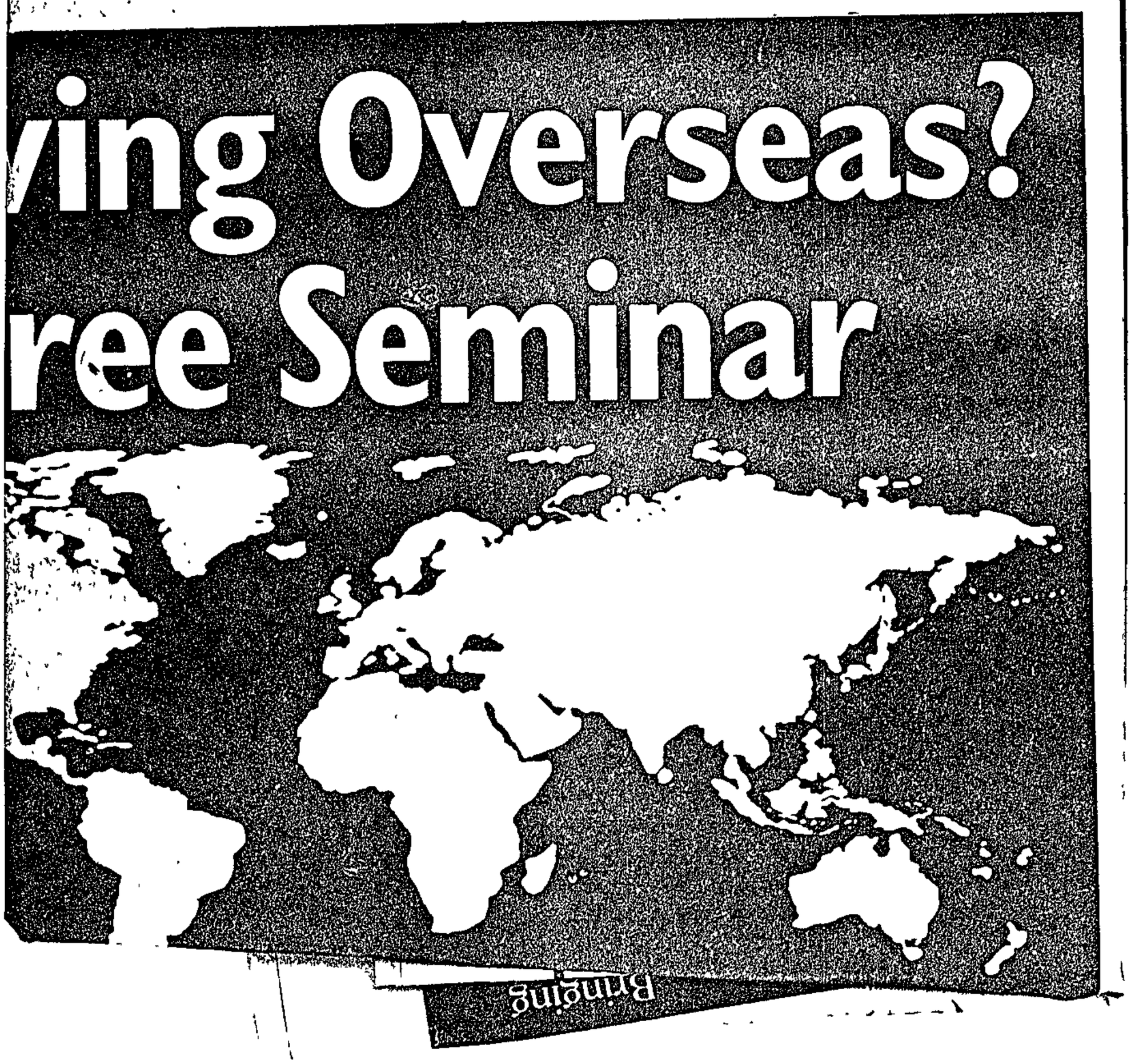
LONDON — Labour MP Bob Hughes is seeking a meeting with BBC bosses to demand that sales of all TV programmes to SA be stopped.

News and current affairs programmes are sold to SA, although a Equity ban stops members' work being shown there.

But radical members in the broadcasting and TV unions, as well as the Anti-Apartheid Movement (AAM), want to stop all material going to SA.

AAM chairman Hughes said yesterday: "In the current climate when we cannot report freely from SA, it is absolutely disgraceful that we should be selling programmes to the country."

The sale of material by the BBC to foreign countries is a lucrative side of the corporation's business. But it is coming under increasing pressure to stop sales to SA.



BBC pressurised to stop sales to SA

Dispatch Bureau

LONDON — A Labour MP, Mr Bob Hughes, is seeking a meeting with BBC bosses to demand that sales of all TV programmes to South Africa be stopped.

At present, news and current affairs programmes are sold to South Africa, although a ruling by the actors' trade union, Equity, bans its members' work from the Republic.

But radical members in the broadcasting and TV unions, as well as the Anti-Apartheid Movement (AAM), want to stop all material from going to South Africa.

Mr Hughes, who is chairman of the AAM, said at the weekend: "In the current climate, when we cannot report freely from South Africa, it is absolutely disgraceful that we should be selling programmes to the country."

The sale of news and documentary programmes to South Africa has continued even though the BBC's South Africa correspondent, Mr Michael Buerk, was told to leave South Africa in May.

The BBC are coming under increasing pressure to stop sales to South Africa.

SA manufacturer sheds its US name

HAMISH McINDOE

SOUTH AFRICAN mining and industrial group Mynkar yesterday flushed the last traces of itsUS ties out of its corporate system.

It dropped the name "Monogram Sanitation" — a US connection that dated back to 1981 when Mynkar took over the SA operations of the Los Angeles-based toilet manufacturer — and emerged as Mynkar Manufacturing.

Said MD Peter Brown: "In the current sanctions climate, we decided to drop the name because of the adverse effect a US name was having on our business.

"Our locally made products bear so little resemblance to their US counterparts that it makes complete sense to break overseas connections."

In many cases, local companies acquiring the SA operations of divesting firms do not change names.

Mynkar must still pay about 3% in royalties to its former US parent on the price of certain units in terms of a licencing agreement that expires in 1991.

It is SA's biggest manufacturer of industrial toilet equipment and recently acquired its chief rival, Zozo-owned Portalet.

is the act of decision itself.

This begins to explain why Cosatu's decision to advocate an inherently self-defeating policy is rational nonetheless. To have opted otherwise would have been to accede to what "we" wanted to hear, to succumb to "our" reasoning, to be co-opted however unwillingly. Quite understandably, the union chose to say no, we are free to see things our way. In so doing, it validated itself as an actor, not a permanent victim.

Obviously there was a heavy political and ideological component to the decision as well but what is really interesting here (to me, at any rate) is at the human, individual level — the level of people wanting to take control of their lives, to prove they are of consequence and being forced, as a result, to take a logically suicidal position.

Evidence

It is in this light that the sanctions calls of Archbishop Desmond Tutu and the Reverend Alan Boesak become not only intelligible but reasonable. Both regularly insist they can conceive "no other way" of freeing black South Africa and in their own terms they are exactly right.

The empirical evidence that the strategy will succeed is strongly against them but empirical evidence is not at issue here. Neither, indeed, is the great suffering that will likely be visited on blacks.

Tutu, Boesak and others want sanctions to demonstrate to white South Africa that the grammatically "passive" majority can take decisions and shape events with consequences beyond the white establishment's control. The potential folly of those decisions and the hardship they could cause are immaterial: what counts is the sense of liberation that comes from making them.

The longer black South Africans are denied full responsibility for and control over their own destinies the more they will seek to burn down the house because that is the only authentic, self-generated choice available to them — the only way they can be doers rather than doees.

Cosatu's demand for sanctions isn't really so very irrational

CNT Times 18/8/87 280

Washington Letter
by SIMON BARBER

ON THE the face of it, which is to say by the standards of reason applied in a Western democratic culture whose members have traditionally been blessed with a freedom of choice rarely found elsewhere, Cosatu's call for mandatory sanctions and disinvestment is irrational: there is no logic in a trade union advocating strategies that can only result in its dissolution.

In fact, if a recent rebriefing trip to South Africa taught me anything, the call is profoundly and tragically rational. Furthermore, it is rational not simply in the impersonal, political sense of making the country ripe for revolution, but — much more importantly — at an intensely personal level as well. Until it is understood why this is so, the prospects for a humane future in South Africa, even post-apartheid, will remain bleak in the extreme.

To use a grammatical metaphor, black South Africans exist in the passive mood and have been condemned to do so for generations. With few exceptions they are people *to* whom and *for* whom things, some good, most frightful, are done. Put another, more colourful, way their historical experience has been one of being on the receiving end of whatever happens to be coming down the pipe

Whether it be the obscene social engineering of apartheid or the largesse of a Western company trying to justify its presence in South Africa to angry shareholders, black South Africans have virtually no say in what comes down the pipe. Their free will is as restricted as that of Homeric characters whose lives and decisions are directed by the theocratic machinery of Olympus. As deadly serious as the game is, they are not players so much as playthings.

The Olympians of white South Africa and the outside world know that this cannot go on, yet do nothing to change the fundamental nature of the relationship Across the spectrum, the basic question is what should we do about "them". Variants include. how do we control "them"?, how do we satisfy "their" aspirations?, how do we empower "them"?

For all but a tiny handful of whites the problem boils down to one of co-optation. How to fit "them" into "our" society in a manner that does not radically change "our" lives but improves "theirs" to the extent that "they" will live contentedly with us or we can at least live side by side with a minimum of friction

Co-optation takes various forms, some insidious and coercive, others more genuinely concerned and elementary. At one extreme there is the totalitarian kindness of the joint management committees and their related control mechanisms. Under this method, docility is extracted in return for certain material rewards — release from detention, for example, or a desperately needed standpipe.

Moral duty

At the other end of the scale the emphasis is on development, uplift, dialogue and affirmative action In moral and practical terms this is infinitely preferable but the inescapable fact remains that "we" are still in control of the process and they are "beneficiaries", recipients not actors.

"They" are "victims" whom "we" have a moral duty and a politico-economic imperative to devictimise.

However noble the efforts of the Urban Foundation or the Sullivan Signatories' Association or of individual companies and organisations, it is ultimately "we" who decide what good works need to be done and "we" who disburse the necessary funds. "They", poor creatures, are merely fodder for "projects" designed to assimilate them into what "we" all too often condescendingly call "the First World" as opposed to their "Third World".

This is by no means to criticise such projects, much less to side with the cynical Left in the US Congress who see "aid to disadvantaged South Africans" (the official American phrase) as an attempt to forestall revolution by gilding apartheid's cage. The point is not that trying to redress the consequences of apartheid and indifference is wrong or worthless. Far from it

What must be noted, however, is that the effort, by its very nature, has certain highly contradictory implications: chiefly that even as it seeks to elevate the beneficiary it impresses on him just how little he controls his own destiny. His range of choices is extremely limited: to be trained, housed, employed, advanced in ways that "we" pretty much dictate, or face the oblivion of poverty, violence and privation.

Rational

In such a context, the simple making of a significant decision about one's life and of thus becoming, however fleetingly, a free agent assumes an importance and imparts a dignity that those lucky enough to enjoy democracy cannot readily appreciate. It does not matter much whether the decision is ulimately wise or foolish because what counts more than anything else →



The Reverend Alan Boesak (left) and Archbishop Desmond Tutu . . . their calls for sanctions can be seen as intelligible and reasonable in a certain light.

P.T.O.

(280) B/Day 18/8/87



☐ BOESAK . . . sanctions

Black South Africans are not players but playthings



☐ TUTU . . . sanctions

SIMON BARBER in Washington

ON THE face of it, which is to say by the standards of reason applied in a Western democratic culture whose members have traditionally been blessed with a freedom of choice rarely found elsewhere, Cosatu's call for mandatory sanctions and disinvestment is irrational: there is no logic in a trades union advocating strategies that can only result in its dissolution.

In fact, if a recent rebriefing trip to SA taught me anything, the call is profoundly and tragically rational. Furthermore, it is rational not simply in the impersonal, political sense of making the country ripe for revolution, but — much more importantly — at an intensely personal level as well.

Until it is understood why this is so, the prospects for a humane future in SA, even post-apartheid, will remain bleak in the extreme.

To use a grammatical metaphor, black South Africans exist in the passive mood, and have been condemned to do so for generations. With few exceptions, they are people *to* whom and *for* whom things — some good, most frightful — are done.

Put another, more colourful, way, their historical experience has been one of being on the receiving end of whatever happens to be coming down the pipe.

Whether it be the obscene social engineering of apartheid or the largesse of a Western company trying to justify its presence in SA to angry shareholders, black South Africans have virtually no say in what comes down the pipe.

Their free will is as restricted as that of Homeric characters whose lives and decisions are directed by the theocratic machinery of Olympus. As deadly serious as the game is, they are not players so much as playthings.

The Olympians of white SA and the outside world know that this cannot go on, yet do nothing to change the fundamental nature of the relationship.

Across the spectrum, the basic question is what should we do about "them". Variants include: How do we control "them"? How do we satisfy "their" aspirations? How do we empower "them"?

For all but a tiny handful of whites in SA, the problem boils down to one of co-optation. How to fit "them" into "our" society in a manner that does not radically change "our" lives but improves "theirs" to the extent that "they" will live contentedly with us, or we can at least live side-by-side with a minimum of friction.

Co-optation takes various forms, some insidious and coercive, others more genuinely concerned and eleemosynary.

At one extreme, there is the totalitarian kindness of the joint management committees and their related control mechanisms. Under this method, docility is extracted in return for certain material rewards — release from detention, for example, or a desperately-needed standpipe.

At the other end of the scale, the emphasis is on development, uplift, dialogue and affirmative action. In moral and practical terms, this is infinitely preferable — but the inescapable fact remains that "we" are still in control of the process and they are "beneficiaries," recipients not actors.

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What must be noted, however, is that the effort, by its very nature, has certain highly contradictory implications: chiefly that, even as it seeks to elevate the beneficiary, it impresses on him just how little he controls of his own destiny.

His range of choices is extremely limited: to be trained, housed, employed, advanced in ways that "we" pretty much dictate, or face the oblivion of poverty, violence and privation.

In such a context, the simple making of a significant decision about one's life and of thus becoming, however fleetingly, a free agent assumes an importance — and imparts a dignity — that those lucky enough to enjoy democracy cannot readily appreciate.

It does not matter much whether the decision is ulimately wise or foolish, because what counts more than anything else is the act of decision itself.

This begins to explain why Cosatu's decision to advocate an inherently self-defeating policy is rational nonetheless. To have opted otherwise would have been to accede to what "we" wanted to hear, to succumb to "our" reasoning, to be coopted however unwillingly.

Quite understandably, the union chose to say: "No, we are free to see things our way." In so doing, it validated itself as an actor, not a permanent victim.

Obviously there was a heavy political and ideological component to the decision as well. But what is really interesting here (to me, at any rate) is at the human, individual level — the level of people wanting to take control of their lives, to prove they are of consequence, and being forced, as a result, to take a logically suicidal position.

It is in this light that the sanctions calls of Archbishop Desmond Tutu and the Reverend Alan Boesak become not only intelligible but reasonable.

Both regularly insist they can conceive "no other way" of freeing black SA, and in their own terms they are exactly right.

The empirical evidence that the strategy will succeed is strongly against them, but the empirical evidence is not at issue here. Neither, indeed, is the massive suffering that will likely be visited on blacks.

Tutu, Boesak and others want sanctions in order to demonstrate to white SA that the grammatically "passive" majority can take decisions and shape events with consequences beyond the white establishment's control.

The potential folly of those decisions, and the hardship they could cause, are immaterial. What counts is the sense of liberation that comes from making them.

The longer black South Africans are denied full responsibility for and control over their own destinies, the more they will seek to burn down the house because that is the only authentic, self-generated choice available to them — the only way they can be doers rather than doees.

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Japanese tighten screws against SA

TOKYO — Japan has introduced even tighter visa restrictions on South Africans. Tourists are already excluded from Japan and now businessmen are being targeted.

Japan, in monetary terms South Africa's largest trading partner, is dismayed that in the 11 months since it last took steps against South Africa the Government has made no real movement to abolish apartheid.

Mr Naoto Amaki, director of the Second Africa division in charge of Southern African affairs at the Ministry of Foreign Affairs said this in an interview shortly before the additional visa restrictions were announced.

Mr Amaki said the Japanese Government was not interested in apartheid being reformed. It had to be abolished.

Measures

He said if political measures against apartheid by the Japanese did not succeed, they would have to review their no-sanctions policy toward South Africa

The additional restrictions, another foreign ministry spokesman confirmed, were in line with last September's measures against South Africa and would apply specifically to those apparently trying to circumvent them.

For example, he said, individuals seeking to develop the export of iron and steel to Japan would not get visas

Japan already has long standing restrictions against South Africans entering the country for tourism, sports, cultural and educational exchange.



LEON SULLIVAN ... "I was a pioneer".

The Sullivan principles

Mike Owen: Philadelphia

From his vantage point as a member of the board of directors of General Motors, longtime civil rights activist Leon Sullivan once felt that U.S. companies operating in South Africa could help break down the apartheid system of racial segregation.

But recently he joined in the call for U.S. firms to get out and is urging the administration of President Ronald Reagan to break diplomatic relations with South Africa.

His so-called "Sullivan Principles" — the notion of helping blacks help themselves, while applying economic pressure to prod whites into opening doors to blacks — went about as far as they could go, he says.

"There is no greater issue in the world today than apartheid," the 64-year-old Baptist minister said. "Somehow this moral issue must be raised before America and the world so the world will deal with it."

Born in poverty in West Virginia, he remembers the first time he was refused a hamburger because of the colour of his skin. Sullivan has been campaigning for racial justice for three decades.

A 1,96 metre former basketball player, Sullivan has been pastor of the Zion Baptist Church in north Philadelphia for 37 years. His activism began with boycotts against local companies in the late 1950s. He took on bakeries, oil companies, banks and even a newspaper, the now-defunct Bulletin.

"I was a pioneer," he says. "Frankly, I won about all of 'em. Few, if any, defeats." Later, he helped organise self-help agencies called Opportunities Industrialisation Centres which he says have trained 900 000 young people for jobs in 85 U.S. cities and 10 African nations.

He advocates applying the "Sullivan Principles" to corporate dealings in the United States, with such things as scholarships, school aid, housing programmes and other measures to eliminate discrimination and promoting blacks to supervisory and management positions.

"I think the Sullivan Principles will become more and more rules for companies to follow outside of South Africa, particularly in developing nations," he said. "The application of these kinds of principles in America could lead to a renaissance in big city areas."

He cited the example of companies in South Africa "adopting" schools to help prepare young people for industry. "If you took 100 companies in a city such as Philadelphia, you can imagine the impact it would have with 100 schools."

Sullivan organised 400 black ministers from around the area for the quiet boycotts in the late 1950s and early 1960s. "Sometimes we met at midnight in churches so we could determine how we could deal with the next company," he said.

In 1971, Sullivan sought support for GM to pull out of South Africa. Later, however, he came to the conclusion that apartheid would die sooner with the help of more U.S. companies. "You have to build," he says. "You have to be result-oriented."

Timing was the key, he says. "When I started this programme, a black man had no legal standing in South Africa Literally you had to break a whole system of inequity throughout South Africa."

Now, he says, thousands of blacks work as supervisors and administrators, are in professions and can get scholarships through companies that followed "Sullivan Principles."

"There's a new infrastructure in South Africa that there would never have been," he said. "I would have gone on with those things had not the government shown its intransigence toward (further) change." — Sapa-AP

ANC arrests only part of police probe

· Staff Reporter

THE arrest of two allegedly foreign-trained African National Congress insurgents and an unspecified number of collaborators and couriers — disclosed by police spokesmen yesterday — has not ended the investigation into a series of Peninsula bomb and grenade attacks.

A police spokesman told reporters yesterday that the investigation was continuing and for that reason certain details about the case could not be made public.

The spokesman exhibited an assortment of adhesive ("limpet") mines, hand-grenades, fuses, lead timing bars, timing instructions and cartridges which, he said, constituted about a third of the munitions seized from various caches during the investigation.

All of the munitions were of Russian origin except small batches of South African-made handgun cartridges in 9mm Parabellum and 38 Smith and Wesson calibre, which, he said, had obviously been stolen.

The spokesman said the men were arrested on Sunday night and Monday morning The munitions were found in various caches "in Peninsula suburbs".

It is not known when those arrested will appear in court.

The spokesman linked the investigation to five terror attacks:

- A miniature adhesive mine explosion on February 5 which demolished a bush shelter in Rondebosch on February 5.
- An adhesive mine explosion which damaged a high-tension cable's pylon in Goodwood
- A grenade attack on a house in Bonteheuwel.
- A grenade attack on a house in Mitchells Plain on April 23
- An explosion which failed to damage a railway line at Manenberg.

Perkins queries use of sanctions

JOHANNESBURG. — The US Ambassador yesterday questioned the effectiveness of sanctions against the South African government and urged Western nations to "proceed with sensitivity".

Mr Edward Perkins, the first black US ambassador to South Africa, said in a major policy speech that "apartheid will be eliminated in South Africa".

But he added that economic sanctions and other pressures applied by Western governments could prevent rather than promote changes in the system of racial segregation.

Western nations must "forcefully advocate a society which is democratic, pluralistic and economically viable, but which is determined by South Africans", he said in a speech prepared for delivery to the South African Executive Women's Club.

However, he added, "unless Western nations proceed with sensitivity, a major obstacle could be the actions of the outside world.

"We must be careful to spend our time removing obstacles, not creating others," he said.

The ambassador called for an end to apartheid, but avoided specific criticisms of the white-led government.

Sanctions imposed by the US Congress last October over President Reagan's veto "expressed the genuine anguish of the American people about the plight of black South Africans.

"In that one sense the act was a great success," he said. "But, in practical terms, the effect of sanctions is much harder to assess.

"In the long run, I doubt that the sale of assets or the withdrawal of Western business will add to a solution." — Sapa-AP

By ANDRE KOOPMAN

ACCORDING to prima facie evidence before the court, two policemen charged with killing a Bellville woman with shotguns had acted "blindl sponsibly" and had not fir intention to arrest, a Supr judge said yesterday.

Mr Justice C T Howie based on the evidence a man would not have thoug sary to shoot.

The judge rejected an for discharge by Mr D Uijs Veldhuizen, counsel fo policemen, who argued th had failed to show that t had acted unlawfully

The policemen on trial, ficer Paulus Kruger, 36, and Constable Ernest Vi Elsie's River, had both p guilty to charges of mur tempted murder.

Evidence was that the t



Tougher US sanctions? Baker may be key man

Much depends on the influence in the White House of President Reagan's new chief of staff, writes Neil Lurssen of The Star's Washington Bureau.

When the big South Africa debate starts up again in Washington in October, there will be a new figure directly involved — former Senator Howard Baker, now chief of staff to President Reagan.

The impact he has on the outcome of the debate — meaning whether or not there will be further sanctions — may depend on whether his influence is growing or shrinking in the White House.

When he was appointed chief of staff six months ago at the height of the Iran-Contra scandal there were more cheers than jeers in Washington. The urbane Mr Baker was not loved by everybody, but he did enjoy wide personal popularity.

As a moderate Republican senator, he was Mr Nice Guy, a politician always ready to give the other fellow a fair hearing and always willing to seek compromise over confrontation.

But American conservatives have never forgiven him for supporting in the '70s the treaties to hand over control of the American-owned Panama Canal to the government of Panama.

Nevertheless, with the White House showing signs of unravelling in the Iran-Contra mess, even the conservatives recognised that Howard Baker was a good choice to replace the dismissed Mr Donald Regan as chief of staff — a sort of prime minister in the American form of government.

He was seen as someone who could help restore President Reagan's credibility with the nation and open better lines of communication with an angry and vengeful Congress.

It was even said that by accepting the job, Mr Baker was doing himself a big favour in his own quest for the Republican presidential nomination next year. He would be building a reputation as a political healer — and getting massive publicity at the same time.

But things have not worked out quite that nicely for Mr Baker. Conservatives complain about his liberal influence and charge him with trying to soften the Reagan agenda. Democrats are disappointed that he has not been able to change President Reagan's views on key issues ranging from the gigantic federal budget deficit to opposition to abortion.

For a man whose presidency was supposed to tottering, President Reagan seems remarkably unrepentant and unflustered. He has provided some tough leadership in recent months Critics who used to complain that he was merely a puppet at the head of his administration are now changing their views. They see him as a stubborn and determined man who admittedly lets others do the work — as long as they do it along the lines he wants.

Mr Baker is the man who must supervise the last stages of the Reagan agenda along the lines the boss wants — channelling policies through the White House bureaucracy and presiding over relations with the Congress.

Some of his influence is apparent. At a time when conservatives are hoping to exploit the impact of Colonel Oliver North on the public during the recent Iran-Conra hearings by demanding more military aid for the



Baker . . . mixed reaction.

Nicaraguan Contra rebels, President Reagan has declared support for a diplomatic peace plan.

Conservative spokesman Richard Viguerie said there were people in the White House who "seem every bit as eager as liberal Democrats to abandon our allies to communism". He was clearly referring to Mr Baker.

For South Africans, Mr Baker's relative influence may become an important factor in October when, it appears, the sanctions debate will resume. President Reagan remains firmly opposed to more sanctions, but a majority in the Congress seems set on tightening the screws.

It is unlikely that the White House will want to go through another bruising — and losing — confrontation with the lawmakers over apartheid.

Mr Baker will be in charge of coordinating President Reagan's approach to the problem and liaising with Congress during this episode. Will he try to talk Mr Reagan into meeting the congressmen half way, or will he convey a message to Capitol Hill that the White House will not budge? Will he advise the President to let the Congress have its way?

If Pretoria takes steps like releasing Nelson Mandela, Govan Mbeki and Walter Sisulu in the interim, Mr Baker may find his task easier.

Anti-apartheid groups plan to block SA varsity degrees

By GAVIN EVANS

AN international campaign to block recognition of South African degrees has been boosted by the government's threats to withdraw subsidies from South African universities.

British Anti-Apartheid Movement representative Mike Terry said this week moves to force South African universities into policing the activities of their students had provided new impetus for the AAM's campaign to isolate South African academic institutions.

This new threat places South African English-speaking universities in a double bind: either the universities resist state pressure and face the possibility of having their subsidies slashed, or they face the prospect of degrees devalued in international significance.

Last week the minister of education and culture in the House of Assembly, Piet Clase, threatened to cut off state subsidies to universities which failed to toe the government line. In a confidential document leaked to the press, Clase demanded university principals clamp down on a wide range of student activities and effectively silence the National Union of South African Students. Failure to do so could lead to a withdrawal of their state subsidies.

Two weeks ago a United Nations international student conference attended by 150 student leaders from five continents adopted a programme of action aimed at intensifying the academic boycott.

"The academic boycott will certainly be given a huge shot in the arm if the universities follow the same path as 30 years ago, when they did little more than verbally oppose the Extension of University Education Act," Terry said.

He said "progress had already been made in preventing the recognition of South African medical and architectural degrees", and that the AAM, NUS and University Teachers' Association would now be moving against other South African professional qualifications.

"In some ways the extent to which the academic boycott is supported depends on factors beyond our control, such as the level of repression at South African campuses and the extent to which the university authorities comply with the dictates of the South African government.

Meanwhile, Nusas president Steve Kromberg said acceptance of Clase's proposed restrictions on student activity would mean that isolation of South African universities would be "intensified dramatically".

"If the administrations had a hand in the banning of Nusas and other progressive activity in the universities, they would become the target of tremendous student anger, both at home and abroad.

"An important principle is at stake here. If the universities submit now it will place them on a long slippery slide and eventually the government will also seek to dictate not only how to 'preserve law and order', but also what should be taught, by whom, to whom and how, and the universities will no longer be universities but glorified government departments."

Botswana appeals to US firms to invest

● From Page 1

foreign exchange position, stable and democratic government, and its adherence to the principles of a free-market economy.

The establishment of the factory marked the beginning of American multinational participation in Botswana's industrialisation effort.

Nwako said the government was seeking foreign investment and the creation of employment opportunities, and would do all it could to assist Colgate Palmolive expand its productive capacity to reinforce the import substitution strategy and to serve export markets.

Nwako said a local preference scheme, which would give local producers an advantage over foreign competitors when tendering for government contracts, was being reviewed and the results would be announced in the near future. — Sapa.

Botswana appeal to US firms

GABORONE — US-based multinationals withdrawing from SA have been asked to re-invest their capital in Botswana by Commerce and Industry Minister Moutlakgola Nwako.

He said Botswana was a suitable base from which to serve the Sadcc and Pretoria markets.

Nwako, speaking at the opening of the 1-million pula Colgate-Palmolive detergent and toothpaste plant on a Botswana Development Corporation site in Gaborone West, said the company had been attracted to Botswana by its favourable

● To Page 2

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Largest car-hire company in SA withdraws, but . . .

Pull-out won't hurt merger, says Hertz

Another US giant is pulling out of South Africa. The Hertz car rental group announced at the weekend that it is to disinvest from this country over the next 18 months.

A statement from the company said its current merger with Imperial Car Rental would continue — but the name Hertz would be dropped from the new enlarged group. Imperial would continue to provide travellers with international facilities.

No new Hertz International cards would be issued in future, though existing cards would be honoured over the next 18 months.

R80 million turnover

The merger operation, which will be listed on the Johannesburg Stock Exchange in the near future, brings together two of the major car rental businesses in South Africa.

The combined business will consist of a fleet of 4 000 vehicles generating an annual turnover of approximately R80 million and shareholders' funds would be in order of R17 million.

The merged company will be controlled and managed by Imperial Car Rental, which will have 60 percent of the equity. The balance of 40 percent will be held by a Sage subsidiary, Union and London Finance (Pty).

Mr Bill Lynch, joint managing director of the Imperial group, woud become executive chairman, and Mrs Carol Scott, also of Imperial, would be managing director, the statement said.

It added· "The vast experience and expertise of Noel de Villiers, previously chairman and managing director of Hertz, will be fully exploited by the merged company of which he will be director."

Imperial Car Rental began operations in January 1979 with only nine vehicles, one office and two members of staff. "Since then," said the statement, "Carol Scott has methodically developed Imperial into one of the four major car rental companies in South Africa today."

Her management style would be carried over into the new company, as would the Imperial culture of personal service.

She commented: "We are tremendously excited at the thought of this new challenge. Significant benefits will be derived from economies of scale achieved from the merger, resulting in increased profit for the new company."

Hertz was the largest car—hire company in the world and the both businesses had a wealth of experience in the car—rental industry, the statement said.

The combined customer base and range of services would considenhance the future of the company. In the last few years, Hertz had grown substantially in the long-term-contract rental business which was fast developing in South Africa.

Auto Pedigree, the disposal arm of Imperial Car Rental, which now had four outlets, was expected to grow significantly and would be of great benefit to the merged operation as Hertz in the past did not operate such a division.

Mr Lynch said: "I am confident that the merged company will offer great opportunities and through various synergies will be successful and highly profitable." — Sapa.

inks to Contras, says Pik

South Africa would have received CIA intelligence useful in Angola in return for aiding Con-

An intelligence report of February 1985, said the the CIA learned that Eden Pastora, a Contra leader known as Commander Zero, had received the equipment.

How this shipment reached the Contras is not known. The CIA has denied any involvement.

The references to South Africa came out in CIA evidence to the congressional committee i-

Lowveld chairman steps down

a pre-tax income of well over R1m.

Hertz: about to disinvest?

AS THE merger of car rental giants Hertz and Imperial goes ahead, Hertz's US parent has backed away from giving a firm commitment on the continued use of its name in SA.

The move, which is being seen as a prelude to an official disinvestmet announcement by Hertz, will leave Avis as the only major international car hire company in the country.

Weekend media reports quoted Im-

MICK COLLINS

perial chairman Bill Lynch as saying: "I really do not think we need the name all that much. I don't believe the internationals can teach us much on the operational side."

Industry sources said Imperial, which has been negotiating with Hertz with a view to pooling the companies' operations and fleets, would now have to decide on a new name.



Mr Brian Tootootsis, Chief Lindsay Cyr, Mr Elden Bellegarde and Mr Gerald Wuttunee before their departure for Canada.

Indian chiefs say: don't tell us about apartheid

A group of Canadian Indian chiefs touring South Africa ended their two-week visit on a defiant note, saying they would not apologise to anyone for coming here and that sanctions worsened the situation for blacks.

And the message to their own government was to clean up its own backyard before trying to solve the world's problems.

Chief Lindsay Cyr, Mr Elden Bellegarde, Mr Brian Tootootsis and Mr Gerald Wuttunee flew back to their reserves in Canada on Saturday night.

Chief Cyr said sanctions "imposed for too long can only worsen the situation of the people who are in urgent need of help".

"We certainly do not support apartheid and I don't think there is an easy solution for South Africa's problems".

The chiefs were on a two-week fact-finding tour as the guests of the South African Tourism Board.

DISCREDIT

Chief Cyr said the visit was not planned to embarrass any government, but they wanted the Canadian Foreign Minister to "seriously take note of their situation back home that they have been trying to change for so long".

Asked if they expressed their dissatisfaction about apartheid to the South African Government, Chief Cyr said it was not their task to discredit any form of government.

"Most of our discussions were centred on the similarities between the Canadian and South African governments, and it certainly was not protocol to express dissatisfaction about blacks not having the vote in South Africa".

Chief Cyr added: "We are certainly not going to apologise to anybody for touring South Africa.

"We have been treated with the highest degree of respect and dignity by all South Africans.

"Unfortunately this is not the case back home."

Far Eastern multinationals are undermining American disinvestment

THE BLIND SIDE OF SANCTIONS

2580
Sowetan
26/8/87

TOKYO — United States disinvestment from South Africa is being undermined by Far Eastern multinationals who are plugging the gap by using South African "front organisations or companies."

This is the view of a Western economic analyst based in Tokyo who specialises in Southern African issues, but who declined to be named.

He believes American disinvestment will have two effects. The first is that when American companies decide the time is politically and economically more advantageous to invest in South Africa, they "will have lost their market and there will be no return."

The second is that American and European disinvestment is forcing South Africa to stop relying on traditional trading partners and to seek new markets for imports and exports.

The newly industrialised nations of the Pacific basin are the likely successors to the traditional American and European trading markets, the analyst says.

South Korea and Taiwan, which are experiencing mini-industrial revolutions and are the "new Japans", are the most likely new trading partners for South Africa.

However, this owes more to the high yen than it does to increased trade, according to Japanese and South African trade analysts.

The most recent trade figures released by the Japanese ministry of trade and industries show that total Japan-South Africa trade in 1986 amounted to about R75 million. But THIS is an increase of only R10,4 million over the 1980 trade figures.

In yen terms, trade with South Africa actually dropped 12 percent in 1986. A conversion into dollars turns the decrease into an increase of 25 percent because of the high value of the yen against the dollar and the rand.

Decrease

In real terms, or physical volume, the United States affairs at the ministry of foreign affairs in Tokyo, points out that the comprehensive anti-apartheid act enacted by Washington late last year will see a steady decrease in US-

***SOWETAN* Foreign News service**

Mr Amaki says that Japan, as a free market economy, cannot dictate to its business community except in extreme circumstances.

This is the vital flaw in Western sanctions measures, according to the Tokyo analyst. Countries more interested in the colour of money than in South Africa's colour policies will short-circuit most sanctions moves, and trade information will be strictly guarded to prevent political pressure on the sanctions busters.

He doubts that the flow of disinvestment from South Africa by American companies has been a series of moral decisions. Many, he claims, had seen declining market shares over the past 10 to 15 years

American vehicles, as an example, used to dominate the South African market. Now Japanese designed vehicles have 49 percent of the South African market, with the rest divided between American and European manufacturers.

Japan's major imports from South Africa are minerals such as gold, chrome, coal, platinum and iron ore.

"High-tech industries consume a lot of minerals, so South African markets would diversify to the newly industrialised nations, not only of Asia but elsewhere," he said.

South Africa will ultimately have very diversified trade relations, while trade with traditional partners such as the United States will decline.

"South Africa will be strengthened both economically and politically by this because if ties are cut with traditionally strong partners such as the United States, they will lose political influence in South Africa."



SENATOR Edward Kennedy ... promoted US sanctions Bill.

PRODUCT ——▶

buildings, road, etc.

This will make Japan South Africa's major trading partner.

Mr Naoto Amaki says it is a position that Japan, conscious of global opinion against apartheid, does not relish.

Japan, while pressing the South African Government for the abolition of apartheid, does not believe sanctions will achieve this.

The ruling Liberation Democratic Party has remained in power for 27 years by pandering to business interests.

Last year, when the government considered including coal and iron ore in a limited sanctions package against South Africa, angry Japanese businessmen made their opposition to such measures abundantly clear.

Japan, which has no direct investment in South Africa, is already, in monetary terms, South Africa's largest trading partner.

Meeting to discuss US trade threat

MICK COLLINS

BUSINESS leaders, experts on US government and SA government officials would be brought together to discuss the threat of more US economic action against SA, the Witwatersrand Chamber of Commerce and Industry (WCCI) said at the weekend.

The meeting, which will take place in Johannesburg on September 16, will discuss the October 2 deadline set for the congressional report-back on the progress, or lack of progress, made by SA in establishing a non-racial system.

The WCCI said: "If, in the Senate's opinion, substantial progress has not been made, the President is likely to recommend additional measures against SA and possibly against countries carrying on certain activities with SA — with particular reference to prohibiting trade."

In a newsletter to members, the WCCI said an up-to-date appraisal on the Comprehensive Anti-Apartheid Act (CAAA), possible future measures and government's position on reform was vital.

The CAAA has set down a comprehensive framework to guide the US authorities in encouraging the SA government to work towards its declared goals by economic, diplomatic and political pressure.

It also provides for the US to work with other industrialised democracies to achieve the American objectives.

Commentators said it was stated US policy, that if progress had not been made in the year since the date of enactment (October 2, 1986), it looked likely additional measures would be brought into force.

280 PM
25/8/87

IBM lauds its pullout procedure

NEW YORK — International Business Machines (IBM) made the best of a bad situation when it pulled out of SA, the company said yesterday.

After years of defending its presence as a force for change in the country, IBM reversed itself last year and made plans to get out. But rather than sell its local subsidiary to a white-owned company, as in most corporate withdrawals, IBM sold to a new trust created, it said, "for the benefit of employees". They would share some profits and an equity stake.

"Since nearly a quarter of the employees are non-white, this is a particularly important economic opportunity for them," IBM.

By selling the subsidiary to an offshore trust of its own making and financing the sale, IBM sidestepped political pressure, stayed in the market and indirectly can take money out of SA.

Workers will share only a tiny slice of future profits, and white employees, with generally better jobs, will get more money and equity than blacks.

As the corporate pullouts from SA continue, more companies are following IBM's lead. — AP-DJ.

JCC to talk on tougher US sanctions

The possibility of tougher United States sanctions on South Africa unless apartheid is scrapped will be discussed at a special forum of the Johannesburg Chamber of Commerce next month.

In its latest bulletin, the JCC says President Reagan must soon report back to Congress on the progress, or lack of progress, in ending the system of apartheid and establishing a non-racial democracy in South Africa.

If substantial progress is not seen to have been made, President Reagan is likely to recommend additional measures against South Africa and possibly take action against other countries trading with South Africa, the JCC says.

Among measures proposed in the US Anti-Apartheid Act are proposals aimed at encouraging South Africa to end the state of emergency, release political prisoners and trade union leaders, permit free participation in the political process, establish a timetable for the abolition of apartheid laws, and end military and paramilitary activities aimed at neighbouring states.

The JCC believes an up-to-date appraisal of the US Anti-Apartheid Act, possible future punitive measures, and the Government's position on reform is necessary.

US envoy: apartheid will be eliminated

JOHANNESBURG — The United States ambassador, in a major policy speech yesterday, questioned the effectiveness of sanctions against the South African government and urged Western nations to "proceed with sensitivity."

Mr Edward Perkins, the first black US ambassador to South Africa, said in a prepared speech that "apartheid will be eliminated in South Africa."

He added that economic sanctions and other pressures applied by Western governments may serve to prevent rather than promote changes in the apartheid system of racial segregation.

Western nations must "forcefully advocate a society which is democratic, pluralistic and economically viable, but which is determined by South Africans," Mr Perkins said in a speech to the South African Executive Women's Club

However, he added, "unless Western nations proceed with sensitivity, a major obstacle could be the actions of the outside world"

Mr Perkins was named ambassador last November and yesterday's speech was his most wide-ranging address so far on US policy toward South Africa.

The ambassador made a generalized call for an end to apartheid, but avoided specific criticisms of the white-led government

There were no indications of new policy initiatives or changes in US President Ronald Reagan's policy of "constructive engagement" which seeks to bring about peaceful, measured change in South Africa and minimize punitive sanctions.

Mr Perkins said that sanctions imposed by the US Congress last October over Mr Reagan's veto "expressed the genuine anguish of the the American people about the plight of black South Africans.

"In that one sense the act was a great success, but, in practical terms, the effect of sanctions is much harder to assess," he said.

"In the long run I doubt that the sale of assets or the withdrawal of Western business will add to a solution."

Mr Reagan has argued against sanctions on the grounds it would hurt South Africa's 25,6-million blacks. However, Congress passed legislation banning the importation of South African coal, steel, iron, uranium, textiles and agricultural products and a halt to direct air links with the United States.

Mr Perkins urged greater dialogue between the races. —Sapa-AP

Hess: right wing set to clash

NORMAN SHEPHERD

VOORTREKKERS leader Professor Carel Boshoff has confirmed action will be taken against the young girls photographed in the youth movement's uniform at the wreath-laying ceremony for Rudolf Hess in Pretoria last week.

Despite an AWB threat that the Voortrekker movement would be in "deep trouble" if it acted against them, Boshoff said the incident was under investigation and action would be taken against the girls for attending the memorial service in uniform.

But the nature of the action would be determined by Voortrekker Transvaal regional manager W P Kruger, who could not be contacted yesterday.

About 100 people carrying Nazi flags and wearing swastika armbands and lapel badges attended the ceremony.

Details of the ceremony are to be handed to Law and Order Minister Adriaan Vlok.

Council of Natal Jewry president Peter Jacobson yesterday joined the mounting number of Jews who have come out in condemnation of the mourning by people in SA of the death of a man "closely connected with those Nazi butchers", Sapa reports.

He has criticised the placing on Saturday of a wreath with a Nazi banner on the Durban Cenotaph — dedicated to soldiers who died fighting Nazism.

☐ British fascists have booked by the busload to attend Hess's funeral, scheduled for today.

No comment from Israel on proposed SA steel ban

LONDON — The Israeli Foreign Ministry yesterday declined to comment on reports that a ban on steel and other imports from SA was imminent.

A spokesman in Jerusalem said a report on trade links with SA from an interdepartmental committee had been submitted to the Israeli Cabinet, but no decision had been taken yet.

The report recommends sanctions on SA steel along the lines of those adopted by the EC. There are also recommendations on cultural and sporting contacts.

A further Cabinet meeting is to take place within the next month.

MIKE ROBERTSON

The London-based Metal Bulletin, quoting sources within the Israeli Foreign Ministry, reported yesterday most ministers were in favour of the sanctions measures.

Pressure for the introduction of steel sanctions has been reported to be coming from the Israeli trade union umbrella organisation Histadrut.

Histadrut owns the Tel Aviv-based Koor Industries, which operates a steel processing and import agency, Iskoor Services, in a joint venture with SA's Iscor.

It has announced its factories are to phase out imports of SA steel over a four-year period, while respecting existing contracts. Iskoor last year signed a five-year steel supply contract with Iscor.

Israel imports on average 230 000 tons a year from SA, of which 95% is believed to go to Iskoor.

Earlier this week the London newspaper Guardian reported a low profile company had been established in Geneva to launder Israeli steel imports from SA.

It quoted a left-wing member of the Knesset, Ran Cohen, as saying the company, Talronics, was a front for Iskoor.

Iscor has confirmed signing a contract to supply steel to Israel, but denied there was anything secret about it.

Iran dismisses ceasefire call

ROME — An Arab League ultimatum that Teheran accept a UN ceasefire call in the Gulf war with Iraq — or risk a break in relations with Arab states — was rejected yesterday by Iranian Deputy Foreign Minister Mohammed Jawad Larinjani.

He said the countries of the region could not survive without relations with Iran, and threats would not produce peace.

"We don't think stability and security in the region can be obtained through threats; it should be obtained by political means," he said.

The Arab League meeting in Tunis on Tuesday gave Iran until September 20 to accept the UN Security Council ceasefire call, and its secretary-general Chedli Klibi said he did not rule out a break in diplomatic relations if Teheran failed to respond. Iraq has conditionally agreed to the UN call.

But Larinjani indicated he believed the threat was hollow.

Larinjani, in Rome for talks on the Gulf situation, said he had discussed with Italian Foreign Minister Giulio Andreotti ways of reducing tension in the area and guaranteeing freedom of navigation.

Italy has so far rejected calls from Western allies to send minesweepers to help clear Gulf shipping lanes.

Larinjani said US provocation, in the form of a heavy military presence, was the main problem.

"Minesweeping by friendly nations could be seen as a sign of goodwill," he said. "We don't think the problem is mines. It is the military adventurism of the U.S." — Sapa-Reuter.

Demis, 11, mates master

Own Correspondent

LONDON — An 11-year-old boy astounded the chess world yesterday when he beat an international master.

Demis Hassapis, of Barnet, beat Neeraj Kumar Mishra in a 3½-hour match.

His win over the Indian master came in the Lloyds Bank Masters international chess tournament at the Park Lane Hotel in London.

Demis was taught the game by his father, Costas Hassapis, who said: "I taught him to play when he was 4½, but he was too good for me by the age of 5½.

'Arabs go for mass-destruction'

JERUSALEM — A Soviet radio ... nuclear weapons ... pons in a future war.

censors with [illegible] spondent and Sapa

[illegible] House of Three com- [illegible] Eastern Cape [illegible] Tregoo

Shell in court bid to stop boycott action

Own Correspondent

LONDON. — Shell UK is going to court to stop left-wing Labour councils joining the anti-apartheid boycott This is viewed as a vital legal challenge to the whole boycott movement here.

Shell has secured a judicial review to consider the legality of Labour-controlled Lewisham's decision not to buy Shell products because of the company's links with South Africa.

At stake is more than the current R182 000-a-year contract the company has with Lewisham Shell has become the main business target of anti-apartheid campaigners following the decision of Barclays Bank to pull out of South Africa.

Shell fears that unless it stops Lewisham's ban, other Labour councils will follow and boycott the firm's products. As many councils are Labour-controlled and anti-South African, boycott action could have a very damaging affect on Shell, as well as on other companies who have links with South Africa.

Among those who will take a keen interest in the outcome are GEC, ICI, Plessey and ICL, who are among the other firms on the anti-apartheid "hit list".

In the High Court, Shell will argue that Lewisham is acting outside its legal powers.

The company managed last June to dissuade another Labour local authority, Leicestershire County Council, from introducing a boycott on its products by threatening to take legal action.

However, the more politically extreme Lewisham council is confident that it can win the judicial review

Shell directors have already suffered from the aggressive tactics of anti-apartheid groups They were forced to walk out from the firm's annual meeting last May after anti-apartheid protesters heckled and interrupted them for almost two hours

Mr John Pike, a Shell spokesman, said yesterday that the company was opposed to apartheid and that its South African chairman, Mr John Wilson, had already publicly called for the release of political prisoners.

"Koos here is to join your staff. He's not much of a writer, but he can read."

Japan may tighten the sanctions screw on SA

3/8/87 280 Star

Despite the economic links with South Africa, Tokyo may act if there is no move to end apartheid, reports Charlene Smith of The Star's Foreign News Service.

Japan, once reluctant to cross swords with a powerful business lobby, is showing an increasing regard for the premise that sanctions are the only effective peaceful means to have apartheid eliminated in South Africa.

"Many blacks have said they are prepared to suffer adversity to achieve the quick abolition of apartheid," said a high-placed Japanese Government source. "But we are still not sure whether sanctions are the most effective method to persuade the South African Government to remove apartheid. Then again, no one know more effective non-violent measures."

The source noted that Japan's economic relationship with South Africa was strong. But, although the high yen makes the reverse seem true, Japanese statistics show that trade with South Africa has been on a downturn since 1980.

At current exchange rates, total trade in 1980 was R106 million in 1980 compared with R80 million in 1986

The source said apartheid was an issue Japanese could identify with.

"We are a coloured race and we have experienced discrimination. We are sensitive to apartheid," he said.

"We constantly ask the South African Government to make a courageous political decision to abolish apartheid — not reform apartheid, but abolish it."

However, 60 companies operating in South Africa represent a powerful business lobby that keeps a brake on stronger Japanese economic measures.

"Motor vehicles are our major export item to South Africa. We are a free economy country. We can't force Toyota and Nissan, for example, to stop trade," the source said.

Nevertheless, if Pretoria failed to take positive steps to end apartheid, "we will increase the pressure".

Japan is not eager to become South Africa's sanctions-busting backdoor, believing that role belongs to South Korea and Taiwan.

The source said he foresaw the world's superpowers meeting to discuss co-ordinated steps against South Africa. One of the reasons sanctions might be failing was that they were not better organised and controlled

Japan has a number of restrictions against South Africa. These embrace cultural, sporting and educational links, an arms embargo, consular ties only; banking restrictions; a voluntary halt to Krugerrand sales which has effectively stopped them; and a ban on the export of computers which could assist the armed forces and police.

The Japanese Government has called for the unconditional release of Nelson Mandela and other political prisoners, the lifting of the ban on the African National Congress and the Pan African Congress, and political dialogue with black leaders.

Three days after the European Community announced its measures against South Africa in September last year, and a month before the United States Comprehensive Anti-Apartheid Bill was passed, Japan increased restrictions.

These included a ban on imports of iron and steel, the suspension of tourist visas for South Africans and a request to Japanese to refrain from visiting South Africa. They also confirmed the suspension of air links with South Africa and prohibited Japanese Government officials from travelling on South African Airways

This month the Foreign Ministry further tightened visa requirements for South African businessmen.

The Japanese government has had talks with the ANC and the United Democratic Front. Mr Oliver Tambo visited Japan in April and the ANC has been invited to establish an office here in Tokyo.

The country is also expanding economic assistance to the Frontline states.

280 CSM 1/9/87

Let's say 'enough' to Govt and quit SA, suggests US media man

By Alan Dunn,
The Star Bureau

WASHINGTON — An American television news executive has proposed that US news agencies leave South Africa which was "winning the war of images" through censorship.

Mr Richard Cohen, a senior producer of foreign news for CBS Evening News, said: "... perhaps the time has come for Western news organisations, specifically American network news operations, to say 'enough' to the Government in Pretoria and to pick up our marbles and go home."

He wrote in yesterday's *New York Times* that American networks should not make more deals with the South African Government. He proposed smuggling video tapes out of the country instead.

Mr Cohen's article, illustrated with a graphic of a perspiring, hard-hatted black miner surrounded by a camera and nest of rifle barrels pointed at him, was headlined: "To reporters: Quit South Africa."

A CBS spokesman said, however, the article was written by an individual "expressing his own opinion". It did not reflect trends in CBS thinking.

Mr Cohen said television could not broadcast or even shoot unrest. It could not show security forces "trying to keep the peace".

"So the recent strike by black miners against the gold and diamond industries is reported almost as a routine labour story. Never mind that workers have been herded out of company-owned housing and sent away. Never mind that miners have been shot and killed by authorities under mysterious circumstances," he said.

"Because we cannot see pictures of these incidents, it is harder to comprehend what is going on."

American consciousness about South Africa was created and maintained by constant television images of brutal repression, he argued — "the image of the padded, faceless policeman, club raised, the image of a black youth with fear covering every inch of his face as he throws a rock".

"These were constant and common images and now they are missing," he said.

Images like these were no longer on American television because networks could not broadcast them for fear of being expelled from South Africa.

Mr Cohen said he wondered if Americans would not be better served by networks being thrown out of South Africa, or if they just left on their own. American television could then get pictures "from every cowboy with a camera".

"The gloves would be off. No more deals with the Government. We smuggle pictures out of the wilderness of Afghanistan. We could do the same in South Africa.

OR
1/2 weeks pay instead of notice.
all leave and overtime pay should be
leaves.

Malay PM urges anti-SA action

Compulsory sanctions call

280
SPK
2/9/87

KUALA LUMPUR — Malaysian Prime Minister Mr Mahathir Mohamad said yesterday the Commonwealth heads of government meeting next month must agree to impose compulsory sanctions against South Africa.

In an apparent reference to Britain, he said that just because one member held back "I do not think that we should be held back".

The Commonwealth, made up of Britain and its former colonies, was only prolonging the sufferings of blacks in South Africa by incomplete measures, Mr Mohamad told more than 400 delegates from 47 nations at the opening of the five-day 33rd annual Commonwealth Parliamentary Association conference.

The conference is to discuss South Africa's racial policy, along with drug problems, aid to small nations, global trade and political matters.

"The excuses that sanctions would hurt the blacks more than the whites have been disproved by the realities of what we see today," Mr Mohamad said.

He said the CPA must urge the "doubting Margarets" among the heads of government meeting at the Commonwealth summit next month in Vancouver, Canada, to apply sanctions — an apparent reference to British Prime Minister Margaret Thatcher.

"Then and then only will the Commonwealth be meaningful," he said.

In his speech, he said that while he remained critical of the Commonwealth, it was true that poor member countries had received some assistance from the developed member countries.

Other officials at the conference also called for sanctions. Mr Bal Ram Jakhar of India, chairman of the CPA's executive committee, told reporters compulsory sanctions against South Africa must be applied at "full blast".

Mr Nizam Mohamed, speaker of the House of Representatives of Trinidad and Tobago, said delay in applying sanctions would only lead to further tension and to the blacks in South Africa being further oppressed. — Sapa-AP.

(280) B/day 4/9/87

Upholding the Sullivan Code in SA after disinvestment

HELEN WISHART

THE FLOOD of US disinvestment has both short-term and long-term implications for industrial relations in SA. Disinvesting US companies say they want to grant employees a good deal but are faced with a dilemma. While they are no longer Sullivan Code signatories, many would like to preserve the spirit of the code.

Departing companies are increasingly required to examine the impact of disinvestment on industrial relations to appease the anti-apartheid lobby, which prompted their move in the first place and now wants assurances that disinvestment hurt the people at whom it was aimed.

Disinvestment will have little effect on white SA where the mechanism used was a management buy-out from which white management benefit directly SA owners will also benefit when US companies franchise off their operations and properties

To be politically acceptable, the disinvestment must represent a genuine severing of ties with SA. Any other arrangement will be considered merely cosmetic, especially where ultimate control remains with US shareholders.

Depending on a departing company's priorities — whether it be to do well by employees, satisfy anti-apartheid movements or comply with foreign sanctions legislation — some elegant mechanisms have been used to effect withdrawal.

These are, according to RAU Institute for American Studies researcher Ansophi Joubert.

☐ The sale of licence or franchise agreements by the parent company to a SA company;
☐ The formation of a trust, mainly to fund social responsibility programmes, to take over the SA assets of the foreign company;
☐ Management buy-outs; and
☐ The sale of shares to workers as well as management.

It was the final method that Joubert felt was most beneficial "because a company which feels responsible for meeting the needs of its employees will best address those needs where employees gain some control".

American Chamber of Commerce Executive Director Adrian Botha said anti-apartheid legislation had only increased pressure to disinvest, but in many cases was not the prime motivator, nor did it determine the mechanism for withdrawal.

Botha saw the loss of Sullivan Code signatories as translating into a loss of enlightened management. He said the groups most affected by disinvestment were:
☐ Black employees, who lost their jobs, or a more benevolent management;
☐ The broader (black) population, which had benefited from the social programmes of foreign companies. In many cases, aid could cease overnight or funds be reallocated according to management policy changes; and
☐ The top white management, who were often transferred out of SA, resulting in a loss of their more enlightened attitudes and expertise.

Botha said trade unions had first entered the fray when they began insisting that disinvesting companies, in consultation with themselves, secured a decent package for employees.

Specific examples of disinvestment by US-based companies include
☐ Computer giant IBM. On March 1 this year, IBM sold out and changed its name to Information Services Management (ISM).

Employees acquired a vested interest in the company by means of both a unit participation — for which all qualified equally — and a profit incentive plan.

All ISM employees are beneficiaries of the trust set up by IBM before its withdrawal, and will receive dividends on capital growth.

"When Sullivan arrived his principles simply endorsed ours," said an ISM spokesman "We continue to abide by these now, because of the IBM corporate culture"
☐ Esso SA became Zenex Oil with the disinvestment of US interests.

Says Zenex MD John Truscott "The Sullivan Code imposed a huge administrative burden on the company Although we are no longer signatories, we continue to implement the code's principles but are not encumbered with administering the rating system. We have greater discretion to allocate funds where we wish, rather than merely to increase our points as set out by the rating system."

Zenex has also set up an offshore trust company to allocate profits to SA societies and educational schemes. There is also a profit incentive plan, which will apportion a percentage of pre-taxed earnings to employees.
☐ Rank Xerox was wholly bought out by Fintech on May 1 this year.

Rank Xerox MD David English said this method of disinvestment was chosen because it satisfied certain criteria, including securing existing jobs and the ability to continue social responsibility programmes "Fintech was a natural choice for the takeover. It had pioneered multi-racial, integrated facilities at work and met all eight Sullivan Code principles, although it was not a signatory itself."

After disinvestment by Xerox, the Rank Xerox Foundation closed down In its place a Human Resources Trust was established.

"The trustees are SA representatives, and offer a wider, more effective representation than the Foundation," said English.

He said that a management buy-out scheme was not used because it was feared that new management would adopt a hard-nosed attitude, aimed primarily at maximising profitability.

"If Fintech employee-schemes are better than ours, we will swap over. Employees can now participate in a share option scheme and become directors of the company. Both these options were not possible under Rank Xerox."
☐ General Motors opted for a management buy-out to the Delta Motor Corporation (DMC) when disinvesting.

DMC Personnel Director George Stegman said "Because unemployment in this area (Eastern Province) stands at 60%, our priority was to avoid retrenchments.

"We are no longer Sullivan signatories But the principles outlived their usefulness — adhering to this code became a race to satisfy overseas score-keepers

"This does not mean we have suddenly abandoned our commitment to the community from which we draw our resources.

"Our intention is now to focus more closely on our employees and their dependents, rather than contribute money throughout SA. Without a 'Big Daddy' to dispense largesse, funding will be dependent on how successfully we operate in SA." Stegman said a trust had been established after disinvestment and DMC employees would be the beneficiaries. The trust would become effective once DMC generated sufficient profit to ensure funding, after operating costs were deducted
☐ With the disinvestment of Coca-Cola, the company's shareholdings in SA were sold off.

This resulted in the shareholding in Coke of Amalgamated Beverage Indutries (ABI), a local company, increasing by 15%, to 70%; Cadbury Schweppes by 4%, to 19%, and the 11% balance offered to ABI staff and independent dealers, who were mainly black investors.

SCIENTIFIC BOYCOTT

Blocking ideas

South African scientists, despite their international reputation, are becoming as isolated as businessmen, diplomats and sportsmen. Increasingly, foreign researchers are cancelling visits here, and it has become extremely difficult for local scientists to participate in international conferences.

Not only is there reluctance to allow South African researchers into foreign countries, their research papers are no longer published in learned journals. This has also affected local medical scientists, often world leaders.

Refusal of visas and restrictions on the sale of specialist medical equipment are part of the isolation process. Overseas scientists who still keep in contact with SA are sometimes branded racists, could have bursaries cancelled, and are even threatened with physical violence, say local scientists. A particularly unfortunate case of the ideas embargo is in combating Aids locally.

Patrick Butler, Chief Director for Information and Research Services of the Council of Scientific and Industrial Research and a former science and technology attaché at the South African Embassy in Bonn, tells the *FM* that "the situation in natural sciences has become worse over the last few years." As political and economic pressures take effect, says Butler, it has become difficult to keep up a scientific relationship with the US.

The US has established a system to control scientific exchanges with SA. Visas, formerly given within 24 hours, are now restricted by several formal impediments. South African researchers who want to travel to the US have to submit a list of all persons and institutes they wish to visit.

US scientists are frequently forced to withdraw invitations to guests from SA. In the Benelux countries, Australia, New Zealand, Japan and Scandinavia the situation is similar.

South African scientists planning to tour Canada now have to do a detour: visas are only available in Harare or Europe, which normally means a loss of about six days and additional costs of about R1 500. This applies to not only whites, but Indians, coloureds and blacks.

The reaction of overseas countries became visible with last year's annual meeting of the International Anthropological Society in Southampton. Invitations to 40 South African scientists, headed by one of the world's top anthropologists, Philip Tobias, were withdrawn because of massive pressure by British students and the congress sponsor.

However, the anthropologists decided to hold their next annual meeting in Mainz, West Germany, this week, including South Africans. Demonstrations are expected.

The only positive signs are the endeavours of the International Council of Scientific Unions (ICSU) and the Committee for the Free Movement of Scientists, to open the academic community to all scientists.

Remarkably, too, Potchefstroom University's Professor Pieter Stoker recently returned from a science conference in Moscow with a different view. "We had no problems. Not apartheid, but science, was on the agenda," he says, adding that his team received visas within two hours.

Stoker plans to visit Russia again later this year because of their friendly reception and "good experience."

Says Butler: "South African scientists are used as a political football, but this will not help the people — whether in SA or in other countries. The break in international scientific relations will perhaps result in short-term scientific progress in SA, but will ultimately have a negative effect on Africa and the whole academic community." ■

Club moves to restrict SA sanctions

280 COST 4/7/87

Post Correspondent

LONDON — A package which rejects further sanctions against South Africa and paves the way for large scale economic and military aid to frontline states has been drafted by senior diplomats for the coming Commonwealth heads of government meeting in Vancouver.

The Commonwealth Secretary-General, Sir Shridath "Sonny" Ramphal, is at present on a worldwide tour, outlining the details to the 47 countries eligible to take part in the October summit.

In brief it involves:

● Improved implementation of existing sanctions.

● Stepped up military training and the provision of some additional arms to frontline states.

● Economic aid targetted at securing and improving vital installations and infrastructure in frontline states.

The package has been vigorously canvassed in a small inner group of officials in London including Sir Shirdath, Mr Anthony Reeve, an under-secretary in the British Foreign Office, and Mr Terry Bacon, a senior Canadian diplomat seconded to the Commonwealth Secretariat, with a view to an initiative on Southern Africa which will receive unanimous support.

Hence the inner group has agreed not to push for further sanctions.

This is not only due to the opposition to sanctions of the British Prime Minister, Mrs Margaret Thatcher, but a growing belief among diplomats that those already adopted have given President P W Botha an excuse to behave in an even more totalitarian manner.

The ANC, aware of the trend away from sanctions, has been seeking support from Caribbean countries.

It seems that increased monitoring on existing sanctions and aid for the frontline states is what is most likely to emerge from the summit.

According to one diplomat involved, only two things could precipitate a different result — provocative action by the South African Government or Mrs Thatcher raising the hackles of African leaders by showing a contemptuous disregard for their views.

27 horses for richest E Cape race

THE Eastern Cape's richest race – the R50 000 Bertrams VO Stakes to be run over 1 200m at Fairview on September 26 — has attracted an outstanding entry of 27 nominations.

They include 14 "outside" entries — eight from the Western Cape, four from the Transvaal and two from Natal.

The Cape entry includes the Chris Snaith-trained Colour Parade, winner of last year's race.

● Full report — Page 15

Shell brunt of action against apartheid in UK

w/c Argus 5/9/87 280

Weekend Argus
Foreign Service

LONDON. — Anti-apartheid activists will be staging an "international week of action" against the Shell company when it takes a London council to court in November for wanting to boycott its products.

Supporters in Britain and at least eight other countries — Denmark, Sweden, Norway, Holland, Belgium, the US, Australia and New Zealand — will take part in the action, which will consist mainly of picketing garages which sell Shell products.

Review

A similar week of action was held in May and others are planned.

But a spokesman for "Embargo," an anti-apartheid organisation which is organising the week in collaboration with other groups, said the clash of dates was "a complete coincidence".

He said the action week had been arranged months before the court date was made known.

Shell UK will be applying in the High Court for a judicial review of a decision by Lewisham Borough Council, in south-east London, to boycott Shell products.

More than its business with the council — worth between R166 000 and R199 000 a year — is at stake, however.

Shell has become the main target of anti-apartheid groups, following the withdrawal of Barclays Bank and the Standard Chartered Bank from South Africa, and fears that unless it stops Lewisham's boycott other Labour-controlled councils in Britain will follow suit.

Shell will argue that Lewisham is acting outside its powers.

Release

A Shell spokesman would not comment on the case this week because it was regarded as sub judice. All he would say was: "We regret taking legal action but we must preserve our commercial position."

He pointed out that the company was opposed to apartheid and that its South African chairman, Mr John Wilson, had publicly called for the release of political prisoners.

A spokesman for Lewisham Council said: "We will vigorously contest this legal challenge."

He denied a newspaper report that the council intended to "turn the hearing into a political event" by calling a representative of the African National Congress.

Sanctions won't bring about change — Steyn

ATTEMPTS to use force such as sanctions to bring about political change in South Africa were futile, the executive chairman of the Urban Foundation, Mr Jan Steyn, has said.

Addressing a Swiss-South African study group at Egerkingen in Switzerland, Mr Steyn said changes in the direction of white political influence should be sought instead by providing solid evidence for shifts towards more logical and workable policies.

According to Mr Steyn, the Urban Foundation, together with other organisations in the private sector, was currently involved in initiatives aimed at solving the problems of racially divided cities and farming areas.

However, all efforts to bring about constructive change would fail unless the South African economy could sustain its recovery, Mr Steyn said.

He urged the Swiss study group to support the private sector and other initiatives for change in South Africa. — Sapa.



MR JAN Steyn . . . Urban Foundation chairman.

Sanctions re-think?

LONDON — Countries which in the past supported sanctions against South Africa were now realising their futility as a means of bringing about a peaceful dialogue, Britain's Deputy Foreign Secretary, Mrs Lynda Chalker, said yesterday.

Mrs Chalker was speaking on BBC radio after her return from the meeting of Commonwealth parliamentarians in Malaysia.

She said the debate on South Africa had been more constructive after the plight of the Frontline States and Britain's aid measures had been raised.

This comes at a time when the Commonwealth secretary-general, Sir Shridath Ramphal, is on a tour of member countries outlining a package of measures on South Africa. — DDC

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280 DD 8/9/87

Additional SA measures unlikely

US sanctions drive may be losing steam

(280 STAR 9/9/87)

By Neil Lurssen, The Star Bureau

Washington

President Reagan is likely to tell the United States Congress next month that further economic sanctions will not advance American aims in South Africa.

There is a growing feeling in Washington that, because of other pressing domestic and international political problems, Congress will not pursue additional sanctions against South Africa with much enthusiasm this year.

And in Ottawa yesterday, British Foreign Secretary Sir Geoffrey Howe said that Britain sees no need for further sanctions against South Africa.

Speaking after meetings with Canadian leaders, Sir Geoffrey said he and British Prime Minister Mrs Margaret Thatcher believed that measures already imposed had produced little or no positive results.

President Reagan will deliver his message on South Africa to US lawmakers on October 1 — one day before he is required to do so in terms of the Sanctions Bill of 1986.

It will review the effects of the sanctions in the year they have been in place, assess the South African Government's efforts to end apartheid, and consider options for further sanctions.

Little progess

The President's report is expected to argue that while there has been little progress toward US aims in South Africa — the lifting of the state of emergency and the release of political prisoners — more sanctions are likely to make those aims even less likely.

Liberal Democrats have threatened for months to use the President's report as the basis for a new economic and diplomatic attack on South Africa.

But several domestic factors and events in South Africa are acting against that plan.

One is the heavy schedule faced by Congress when its final session of the year starts today.

Another factor has been the weekend prisoner swop — an indication to Washington that South Africa retains an ability to make positive deals with its neighbours and the world community.

The problem with the EPG had been on the issue of violence.

The Government was prepared to negotiate with the ANC and the PAC if these organisations renounced violence, but found it totally unacceptable that the Government would have to accept a matching agreement from the ANC.

Mr Botha also rejected any inference that there was a parallel between this week's prisoner swop and the release of Nelson Mandela.

'Black leaders will reject the ANC'

Parliamentary Staff

PARLIAMENT — The Minister of Foreign Affairs, Mr Pik Botha, said yesterday the Government was aware that more sanctions might be on the way, but there were black South African leaders who would reject the Government if it held talks with the ANC or Archbishop Tutu.

He replied briefly to a number of issues raised in the Foreign Affairs vote debate in his absence during the Maputo prisoner swop.

PFP MP Mr Roger Hulley warned that more sanctions seemed the likely outcome of the Commonwealth meeting in Vancouver next month and challenged Mr Botha and the Government to say what they were going to do it.

Mr Botha said he had had "promising" informal talks with an African member of the Eminent Persons Group (EPG), representing Commonwealth countries, who had been impressed by

Sanctions pressure easing — Howe

OTTAWA — The British Foreign Secretary, Sir Geoffrey Howe, says that pressure for economic sanctions against South Africa has eased.

"I don't believe the argument about sanctions has been conducted with as much tenacity and ferocity in the last six months as it was 12 months back."

Mr Howe said there was likely to be more emphasis on unity than on how to pressure South Africa to dismantle apartheid at next month's Commonwealth conference in Vancouver.

He was commenting after two days of talks with his Canadian counterpart, Mr Joe Clark.

Canada has been a leading proponent of tougher sanctions while the British Prime Minister, Mrs Margaret Thatcher, has been adamant in insisting sanctions are not an effective way to pressurise South Africa.

The issue proved divisive at the last Commonwealth summit in Nassau in 1985.

Mrs Thatcher refused to budge and Canada subsequently imposed a limited range of economic measures. — Sapa-RNS

Anti-apartheid protest at Shell

AMSTERDAM. — Dutch anti-apartheid activists staged a four-hour protest on the roof of a guard house at a Shell research laboratory to protest against the oil giant's alleged ill-treatment of black South African employees. — Sapa-AP.

Britian signals no to sanctions, says report

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DN
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LONDON — Britain has signalled its refusal to become involved in further sanctions against South Africa by once again isolating itself on the issue from the rest of the Commonwealth, the London Guardian reported yesterday.

The newspaper said this emerged during a strategy discussion here yesterday, attended by Commonwealth representatives and senior British officials, which was aimed at keeping alive the Commonwealth effort to promote a negotiated end to apartheid.

The meeting finalised a still confidential report on Southern Africa which would shape the debate and recommendations of the Commonwealth leaders at their summit in Vancouver next month.

While there was much common ground, Britain repeatedly intervened to ensure that it would not be associated with the sentiment expressed in the report that "comprehensive mandatory sanctions would be the quickest way to bring Pretoria to the negotiating table".

The newspaper said the amended report now underscored that "with the exception of Britain," the rest of the Commonwealth stood ready to press for the wider application of the sanctions it had already adopted.

"Britain joined with the others in accepting the fact that the African Frontline states, including militants like Zambia and Zimbabwe, were simply too poor, and too exposed to Pretoria's retaliation to be in a position to adopt further sanctions against South Africa

"The burden for 'compelling' Pretoria to the negotiating table lay with the less vulnerable members of the international community."

The original draft concluded that "the responsibility to act against apartheid through economic measures falls on those beyond the Southern Africa region'."

The final version no longer alluded to sanctions and talked more vaguely of "effective action to secure fundamental change in South Africa."

Britain was much happier with the emerging Commonwealth consensus that the international community must act more decisively against South Africa's efforts to destabilise the Frontline states, and to help these impoverished countries

Canada wants more pressure put on SA

OTTAWA — Canada will urge the 49 Commonwealth nations to increase economic pressure on South Africa when they meet in Vancouver next month, Prime Minister Brian Mulroney said yesterday.

He said Canada believed economic sanctions were an effective weapon to force South Africa to dismantle apartheid and he would seek the support of the former members of the British Empire.

The Prime Minister's comments contrast with those of British Foreign Secretary Sir Geoffrey Howe, who said on Tuesday, after talks with Mr Mulroney, that he expected less pressure for curbs at the Commonwealth conference than at the last meeting in 1985.

"I don't believe the argument about sanctions has been conducted with as much tenacity and ferocity in the last six months as it was 12 months back," Sir Geoffrey said.

Canada has been a leading proponent of tougher sanctions while British Prime Minister Margaret Thatcher has been adamant in insisting sanctions are not effective.

The issue proved divisive at the last conference in Nassau. Mrs Thatcher refused to budge and Canada subsequently imposed a limited range of economic measures against SA.

Mr Mulroney told the House of Commons that Canada had not backed away from its stand that economic and diplomatic relations with South Africa might be cut if there was no progress to end apartheid.

"Our view is not that sanctions don't work," he said. "Our view is that if all countries applied sanctions as effectively and as rigorously as Canada, there would be more movement in South Africa." — Sapa-Reuter

Zambia, Tanzania oppose move away from sanctions

The Star Bureau

LONDON — Zambia and Tanzania have firmly opposed British efforts to shift the focus of next month's Commonwealth heads of government meeting in Vancouver away from sanctions on South Africa towards more aid to the Frontline states.

This has emerged at a meeting in London of Commonwealth High Commissioners to prepare a report on the Southern African situation.

While Britain's representative, Mr Anthony Reeve, sought to dissociate his government from references to further economic measures against Pretoria, Zambian representative Mr W Phiri supported his Tanzanian colleague Mr Anthony Nyaki in pressing for a toughening of the report.

Britain is hoping to steer round the sanctions rock, diplomatic sources said, by emphasising the efforts being made to alleviate the dependency of the black states in Southern Africa on South African economic dominance.

Zambia opposed the British line, arguing for an amendment to the report that said increased assistance to the Frontline states must not be a substitute for action against South Africa itself.

Acknowledging the difficulties faced by the Frontline states, the report says that "the burden of responsibility for effective action to secure fundamental change in South Africa rests primarily on those beyond the Southern African region".

Anti-sanctions bid

Cape Times 14/9/87

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SA business flies out to put its case

JOHANNESBURG. — A high-powered delegation from organized commerce in South Africa will fly to Europe this week in a bid to counter pro-sanctions pressures in advance of next month's Commonwealth Conference in Vancouver and the review of the US Anti-Apartheid Act.

Delegation members, who will visit Britain, France and Spain on a 10-day "goodwill mission", say sanctions against South Africa have been counter-productive.

They added in a statement "It remains important that, whatever political differences may exist between countries, the private sector should continue to promote dialogue and communication overseas."

'Exchange views'

The delegation from Assocom will be led by the president, Mr Harold Groom, and comprises Mr Raymond Parsons, Assocom chief executive, Mr Ivan Dodd, president of the Durban Metropolitan Chamber of Commerce, Mr Aubrey Pitt, president of the Witwatersrand Chamber of Commerce and Industry, Mr Michael Boyes, president of the Cape Town Chamber of Commerce, and Mrs Bess Robertson, Assocom foreign trade secretary.

men, bankers and politicians in those three countries on the latest internal and external events affecting South Africa, and to reinforce overseas economic links.

"The discussions will include issues such as the reform process in South Africa, the state of the economy, sanctions and labour relations".

The visit, it said, "has been timed in particular to take place ahead of the Commonwealth Conference in Vancouver and the review of the US Anti-Apartheid Act — both of which are scheduled for early October.

"The question of sanctions will therefore feature strongly in the discussions. The Assocom view is that economic sanctions against South Africa have been counter-productive."

Business agreements

Among those the delegation will meet in London is Mrs Lynda Chalker, Britain's deputy foreign secretary.

In France and Spain, the delegation will also sign business co-operation agreements with their counterparts. The French and Spanish Chambers of Commerce and Industry had made the necessary arrangements for the signing of these "mutually advantageous" agreements.

The statement concluded: "Assocom believes that this mission is taking place at an appropriate time, specially when there is better news about the South African economy to be disseminated ..."

The purpose of the visit, said a statement, was "to exchange views with leading business-

The Assocom group will return to South Africa on October 1. — Sapa

SA bid to counter sanctions

New bloc

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A statement added: "It remains important that, whatever political differences may exist between countries, the private sector should continue to promote dialogue and communication overseas."

The delegation from Assocom (The Association of Chambers of Commerce of South Africa) will be led by the president, Mr Harold Groom, and includes the presidents of its three largest constituent chambers.

The group comprises the Assocom chief executive, Mr Raymond Parsons; Mr Ivan Dodd (president); the Durban Metropolitan Chamber of Commerce, Mr Aubrey Pitt (president); Witwatersrand Chamber of Commerce and Industry, Mr Michael Boyes (president); Cape Town Chamber of Commerce, and Assocom's foreign trade secretary, Mrs Bess Robertson.

The overall purpose of the visit was "to exchange views with leading businessmen, bankers and politicians in those three countries on the latest internal and external events affecting South Africa, and to reinforce overseas economic links.

"The discussions will include issues such as the reform process in South Africa, the state of the economy, sanctions and labour relations.

The visit, has been timed in particular to take place ahead of the Commonwealth Conference in Vancouver and the review of the US Anti-Apartheid Act — both scheduled for early October. — Sapa

Call for US, UK backing for sanctions

CHICAGO — Economic sanctions against SA's government would have no effect unless the US and Britain also imposed them, Swedish Prime Minister Ingvar Carlsson said on Friday.

Carlsson said the bloodshed and oppression of blacks in SA would continue as a major threat to world peace unless a comprehensive trade embargo was imposed.

Carlsson, 52, was speaking in an address to the Chicago Council on Foreign Relations.

"This behaviour is, in Sweden's opinion, yet another good reason for the world community to impose comprehensive economic sanctions against SA," Carlsson said.

World peace was further threatened by SA's support for rebel groups in neighboring Mozambique, Zimbabwe and Angola, Carlsson said.

Carlsson, said during a Press conference later on Friday at Northwestern University Law School that he "regretted" the US-UK veto in February of a mandatory embargo proposed by the UN, saying "it's not possible to be effective without them". — Sapa-AP.

UK stand on SA lauded

Own Correspondent

LONDON — The Times has congratulated the UK government on its handling of Commonwealth hostility towards SA.

With preparations for next month's Commonwealth heads of government meeting in Vancouver well in hand, the word "sanctions" had hardly been heard.

In a leading article last week, The Times said "The government can pride itself on a Commonwealth reunited around Britain's earlier policy towards southern Africa."

This was the desirability of ending apartheid eventually, the need to minimise economic risks to the Frontline states and the inadvisability of imposing more sanctions on SA while existing ones were ignored.

However, The Times added, one aspect of the Commonwealth "package" raised disturbing questions. This was the inclusion of Marxist Mozambique in the heads of government meeting in Vancouver and Britain's plan for additional economic and military aid for that territory. The Times reminded government:

"It's (Mozambique's) Frelimo government is still fighting a guerrilla war against the pro-Western Renamo Movement (and) its leaders are still frequent and welcome guests in Moscow."

The Times adds: "The Soviet Union prefers not to pay for its satellites if it can afford it. Britain should not take up the burden."



MR CARLSSON

Sanctions call to US and Britain

CHICAGO — Swedish Prime Minister Mr Ingvar Carlsson said here at the weekend that economic sanctions against the South African Government would have no effect unless the United States and Britain also imposed them.

Mr Carlsson said that bloodshed and oppression of blacks in South Africa would continue as a major threat to world peace unless a comprehensive trade embargo was imposed.

Addressing the Chicago Council on Foreign Relations, Mr Carlsson, 52, said: "This behaviour is, in Sweden's opinion, yet another good reason for the world community to impose comprehensive economic sanctions against South Africa."

He said that World peace was further threatened by South Africa's support for rebel groups in neighbouring Mozambique, Zimbabwe and Angola

Mr Carlsson said that he "regretted" the US-British veto in February of a mandatory embargo proposed by the United Nations, saying "it's not possible to be effective without them". — Sapa-AP

Office will oppose coal sanctions

The Star Bureau

LONDON — South Africa's coal industry has established an office in the British capital to conduct a more aggressive anti-sanctions campaign.

This follows repeated efforts by hardline politicians and anti-apartheid groups to persuade Britain and the European Community (EC) to ban South African coal imports... one of the most important elements of South Africa's European commerce.

The director of the new office, Mr Robert Swain, said its principal functions would be to put forward the coal industry's point of view on sanctions and other matters; to provide information on the industry, and to challenge "inaccuracies" in the campaign for sanctions on coal.

PRESSURE

Mr Swain will seek exposure in the British press and on television.

Two researchers working with him will prepare information and statistics.

Pressure for sanctions on South Africa's coal exports was highest last year.

While the issue has been less prominent this year, the Commonwealth heads of government meeting in Canada next month could well turn the pressure up again.

In the first press release issued by the industry's London office, the Anti-Apartheid Movement's call for sanctions is dismissed as "a misguided effort".

The statement warns that sanctions "would put the livelihood of tens of thousands of South Africans in jeopardy and destroy an economy that can be the basis on which this country can move ahead to social justice and a good standard of living. It is hoped that wiser opinions will prevail and that the folly of sanctions will be perceived".

Assocom bid to counter sanctions

A high-powered delegation from organised commerce in South Africa will fly to Europe this week in a bid to counter pro-sanctions pressures before next month's Commonwealth Conference in Vancouver and the review of the US Anti-Apartheid Act.

The delegation, which will visit Britain, France and Spain on a 10-day "goodwill mission", says sanctions against South Africa have been counter-productive.

They added in a statement: "It remains important that, whatever political differences may exist between countries, the private sector should continue to promote dialogue and communication overseas."

The delegation from Assocom (The Association of Chambers of Commerce of SA) will be led by the president, Mr Harold Groom, and includes the presidents of its three largest constituent chambers. — Sapa.

NATIONAL/INTERNATIONAL

Top SA business team in Europe to boost trade

By DEREK TOMMEY
Finance Editor

TOP businessmen are to visit London, Paris and Madrid in the next few days to urge those countries to increase trade and investment in South Africa.

The delegation is being led by Mr Harold Groom, president of the Associated Chambers of Commerce.

Mr Groom said today he would tell senior trade and government officials in those countries that if their intention was to uplift South Africa's black population, South Africa should be a capital importer and not a capital exporter.

He would tell them that most of the blacks Assocom had consulted, and these had included most of the moderate black leaders, did not see any sense in sanctions against this country. He would say sanctions had been counter-productive.

Agreements

The party would also meet senior trade union officials in Britain. These would be told about the progress in ending job reservation and developing trade unions in this country. They would also be told that South Africa needed their support in the creation of jobs and that they must not play a role which was totally negative.

Mr Groom said the party would meet Mrs Lynda Chalker, Britain's deputy foreign secretary. It would sign business co-operation agreements in Paris and Madrid. The party had been told it would be able to meet senior government officials in those cities.

The delegation flies to Europe on Thursday and includes Assocom's chief executive, Mr Raymond Parsons, and the presidents of the three largest chambers of commerce, including Mr Michael Boyes, president of the Cape Town chamber

Reform

In a statement, Assocom said the purpose of the visit was to exchange views with leading businessmen, bankers and politicians in the three countries on the latest internal and external events affecting South Africa, and to reinforce overseas economic links.



Mr Groom

The discussions will include the reform process in South Africa, the state of the economy, labour relations and, most importantly, sanctions.

The statement said the visit had been timed "to take place ahead of the Commonwealth conference in Vancouver and the review of the US Anti-Apartheid Act, both of which are scheduled for early October".

The delegation, which will visit Britain, France and Spain on a 10-day goodwill mission, said sanctions against South Africa have been counter-productive.

Members added in a statement: "It remains important that, whatever political differences may exist between countries, the private sector should continue to promote dialogue and communication overseas."

PAC call for full sanctions

The Star's Africa News Service

The Pan Africanist Congress (PAC) has called on the international community to impose comprehensive mandatory sanctions on South Africa.

The call was made in a statement to mark the 10th anniversary of the death of Steve Biko.

Israel threatens sanctions

JERUSALEM — Foreign Minister Shimon Peres told a group of American black leaders yesterday that Israel would soon impose new sanctions against SA and denied his country ever conducted nuclear tests with Pretoria.

Israel earlier this year did not sign new military contracts with SA to demonstrate its opposition to apartheid, but it has come under sharp criticism for its close links with the SA government.

"There are other measures we intend to take this week, next week, in a matter of a few weeks," Peres told the group headed by the son of the late American civil rights leader Martin Luther King.

But Foreign Ministry Director-General Yosi Beilin said Israel would not impose economic sanctions because it did not view them as effective. — Sapa-Reuter.

Running out of steam on sanctions proposals



SIMON BARBER writes from Washington

Barring some act of folly by Pretoria (a difficult thing to bar given the increasingly glandular nature of President Botha's diktat), and in the absence of an unwonted burst of interest from the White House, President Reagan's October report on SA's progress to democratic civility is unlikely to be a pivotal event. Indeed, it is unlikely to be an event of any kind.

The thing has been written and requires only the president's signature (he might read it first if he has the energy) before it is delivered to the Speaker of the House of Representatives and chairman of the foreign relations committee.

It runs to 20 or so double spaced pages with an executive summary The authors have taken a strictly constructionist view of the law (section 501 (c) of the Comprehensive Anti-Apartheid Act) requiring its preparation One can therefore predict with some certainty how the document will be cast and what it will say

Part one will assess the extent to which Pretoria has heeded the Caaa's summons to repeal the state of emergency, release political prisoners including Nelson Mandela, Walter Sisulu and Govan Mbeki, permit free political activity and expression, enter genuine negotiations, establish a timetable for the elimination of apartheid laws, stop beating up on its neighbours and do anything else that might be construed as helpful.

Even if Mbeki is freed between now and October 2, the answers on all counts will be that while much has been promised (not least by ambassador Piet Koornhof), the summons has not in any strict sense been heeded. More in sorrow than anger, and without getting into a theological discourse on the futility of sanctions, the report will intimate that the lack of progress is no thanks to the Caaa

Part two will deal with what, from a menu of sanctions offered by the act, the administration intends to do about it The law says that "the president shall include in the report . a recommendation on which the following additional measures should be imposed". The authors, noting the use of the subjunctive "should be imposed" rather than the imperatile "shall", consider this to be hortatory, not binding They will accordingly recommend no further sanction

Had the drafters of the bill used "shall", it would probably still have made no difference. Were it inclined to mockery, the administration could have said we chose option one, a ban on steel, which, so shoddily was the bill assembled, has already been imposed by another section.

The new choices are a ban on SA diamonds (it would interesting to see how that could be implemented: is a diamond cut and polished in Antwerp or Israel still South African under the applicable trade definitions?), a ban on strategic minerals, a prohibition on SA citizens holding US bank accounts and the denial of weapons to countries identified as "continuing to circumvent" the international arms embargo against SA.

Section 501 (d) contains a set of procedural rules that would enable accelerated debate and enactment of these measures if the administration or the Congress so wished. Neither does, nor is likely to any time soon.

Even Congressman Ron Dellums, commissar for the people's republic of Berkeley, California, recognises a strategic mineral ban to be a non-starter. His universal sanctions bill specifically exempts "any strategic mineral with respect to which the president certifies to the Congress that the quantities of such mineral which are essential for military use exceed reasonably secure domestic supplies and that substitutes for such mineral are not available"

As for the banking item, the treasury last April informed Congress that it was "not feasible" The finding, in a report required under the Caaa, was based on a survey of seven of the countries largest banks. A typical response came from Bank of America, an institution that has already bent over backwards to appease anti-apartheid activists.

"The cost of a truly effective and enforceable system (to identify SA depositors) industry-wide could run into hundreds of millions of dollars,) wrote George Coombs, the banks's general counsel

"Such an action would be a public announcement that the US government views prohibitory action against the property of foreign nationals as a legitimate action to achieve its foreign policy objectives We note that such extreme action was not attempted even during the the Iranian hostage crisis, when the US government froze the assets of the Iranian government.

"Not only would it legitimise similar action on the part of other, presumably less stable countries; but it would also signal that foreign investment entails as much, if not more, political transfer risk as may be encountered in the rest of the world."

For the Congress to ignore such a warning, while not in itself unusual, would require a head of steam that simply does not obtain at the moment It would require an even bigger head of steam to start penalising Nato allies and Israel for actions (the sale of arms to SA) all deny are "continuing".

Having forced the Israelis to abandon the Lavi fighter project, the American government is highly unwilling to beat up on them further for their relationship with SA So unwilling indeed, that Congress is ready to use Israel as an excuse for being unpleasant to the ANC Last June, the House of Representatives voted to restrict official representatives of the ANC (and Swapo) to the municipal limits of the cities where they are based, thus giving the movement the same treatment accorded to communist bloc countries and the PLO. The House also voted to deny funding to any UN agency that provides funds to the ANC. The sponsors of these measures adduced a May 1986 report by the B'nai B'rith Anti-Defamation League citing the ANC's close operational and rhetorical ties with the PLO.

Actions of this kind (consider also the 75-15 Senate vote to deny economic aid to Frontline state countries harbouring the ANC) do not indicate a shift towards Pretoria. What they do demonstrate is that the sanctioneers, who directly or through various filter take their lead from the ANC, are losing momentum.

Transafrica, the lobbying group that must claim the most credit for the Caaa, admits as much in its latest newsletter, observing glumly (and with its patented spuriousness of argument)

"The organised right-wing has so far successfully combatted our effort to win more Congressional support for the people of southern Africa Through conservative US organisations and SA-financed lobbyists, forces opposed to the genuine liberation process in southern Africa have begun to win a number of legislative victories.

"Instead of directly challenging our attempts to strengthen the Frontline states and isolate SA, our opponents have successfully m ouevred to change t parameters of deba No longer is the deba one of how best to e press anti apartheid commitment, b instead of how to ad vance the right-win anti communi agenda."

This is the dialectic o sour grapes. Transafric is having a bad time no because the right i newly ascendant (th Republicans, inasmuch as they can be called right, now contro neither the House nor the Senate, nor in any operative sense the White House), but be cause the American body politic has more important things on its mind than how to aggra vate a mess it made last year

So the long awaited October report will likely fizzle. It will say nothing that nobody does not already know Yes, Dr Chester Crocker will be hauled before the House Africa sub committee for another pernicious browbeating by Congressman Howard Wolpe. Crocker will be followed by the usual academic suspects who will denounce him in the usual, hoary way Bills will be introduced to languish on the shelves of the con gressional documents room. But that, at least until next year and with the opening caveats, will be that

Producers to fight sanctions on coal

MIKE ROBERTSON

LONDON — SA coal producers, who have seen exports to the EC slump by almost 37% in the first quarter of this year, have decided to take the fight to the sanctions lobby.

This weekend their newly appointed London representative Robert Swain will get a chance to see some of the most powerful campaigners for sanctions against South African coal in action.

Swain plans to attend a conference in Sheffield where UK miners leader Arthur Scargill will renew the call for sanctions aginst SA coal.

NUM general secretary Cyril Ramaphosa is also scheduled to address the meeting, if he is allowed to leave SA.

British imports of South African coal, although on a very small scale, were down 48% last year. Briatin imported coal to the value of just £1,2m in the first five months of this year.

Moves by the EC to ban South African coal were thwarted last year after opposition from Portugal and West Germany. The latter has been the EC's fourth-largest importer of South African coal this year after Italy, Spain and Belgium-/Luxembourg. To retain market share South African producers have had to sell coal at prices as low as $24 a ton.

Swain said he had been appointed to set up the office of the SA Coal Industry in London by the colliery committee of the Chamber of Mines.

One of his first jobs was to challenge some of the more extravagant claims

● To Page 2

Coal producers to fight sanctions

● From Page 1

made by the Anti-Apartheid Movement (AAM) regarding the South African coal industry

In a statement, he said coal sanctions proponents claimed SA mine-owners maintained appalling conditions However, to back this up, they used figures of deaths in the gold industry and not the coal industry

The fatality rate in the South African coal industry was better than that of the US, which had a far greater percentage of surface mining which was intrinsically safer, he said

Contrary to claims by the AAM that the majority of SA black miners earned less than R60 a week, the average wage of black miners on chamber mines was R170 a week

Expert expects US congress to push for tougher sanctions

The United States Congress could be expected to move for an extension of punitive sanctions against South Africa, the director of the Institute for American Studies at the Rand Afrikaans University, Professor Carl Noffke, said yesterday.

Professor Noffke, a former diplomat, was addressing a seminar on the United States Comprehensive Anti-Apartheid Act at the Carlton Hotel in Johannesburg. The seminar was convened by the Johannesburg Chamber of Commerce.

President Reagan is due to report to Congress on October 2 — 12 months after the Act was passed — on whether or not "substantial progress" had been made in the past 12 months in ending apartheid and establishing a non-racial democracy in South Africa.

Professor Noffke said it was unlikely President Reagan would recommend further sanctions, but this would almost definitely not satisfy the House of Representatives and the Senate.

ANTI—APARTHEID GROUPS

They and other anti-apartheid pressure groups wielding an influence on the legislators would opt for further restrictions "if not this year, then the next".

The United States would probably try to persuade other major industrial countries to tighten sanctions.

Mr Sean Cleary, chairman of Transcontinental Consultancy in Windhoek and former member of the South African foreign service, said he could think of nothing "more idiotically inane" than sanctions as a means of establishing an industrial democracy.

There was "absolutely no way" South Africa could achieve the goals aimed at by the legislation unless it reached higher rates of economic and industrial growth, job creation and education.

These, in turn could only be reached if more, and not less, money was poured into the country.

The head of the Bureau for Information, Mr Dave Steward, stressed that whatever measures had been taken by the South African Government to end apartheid had been done not to meet the requirements of a foreign power but in the interests of the South African community.

The Government was "absolutely sincere and honest" in its intention to draw blacks into participation in government at the highest level.

He claimed sanctions were opposed by the majority of black South Africans, saying this was evident from the results of a variety of opinion polls.

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'Sweeping' Israeli sanctions against SA

Cape Times 17/9/87 280

JERUSALEM. — Israel last night adopted sweeping sanctions against South Africa.

The Israeli cabinet decided to ban the import of South African gold coins and oil and end cultural and trade ties.

It was reported that the Israeli action came after US pressure.

The Israeli announcement was marred by confusion, an apparent sign of Israel's reluctance to act against Pretoria. Jerusalem has hesitated to impose sanctions because of close business ties and concern for the 120 000 Jews living in South Africa.

Foreign Ministry spokesman Mr Ehud Gol confirmed at a news conference that the cabinet has adopted sanctions, but said he could not outline them because it was not certain whether South African officals had been informed.

But Mr Tom Markram, of the South African embassy in Tel Aviv, said earlier yesterday that the Israeli Foreign Ministry had officially informed the ambassador.

Another ministry official would only tell reporters that the cabinet approved 10 sanctions modelled after those adopted last year by the European Community which banned new investments and halted imports of iron, steel and gold coins.

Israel radio said the cabinet adopted the following steps: Banned new investments; barred the import of oil and South African gold coins; cut athletic, scientific and cultural ties, and stopped the export of goods via South Africa and permission for Israel to be used as a transit point for South African goods.

It also decided to discourage tourism to South Africa; no longer to accept loans from South Africa, and to establish a special educational fund in Israel for South African blacks.

The decision came after Israel, acting under US pressure, decided in March to ban new military contracts and curb cultural ties.

The first set of sanctions was imposed in anticipation of a US report that could have jeopardized some of the annual $1,8 billion (about R3,6 billion) in US military aid to Israel.

At the time, the government also appointed a five-member committee to study further sanctions. The committee's recommendations were the basis of yesterday's cabinet decision.

Israeli opponents of sanctions, including the Trade Minister, Mr Ariel Sharon, have said a cutback in ties would cost Israel millions of dollars a year and thousands of jobs.

Israel's trade with South Africa totalled about $250m (R500m) in 1985.

● **SA bids for jet plans? — Page 3**

In Cape Town last night, the government confirmed the Israeli action.

The Department of Foreign Affairs "confirmed that details of sanctions measures passed by the Israeli cabinet concerning relations with South Africa have been received", a spokesman for the department said.

"Until the South African government has had the opportunity to study the measures and the possible effect thereof on bilateral relations, no further statements will be issued," he said. — Sapa-AP

Israel bans SA imports, trade

JERUSALEM — Israel imposed sweeping sanctions yesterday against South Africa, including a ban on the import of gold coins and oil and an end to cultural and trade ties.

The Israeli cabinet announcement, said to have been taken under pressure from the United States, was marred by confusion. This is an apparent sign of Israel's reluctance to act against Pretoria because of close business ties and concern for the 120 000 South African Jews.

A Foreign Ministry spokesman confirmed the sanctions decision but said he could not outline them because it was not certain whether the South African officials had been informed.

But a spokesman of the South African Embassy in Tel Aviv said Israeli Foreign Ministry officials had informed the ambassador of the decision.

Besides confirming it had received details of Israeli sanctions measures the South African Department of Foreign Affairs declined to comment.

"Until the South African Government has had the opportunity to study the measures and the possible effects on bilateral relations, no further statements will be issued," they said.

An Israeli ministry official said the Cabinet approved 10 sanctions, modelled after those adopted last year by the European Community.

These banned new investments and halted imports of iron, steel and gold coins.

Israel radio said the Cabinet had decided to:

- Ban new investments;
- Bar the import of oil and South African gold coins;
- Cut athletic, scientific and cultural ties;
- No longer export goods via South Africa or allow Israel to be used as a transit point for South African goods;
- Discourage tourism to South Africa;
- No longer accept loans from South Africa; and
- Establish a special educational fund in Israel for black South Africans.

In an interview, the South African opposition legislator, Mrs Helen Suzman, praised the educational fund as an "excellent idea," but added: "Sanctions per se are counter-productive."

A PFP MP, Mr Harry Schwarz, said sanctions were counterproductive to the establishment of a Western-style democratic system after apartheid went.

He said the majority of South African Jews would oppose sanctions and he expected them to maintain religious and cultural links with Israel.

The first set of sanctions was imposed in anticipation of a US report that could have jeopardised some of the annual $1,8 billion in US military aid to Israel.

Israeli opponents of sanctions, including the Trade Minister, Mr Ariel Sharon, have said a cutback in ties would cost Israel millions of dollars a year and thousands of jobs.

Israel's trade with South Africa totalled about $250 million.

South Africa is a key client of Israel's billion-dollar arms industry, buying mainly tanks and light firearms. The government refuses to comment on weapons exports. — Sapa-AP

280 SPK 17/9/87.

UNEMPLOYMENT SUMMIT

Sanctions could lead to 10-million jobless

The jobless toll in South Africa could reach 10-million by the end of the next decade if sanctions were not held at bay, the Government was warned today at a summit conference on the unemployment crisis.

The dangers of a more than three-fold increase in unemployment in South Africa and its satellite national states by the year 2000 were spelled out by Dr Ronald Bethlehem, economics consultant to the giant Johannesburg Consolidated Investments empire.

Dr Bethlehem said the current grim total — estimated by the University of Pretoria at 2,5 million out of 10,5 million workers in the Republic, plus 700 000 in Transkei, Bophuthatswana, Venda and Ciskei — would pale into relative insignificance unless international sanctions were successfully combatted.



Mr Colin Adcock . . . he initiated the "Conference for Concerned Leadership".

FASTER JOB CREATION

The Pretoria survey had estimated that the unemployment rate in Soweto already stood as high as 28 percent of the economically active population.

The "Conference for Concerned Leadership" summit, held in Durban and convened by Mr Colin Adcock, managing director of Toyota SA, drew more than 150 prominent leaders of both the private and public sectors, top academics and churchmen

It was due to be opened by Zulu King Goodwill Zwelithini.

Mr Adcock underscored that future stability and economic growth in South Africa were totally dependent on a faster tempo in the creation of more jobs.

Mr Leon Louw, executive director of the Free Market Foundation, blamed an entanglement of red tape in at least 500 laws and regulations for exacerbating the unemployment crisis. All should be abolished or drastically amended.

Dr Duncan Innes, senior lecturer at the Department of Sociology at the University of the Witwatersrand, urged a massive increase in State funds to aid the jobless as a short-term measure while longer-term solutions were explored.

The Government, he said, had a poor record on unemployment and social service payments even compared with Third World countries.

Dr Piet van der Merwe, Director General of the Department of Manpower, laid blame on the influx of large numbers of job-seekers from surrounding states — mostly from Mozambique — for "seriously hampering efforts to combat unemployment".

He said the number of illegal immigrants was now about 1,3 million.

Michael Chester reports on

Academic boycott would hurt entire SA

By Zenaide Vendeiro,
Education Reporter

An academic boycott against South Africa would hurt the entire country because the standard of teaching at all levels would drop, says Professor Friedel Sellschop, deputy vice-chancellor (research) at the University of the Witwatersrand.

Professor Sellschop was reacting to a call for the intensification of the academic boycott by the National Education Crisis Committee (NECC) at its third national consultative conference held this weekend.

"An academic boycott would certainly hurt us. It would hurt every man, woman and child in this country, and children-to-be as well," said Professor Sellschop.

"The flow of scholars from here to overseas universities and from other universities to here is very important indeed. It is stimulating, it generates ideas, it serves as a basis to measure ourselves and it guarantees to students that we are maintaining standards.

"If we cannot commune with our fellow scholars abroad, then we will lose our stimulus, our reference for standards and standards will drop. Also, this country will lose many of its best scholars."

Professor Sellschop said scholarly activity could only be seen as a worldwide exercise. Whenever a country had tried to politicise scholarly activities, it had harmed itself.

"We must keep our scholarly activities open. We must be able to commune with scholars all over the world — no matter where they are — and they with us."

The vice-chancellor of the University of Cape Town, Dr S J Saunders, said an academic boycott was counter-productive and not in the interests of the country and its future.

"It runs against the whole concept of scholarship and is destructive to the pursuit of knowlege," he added.

Israel steps up sanctions

New measures adopted to ease pressure from Washington

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

Tel Aviv

The Government of Israel yesterday adopted new sanctions against South Africa. They are milder than originally expected but the Israelis hope they will be sufficient to ward off pressure from Washington.

The measures include the following:

- Israel will not invest in South Africa or buy its Krugerrands.
- Israel will not permit itself to be used as a conduit for South African goods or act as a pipeline for South African goods.
- Official visits to South Africa will be banned. Sports, cultural and scientific ties will be curtailed.
- Israel will not borrow from South African financial institutions.

One point adopted by the Israeli Cabinet which might have adverse effects on South Africa's Jewish community is a decision to establish a special training fund for non-white South Africans.

Observers in Tel Aviv point out that various Israeli institutions raise money from the South African Jewish community — funds which the Government in Pretoria allows to be freely transferred. If Pretoria wants to take a stand on this issue, which is aimed at appeasing US blacks, counter sanctions could be taken.

The South African Department of Foreign Affairs confirmed in Cape Town last night that details of the measures had been received.

But, until the Government had had the opportunity to study them and their possible effects, no further statement would be issued.

Freezing of ties

On the whole, the list of sanctions outlined is regarded in Israel as more a freezing of ties than an active curtailment.

The Israeli move came just two weeks before the US Congress discusses South Africa, with a view to curtailing military aid to those countries still engaged in defence sales to South Africa.

In March, the Israeli government decided not to renew defence contracts with South Africa when they expired but to honour existing contracts.

Officials in Tel Aviv say thousands of Israeli jobs depend on trade with South Africa, especially in the defence and allied fields.

The chairman of the SA Jewish Board of Deputies, Mr Gerald Leissner, said in Johannesburg last night that the Jewish community in South Africa had been steadfastly opposed to sanctions and had made this clear in the past.

"But we have to face the fact that Israel is an independent state and the final decision on sanctions is in their hands," said Mr Leissner.

He said sanctions had been discussed by the Israeli government before and present reports seemed not to be the final word.

Schwarz finds latest moves disappointing

Political Correspondent

CAPE TOWN — Israel's decision to impose sanctions on South Africa was disappointing for those who had been trying to avert them, Mr Harry Schwarz said today.

Mr Schwarz, Progressive Federal Party spokesman on finance and a prominent leader of the Jewish community, said sanctions, wherever they came from, were counter-productive to the process of peaceful change.

He said: "Israel itself knows what sanctions are all about because it is subject to trade boycotts.

"However, the influence or pressure of the United States on Israel, which did not necessarily come from the Administration, but from powerful politicians in Congress, has played a very big role in the whole situation.

"Israel's own security and survival is at stake and it cannot afford to take chances with regard to the aid it gets from the US."

Mr Schwarz said judgment on the effect of the sanctions should be reserved until the full package of measures was made public.

● The South African Department of Foreign Affairs confirmed last night details of the sanctions measures had been received.

But until the Government had had the opportunity to study the measures, no further statements would be issued.

Israelis impose SA sanctions

JERUSALEM — Israel, under US pressure to scale back ties with SA, decided yesterday to impose sanctions limiting trade, cultural and scientific links.

The SA Foreign Ministry and Pretoria's ambassador to Israel were already being briefed on the sanctions recommended by a government committee led by Foreign Ministry Director-General Yosi Beilin.

Foreign Ministry officials have refused to elaborate on the Beilin report, but have said Israel, in protest against SA's apartheid policies, was considering banning new investments in SA, reducing trade and barring Ministerial visits.

The Israeli government's inner cabinet, in reaching the sanctions decision, has also decided to restrict sport ties.

The inner-cabinet meeting was attended only by Prime Minister Yitzhak Shamir of the right-wing Likud bloc and a few Labour Party Ministers. The decision by the inner cabinet, which normally comprises five Likud and five Labour Ministers, would be the final word on the sanctions matter.

Apart from military trade, Israel officially sold SA $54,8m in goods last year and bought goods valued at $181,1m.

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B/day

Israelis to impose sanctions against SA

From Page 1

In Cape Town, besides confirming it had received details of Israeli sanctions measures yesterday, the Department of Foreign Affairs declined to comment "until the government had had the opportunity to study the measures". — Sapa-Reuter.

Israeli sanctions won't have 'dramatic effect'

ARGUS 17/9/87

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PRETORIA. — The South African Foreign Trade Organisation does not think that the latest Israeli sanctions will have a "dramatic effect".

The new sanctions announced in Tel Aviv are milder than those originally envisaged, yet, the Israelis hope, sufficient to ward off further pressure from Washington.

Under the new measures Israel will not invest in South Africa nor will it buy oil or Krugerrands; it will not permit itself to be used as a conduit for South African goods nor will it act as a pipeline for goods bound for South Africa; official visits to South Africa will be banned; sports, cultural and scientific ties will be curtailed; and Israel will not borrow from South African financial institutions.

Significant

Mr David Graham, senior manager of Safto's international division, said the measures would affect between five and 10 percent of South Africa's trade with Israel. One of the main items which will be hit is steel.

"Steel has been a significant export item to Israel," Mr Graham said. "But trade remains open for the vast majority of items exported to Israel."

Mr Harry Schwarz, the Progressive Federal Party's spokesman on finance and a leader of the Jewish community, said Israel's decision was disappointing for those who had been trying to avert them.

Sanctions, wherever they came from, were unacceptable because they were counter-productive to peaceful change, Mr Schwarz said.

"Israel itself knows what sanctions are all about because it too is subject to trade boycotts.

"However, the influence or pressure of the United States on Israel, which did not necessarily come from the Administration but from powerful politicians in Congress, has played a big role.

"Israel's own security and survival is at stake. It cannot afford to take chances with regard to the aid it gets from the US, on which it is so dependent."

The Department of Foreign Affairs has confirmed that details of the Israeli sanctions have been received, but until the Government had had the opportunity to study the measures and their possible effect on bilateral relations no further statement would be issued.

Fund-raising

One point adopted by the Israeli Cabinet which might have adverse effects on South Africa's Jewish community is a decision to establish a special training fund for non-white South Africans.

Observers here point out that Israeli institutions raise money from South Africa's Jewish community, funds which the Government in Pretoria allows to be freely transferred.

If Pretoria wants to take a stand on this issue, which is aimed at appeasing blacks in the US, counter-sanctions could be taken.

● The Israeli move comes just two weeks before the US Congress is to discuss South Africa with an eye to curtailing military aid to those countries still engaged in defence sales to the Republic. — The Argus Political Staff, Correspondent, Foreign Service and Sapa.

Changing sides in labour relations

One of the strongest arguments against US and other multinational corporations disinvesting from South Africa is that business is an agent of change.

The trouble with this proposition is not that it is untrue but that it is in danger of becoming a cliché and, as is often, the case with clichés, subject to less and less examination

Indeed, the point is approaching where business is uncritically held to have certain quasi-magical powers that will enable it to solve SA's problems regardless of how it is conducted.

A useful antidote is to be found in the forthcoming study "Management and Policy: Lessons from South Africa," whose authors — management analysts David Beaty and Oren Harari — have just spent two-and-a-half years interviewing managers and workers in five large South African plants, three locally-owned, one American and one European

Their conclusions are summarised in the current issue of the Harvard Business Review.

Beaty and Harari argue that too many otherwise well-intentioned firms complacently accept the truism that apartheid is completely at odds with free enterprise without, at the same time, taking into account what apartheid means to their employees at a fundamental human level

These companies, the authors contend, blindly apply Western, and particularly US, management principles that are gravely out of context in SA — and then wonder why South African productivity ranks among the lowest in the world

One particularly painful example the authors cite is of a senior white executive complaining that although his managers and supervisors had all been subjected to that American bestseller "The One Minute Manager" they were still not getting through.

Black employees seemed as "hostile and resistant" as ever, prodding the executive into a shocking discovery "These principles don't work for blacks"

Similar frustration was sounded by a white production manager who had previously worked in the US and Europe: "I can't understand these blacks, they're not like workers overseas. They don't respond to incentive schemes

"They complain about low wages. But when you increase their wages, they don't work any harder I don't care what you say, I don't believe they deserve any more wage increases"

South African managers, the authors suggest (and not, it should be noted, unsympathetically) would feel less frustrated if they started putting themselves rather more wholeheartedly into their employees' shoes — and stopped thinking that business is business whatever the surrounding social or political circumstances

"A white South African, like an American, tends to separate the rigours of a job from the privileges of citizenship When whites go home, they are no longer subject to anyone else's direction they can participate in national life"

Hence, most white managers assume they can solve productivity and employee morale problems by looking for flaws in the organisation's system, structure, policies or leaders.

"Black South Africans look at things differently. They cannot separate their lives inside the corporation from the domination they perceive on the outside Even when, superficially, blacks and whites are in accord on the purposes of work, they are actually speaking from two different worlds."

One of the study's most intriguing findings came from asking black employees to rank a list of possible management policies — for example, good pay, job security, good working conditions, ready advancement, appreciation of work done — that would motivate them to increase their output

Managers were then asked to predict how their employees would respond.



SIMON BARBER writes from Washington

In most cases, the predictions were fairly accurate But there was one glaring exception Overall, black workers ranked "interesting work" second only to pay

Managers guessed sixth.

One worker explained to the researchers: "We are expected by whites to behave as though we can only perform simple tasks, we are not encouraged to take initiatives or make changes to jobs we've already been told how to do."

Another said "Every time white managers want to make our jobs more meaningful, they don't involve us in their plans . . if they were really interested in improving our work, they would ask our opinions"

"For blacks," the authors observe in words that should be plastered over every executive suite in SA, "interesting work represented a chance to exert their faculties for planning, reasoning, building and taking responsibility.

"Sceptical as they were about the political context in which their companies operated, they cherished the opportunity to be more nearly autonomous"

On the basis of interviews with 361 black employees, Beaty and Harari conclude with some advice for US companies agonising over whether to disinvest "Stay, but only if you are really prepared to stand with your employees and their communities against the system"

As one employee told them. "Making things better at work is not enough. You must help destroy apartheid or you can go home"

This, the authors were told, meant·

- Expand Sullivan-type programmes, both inside the company and in the surrounding communities, and implement them more aggressively, involving the beneficiaries every step of the way from development to evaluation.
- The real leaders on the shop floor are probably the union and political activists managers like least. Search them out and deal with them as equal partners Visit them on their home turf, especially when discussing initiatives that affect that turf
- Know your employees — their history, languages and culture. They are likely to have techniques and approaches for solving problems which you will not learn from "The One Minute Manager" or the Harvard Business School. Make use of this.
- Offer financial, legal and moral support to black employees and their families who demonstrate against apartheid, break apartheid laws or are detained without trial. Contribute money and resources to anti-apartheid causes Grant paid leave to employees to attend funerals of unrest victims. Permit unions to hold meetings on company premises
- Follow Vleisentraal GM Mike Goldie in hiring any qualified worker regardless of where he's from. Do not co-operate with government if it asks you to inform on employees who do not have necessary residence or work permits Defy the Group Areas Act

Don't do these things, Beaty and Harari believe, and you will have no one to blame but yourself if your workforce operates at half speed and productivity slumps Do them — and this they don't say — the chances are you'll run slap into Pretoria.

Perhaps it's time to discuss the dilemma with black employees on an equal footing.

280 459 Bday 18/7/87

Israeli move 'more symbolic than practical'

THE sanctions announced by Israel this week were more a symbolic than a practical move, and would hardly alter existing trade patterns between the two countries, a spokesman for the Israel Trade Centre in SA said yesterday.

The measures, which have not been publicly announced in their entirety, were decided on this week.

Included in the measures are that Israel will not invest in SA, import Krugerrands or allow itself to be used as a conduit for SA goods; official visits are banned; sporting, cultural and scientific ties are curtailed; and SA loans will no longer be accepted.

Among other trade measures adopted are a ban on the export of oil and its products to SA, and a freeze on iron and steel exports.

DIANNA GAMES

An Israeli trade source said Israel, in terms of an agreement with the US and EC, would not allow itself to be used as a conduit for sanctions-busting.

SAPA reports that the SA Jewish Board of Deputies and the SA Zionist Federation have reaffirmed their opposition to sanctions against SA.

Both say they have noted that Israel has been subjected to "significant pressure" from the US, and hope the relationship between SA's Jewish community and Israel will endure.

Israel looks to US and sanctions SA

Relations with govt not vital — Beilin

18/9/87.

JERUSALEM — The Israeli official who drafted a new package of sanctions against South Africa yesterday said Israel had decided to reduce ties to avoid endangering relations with the US Congress.

Israel's policy-making inner-cabinet agreed on Wednesday on ten measures limiting economic, cultural, scientific and sport links along with official visits. A key point was a pledge not to serve as middle-man for sanctions-busting by third countries.

"I don't believe someone can say relations with South Africa are vital, especially if you compare them with the danger we could have brought upon ourselves, of a problem with the American Congress, over these ties," the Foreign Ministry Director-General, Mr Yossi Beilin, said.

Israel was concerned that Congress would decide to reduce its $3-million in aid next month when it debates countries that have failed to honour a 1977 UN embargo on Pretoria. Israel is the biggest recipient of US aid.

Official sources said the new Israeli economic sanctions would bar private investments and oil sales and third-party sales to South Africa through Israel while freezing South African iron and steel exports.

Diplomats said the move to outlaw third-party transactions, if it was enforced, was significant since Israel has been accused of helping South Africa get round existing embargoes by acting as a transit point for banned trade.

The cabinet secretary, Mr Eliyakim Rubinstein, will announce a final list of sanctions after government offices involved are informed in Israel and South Africa, his aides said

Israeli officials said the measures, modelled on sanctions imposed by the European Community (EC), were more mild than the actions of the United States or Scandinavia and would not harm South Africa's Jewish population of 110 000.

The Foreign Ministry in Pretoria said it would study the list before commenting, but a government source said an initial reading showed the steps did not look so bad.

He said the new measures "may now take the pressure off South African-Israeli relations for a while."

A spokesman for the Israel Trade Centre in South Africa said the sanctions announced by Israel were more a symbolic than a practical move and would hardly alter existing trade patterns between the two countries.

Several Israeli leaders have opposed sanctions on grounds they could deal a serious blow to Israel's arms industry and harm South African Jews, who have a unique arrangement enabling them to invest in Israel

The cabinet decided in March that Israel would not enter into new military deals with South Africa but would honour existing ones until they expired

In Johannesburg, two South African Jewish organisations spoke out against the Israeli sanctions, saying they undermined prospects for achieving a just society.

The South African Jewish Board of Deputies and the South African Zionist Federation said in a joint statement that they "oppose sanctions and disinvestment on the ground that they undermine the ability to create conditions in which steps can be taken towards the achievement of a free and just society in which all peoples can attain their legitimate aspirations.

"Since the establishment of the State of Israel, a special relationship has existed between the South African Jewish community and Israel as is the case with Jewish communities resident all over the world

"This relationship is based on deep-rooted religious and cultural affiliations. It is sincerely hoped that it will endure.

"The State of Israel, as is the case with all other sovereign states, takes decisions having regard to the necessity to protect its own sovereign national interests. In this connection it is noted that Israel has been subjected to significant pressures from the United States," the statement said

Officials in Jerusalem said the draft called among other things for no new investments in South Africa, no government loans, oil sales or exports of Krugerrands, no increased imports of South African iron and steel and a halt to cultural and sporting links. — Sapa-RNS

Tutu and ANC urge tougher SA sanctions

LUSAKA — South African religious leaders, including the Anglican Archbishop Desmond Tutu, and the African National Congress called on the Commonwealth and the world to impose tough economic sanctions against South Africa to force political change.

The clergymens' pledge came in a joint communique issued with the ANC after two days of talks here.

The communique urged comprehensive, mandatory economic sanctions because of South Africa's policy of apartheid.

The Commonwealth already applies a limited sanctions package against South Africa.

Archbishop Tutu, Imam Solomon of the Moslems and the Hindu's Yashmin Sook signed the communique along with a four-member ANC delegation.

"We urge the international community to take prompt and strong measures aimed at isolating the Pretoria regime," the statement said.

On his return, Archbishop Tutu said "the onus lies very much with the international community".

"If they apply ineffective measures then it may very well be for us that it is the last time for a chance of a peaceful solution."

The religious leaders said the South African Government remained the main obstacle to a negotiated solution to the country's problems.

They praised the ANC for exercising "tremendous restraint in this struggle" and said the black group was "not committed to uncontrolled violence".

Archbishop Tutu defended their meeting with the ANC saying: "We need to give church ministerism to both sides in the conflict."

"How can you minister to one side? Are you going to persuade people that we need reconciliation if you are not able to meet them."

The archbishop, however, rejected the use of armed violence to remove apartheid, which he called a crime against humanity.

"Anyone who has seen violence in South Africa cannot say easily, let us unleash a full scale civil war," he said.

He said the overwhelming impression of the ANC was their "incredible humanity".

They had a "deep longing to be back home" and were not the monsters depicted by the media, he added. — Sapa

Sanctions almost wipe out US trade

AMERICAN sanctions against South Africa have been devastatingly successful in restricting trade between the two countries.

By Stephen Rogers

Statistics from the US Consulate in Johannesburg show that exports of commodities banned under the Comprehensive Anti-Apartheid Act of 1986 have dried up.

Exports of uranium products, iron, steel and coal fell from R351,3-million in the first six months of last year to almost zero in the first half of this year.

Diamonds

Some exports outside the sanctions net have also stopped. Exports of gold and silver (bullion and ore), industrial diamonds and motor fuel have fallen from R230,6-million to almost nothing.

The trend is reflected in overall trade figures.

SA exports to the US crashed by 46% from R2,6-billion in the first half of last year to R1,4-billion this year. Imports were unchanged at R1,2-billion, but SA's trade surplus with the US has fallen from R1,4-billion to nearly R200-million.

The figures indicate that America has strictly enforced sanctions. Initially, it was hoped that the ban would not be policed to any great extent.

Commentators say that the fall in exports of non-banned commodities is due to the fear of American importers that they may be included in future sanctions.

A diplomatic saource says: "There is strong anti-SA opinion in America. Any association with SA could be more trouble than it's worth for an American trader."

Although sanctions have been effective in restricting trade, they have failed in their original intention — to pressure SA into introducing certain reforms.

The damage to the SA economy is also in question. With the US denied to them, SA exporters have proved adept at securing other markets. These countries have been willing to take up lost US orders, albeit at a discount.

Aid threat

America realises that sanctions cannot be imposed by one country in isolation and is pressuring Israel, West Germany and Japan to restrict their links with SA.

Israel has announced a new round of 10 sanctions against SA, including a ban on the import of gold coins and oil.

But Israel has merely adopted some of the sanctions imposed by Western nations and has not introudced new ones. The Israeli Government was reluctant to impose snactions in the past. It is believed that the US threatened to restrict its military aid unless Israel joined the sanctions campaign.

Israel moves into EEC sanctions line

By BENNY MORRIS

Diplomatic Correspondent of the Jerusalem Post

ISRAEL is unlikely to impose further sanctions against Pretoria, unless South Africa's political crisis substantially worsens or the European Community decides upon major new sanctions.

This is the thinking of senior officials in Jerusalem in the wake of the Inner Cabinet's decision on Wednesday to take further steps against Pretoria.

SIT 20/9/87

The new measures were pushed by the political director general of the Foreign Ministry, Dr Yossi Beilin, and the inter-departmental committee which he heads.

They reflect a compromise between the firm anti-apartheid line of the Labour Party and the Foreign Ministry and the reluctant Likud Bloc, the Israeli business community and the Prime Minister's Office.

The new steps, as Foreign Ministry officials were careful to point out, do not follow the sanctions pattern set by the US and Scandanavia but "the EEC model, which is milder"

280 Milder

Officials felt Israel was at last in step with the anti-apartheid policies of the Western democracies

Israeli officials believe the new steps — which include some economic sanctions and a complete severence of sports and cultural relations, as well as the establishment of a fund to finance vocational training in Israel for South African blacks and coloureds — will not damage relations between Jerusalem and Pretoria.

The officials were quick to note that all existing defence contracts would be honoured and that no new defence or non-military sanctions were contemplated.

Damage

While business circles in Tel Aviv voiced their opinion that the practical effect of the santions on bilateral trade would be "minimal", the director general of the Trade and Industry Ministry, Yorim Belizovsky, said the sanctions "could cause Israel damage".

He was referring to the possibility that Israel would have to import raw materials from countries other than South Africa at greater cost.

Throughout the decision-making process, uppermost in the minds of the Ministers and officials was concern for the welfare and the possible effect on the large and influential South African Jewish community.

In the trade-off between the Foreign Ministry and the Prime Minister's Office, Mr Beilin managed to push through a prohibition on Israel serving as a way-station for third party trade and financial deals with South Africa

● See Simon Barber's column, page 28.

CAPE TIMES 21/9/87 P1 (280)

Shell-SA link: Scargill urges garage pickets

Own Correspondent

LONDON — The British miners' leader, Mr Arthur Scargill, has called for picket lines to be set up at all Shell garages.

At an anti-apartheid rally in Sheffield, he attacked Shell for its "close links with the South African regime".

"We have to do something in the absence of Mrs Thatcher taking any action to end apartheid."

A Shell spokesman yesterday hit back at Mr Scargill, saying the firm believed its presence in South Africa was the best way to work towards peaceful change and a multiracial South Africa.

Mr Scargill also announced a mass trade union gathering in Australia at which an international boycott campaign against South Africa would be high on the agenda.

Already 56 nations had indicated that their trade union movements would attend

● Meanwhile, a high-powered delegation from organized commerce in South Africa arrived here to counter pro-sanctions pressures — and in time to deal with Mr Scargill's call for sanctions.

Assocom's chief executive, Mr Raymond Parsons, last night attacked Mr Scargill for his call and said he would take it up with Mrs Lynda Chalker today when the delegation meets her at the Foreign Office

"There appears to be little chance of Mr Scargill's call for sanctions being heeded in Britain as it can only damage employment in both countries," he said.

Sanctions and boycotts remained counter-productive whatever Mr Scargill felt, Mr Parsons said.

The Assocom delegation will visit Britain, France and Spain in a 10-day "goodwill anti-sanctions mission".

CMG Times 21/9/87 (280)

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Sanctions demand

JERUSALEM — A legislator demanded yesterday that Israeli sanctions against South Africa be made law to guarantee that the government adheres to them.

Yossi Sarid said he submitted such a proposal to parliament because trade and industry minister Ariel Sharon opposes the measures.

"Without such a law, the government's decision would be meaningless," said Sarid, of the left-wing Citizens Rights movement.

He said his proposal would be considered when legislators return after a three-week break.

— Sapa-AP.

The Canada summit hoped to forget SA. But it hasn't

South Africa was at the top of the agenda at two separate conferences in Vancouver this week: The Commonwealth summit and the anti-apartheid one. SHARON FULLER reports

DESPITE a concerted British attempt to deflect the pressure, lone sanctions opponent Margaret Thatcher faced a testing week as she joined 49 other leaders at the gathering of Commonwealth heads of government in Vancouver.

South Africa was at the top of the agenda as the meeting began.

Host Canadian Prime Minister Brian Mulroney made it clear in his opening address there would be no softening of Canada's position on apartheid.

And Indian Prime Minister Rajiv Gandhi added to the impression that Britain's former colonies would not back down on sanctions.

"The only way to destroy apartheid without a terrible bloodbath is by imposing sanctions," Gandhi told his Commonwealth colleagues. "Nassau set the direction, London set us firmly on the path, Vancouver must carry the process forward.

"The impression has gained ground that apartheid has been put on the back burner. Let Vancouver show that our loyalty to principles and to declared objectives is not fickle."

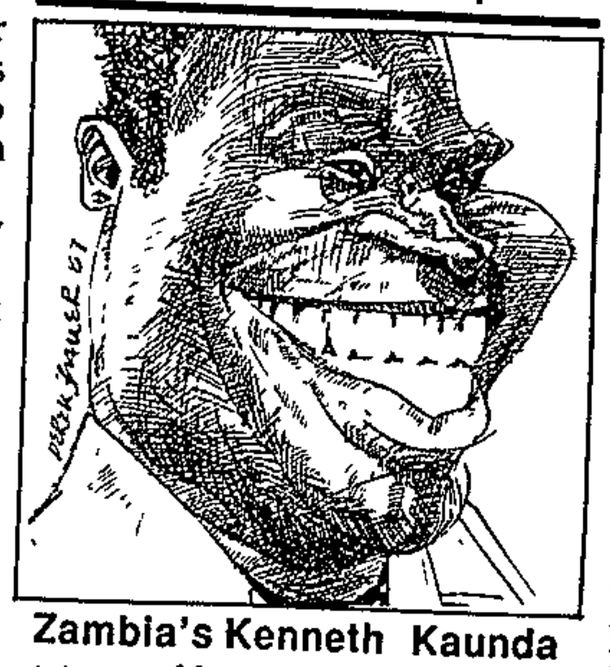
By the end of the second day of the summit, the Commonwealth leaders, unable to resolve their differences on the South Africa issue, referred it to a committee of foreign ministers with a mandate to report back before the end of the conference.

A war of words and statistics marked the run-up to the summit.

The British delegation claimed in a background briefing published on its arrival that Canada's trade with South Africa had increased. The Canadians replied that the figures the British were putting out pre-dated the imposition of sanctions in 1986, arguing that trade had fallen by 50 percent.

An ANC official said the trade figures controversy indicated Britain was resorting to disinformation by using the 1986 trade figures because it had run out of arguments in support of its anti-sanctions position.

He told the *Weekly Mail* that he believed the British government's attempt to defeat the sanctions call by shifting the issue from sanctions to the measures giving aid to blacks within South Africa and the frontline states would not succeed.



Zambia's Kenneth Kaunda

The Thatcher delegation has come to Vancouver declaring support for a commonwealth package of economic and security support for the frontline states — but will go no further.

Anti-apartheid groups have been adamant that the strengthening of the frontline states, which they see as necessary and important, must be linked to the imposition of further sanctions.

Britain has maintained its tough anti-sanctions stance since it arrived in Vancouver, repeating its position that sanctions harm rather than help the blacks they aim to assist.

But the British stand has as frequently been countered by Zambian President Kenneth Kaunda in the pre-conference conflict.

Kaunda has said in both speeches and interviews that Western leaders like Thatcher and United States' Ronald Reagan cannot speak for the people of South Africa who have repeatedly demanded that they want sanctions applied against Pretoria.

He said at a parallel conference, organised by Canadian anti-apartheid and community groups which claim to represent some 15-million Canadians, that he "did not want to be treated like a heifer to be fattened up for the slaughter house of apartheid".

Commonwealth secretary general Shridath Ramphal joined Kaunda in stressing that sanctions had not been sidelined. "Sanctions are not off the boil," Ramphal said at the parallel conference which met prior to the leaders' meeting.

The conference issued a communique at the end of its session saying "m. ndatory sanctions remain the only means by which the international community can help bring about the dismantling of apartheid".

Britain's defiance on the sanctions issue extends to taking advantage of the business opportunities opened up by the international boycott, anti-apartheid activist Abdul Minty told the *Weekly Mail*.

He said current memorandums issued by the British Consulate-General in Johannesburg have been put before the Commonwealth leaders. In these memos, the British detail economic opportunities in the South Africa, including oil and security-related activities, arising from the sanctions adopted by other countries against South Africa.

"Britain is undermining the United States, advising British companies of the advantages of the recent developments," he said.

But while ANC and anti-aparheid activists believe stronger sanctions measures could come out of the Vancouver conference, this is not shared by all observers of the summit, which is estimated by the local media to be costing about $19-million (about R38-million).

Some observers believe that despite the rhetoric of the speeches and media comment of the Commonwealth leaders, they may bow to British pressure. Others also argue that an element working against Mulroney's sanctions stance is the question of how much his wings are being clipped by opposition from his own conservative causcus — the target in recent months of powerful South African government messages.

Recently parliamentarians were sent a video narrated by Canadian journalist Peter Worthington which claims to look at the methods used by the ANC in its fight against Pretoria. The video, which has been seen by the *Weekly Mail*, is selective in the facts it uses and juxtaposing images and quotes in a manipulative manner.

The commonwealth leaders are expected to issue a communique this weekend.

Israeli sanctions: Less drastic than they look

Special Correspondent, Jerusalem

DETAILS of Israel's sanctions package against South Africa have not been officially released but the measures may not be as far reaching as they seem.

Israel will continue to import the South African coal on which it is dependent, and it appears that none of the sanctions measures will have an impact on the large private diamond trade which makes up a significant proportion of the trade between the two countries.

Most likely to be affected are sporting and cultural ties.

There have been strong pressures in Israel not to impose sanctions against South Africa, particularly from the Likud Party. The left-wing of the Labour Party, on the other hand, has been pushing especially hard for effective sanctions. And now it seems they've succeeded.

But the fact that the Israeli cabinet did manage to reach agreement on Wednesday on the sanctions package, and apparently agreed so easily, may indicate that the measures are more declarative than substantive. In practical terms, some of them have already been implemented.

The package was put together by a team headed by Foreign Ministry director-general Yossi Beilin, a Labour Party left-winger appointed 10 months ago. He was mandated to flesh out the cabinet's decision, taken about six months ago, to impose sanctions on South Africa along the lines of the European countries.

The measures are said to include:

- A freeze at present levels of imports of South African iron to Israel (Israel has been importing pig iron)
- A ban on the export of Israeli oil and oil chemical products to South Africa
- A ban on Israeli private investments in South Africa
- A ban on third party transactions
- A ban on government loans to South Africa
- A ban on the promotion of Israeli tourism to South Africa
- A ban on the purchase of Krugerrands
- A reduction in scientific cooperation between the two countries which, at the moment, is wide ranging
- Discouraging sporting and entertainment ties.

The cabinet also decided to set up a special fund to finance the training of South African blacks in Israel.

Also, there is already a ban on official visits to South Africa.

And Defence Minister Izhak Rabin recently agreed that Israel would not renew any existing military contracts with South Africa, nor would it sign any new ones. But wide ranging existing contracts are still in force.

The new measures are unlikely to have an impact on trade between the two countries, other than iron and oil. The value of Israel's exports to South Africa (excluding diamonds) was $120-million (about R240-million) last year while imports was $80-million. The size of the diamond trade is unknown.

- In Johannesburg yesterday the SA Jewish Board of Deputies and the SA Zionist Federation reaffirmed their opposition to sanctions against South Africa.

UK shies from sanctions

By HELLA PICK, London

BRITAIN has signalled its refusal to become involved in further sanctions against South Africa by again isolating itself on the issue from the rest of the Commonwealth. This emerged during a strategy discussion at Lancaster House, intended to keep alive the Commonwealth effort to promote a negotiated end to apartheid.

Under the chairmanship of the Canadian High Commissioner, Commonwealth representatives and senior British officials last week finalised a still confidential report on Southern Africa, which will shape the debate and recommendations of the Commonwealth leaders when they meet in Vancouver in mid-October.

While there was much common ground, Britain repeatedly intervened in the discussion to ensure that it would not be associated with the sentiment expressed in the report that "comprehensive mandatory sanctions would be the quickest way to bring Pretoria to the negotiating table".

"With the exception of Britian," the amended report now underscores, the rest of the Commonwealth stands ready to press for the wider application of the sanctions it has already adopted.

Britain joined with the others in accepting the fact that the African frontline states, including militants like Zambia and Zimbabwe, were simply too poor and too exposed to Pretoria's retaliation, to be in a position to adopt further sanctions against South Africa.

The burden for "compelling" Pretoria to the negotiating table lay with the less vulnerable members of the international community. To most of the Commonwealth, such compulsion implies sanctions.

Again, Britain succeeded in watering down this commitment. The original draft concluded that "the responsibility to act against apartheid through economic measures falls on those beyond the Southern Africa region." But the final version no longer alludes to sanctions, and talks vaguely of "effective action to secure fundamental change in South Africa."

Britain is much happier with the emerging Commonwealth consensus that the international community must act more decisively against South Africa's efforts to destabilise the frontline states, and to help these impoverished countries to reduce their economic dependence on South Africa.

The Commonwealth report agrees that the security needs of the frontline states must be addressed if international assistance is to be effective.

Zambia and Zimbabwe, concerned that Commonwealth attention might be diverted from the need to put more pressure directly on South Africa, insisted on recognition that assistance to the frontline states "must not be seen as an alternative to action against South Africa".

● Zambia's President Kenneth Kaunda says he will urge increased pressure on South Africa when he meets Reagan in October. — The Guardian.

18-24/9/87 280 w/there

Bill to stop tax evasion

CAPE TOWN — Tax avoiders had been exploiting tax havens on South Africa's doorstep to such an extent that it had become essential to close the loopholes in order to stop the substantial erosion of South Africa's tax base, the Deputy Minister of Finance, Mr Kent Durr, said yesterday.

Introducing the second reading debate on the Income Tax Bill — which puts into effect proposals made in the main budget — he said the thrust of the Bill was the closing of loopholes which had been created because the tax jurisdictions of the TBVC states, Botswana and Swaziland had been moved away from South Africa's.

This had provided favourable tax havens on South Africa's doorstep and within the Rand monetary area.

"The tax experts have been exploiting these loopholes to the full and the stage has been reached where it is essential to take active steps to stop the substantial erosion of our tax base," he said.

The treasuries of these states had not been enriched by the loopholes and the only real winner was the tax avoider, Mr Durr said.

Representatives of the TBVC countries had been told that the loss of revenue, resulting from the many schemes in operation, was so large that it could no longer be tolerated.

In the debate, speakers from all parties welcomed the legislation and the Bill was read a second and a third time. — Sapa

ARGUS 24/9/87 280

Black US coalition rejects sanctions

The Argus Foreign Service

WASHINGTON. — A coalition of black American religious leaders, said to represent seven million church members, has urged President Reagan to keep American businesses in South Africa to help prepare blacks for a post-apartheid era.

Just a few days before the President is to report to the United States Congress on the effectiveness of economic sanctions, the leaders told Mr Reagan that the call for disinvestment was a failed tactic and a practical disaster.

In a letter to the President the coalition said: "We believe that our churches must stay in South Africa and work to help the oppressed.

"We are convinced that American business has a necessary and strong role to play in providing the training and experience black South Africans will need to manage that country in a post-apartheid era."

The letter was signed by Bishop Richard Fisher, head of the AME Zion Church in St Louis, Missouri. The coalition he leads is supported by black educational and business leaders.

Contrast

Their stance on South Africa is in sharp contrast to that of many black leaders here who are pressing for tougher action against Pretoria.

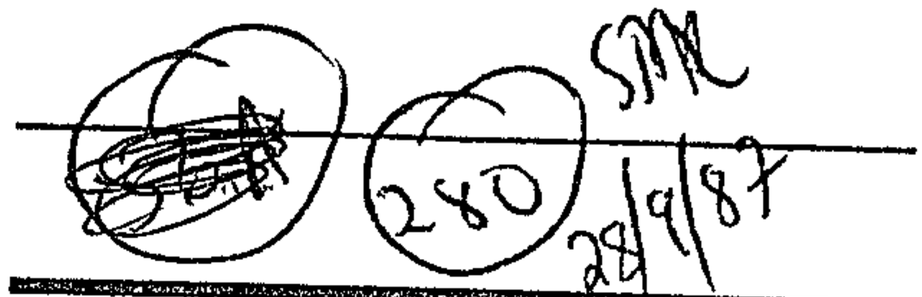
"I don't think anyone believes that the Japanese, the Germans or the British are going to be fully committed to the interests of black South Africans when there is little pressure for them to do so," Bishop Fisher wrote.

In his report President Reagan is expected to express disappointment at the slow pace of reform in South Africa but to argue that further sanctions would not advance US aims in the country.

It is almost certain to spark off bitter denunciations of Reagan policy by liberals in Congress, but there are signs that the liberals will not be able to move serious sanctions legislation through Congress this year.

However, a group of 11 liberal Democrats this week introduced a Bill seeking US disinvestment from the South African oil industry.

A leader of the anti-apartheid group, Mr Howard Wolpe, warned that sentiment for sanctions was ebbing and said: "Weakening sanctions in the face of South African intransigence will only encourage the Afrikaner minority in its fantasy that it can hold on to monopoly power indefinitely, free of mounting economic costs or deepening international isolation."



EC states slack on sanctions

The Star's Foreign
News Service

BRUSSELS — A dossier of statistics suggesting that European Community member states have failed to enforce their own trade sanctions against South Africa is to be presented to the Danish Government, currently in the chair of the EC Council of Ministers.

The figures show that member states like the United Kingdom and West Germany continued to import iron and steel products from South Africa, 10 months after they agreed to restrict them.

The steel ban agreed in Septembe 1986 affects only some 40 percent of the total EC iron and steel imports from South Africa, including items such as pig iron, cast iron, steel plate, billets, slabs, bars and rods. Ferro-alloys, for example, are exclud ed.

British officials denied there was any evidence of UK importers disregarding the ban, suggesting that the continuing imports must be coming in under long-term contracts signed before the trade sanctions were agreed.

Mr Alan Metten, one of the MEPs involved, rejected the suggestion on the grounds that the normal duration of such contracts was only six months.

Deadline looms for Swedish trade ban

NORMAN SHEPHERD

SWEDISH trade with SA is set to fade away from Thursday, hitting agents and subsidiaries.

In the run-up to the October 1 deadline for the implementation of a total trade ban, 10 companies have been forbidden to supply SA.

And three other Swedish companies, said to account for 50% of Sweden's trade with SA, could join the list on Thursday, said Swedish Legation Minister Jan Lundvik.

Applications for exemption from the ban have been rejected for: Nitro Nobel (for trading with Sasol), carton-paper exporter Oppboga, Tyloe Sauna, quartzite exporter Spenser Forskhame, multinational ball-bearing manufacturer SKF, Kasco Nobel (exporter of elements for emulsion explosives), axe exporter Homenf Bruk, motor saw and equipment exporter Electrolux, packing wire exporter Pacwire, and dairy equipment exporter Alfa Laval.

The three major firms whose fate is uncertain are mining equipment suppliers Atlas Copco, Sandvik and Secoroc.

Quoting the TT-A news agency, Sapa reported there was speculation in the Swedish Press that the three would get exemptions from the ban because their withdrawal would strengthen SA company Boart and the government.

Sanctions out, say SA miners

MIKE ROBERTSON

LONDON — A new survey released yesterday has found that two-thirds of black South African coal miners do not want sanctions.

The survey was carried out among 1 004 coal miners in SA in June and July this year.

It was commissioned by the German Africa Foundation (GAF) in Bonn, carried out by the IMS Institute in Johannesburg and evaluated by Emnid Institute in West Germany.

While the abridged version of the findings gives no indication that the survey was carried out exclusively among black miners, Robert Swain of the office of the SA coal industry in London said the full version made this clear.

GAF President Karl-Heinz Hornhues said the survey was commissioned after a debate on coal sanctions against SA in the Bundestag.

In the debate, sanctions proponents had claimed opinion polls would show that most blacks were prepared to accept sanctions and the related sacrifices.

Hornhues said: "For those who regard sanctions as the 'magic cure' with which to end apartheid, the findings might give rise to a rethink, a reassesment of their position on the matter. The argument that blacks accept sanctions and are prepared to bear the resulting sacrifices can no longer be advanced in this form."

Other findings in the survey were that:

- One-third of those interviewed would support sanctions if they were to finally lead to the downfall of the SA government;
- If sanctions were to lead to the fall of the SA government, but also to a loss of jobs, only 26% of coal miners would support them;
- A total of 79% of those interviewed felt sanctions would mean the risk of losing their jobs.

Only one-third of those interviewed were familiar with the term sanctions.

The survey also found that 72% were in favour of a system of goverment in which blacks, whites and other groups shared power on an equal-rights basis, and the same percentage rejected violence as a means of bringing about that government.

Chief's sanctions call

STEPPED up sanctions against South africa would lead to an ever greater swing to the right in white politics, Chief Gatsha Mangosuthu Buthelezi warned East German MPs in Durban at the weekend.

And this was precisely what the revolutionaries wanted, the KwaZulu Chief Minister and Inkatha President said

He was speaking to a group which included Dr B Hirsch and Mr G Baum, who are parliamentary members of the Federal Democratic Party, Mr D Sasse, the West German Consul-General in Durban, and a representative of *Der Spiegel* newspaper

Chief Buthelezi said his message for the West was that apartheid was doomed and that those involved in the struggle for liberation within South Africa had the "historic responsibility" of bringing about its final eradication in such a way that there was a future worth having.

This could be achieved only through the politics of negotiation which would have to involve the government and all those who opposed it.

"There has been a swing to the right in white politics and the more sanctions there are and the more violence there is, the greater that swing will become," he told the West Germans.

"This actually suits revolutionary organisations The less hope there is in South Africa, the more the revolutionaries gain ground The tougher the West deems it necessary to act against South Africa, the more easily revlutionaries find additional support in the international community"

● The migratory labour system made the responsibility of women crucial in the building up of the South African nation, Princess Irene Buthelezi, said in Ulundi yesterday

She was addressing a Salvation Army women's rally which was also attended by her husband, KwaZulu Chief Minister Mangosuthu Buthelezi

It was the migratory labour system which led to so many women having to bring up their children alone, Princess Irene told the rally

In some cases fathers sent their wives money to help in this, but it was the woman who had to see that the money was stretched to its limits



Farewell Peter

SINGER Desiree Baird (left) and music and voice trainer Rene Frangs were in tears at the funeral of Stimela's promoter Peter Kunene, who died last Sunday in a car accident. He was buried on Saturday.
Pic MBUZENI ZULU

Labour updates

edited by Themba Molefe

JCI must prove 'wild' claims — NUM

JCI management should prove in detail its 'wild' accusations that 33 miners at 13 gold mines were murdered for defying the miners' strike, the



Bodies have been found in swamps, on the roadside, in residential areas and in the veld

JCI's general man-

Potwa taking Post Office to court

A LEGAL battle is looming between the Post and Telecommunication Workers Association and Post Office management as the union this week takes the authorities to court over the re-employment of workers after a recent strike.

Potwa has accused management of failing to comply with the agreement signed on September 3 when settlement to end the three-month strike was reached

It said that at most plants throughout the

out of a total 84 were told to start work immediately

Potwa president Mr Vusi Khumalo said at the weekend that the union's lawyers were preparing papers with a view to taking management to court for breaching the agreement.

The agreement stated that those Potwa members engaged in the

detention at the time of signing the agreement would be entitled to reapply for their jobs

Potwa said some workers were made to take oaths denouncing Potwa when they went to reapply for their jobs

About 1 300 out of the 20 000 workers who were out on strike have been re-employed, according to Potwa estimates.

280 29/9/87

Why US Act on SA has failed

NEW YORK — One o the most telling signs that sanctions against South Africa have not even begun to prove effective is that black organisations that originally supported them have begun to change their position, says the US magazine *Time*.

After one year of US government anti-apartheid measures — the comprehensive Anti-Apartheid Act — designed to force major changes out of the Botha Government, South Africa's whites "have neither chosen the carrot nor suffered the stick" says a report in the magazine.

The Government has undertaken none of the political changes specified in the Act, and the South African economy has not endured any major setback as a result of either US sanctions or punitive measures by 27 other countries.

Large chunks of South Africa's vital export economy, particularly gold sales, have proved to be relatively invulnerable, says *Time*.

Although the Congress of South African Trade Unions (Cosatu) has called for even stronger comprehensive sanctions that would include a total embargo on trade, investment and travel, it has also concluded that the current selective sanctions can have serious negative consequences for workers.

That, says *Time*, is the argument long employed by opponents of such measures

The magazine says that in view of the US Administration's past record, this week's annual review to assess the effectiveness of the action by Congress is not expected to contain a call for making the sanctions any tougher, even if it deems the measures have been unsuccessful.

"But there is little sentiment in Congress to abandon a programme that passed amid bitter debate and provided at least the appearance that the US was doing something about apartheid."

— Sapa

US sanctions didn't work — says magazine

NEW YORK — One of the most telling signs that sanctions against South Africa have not even begun to prove effective, is that black organisations that originally supported them have begun to change their position, the US magazine, Time, said.

After one year of the US Government's anti-apartheid sanctions measures — the comprehensive Anti-Apartheid Act designed to force major changes out of the Botha government — South Africans have "neither chosen the carrot nor suffered the stick".

The government has undertaken none of the political changes specified in the Act and the South African economy "although limping in spots" has not endured any major setbacks as a result of either US sanctions or similar punitive measures imposed by some 27 other countries.

Although the Congress of South African Trade Unions (Cosatu) has called for stronger comprehensive sanctions, including a total embargo on trade, investment and travel, it has also concluded that the current "selective sanctions" can have "serious negative consequences" for workers.

Time said in view of the US Administration's past record, this week's annual review to assess the effectiveness of the action is not expected to contain a call for making the current sanctions any tougher. — Sapa

Trade curbs against SA ignored

BRUSSELS — A dossier of statistics suggesting that EEC member states have failed to enforce their own trade sanctions against South Africa is to be presented to the Danish Government, currently in the chair of the EEC Council of Ministers.

The figures show that member states like the United Kingdom and West Germany continued to import iron and steel products from Sout steel products from South Africa, 10 months after they agreed to restrict them.

The steel ban agreed in September 1986 affects only some 40 percent of the total EEC iron and steel imports from South Africa, including items such as pig iron, cast iron, steel plate, billets, slabs, bars and rods. Ferro-alloys, for example, are excluded.

Joke

British officials denied there was any evidence of UK importers disregarding the ban, suggesting that the continuing imports must be coming in under long-term contracts signed before the trade sanctions were agreed.

Mr Alan Metten, one of the MEPs involved, rejected the suggestion on the grounds that the normal duration of such contracts was only six months.

"The boycott is a joke," he said. "Governments are breaking their own agreements."

More jobs in spite of export loss — Seardel

ARGUS 30/9/87

By TOM HOOD, Business Editor

SANCTIONS hit overseas sales by the giant Seardel Investment Corporation, the country's largest clothing manufacturer, reports the chairman, Mr Aaron Searll.

"Export turnover has dropped quite significantly," he says in his annual report.

"Strenuous efforts are continually being made to replace this business."

As the clothing industry recovered from the recession, the group's number of employees increased for the first time in several years in the 12 months to June 30.



Mr Searll

The group now employs about 14 100 people, of whom 12 500 are employed in production. Managerial and administration number 900 and promotion and sales staff total 700.

Where possible, disabled people were employed in suitable jobs, said Mr Searll.

The group's wage bill came to R102-million.

Success in dealing with union and labour problems was largely achieved as a result of a change in management style which accepted the challenge of implementing and administering justice and democracy in the work place.

"This is no easy task and cannot be achieved overnight. It is rather the beginning of a commitment towards an ongoing process which will form the basis of our industrial relations policy in the years ahead," he said.

Soviet's nuclear vote aimed at keeping pressure on SA

BD 11/10/87

UNITED NATIONS — The Soviet Union blocked a move to expel South Africa from the International Atomic Energy Agency (IAEA) to keep pressure on Pretoria against developing nuclear weapons, a Soviet diplomat said.

The deputy Foreign Minister, Mr Vladimir Petrovsky, said the Soviet manoeuvre at last week's IAEA annual meeting in Vienna did not represent any easing of his country's opposition to South Africa's apartheid policy of racial segregation.

The delegates to the IAEA meeting voted to postpone an attempt to oust Pretoria after the Soviet Union and the East bloc refused to back the move.

Western nations opposed the proposal, saying it was political and had no place on the agenda of an agency focused on technical standards.

Mr Petrovsky called on South Africa to sign the 1970 Non-Proliferation Treaty and he urged the United States to pressure Pretoria to sign the accord. — Sapa-RNS

How do you catch cancer? From a fire 30 years back



Flashback to the Windscale fire clean-up operation of thirty years ago.

Cancer was the last danger on Les Jenkins' mind when he was called in to help douse the blaze at a nuclear plant. Thirty years later, he's regretting it. By CHARLES SEARLE

WHEN Les Jenkins was told he had multiple myeloma, he hadn't a clue what the hospital consultant was talking about. It was only when, confused, he asked how he had caught it and the consultant replied. "How does anyone catch cancer?" that he grasped what was wrong with him.

The answer to the consultant's rhetorical question was the Windscale fire of 1957.

Jenkins had been one of 50 men bused from the United Kingdom Atomic Energy Authority's Capchurst plant to clear up the radioactive mess after a human error and technological malfunction had sparked off an inferno which raged for four days.

The consultant gave him eight years to live "with no guarantees either way". That was in 1980. On the train back from the hospital to his home in West Kirby, Les sat in an empty carriage and "cried like a child". He had just turned 48.

It is hard to credit in these days of nuclear disillusionment but all the men volunteered to go to Windscale: "You've got to remember that it was all different then. It was the dawning of the nuclear age, the bright new future of clean energy and no electricity bills ... when the SOS went out from Windscale, we felt a sense of duty and responsibility. It was a bit like when you hear of a ship in distress, you don't question it, you just go."

When they arrived at the disabled plutonium pile, the fire had just been extinguished. But the personnel from Windscale tackling the clean-up operation had already been "grounded" by high doses of radiation and had had to be withdrawn from the active area. The contingent from Capenhurst were to take their place.

In the panic to render the reactor safe, normal working practices went by the board, a fact which was to be crucial when Jenkins came to proving his case for compensation.

"While we were evacuating the fuel rods, all we wore were plastic overalls. All these protected us against was the contaminated dust; they were useless against gamma radiation which can penetrate anything except thick lead shielding.

"When we were cutting up the fuel rods we only had white cotton overalls. They issued us with radiation film badges and a QFE to see how much radiation you were receiving over the course of a shift. One day the reading in my QFE went right off scale and my film badge turned black and its edges curled.

"I reported this to the foreman but he just said, 'Oh, they're all faulty'. He just threw them in a drawer.

"And all the time the radiation alarms were going beserk. But no-one was taking any notice. They just didn't give a toss for health and safety. Their attitude was let's get this bloody pile safe and then we'll worry about the consequences."

When the clean-up was finished the men from Capenhurst were given a collective pat on the back and extra "disturbance" pay. There was no debriefing and no medical checks.

Twenty-seven years later, during which time he had left Capenhurst, trained as a watchmaker and then lost the sight of his left eye and with it his job through encroaching illness. Jenkins decided to take out legal action for compensation. What he hadn't reckoned on was that British Nuclear Fuels Ltd, who had taken over from the UKAEA, were to prove an even more formidable opponent than the Windscale fire itself.

BNFL refused to acknowledge that a Les Jenkins had worked at Capenhurst — he had been there five years — and therefore couldn't have been at Windscale in 1957.

When a local newspaper took up the cause and unearthed a colleague who had shared his shift at Windscale, the company conceded that he had been there. Next, BNFL produced a curious set of radiological readings for Jenkins' time at Windscale which showed that he couldn't have received a high enough disage to account for his cancer.

Given the discarded film badges and non-existent health and safety standards at the time these records did not stand up to inspection.

BNFL then got down to the business of setting a price on the cancer... After 25 months of tough negotiation a figure of £30 000 (about R100 000) was settled out of court BNFL reserved the final humiliation to the last. They got Jenkins to sign a document stating that the settlement was not proof that his illness had been caused by the fire and that any further claims he might have against the company should his health deteriorate had now ceased.

With the illness growing worse his marriage collapsed under the strain. Now he lives on his own, surviving on £46 a week and spending one out of every four weeks wired up to drips in a Liverpool hospital.

But the spirit which sent him to Windscale in 1957 has not been extinguished. On October 10 he will be returning to the scene of the accident to participate in a commemoration ceremony organised by anti-nuclear group Cumbrians Opposed to Radioactive Environment.

"The Windscale fire only gave us the smallest glimpse of what could happen if one of the larger reactors went up. We have to stop them now" — The Guardian, London

Mugabe puts his [illegible]

FOR SUBSCRIPTION II

German sanction poll not scientific — NUM

JOHANNESBURG — The National Union of Mineworkers has rejected a survey which found that two thirds of black South African coal miners do not want sanctions.

The survey, commissioned by the German African Foundation (GAF) in Bonn after a debate on coal sanctions, was carried out by the IMS Institute here.

Sanctions supporters had claimed opinion polls would show that most blacks were prepared to accept sanctions and the related sacrifices.

A spokesman confirmed the NUM's commitment and support to comprehensive and mandatory economic sanctions and said that this view was based on opinions canvassed on a democratic basis throughout the union.

The assistant general secretary, Mr Marcel Golding, said the NUM's position was adopted at the congress in February.

"The union's position is quite clear and there can be no dispute that the NUM represents the interest of black coalminers in South Africa."

Mr Golding said the sanctions campaign subscribed to by the NUM and the Congress of South African Trade Unions (Cosatu) was a "general and not an isolated campaign".

He said the union was not aware of any research and as the survey's findings were based on information gained from a select sample, they were not scientific. — DDC

US indaba shambles

IN just a few hours this week, a major American conference on "South Africa in transition", intended to bring together a wide range of people to discuss post-apartheid South Africa, became an exhibition of antagonism and division. W.J. Meil

About 150 South African, British and American delegates had gathered in White Plains, New York, to spend three days talking about "the process and prospects of a transition to non-racial democracy in South Africa".

Before the conference even began, the main topic being discussed was not change in South Africa but the fact that many of the keynote speakers had either not arrived or withdrew after arrival 280 2-8/10

American anti-apartheid and labour groups had withdrawn before the conference started because of allegations that the organisers were secretly linked to the anti-sanctions campaigns run by US companies. It was also announced that the ANC would no longer be participating in the gathering.

Gray aims to expand sanctions and boost black union power

3/10/87

The Star Bureau

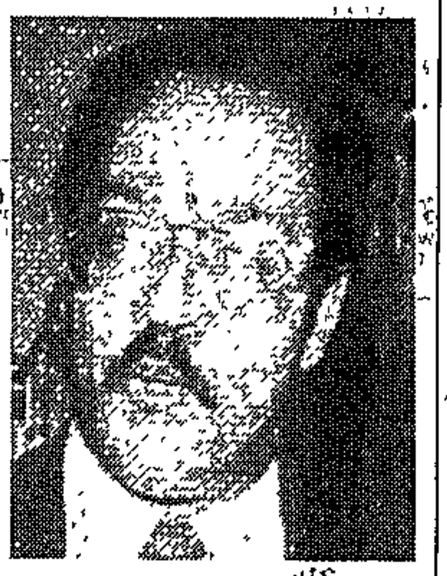
WASHINGTON — A key American lawmaker in the South African sanctions debate has signalled his intention to expand those measures and boost the power of South Africa's black labour movement.

Congressman Bill Gray of Philadelphia said he would keep pushing for stronger economic sanctions until apartheid was dismantled.

His standing in the 23-member Congressional Black Caucus and his influence as chairman of the House Budget Committee gave Mr Gray considerable sway in the sanctions debate on Capitol Hill a year ago where he emerged as a leader in the House of Representatives' outrage at apartheid.

Mr Gray made known his broad goals as liberal Democrats on Capitol Hill prepared a glut of Bills proposing variations and combinations of sanctions against South Africa, going as far as total sanctions, for debate this month.

A spokeswoman for Mr Gray said he believed it imperative that Congress find a way to support those at the cutting edge of non-violent change in South Africa — black trade unions had been in the vanguard for change.



Congressman Bill Gray ... pushing for stronger sanctions.

"South Africa's unions are the key to meaningful reform in that racist nation," he said recently at a hearing he chaired on the black labour movement.

"The current state of emergency has forced many anti-apartheid groups underground. The unions increasingly are taking the lead ...", he added, saying they were filling voids left by those who were arrested, in hiding or in exile.

But Mr Gray would not say exactly what legislation he intended introducing to strengthen the unions' hand. He would also not specify yet what further sanctions he wanted imposed.

Reviewing the recent South African miners strike, Mr Gray said the unions, "the only legally recognised protesters in the country", had flexed their political muscles as the world looked on.

He said: ". . . as someone said, 'How do you take down a mountain? One rock at a time'. Hopefully, helping the labour movement will take down a rock."

come closer to the audi-
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tors with off-beat ideas
produced off-beat films.

Cape Times 2/10/87

Reagan to delay sanctions report?

Own Correspondent

WASHINGTON. — The White House is looking for ways to make President Reagan's report on sanctions more acceptable to Congress and could delay its release until next week.

This follows a private plea by Republican Senator Richard Lugar, the former chairman of the Senate foreign relations committee, to White House chief of staff Mr Howard Baker.

Mr Lugar is said to fear that without tougher criticism of SA, moderates might feel obliged to support the new series of sanction bills scheduled to be introduced next week.

By law, the report was to have reached Congress by midnight last night. The State Department has strongly advised against a delay arguing that it would be seen by Congress as an act of bad faith.

The debate in the White House is over the tone of the 24-page document, not the substance which is that Pretoria has failed to make progress to eliminating apartheid but further sanctions would not help.

Congressman Mr Steve Solarz, a prominent supporter of sanctions, told the White Plains conference on SA on Tuesday night that Congress would seek to impose comprehensive sanctions on SA before the end of the year.

The report, he said, "will set the stage for what will likely be the dominant issue for the rest of the year".

Mr Solarz's remarks caused consternation among the delegates, who include a leading SA businessmen, academics and Deputy Minister of Foreign Affairs Mr Kobus Meiring.

A White House spokesman said yesterday that United States sanctions against South Africa had failed and Britain's Minister of State for Foreign and Commonwealth Affairs, Mrs Lynda Chalker, said her government would oppose further sanctions at the Commonwealth Conference in Vancouver later this month.

She said sanctions would never be an effective way to promote change in South Africa.

In an interview in the latest issue of Inside South Africa, she said sanctions and disinvestment pressure may have satisfied a few politicians "but I have never thought they would be an effective way to bring about change, and they have proved not to be".

At the Commonwealth conference, the British government would take the view that "economic sanctions is not the way".

"We would prefer to see some assistance being given to developing a dialogue between the relevant parties in South Africa.

"At the conference we believe we must persuade member states to work for peaceful change in a way which will not create barriers for the future."

She understood the frustrations of Commonwealth members, especially among the frontline states, but "I think there is a gradual realization that economic pressures are not going to work, and this is what we have been saying all along".

(1280) STAR 2/10/87

Reagan is told to give sanctions more punch

By Neil Lurssen, The Star Bureau

WASHINGTON — On the eve of President Reagan's report to the United States Congress on the effectiveness of economic sanctions against South Africa, a bipartisan group of congressmen has appealed to him to strengthen the punitive measures.

The still secret report — whose contents were first disclosed in The Star a fortnight ago — will reject additional sanctions.

A letter signed by 33 congressmen, 16 of them members of the President's own Republican Party, said: "We are writing in the hope that we can avoid the kind of bitter and divisive conflict that has occurred in the past over policy towards South Africa.

"We want to work with you in an effective and bipartisan response to the tragic and dangerous situation in that part of the world."

The letter to the White House was in response to a speech made in New York this week by the US Secretary of State, Mr George Shultz, who told business leaders that sanctions and boycotts were not the best approach to solving South Africa's problems.

Little movement to reform

That speech and a more critical speech on South Africa last night by Assistant Secretary of State Dr Chester Crocker are viewed here as a precursor to President Reagan's report in which he will acknowledge that there has been little movement to reform in South Africa but in which he will reject further sanctions.

The report is due to be delivered to the Congress today.

Yesterday, there was speculation that the White House would try to delay the report in an effort to avoid a political squabble with the Senate.

The bipartisan group in the Congress has told President Reagan that the only way to encourage reform is to ..."implement the law by recommending stronger sanctions and lead an international campaign of economic and diplomatic pressure against apartheid".

Whether or not the pro-sanctions group will be able to force tougher measures through Congress this year is not clear.

Sanctions don't help — Crocker

The Star Bureau

WASHINGTON — No meaningful reforms had taken place in South Africa in the last year, the Reagan administration's top official on Africa, Dr Chester Crocker, said last night.

Addressing a conference on the country's future, he said Americans had oversold to themselves the effect economic sanctions imposed by Congress a year ago would have in changing South Africa.

"Sanctions are, I believe, yesterday's agenda, shown by today's events to be less helpful than they are injurious to the hopes of South Africans for tomorrow," he said.

Dr Crocker was speaking at a three-day conference at White Plains near New York.

Dr Crocker's speech was part of an effort by the Reagan administration this week to pre-empt further attempts in congress in the next few weeks to strengthen and expand trade measures against the Republic.

The South African Government's response to external pressure in the last year had provided no grounds for hope that sanctions would produce better results, he said.

Sanctions will not promote dialogue in SA — Chalker

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2/10/87

Political Correspondent

CAPE TOWN — Sanctions would never be an effective way to promote change in South Africa and Britain would oppose further sanctions measures at the Commonwealth Conference in Vancouver later this month.

This has been stated by Britain's Minister of State for Foreign and Commonwealth Affairs, Mrs Lynda Chalker, in an interview in the latest issue of Inside South Africa, which was released yesterday

She said sanctions and disinvestment pressure may have satisfied a few politicians in the countries which had applied them "but I have never thought they would be an effective way to bring about change, and they have proved not to be."

At the Commonwealth conference, the British Government would take the view that "economic sanctions is not the best way.

"We would prefer to see some assistance being given to developing a dialogue between the relevant parties in South Africa.

"At the Commonwealth conference we believe we must persuade member states to work for peaceful change in a way which will not create barriers for the future."

She understood the frustrations of Commonwealth members, especially among the frontline states, but "I think there is a gradual realisation that economic pressures are not going to work, and this is what we have been saying all along.

"What must be done is to get people to talk," Mrs Chalker said.

Britain had introduced some economic measures against South Africa but "this was done to send a political signal to the South African Government about the urgent need to bring about change in its policies.

"It is not our intention, however, to disrupt the South African economy, because that will do no one any good in the short or long term."

The release of Nelson Mandela and other political prisoners was undoubtedly a priority for getting people to talk together.

"With Nelson Mandela and the others freed, dialogue would flow far better.

"Wherever people are detained without charge or trial, or on political grounds, the potential for discussion, and for trust, is destroyed," Mrs Chalker said.

Fundamental change was needed and a new system based on trust and which safeguarded the rights of minorities would have to be developed.

"I believe this must begin with the early repeal of the Separate Amenities Act and the Group Areas Act. But the goal is the total abolition of apartheid."

Britain was determined to do all it could to help all parties in South Africa to begin dialogue but there was a limitation to what outside parties could do.

The Eminent Persons Group (EPG) was the closest mission to achieve anything.

"That was a real advance in dialogue, with agreement on a bilateral suspension of violence only hours away, and then the South African Defence Force went and bombed the frontline states."

She also said she knew some members of the South African Government placed a lot of value on the economic strangle-hold South Africa had over neighbouring states.

"We, however, regard that as a very destructive attitude, and we are opposed to it.

"We believe it would reduce tensions in the region for these neighbouring states to become more in control of their own destinies," Mrs Chalker said.

TRANSKEI

The letter of doom

FM 2/10/87.

Transkei Prime Minister George Matanzima has been on "sick leave." He's been aware of a letter, waiting for him in Umtata, from his Cabinet demanding his immediate resignation. The letter was read to Matanzima over the phone before his sudden departure last week. But before it could be delivered, he was on his way to Port Elizabeth for medical treatment.

The Cabinet consented unanimously to the letter at a special meeting last week, called to discuss disclosures that Matanzima had accepted a R1m bribe and paid R8m to Lebanese entrepreneur, Salim el Hajj.

The letter was signed by the Deputy Prime Minister, G T Vika. *He* was persuaded to resign the next day by Transkei soldiers. Five Cabinet ministers and two deputy ministers were induced to resign with Vika.

The letter formed the backdrop to a special meeting on Monday of the ruling Transkei National Independence Party. The meeting is understood to have given Matanzima until October 5, the day scheduled for an emergency party congress, to resign voluntarily or face ignominious dismissal.

The text of the Cabinet letter demanding Matanzima's resignation was disclosed to the *FM* by Major General Bantu Holomisa, Commander of the Defence Force.

It read: "Your Cabinet discussed at length and made an in-depth study of the unfortunate position surrounding your person. As a consequence of which study, your Cabinet has most reluctantly decided to request you to resign with immediate effect."

Holomisa (31) acknowledged that his soldiers had helped carry out the bloodless putsch against the ailing Matanzima's Cabinet. He justified their role as necessary to protect the State against corruption from within.

"The Transkei Defence Force is there to protect the structures of the Transkei State," he said. "If we see developments which could cause them to crumble, we have to take bold action." It was with that motivation that Transkei soldiers surrounded the homes of the eight Cabinet ministers and presented them with pre-printed resignation forms, he said.

Holomisa has emerged as a key actor in Transkei since March, when he was released from detention. He was detained in January on the orders of Matanzima himself for agitating against the presence in Transkei, as advisers to the Defence Force, of ex-Rhodesian soldiers under Major General Ron Reid-Daly.

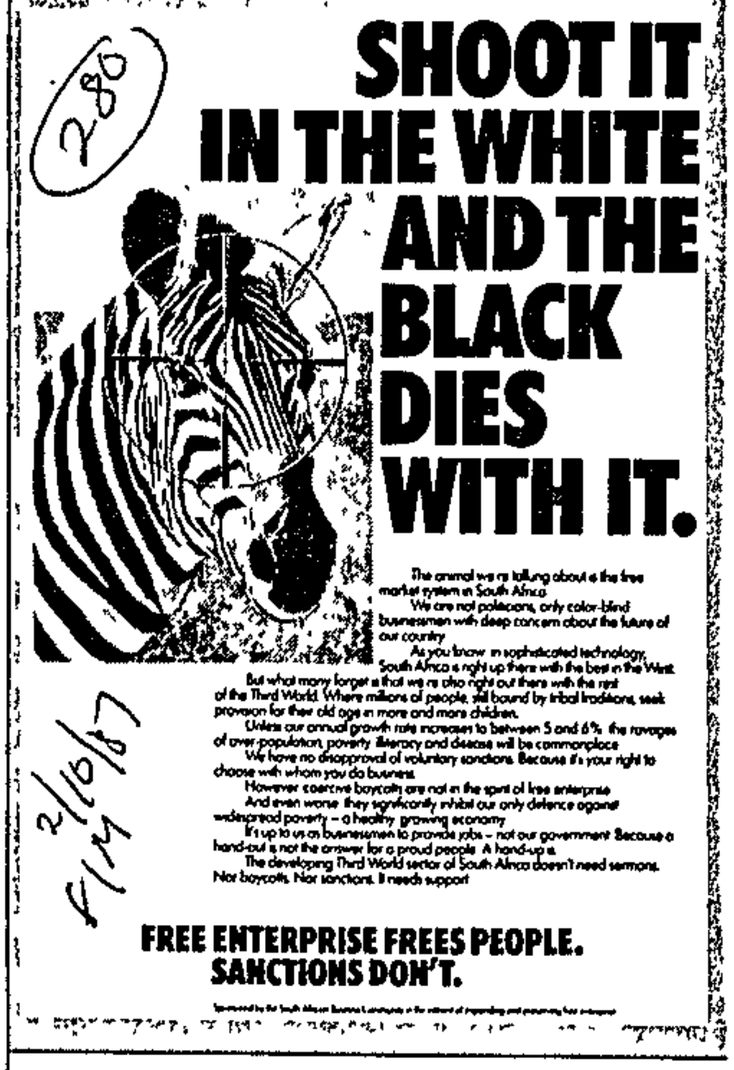
As opposition in the ranks of the TDF grew against the supervisory role of the ex-Rhodesian soldiers, Matanzima was forced to agree to the release of Holomisa, and then to the expulsion of Reid-Daly and his comrades from the Rhodesian bush war.

Holomisa was made Commander of the Transkei Defence Force, replacing the pro-Matanzima and pro-Selous Scout General Zondwa Mtirara. It gave him power and influence.

But so far he seems to have resisted the temptation to tip the balance in favour of any of the leading candidates — Finance Minister G S Nota, Posts and Telegraphs Minister Stella Sigcau and, more remotely, ex-President Kaiser Matanzima — competing to replace the all but ousted George Matanzima.

Looking ahead to the return of the recuperating Matanzima, Holomisa, who has repeatedly declared his loyalty to the government of the day, said: "If he doesn't want to resign, the politicians will have to decide what to do." ■

A group of about 20 prominent South African businessmen are placing full-page ads in the *Wall Street Journal* and the Canadian *Global Mail*. The first (costing US$43 000) appears this week after Reagan's report-back to congress on the Anti-Apartheid Bill. The message is clear: coercive boycotts are bad for free enterprise, and SA's developing Third World sector does not need sanctions.



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2/10/87 FM

White House: SA sanctions did not work

WASHINGTON — The White House said yesterday that United States sanctions against South Africa have not fulfilled their purpose of ending Pretoria's apartheid policies.

The assessment indicated that the administration will not ask for additional sanctions in a report to be submitted to Congress shortly.

"This administration is not going to say that sanctions haven't worked, so let's impose some more of them," a senior administration official said.

Under a law enacted last year, Mr Reagan is required to "recommend" additional sanctions if no progress has been made towards racial equality in the past year.

The existing sanctions are to remain in place until the president informs Congress that Pretoria has carried out several steps, including the release of Nelson Mandela and other imprisoned black leaders, the establishment of a timetable for eliminating apartheid and an end to military and paramilitary actions against neighboring black-ruled countries.

However, a White House spokesman said: "It is obvious to everyone that apartheid has not ended and the sanctions have not worked to the point of getting that direct result.

"So we are concerned about finding other ways to bring pressure on the Pretoria government."

He said the administration report, expected to be sent to Congress today, would analyse the sanctions.

Congressmen and aides said on Wednesday that a report seeking to continue the administration's six-year policy of encouraging change through quiet diplomacy would be unsatisfactory and efforts would be made in Congress to impose additional sanctions.

In a speech in New York on Wednesday, the US Secretary of State, Mr George Shultz, said that only South Africans could determine their country's future.

"Yes, we can be helpful. Yes, we can encourage change — and we must push ourselves to come up with innovative ideas for a new South Africa.

Senior administration policy makers have complained almost from the beginning that the imposition of economic penalties on South Africa was misguided.

US sanctions 'ineffective'

Capt. Times 3/10/87 280

WASHINGTON. — The United States President, Mr Ronald Reagan, said yesterday the year-old economic sanctions against South Africa that he opposed have had no effect on easing apartheid and only hurt black workers, as he predicted they would.

In a report to Congress required by last year's sanctions law, which was enacted over his veto, Mr Reagan said, "I regret that I am unable to report significant progress leading to the end of apartheid and the establishment of a non-racial democracy in South Africa."

The Minister of Foreign Affairs, Mr Pik Botha, said last night "Without going into details on President Reagan's sanctions report to the American Congress, . . it appears that President Reagan and his administration understands the reality of Southern Africa and, the report is being studied."

Mr Reagan said events in the past year provided "very little hope for optimism about the immediate future".

"South Africa is not any closer in late 1987 to respecting free speech and free political participation by all its citizens than it was one year ago," he said.

Calling South Africa "adept at evading sanctions", Mr Reagan said they "have had a minimal impact" on interrupting the country's trade, and where there has been an impact — in the coal and sugar industries — it has "caused hardship among black workers who are experiencing greater rates of unemployment"

Mr Reagan argued against sanctions last year on the grounds they could minimize American influence and would succeed only in harming blacks working for American-owned companies.

In spite of Mr Reagan's refusal to recommend additional penalties, the sanctions imposed by Congress will remain in place

As a result of American "disinvestment" from South Africa, which presidential spokesman Mr Marlin Fitzwater said has dropped by 50% since 1982, blacks have lost social, housing, educational and job-training programmes that had been provided by US firms.

When American companies sold to white owners, blacks were fired or laid off, Mr Fitzwater said.

An executive summary of the report said. "Because of the president's conclusion that the economic sanctions embodied in the 1986 act have not been effective in meeting the goals on which the Congress and the administration agree, and his conviction that additional measures would be counter-productive, the president recommends against the imposition of any additional measures at this time . . and continues to believe that the current punitive sanctions against SA are not the best way to bring freedom to that country."

While there has been some progress on the issue of "power sharing" and some "ferment in the white community" against apartheid, "what the United States needs now is a period of active and creative diplomacy — bilaterally as well as in consultation with our allies and with our friends in Southern Africa".

"The essence of this process is to state clearly what goals and values the West supports, rather than simply to reiterate what it opposes."

To that end, Mr Reagan will meet Mr Kenneth Kaunda, president of Zambia, next week the White House announced.

● **Simon Barber reports:** Partly in hopes of softening congressional demands to replace the act with a total trade and investment ban, Mr Reagan pulled no punches in criticizing Pretoria.

His nine-page report described "a continuing bleak situation for blacks . . . who face increased repression, harassment and — even in the case of a significant number of minors — imprisonment

"Press censorship has been intensified, and illegal cross-border raids by South African security forces into neighbouring countries have resulted in the loss of innocent lives."

The report laid particular emphasis on South Africa's regional "destabilization" programme, chronic "violation" of the Nkomati Accord and "the increase in unexplained deaths and disappearances of anti-apartheid activists throughout the region".

"SA forces have also been engaged in a variety of other largely covert efforts aimed at keeping their neighbours off balance and deflecting public attention away from the imperative of change at home"

Several positive developments were noted, including the Idasa-sponsored Dakar talks with the ANC, the "revolt" of the Stellenbosch academics, and "the increasing visibility of extra-parliamentary opposition".

Also cited were "hesitant, heavily qualified" statements from the cabinet concerning power sharing and the need to negotiate with black leaders.

The goals of the sanctions were to encourage the South African government to:

- Adopt reforms to establish a non-racial democracy
- Repeal the state of emergency and respect principles of equal justice under the law.
- Release Mr Nelson Mandela and other prominent political prisoners.
- Allow all South Africans to form political parties and express political opinions
- Establish a timetable for elimination of apartheid laws.
- Negotiate with all racial groups on the future political system
- End military and paramilitary activities against neighbouring states. — UPI

Arms, oil sanctions-busters: 'South Africans the experts'

The Weekend Argus Foreign Service

WASHINGTON — After years of dealing with arms and oil embargoes South Africans have become adept at sanctions-busting, President Reagan has advised the US Congress

The South Africans were being helped by their willingness to undercut competitors' prices, the quality of their products and the country's reputation as a reliable supplier, Mr Reagan said in a report on why he believed US sanctions were not working

"South Africa is a trading nation, which suggests that its economy would be relatively vulnerable to our sanctions Yet this is not necessarily the case," the President said.

Most SA export earnings came from sales of primary products — such as gold, other metals and minerals — that had a ready international market whether Americans chose to buy them or not

Available evidence showed that South Africa had been largely successful in developing new markets

Lower profit margins

"Although the sanctions voted by Congress in 1986 potentially affect a large percentage of SA industries, many still operate at capacity — albeit with somewhat lowered profit margins

"New export markets for SA agricuktural products, metals and textiles have been found in the Far East, parts of the Middle East and Latin America, and, most ironic, in the rest of Africa

"In fact, South Africa's trade surplus has risen, not fallen, since we and our major allies imposed trade sanctions last year."

However, the President noted, US sanctions had exacerbated already existing international market difficulties and chronic oversupply problems with products like sugar, coal and steel

South Africa was slowly recovering from the economic recession that began in 1981 — a recession which, in combination with sanctions, absence of business confidence and a decline in new investments, had been major factors in the country's poor economic performance.

And it was important to note that while the SA Government had avoided some of the effects of US sanctions in the short term, the long-term effect on unemployment and growth rates could be more serious

Economists predicted that South Africa's gross domestic product was likely to hover between 2,5 and 3,5 percent a year for the foreseeable future.

Yet studies indicated that an annual growth rate of 5 to 6 percent was needed to create jobs for the 350 000 workers entering the labour force every year

To the extent that US sanctions contributed to an economic slowdown, Americans would have contributed to unemployment hitting blacks hardest and to an erosion of prospects for blacks in the future once apartheid had ended, President Reagan warned the Congress

In fact, he added, economic growth was a major force for ending apartheid — with jobs and skills providing the base for trade unions and leading to improved educational possibilities

President Reagan also decried disinvestment by US firms, pointing out that the main impact of US disinvestment was to damage fair labour pro-



Mr Reagan ... South Africans adept at sanction-busting.

grammes and to concentrate even more of the country's wealth in white hands

The products and services of departing American companies remained generally available in South Africa, he said

Early opportunity to try 'creative diplomacy'

The Weekend Argus Foreign Service

WASHINGTON. — President Reagan will get an early opportunity next week to try out personally his new policy of creative diplomacy in bringing change to South Africa.

In separate meetings at the White House, Mr Reagan is to receive Mozambican President Chissano and Zambian President Kaunda.

While both of his frontline visitors will welcome in principle President Reagan's commitment yesterday to buttress South Africa's neighbours against destabilisation and economic decay, his rejection of further economic sanctions against Pretoria will get a much cooler reception.

Mr Reagan is now looking to America's principal partners in the Organisation of Economic Cooperation and Development — notably, Britain, West Germany and Japan — for support in his plan to strengthen the frontline states and to encourage South Africans of all races to sit down and thrash out a democratic, post-apartheid country.

The approach was given high-powered treatment in the United States this week — in public speeches by Secretary of State George Shultz and Assistant Secretary Dr Chester Crocker and yesterday in a report to the US Congress by President Reagan

Its central theme is that only South Africans can solve their own problems and the best that the US and its allies can do is to lend moral support to those who seek a just system by stating clearly the values that the West stands for.

In his "I told you so" report the President concluded that existing economic sanctions had not achieved their aims and that tougher measures were not the best way to bring freedom to South Africa.

His report — required by law in terms of the Comprehensive Anti-Apartheid Act of 1986 — was immediately rejected by spokesmen for liberal Democrats who described Mr Reagan as an "apologist" for the SA Government.

Most analysts here believe there is little chance that significant extra sanctions will move through Congress this year but they add that the situation could change if the SA Government carries out any action viewed as particularly repressive or brutal

President Reagan took a gloomy view in the report, noting that he could see little progress in ending apartheid.

But the sanctions imposed by the Congress had not helped, he pointed out. In the recent whites-only election the National Party tried to exploit a nationalistic backlash against foreign interference — and it worked, Mr Reagan said.

American sanctions were followed by an increase in ill-considered actions by the SA Government against its neighbours "aimed at keeping their neighbours off-balance and deflecting public attention away from the imperative of change at home".

Presidential election wind will blow out sanction fires

By PATRICIA CHENEY
Washington

DR CHESTER CROCKER, US Assistant Secretary of State and architect of the abortive policy of constructive engagement, has delivered his toughest attack yet against Pretoria.

The attack coincided with President Reagan's mandatory progress report to Congress on sanctions in which he argued the measures had not influenced Pretoria and further punitive steps would be pointless.

The tough line by Dr Crocker, long an advocate of a conciliatory line with President Botha's government, came in a keynote speech at a White Plains, New York, conference on South Africa this week.

His message to South Africans: Stop blaming others for your problems and start sorting them out yourself.

"On the one hand there is wounded pride and a sense of resentment when outsiders act or speak out or propose concepts for consideration.

"At the same time, every South African party appears to want intervention on its side and is quick to blame outsiders for their problems if that appears convenient.

Adolescent

"I think it is time for South Africans to accept their responsibilities, to recognise the limits of our role, and to stop this adolescent tendency to alternatively cultivate or scapegoat the foreigners who mean the country well."

Dr Crocker said the US was neither the cause of South Africa's problems nor its saviours.

It was extremely frustrating to hear Pretoria accuse the West of being naive, spineless and having double standards.

At the same time black South Africans and officials of other African states maintain that the West is supportive of apartheid.

Dr Crocker's stance coincided with President Reagan's report to Congress on the success of the sanctions imposed a year ago.

The report said sanctions had failed to influence the South African Government and he was not prepared to recommend tougher measures.

Fizzle

The stand is likely to spark another bitter round of opposition from pro-sanctions lobbies within the Congress.

The next round will start when Rep Howard Wolpe, chairman of the House Africa subcommittee, schedules hearings on the report.

He and his co-sanctioneers will push for tougher measures.

Legislation to completely cut off economic and diplomatic ties with Pretoria will be proposed, more hearings will follow and, if current predictions hold out, the matter will temporarily fizzle — the victim of a lack of congressional interest and the now-looming 1988 presidential election.

South African response to President Reagan's report has been muted. Foreign Minister Pik Botha welcomed President Reagan's "grasp of realities" but declined further comment until the report had been studied.

280 SAPA 5/10/87

Most Americans reject disinvestment — poll

NEW YORK — Despite South Africa's continued refusal to dismantle apartheid, most Americans still did not support a pullout of US businesses to protest at the racially discriminatory policies, according to a Media General-Associated Press poll.

Only 34 percent of the 1 223 respondents in the nationwide telephone poll said US businesses should stop investing or doing business in South Africa, while 49 percent opposed such action. The remaining 17 percent was unsure.

When the same question was asked in a Media General-AP poll two years ago, 28 percent supported a pullout, 50 percent opposed a withdrawal and 22 percent were unsure.

BLACK SUPPORT

Blacks were more likely than whites to support withdrawal from South Africa. Forty percent of blacks said US businesses should get out of the country, compared with one-third of whites.

Only 37 percent of blacks said businesses should stay compared with 51 percent of whites.

Respondents were asked to choose between two statements:

● US companies should stop doing business with South Africa because it is immoral to deal with a government that practises racial discrimination."

● US companies should not stop doing business in South Africa because to do so will economically hurt both the blacks and the whites."

While the poll found most people did not favour business pullouts, it also indicated that many Americans had no idea what US policy towards South Africa should be.

'STAY OUT OF IT'

Asked "In your opinion, what should the United States do next concerning South Africa?" Forty-eight percent did not know. Among those who had opinions, 18 percent said "Stay out of it" and ninr percent supported stronger economic sanctions. The rest were divided among dozens of answers.

The United States has already imposed limited economic sanctions on South Africa, but Mr Edward Perkins, the US Ambassador to South Africa, recently questioned the effectiveness of US sanctions and urged Western nations to "proceed with sensitivity".

Mr Perkins, who has said he believed apartheid would eventually be eliminated, also said that economic sanctions and other pressures applied by Western governments might serve to prevent rather than promote changes in South Africa. — Sapa-AP.

British, Europeans 'have doubts on sanctions'

280 B/day 5/10/87

KEY British and European officials and business leaders now have second thoughts about the effectiveness of sanctions, Assocom said at the weekend.

This emerged during Assocom's recent "goodwill mission" to Britain and Europe.

Assocom chief executive Raymond Parsons said: "While the forthcoming Commonwealth Conference and the review of the US

GRETA STEYN

Anti-Apartheid Act this month will be accompanied by the usual anti-SA rhetoric, it is likely that opinions will now be more sharply divided on the desirability of further measures."

The emphasis was expected to fall more on "unity on existing measures" and on "positive assistance" to SA's neighbouring states than on any new steps against SA.

Parsons said officials who had resisted sanctions, such as those in Britain, felt their stance had been vindicated by events.

However, this did not mean there should be complacency about sanctions, disinvestment or increased isolation.

"SA must continue to diversify its foreign markets and will have to utilise unconventional trading devices where necessary."

During Assocom's "goodwill mission", business co-operation agreements were signed with the French and Spanish chambers of commerce. Parsons said the agreements provided for the promotion of mutual trade.

An early benefit from the visit, Parsons said, could be more exchanges of trade missions to expand trade with France and Spain.

Chikane says black SA wants sanctions

JOHANNESBURG — Black South Africa is calling for quick, comprehensive and mandatory sanctions, the general secretary of the South African Council of Churches, the Reverend Frank Chikane, said here yesterday.

Mr Chikane's statement follows the United States President, Mr Ronald Reagan's, report to Congress where he recommended against any new sanction measures saying sanctions imposed by Congress a year ago had not changed the course of the South African Government.

Mr Chikane said a survey of political organisations "of the opressed people" of South Africa, trade unions and churches showed that "the majority of the popular voice" of South Africa wanted the world community to deprive the South African Government of international political and economic support by imposing mandatory sanctions.

This position was held by the Congress of South African Trade Unions, the National Council of Trade Unions, political organisations, churches and banned movements, he said.

He accused the US, the European Economic Community countries and the Commonwealth of not commiting themselves "strongly and effectively enough to remove apartheid from the world's conscience."

He urged these nations to "suspend the integration of the South African economy into the world economy." — Sapa

Majority against sanctions

NEW YORK — Despite South Africa's continued refusal to dismantle apartheid, most Americans still do not support a pullout of US businesses to protest against the racially discriminatory policies, according to a Media General-Associated Press poll.

Only 34 per cent of the 1 223 respondents in the nationwide telephone poll said US businesses should stop investing or doing business in South Africa, while 49 per cent opposed such action. The rest, 17 per cent, were unsure.

When the same question was asked in a Media General-AP poll two years ago, 28 per cent supported a pullout, 50 per cent opposed a withdrawal, and 22 per cent were unsure. — Sapa-AP

Cape Times 5/10/87

Bid to stop SA mines investing in US

From SIMON BARBER

WASHINGTON. — A bill has been introduced in Congress to bar South African mining companies from investing in the United States, opening yet another front for anti-apartheid activists. Anglo American is the principal target.

The move was triggered by Consolidated Gold Fields PLC's massive market intervention to save Newmont Mining Corporation from a take-over bid by corporate raider Mr T Boone Pickens.

The bill's sponsor, congressman Mr Mickey Leland, a prominent member of the congressional black caucus, said. "I don't think we should be extending South Africans the privilege of participating in our society."

Mr Leland and his supporters interpret Consolidated's intervention as "Anglo American's quest to gain direct control over Newmont".

Newmont has announced plans to become North America's largest gold producer.

Consolidated last month increased its stake in the company to 49,7%, buying $1,5 billion (about R3 billion) worth of stock in two days, to ward off a take-over by Mr Pickens's investor group, Ivanhoe Partners. Ivanhoe has sued to block the stock purchases which are currently being held in escrow, pending a judgment

According to the US Department of Commerce, direct South African investment in the US last year showed a net deficit of $19 million.

Anti-apartheid groups like Transafrica and the Africa Fund argue that this does not reflect Anglo's circuitous stake in at least 100 US firms.

Reagan stand 'slap in face'

LUSAKA — The African National Congress said at the weekend that President Reagan's recommendation against further US sanctions against South Africa was a "slap in the face" for the people of Southern Africa.

In a report to the US Congress on Friday, one year after the lawmakers passed a sanctions bill over his veto, Reagan said sanctions had not changed the course of South Africa's white minority government and recommended against any further measures.

The ANC, the main guerilla group fighting to end white dominance in South Africa, said in a statement from its headquarters in Lusaka that Reagan's comments were a "slap in the face for the millions of Southern Africa victims of apartheid".



REV Frank Chikane . . . call for sanctions.

Hurt

"The greatest hurt that the black South African workers suffer is that the Reagan Administration and its allies continue to treat their demand for effective sanctions with complete disdain and utter contempt," the statement said.

Meanwhile, Rev Frank Chikane, general secretary of South African Council of Churches, said black South Africa was calling for quick, comprehensive and mandatory sanctions.

Mr Chikane said a survey of political organisations "of the oppressed people" of South Africa, trade unions and churches showed that "the majority of the popular voice" of South Africa wanted the world community to deprive the South African Government of international political and economic support by imposing mandatory sanctions.

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Poll shows US is against pull-out

Own Correspondent

NEW YORK. — According to a poll here, most Americans do not support a withdrawal of US businesses from South Africa.

The Media General-Associated Press poll said that only 34% of the 1 223 respondents in the poll said US businesses should stop investing or doing business in South Africa, while 49% opposed such action. The rest, 17%, were unsure.

When the same question was asked in a Media General-AP poll two years ago, 28% supported a pullout, 50% opposed a withdrawal and 22% were unsure.

● Key British and European officials and business leaders now have second thoughts about the effectiveness of sanctions, Assocom said in Johannesburg at the weekend.

According to Assocom, this emerged during the organization's recent "goodwill mission" to Britain and Europe

Assocom chief executive Mr Raymond Parsons said. "While the forthcoming Commonwealth conference and the review of the United States Anti-Apartheid Act this month will be accompanied by the usual anti-South African rhetoric, it is likely that opinions will now be more sharply divided on the desirability of further measures"

He went on to say that the emphasis was expected to fall more on "unity on existing measures" and on "positive assistance" to SA's neighbouring states rather than on any new negative steps against South Africa.

Mr Parsons said officials who had resisted sanctions, such as those in Britain, felt that their stance had been vindicated by events.

'Goodwill mission'

However, this did not mean that there should be complacency about sanctions, disinvestment or increased isolation "SA must continue to diversify its foreign markets and will have to utilize unconventional trading devices where necessary."

During Assocom's "goodwill mission", business co-operation agreements were signed with the French and Spanish chambers of commerce Mr Parsons said the agreements provided for the promotion of mutual trade.

An early benefit from the visit, Mr Parsons said, could be more visits by trade missions to and from South Africa to expand trade with France and Spain

"These business contacts may well be low-profile and informal, but will nonetheless help to create a climate within which South Africa can expand its trade with France and Spain."

● The general secretary of the South African Council of Churches, Reverend Frank Chikane, said on Saturday that black South Africa was calling for quick, comprehensive and mandatory sanctions

Mr Chikane's statement came after President Ronald Reagan's report to the US Congress, in which the president recommended against any new sanction measures, saying sanctions imposed by Congress a year ago had not changed the course of the South African Government.

Mr Chikane said a survey of political organizations "of the opressed people" of South Africa, trade unions and churches, showed that "the majority of the popular voice" of South Africa wanted the world community to deprive the South African Government of international political and economic support by imposing mandatory sanctions.

Page 3

Many against pull-out

NEW YORK — Despite South Africa's continued refusal to dismantle apartheid, most Americans still do not support a pull-out of US business to protest the racially discriminatory policies, according to a *Media General-Associated Press* poll.

Only 34 percent of the 1 223 respondents in the nationwide telephone poll said U.S. businesses should stop investing or doing business in South Africa, while 49 percent opposed such action. The rest, 17 percent, were unsure.

When the same question was asked in a Media General-AP poll two years ago, 28 percent supported a pullout, 50 percent opposed a withdrawal, and 22 percent were unsure.

Blacks were more likely than whites to support withdrawal from South Africa. Forty percent of blacks said US businesses should get out of the country, compared with one-third of whites.

SA sanctions to take back seat

LONDON — Commonwealth leaders would agree to disagree over sanctions against South Africa when they meet in Vancouver next week, Sir Shridath Ramphal said yesterday.

Ramphal, Commonwealth secretary-general, was talking at a London luncheon to mark the unveiling of his report to the heads-of-government meeting.

He said that, instead, they would reach for common ground in other areas of their southern Africa policy.

MIKE ROBERTSON

One such area was enhancing the security of Frontline states in the light of SA destabilisation policies.

Ramphal said he believed the Commonwealth could reach an agreement of great political and practical effect on this issue.

"Today's overt and acknowledged SA

● To Page 2

Frontline security will displace sanctions talk

● From Page 1

aggression against Angola — presented in yesterday's terms as a service to the West (the one thing it certainly is not) — only heightens the urgency for such a response before the situation throughout the Frontline countries deteriorates irretrievably."

However, Ramphal warned against seeing aid to the Frontline states as an alternative to sanctions.

The view being given currency by some Western governments, that sanctions "were off the boil", was incorrect.

"Like most of the US Congress, most Commonwealth countries will reject the view that economic sanctions, including disinvestment, have been ineffectual or simply hurt blacks.

"They will recall their earlier warnings that the effect of sanctions will be diminished if they are not applied universally and genuinely — the fault lying not in sanctions themselves but their non-application by all who can apply them."

● See Page 5

Sir Ramphal officially reveals . . .

Sanctions freeze to be adopted in Vancouver

Daily Dispatch Correspondent

LONDON — Commonwealth secretary general Sir Shridath Ramphal has provided the first official indication that no new sanctions meaures are to be adopted against South Africa at at next week's heads of government meeting in Vancouver, Canada.

Sir Ramphal's views are contained in his report to the Commonwealth leaders which was released yesterday.

The report is in line with the view expressed by senior western diplomats that the sanctions bandwagon, which really began to gather momentum at the Commonwealth summit in Nassau in 1985, will be side-tracked in Vancouver.

Rather, the Commonwealth is set to follow the British example by switching the emphasis away from the questionable use of sanctions as a litmus test for support or opposition to the South African government to practical measures to support "victims of apartheid"

This last description relates, in particular, to the Frontline States, which are set to receive unprecedented economic and military aid.

In a key section in his report, Ramphal says: "The Commonwealth and the rest of the international community must work for the universal and strict enforcement of the sanctions which are already in place"

This is in strong contrast to his report to the Nassau conference which outlined a list of selective sanctions — subsequently adopted by the Commonwealth, with Britain dissenting in some cases.

Sir Ramphal, who in 1985, called on the Commonwealth to be "in the vanguard of the final push against apartheid", now accepts he was being overly optimistic in his perception of both the role the Commonwealth could play and the time frame

He now says: "It is only Pretoria that can end apartheid and turn towards a dialogue for freedom and democracy"

Later, he says: "The citadels of racism are not about to crumble; President Botha has crossed no Rubicon."

However, Sir Ramphal says the Commonwealth must see President Botha's "apartheid is outdated" statement as a point of departure.

"Even lip service to the principle of change is evidence that pressure has its effect."

Significantly, he does not elaborate on what he means by "pressure".

This contrasts strongly with the 1985 report when the word was taken to equal sanctions.

Pointing to a change in emphasis away from sanctions to supporting Frontline States, Sir Ramphal includes separate sections on countering destabilisation, and Mozambique in his report

In a plea for "maximum international support" for Frontline States, he says.

"Pretoria works on the assumption that apartheid can survive in South Africa if the rest of Southern Africa is made so impotent as to be unable to assist in the struggle against it.



SIR RAMPHAL

"In these Frontline States, development and defence are now interrelated and mutually supportive.

"Development efforts simply cannot succeed while South Africa intensifies its threat to the rail, road and transport links to the SADCC countries.

"Upholding their territorial integrity has become a concommitant of economic assistance."

On Mozambique, Sir Ramphal says the urgent need to relieve the current famine is superimposed on its special need for security assistance, which requires a special commitment from outside the African continent.

Britain will resist call for more sanctions

CAPE TOWN — Britain will resist calls for further sanctions against South Africa at the Commonwealth summit in Vancouver which starts on Friday, says British Deputy Foreign Secretary Mrs Lynda Chalker.

But Britain expected nothing less than the total abolition of apartheid and its replacement by a democratic system, she said in an interview with Peter Younghusband for the news analysis magazine *Inside South Africa*, published in Cape Town.

Sanctions or disinvestment were not the only solution to the situation in South Africa, she added.

"I understand the growing frustration — especially among the Frontline states. But there is a gradual realisation that economic pressure is not going to work. What must be done is to get people to talk together."

Asked how this could be achieved, Mrs Chalker said the release of political prisoners was a priority.

"With Nelson Mandela and the others freed, dialogue would flow far better." — Sapa.

● See Page 15.

Anti-apartheid lobby to resume fight next year

Plan to get tough on SA is shelved

By Neil Lurssen, The Star Bureau

WASHINGTON — Liberal Democrats and black leaders in the United States Congress appear to have shelved plans to stiffen economic sanctions drastically against South Africa this year, according to sources.

However, they will return to the issue with a vengeance next year when the basis of their assault on South Africa's economy will be punitive legislation already approved by the House of Representatives but not by the Senate.

This is a Bill introduced in the House by Congressman Ron Dellums of California and approved overwhelmingly by his colleagues last year before representatives of the two chambers in the Congress hammered out the compromise sanctions legislation now in force.

The Dellums Bill would virtually exclude South Africa from the United States economy, cutting off even strategic imports.

Analysts here believe the anti-apartheid lobby stands a better chance of ramming the Dellums measure, or at least large chunks of it, through the Congress next year.

It will be an election year when all the congressmen and one-third of the senators will be up for re-election. This means that black leaders will be able to exploit the South African issue by urging their followers to vote against politicians who do not support sanctions.

There has been a phenomenal growth of black voting power in key areas like the South.

In addition, there is a full legislative programme still to be completed this year, leaving little time for a debate on South Africa.

However, South Africa is not entirely off the hook in 1987. Among measures being considered is one that will ban South African mining interests from investing in United States corporations — a move seen here as an effort to block a sanctions loophole.

Liberals and blacks have also petitioned the United States government to stop the importation of uranium hexafluoride, a processed form of uranium not covered by last year's sanctions.

The anti-apartheid lobby is to outline its programme at a news conference here later this week. Speakers are expected to list reasons why the United States should act tougher in the absence of real reform progress in South Africa.

They are also likely to reject President Reagan's message to them last Friday that sanctions had not worked and would not work in the future.

Their argument will be that it should be no surprise that the sanctions were ineffective since they were mild in the first place and that, nevertheless, they should be given more time to show their effects before they are dismissed.

To support this view, formal hearings will be held on Capitol Hill later this month — probably October 20 — when expert witnesses will examine the sanctions and how South Africa has been able to get around many of them.

Sanctions 'help whites reconsider'

By Claire Robertson

WASHINGTON — President Joaquim Chissano of Mozambique told President Reagan yesterday that sanctions had "helped many white South Africans reconsider the apartheid system" and that President Reagan should not regret imposing them.

President Chissano revealed the content of his White House talks with Mr Reagan at a lunch with senior *Washington Post* editors.

He said he had told Mr Reagan "he should not regret that he had applied sanctions because he thought the sanctions might have hurt our interests in Mozambique".

"We informed him that South Africa is applying sanctions against Mozambique independently of the application of sanctions by any country against South Africa," he said.

Mr Chissano said he was in Washington to ask for an increase in food and development aid.

The idea that the Soviet Union was supplying solely military aid to Mozambique was "very wrong" he said. Soviet aid included irrigation projects and agricultural ventures.

No Soviets had ever led or participated in military combat in Mozambique, President Chissano said. He estimated there are less than 500 Soviet advisers in Mozambique.

He said Mozambique would only call on Soviet troops for help as a last resort in any conflict with South Africa.

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FOCUS

Govt goes into dock again

SOWETAN Foreign Service

LONDON — Sanctions will be brought back to the boil next week when Commonwealth leaders from 49 states gather in Vancouver for the 1987 summit.

Passions will probably be brought to the boil too . . . Britain is no less opposed to sanctions now than a year ago when Mrs Thatcher stood alone, and the pro-embargo lobby is as eager to see tough measures imposed.

Commonwealth secretary-general Sir Shridath Ramphal says in his report for 1987, released this week, that pressure on South Africa must be maintained . . . "that is the least the world can honourably do to express solidarity with those who suffer under apartheid".

There must be efforts, he says, to ensure the universal and strict enforcement of measures already agreed, and a "progressive enlargement" if Pretoria remains unmoved.

But the issue is not likely to be as divisive as it has been in the past, not least because of the recognition that countries like Zimbabwe and Zambia, whose calls for sanctions have been among the loudest, simply cannot afford to impose them.

The limitations of sanctions, and the difficulty of imposing them effectively appear to have dawned on at least some governments.

Partly for this reason, more emphasis will be placed on united Commonwealth action aimed at easing the plight, improving the security, and nurturing the economies of the Frontline states.

The Commonwealth is unanimous in the belief that South Africa's neighbours should be helped towards reducing their dependence on Pretoria — and the bulk of them are Commonwealth states.

One of the exceptions, Mozambique — which has been granted observer status at the summit as a guest of the Canadian government — is singled out for special attention.

This former Portuguese colony is perceived as being the most endangered by South African-sponsored aggression, and the transport routes that cross it are vital to regional independence.

Increased military aid and new development projects for Mozambique and its Frontline neighbours are among agenda items for next week. There is also talk of a Commonwealth team visiting the region to determine what help should be given and how.

Mrs Thatcher goes to Vancouver next week knowing that, even if she does attract derision again over her reluctance to impose sanctions, Britain's leading role in giving aid to Mozambique is an advantage.

Britain will emphasise "positive" initiatives in southern Africa.

When apartheid comes under review — and the Commonwealth will conclude that none of its demands of 1985 have been met — the more powerful members (Britain, Canada, Australia, New Zealand and India) will be urged to take on the responsibility of "compelling" Pretoria to negotiate.

Some will believe that sanctions should be the instrument of pressure, but not all. A new diplomatic initiative along the lines of last year's Eminent Persons Group might be considered, but Britain is known to dislike the idea, arguing that Pretoria is not likely to be receptive to another mission.

Pressure

Addressing journalists this week, Sir Shridath Ramphal made it clear that the Commonwealth would definitely not consider aid to Frontline states to be an alternative to sanctions or other pressure on Pretoria.

The outcome, as far as South Africa is concerned, clearly depends very much on what Britain decides to do. And Mrs Thatcher must feel she needs to take at least some further action.

A host of other important issues will weigh on Commonwealth heads of government when they gather on Canada's Pacific seaboard from October 13 to 17 — the Fijian coup, the debt crisis, agricultural protectionism and decline in the commodity markets among them — but South Africa is the one issue that really tests Commonwealth consensus.

The new, regional approach, seems designed to avert a damaging schism in the family of 49. But, whatever the outcome, international pressure on South Africa seems certain to be consolidated

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Kaunda calls for more SA sanctions

Special Correspondent

NEW YORK — Accusing the South African Government of bogus attempts at reform, President Kenneth Kaunda of Zambia said in a speech to the United Nations yesterday that comprehensive, mandatory sanctions against the Republic remained the only peaceful way to end apartheid.

Mr Kaunda, who is the chairman of the Organisation of African Unity, warned of "unimaginable bloodshed" if the international community failed to resolve the South Africa question by peaceful means.

In the absence of sanctions, only revolutionary violence would dismantle the system, he said.

Mr Kaunda said Namibia was "another tragedy" for the UN and the entire international community.

MOMENTUM

The momentum of 1978 towards a settlement had waned, he said, in urging the Security Council to face its responsibilities and ensure implementation of its resolution calling for independence for the territory.

Mr Kaunda criticised the international community for failing to live up to its commitment at the UN to help Africa's economic recovery and blamed South Africa in particular for development difficulties in the continent's southern tier.

"The international community has not lived up to its side of the recovery pact," he said, noting that between 1985 and 1986 Africa lost $19 billion (about R38 billion) in export earnings through the collapse of commodity prices, while last year its terms of trade deteriorated by 28 percent and the purchasing power of its exports fell by 30 percent.

SANCTIONS 'ARE NOT A FAILURE'

NEW YORK — Washington must maintain its sanctions against SA as a clear signal of US opposition to Pretoria's apartheid policy, the New York Times said in an editorial yesterday.

The newspaper said President Ronald Reagan was wrong to assert that economic sanctions had failed. It said the collapse of the SA government was never the aim.

"They were meant to tell South Africans where America stands on a question of good and evil.

"The hope was that the ruling National Party would cease deceiving itself about American sentiment and reconsider emergency rule, Press censorship and its refusal to meet with black leaders to discuss political rights for all under a non-racial constitution."

The editorial said arguments that sanctions weigh most heavily on SA blacks and weaken the economic expansion that can give them power had some merit. But it said the political signal must take precedence for now. — Sapa-Reuter.

(280) Bdaily 8/10/87

Business Report

'80 000 black businessmen visited'

SA trade with Africa 'thriving'

JOHANNESBURG — South Africa seems more confident than ever that secret and open trade with its black-ruled neighbours and the rest of Africa will continue to thrive in spite of calls for stronger economic sanctions against Pretoria.

SA remains Africa's economic superpower, acutely aware of the inability of other southern African countries to survive without it and adroit at circumventing sanctions, analysts say.

"If, economically, SA sneezes, the rest of southern Africa will get a very bad cold, if not influenza," according to SA business leader Raymond Parsons.

Black African states are expected to press for more international sanctions against South Africa when Commonwealth heads of state meet in Vancouver, Canada, next week.

But businessmen seemed unconcerned about the impact of the meeting. Parsons, CE of SA's Association of Chambers of Commerce, believed it would emphasise the need to help SA's poor neighbours rebuild economically.

"Although this may be presented as a blow against SA, in fact SA stands to be a major beneficiary," he said.

SA generated 75% of southern Africa's gross domestic product and can only benefit "if we have trading partners in the region who need and can pay for our goods and services", he said.

Government official Glen Babb boasted that South Africa had so much business success with the rest of Africa that its biggest city and business capital, Johannesburg, "has become the New York of Africa".

"There is a fascination in Africa for our successes," said Babb, South Africa's deputy director general of Foreign Affairs, in a speech last month.

Babb said South African trade with black Africa now totalled nearly R3 billion rand ($1,5 billion) annually, a figure which analysts said was impossible to confirm because of substantial secret dealings.

"Eighty thousand black businessmen came to our country last year — Ghanaians and Ugandans have come to sell their skills here," he said.

Babb did not say how many countries were involved but the Johannesburg Star newspaper quoted unnamed sources last week as claiming that more than 45 of the continent's 50 states have trade or aid relations with South Africa.

"One can only infer from the figures that black Africa's desire for dealings with SA overrides its abhorrence of apartheid," the newspaper said.

Efforts by southern African countries to cut their overwhelming dependence on South African transport routes are starting to bear fruit due to aid from Europe and North America, regional political and business leaders said.

Economists here estimate that over 50% of South Africa's foreign trade is "semi-clandestine" and say that Pretoria's cheap currency, the rand, gives the manufacturing industry an advantage in Africa and elsewhere. — Sapa-Reuter

Sanctions 'hardened attitudes in SA'

GERALD PROSALENDIS

SANCTIONS and disinvestment had brought about a hardening of attitudes in SA and a resistance to external political pressure, Reserve Bank governor Gerhard de Kock said in Zurich last night.

Speaking at a meeting of the Swiss-South African Association, he made a plea for economic realism towards southern Africa.

De Kock said there was a misconception that political reform in SA would be accelerated by sanctions and disinvestment.

"As a method of expediting the abolition of what remains of apartheid and accelerating socio-political reform, sanctions and disinvestment have proven completely counterproductive."

To the extent sanctions and disinvestment had slowed economic growth, they had retarded the socio-economic and political advancement of blacks.

SA was not on the brink of violent revolution and economic collapse.

De Kock said: "Anyone who has a modicum of understanding of the balance of power in SA knows that there is no question of any revolution or takeover of power under present circumstances.

"Far from facing collapse the SA economy has just placed on record an almost unparalleled balance of payments and debt repayment performance, and is now growing at a steady, if unspectacular, rate."

SA had adjusted so well with the capital outflow and sanctions that some in SA had flirted with the idea that a rigidly controlled siege economy might have desirable effects on economic growth and job creation.

Sanctions lobby accuses Reagan of undermining effort

By Neil Lurssen,
The Star Bureau

WASHINGTON — Leaders of the anti-apartheid lobby in the United States Congress have accused President Reagan of undermining international sanctions against South Africa.

At a news conference yesterday, they denounced Mr Reagan angrily for his rejection last week of further sanctions.

And they vowed to keep up the pressure for tougher sanctions on South Africa which are expected to be based next year on the wide-ranging Dellums Bill approved by the House of Representatives in 1986.

The Dellums Bill, named after Mr Ron Dellums, a Democratic Party congressman from California, virtually cuts all trade between South Africa and the United States. The anti-apartheid faction aims to get it approved by the Senate as well.

The issue is likely to be a major topic in the 1988 United States elections with blacks, supported by white liberals, pushing it as their major foreign policy concern

Mr Dellums said yesterday that the original Bill would be beefed up with provisions to assist the trade union movement in South Africa and with prohibitions on South African investments in the American economy.

At the news conference, accusations that President Reagan had undermined the sanctions effort internationally came from Senator Edward Kennedy and Senator Lowell Weicker, a member of the president's Republican Party.

"No one in Congress expected US sanctions to end apartheid within a year. No one thought that such modest measures would have a major economic impact," Senator Kennedy said

"But we did expect the sanc tions to become part of a co-ordinated international effort to produce the kind of external economic pressure that would make a difference in South Africa.

VETOED

"In a move inconsistent with the letter and spirit of the sanctions, the Reagan Administration vetoed the United Nations resolution that would have launched such an effort.

"The Administration's own action undermining international sanctions is a major reason why the President's report is now able to say that the economic impact of the US sanctions has been minimal," Senator Kennedy said.

Senator Weicker went further, accusing President Reagan of violating the law in refusing to recommend additional sanctions

He said that in the absence of reform in South Africa, the President was required by the sanctions law to recommend further measures including bans on imports of South African steel and diamonds and bans on military aid to third countries circumventing the arms embargo on South Africa.

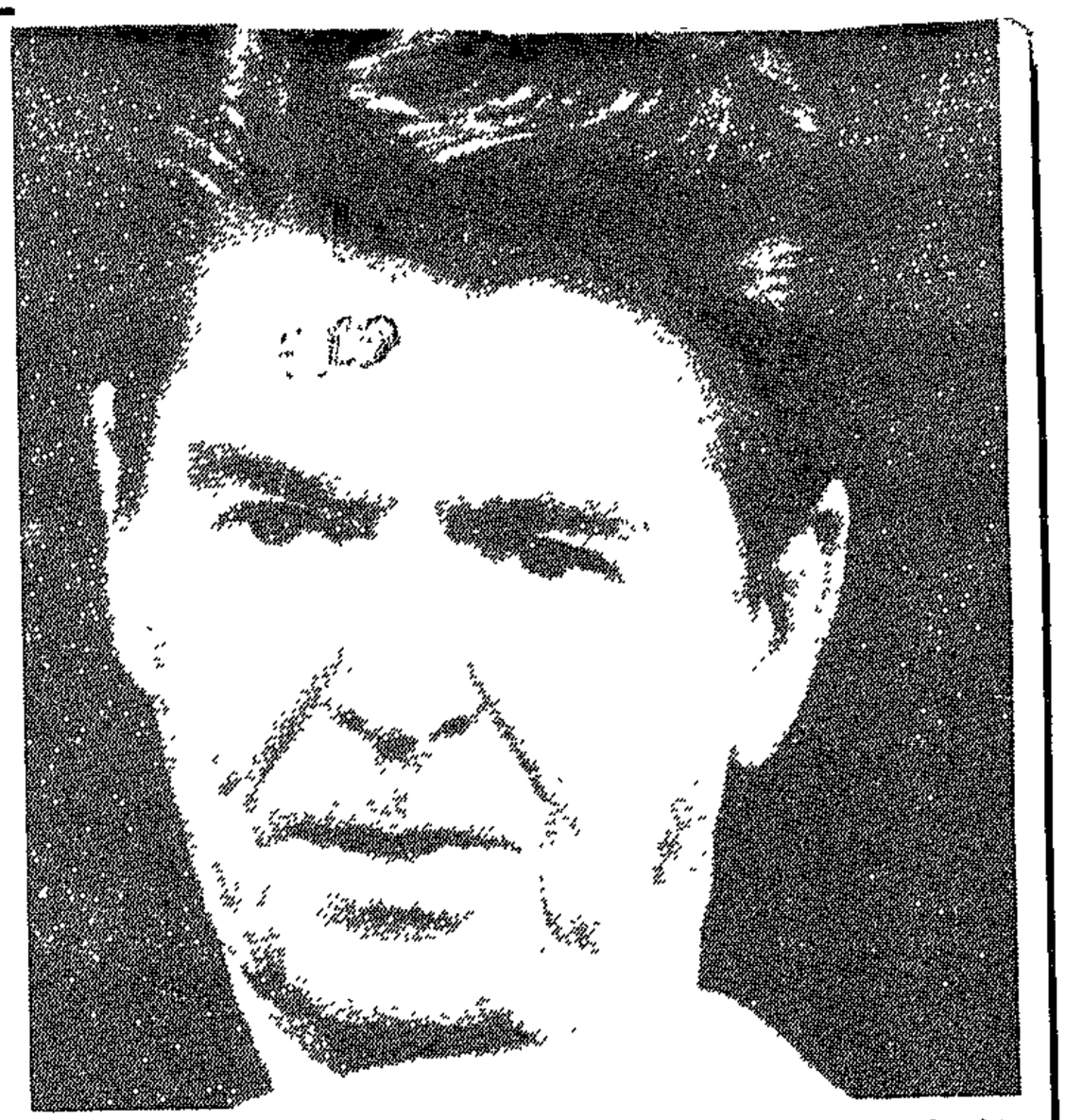
Senator Weicker said the pulse of the South African nation could not be found "by gently holding Botha's wrist".

The real heartbeat came from the South African people themselves — and there were many indications of positive movement toward change.

While the conference was taking place, the President was at the White House discussing the situation in South Africa with Zambian leader President Kenneth Kaunda

Afterwards, Mr Reagan said: "We reaffirmed our shared determination to work for the earliest possible end of apartheid, and its replacement by a truly democratic government.

"The US will continue to do everything in its power to bring about a negotiated settlement involving the independence of Namibia, and the departure of all foreign forces from Angola."



President Reagan ... denounced by anti-apartheid leaders for his rejection last week of further United States sanctions against South Africa.

9/10/87 B/day

SA miners divided on sanctions



Duvha Open Cast Mine — where workers had gone on strike for 12 days during the recent labour unrest — said rejecting sanctions would be rejecting freedom.

"Government holds the key to the problem of sanctions. If they release their grip on the black man, sanctions will go," he said.

Stona, who has worked on the mine for six years, said accumulating experience on a mine and getting no fitting financial returns was what made people bitter.

THEO RAWANA

His view on sanctions was echoed by a fitter's assistant, who refused to give his name. "The mines deserve whatever comes their way if they do not want to pay a living wage."

He said it made no difference whether people worked or not. He said he was bitter at a neighbouring steel company which, he said, was operating on completely new staff after a strike.

Petros Nkambule, a recreation officer at Douglas Colliery, was horrified at the prospect of retrenchments that would follow, bringing in their wake hunger and a rise in crime.

"It's all very well to say sanctions should come, but what of the thousands who would not get alternative jobs in the event of mine closures? Surely there are ways of fighting for freedom other than calling for sanctions?" asked Nkambule, who has worked on the mine for more than nine years.

Blacks, not SA, would suffer in the event of a blanket ban on coal exports and closure of mines, said Alfred Shongwe, a loss control officer at Greenside Colliery.

"We have blacks from TBVC states who work here to feed, clothe and — more importantly — educate their children. Loss of jobs would mean no education for those children. And what would we be left with? A lot of illiterate leaders who would lead Southern Africa into further chaos," said Shongwe.

Business Report

Sanctions hardening attitudes

Advancement of blacks retarded — De Kock

Cape Times 9/10/87 280

From GERALD PROSALENDIS

JOHANNESBURG — Sanctions and disinvestment had brought about a hardening of attitudes in SA and a resistance to external political pressure, Governor of the Reserve Bank Gerhard de Kock said in Zurich last night.



Gerhard de Kock

Speaking at a meeting of the Swiss-SA Association he made a plea for economic realism towards southern Africa.

There was a misconception that political reform in SA would be accelerated by sanctions and disinvestment.

"As a method of expediting the abolition of what remains of apartheid and accelerating socio-political reform, sanctions and disinvestment have proven completely counterproductive."

To the extent sanctions and disinvestment had slowed economic growth, they had retarded the socio-economic and political advancement of blacks.

SA was not on the brink of violent revolution and economic collapse.

"Anyone who has a modicum of understanding of the balance of power in SA knows that there is no question of any revolution or takeover of power under present circumstances.

"Far from facing collapse, the SA economy has just placed on record an almost unparalleled balance of payments and debt repayment performance, and is now growing at a steady if unspectacular rate."

He said the motives of many proponents of sanctions and disinvestment were sincere, laudable and shared by many South Africans. But the methods they had chosen to achieve their objectives were wrong.

In the long term economic isolation and a siege economy would mean lower growth and standards of living than would otherwise have been possible, particularly for blacks.

Sunday Times
11/10/87
280

WORLD WATCH — 2

Sanctions?

SOUTH AFRICA is again set to play a centre-stage role at the Commonwealth summit in Canada next week.

However, it seems that the strident calls for sanctions which dominated the previous heads of government conference will this time be replaced by more rational proposals.

Commonwealth aid for the frontline states to lessen their economic dependence on South Africa will be a major issue.

By MIKE ROBERTSON: Vancouver

Leaders of the 46 Commonwealth nations — the attendance of the 47th, coup-stricken Fiji, is doubtful — have already begun arriving here for the summit which promises to mix a little realism with the rhetoric on South Africa

The likely outcome will be a fact-finding mission, probably led by Nigerian General Olesgun Obasanjo, to assess the needs of the frontline states.

At this stage the odds are that both military and economic aid will be spent on securing and re-opening the Nacala, Beira and Chicualacuala railway routes.

This is the rough detail of a pre-summit package of measures hammered out in London by senior Commonwealth officials, including Commonwealth secretary-general Sir Shridath Ramphal, and representatives of the frontline states.

The package, as was made clear by Ramphal this week, will include no new

. . . AS SOUTH AFRICA'S CRITICS PREPARE FOR 'MORE REALISTIC' MEASURES

What sanctions?

sanctions. As one British official put it: "The issue of sanctions against South Africa almost caused the break-up of the Commonwealth. No one is prepared to go another round with Margaret Thatcher."

Sanctions supporters have not had a change of heart However, their optimism about the speedy demise of a white-ruled South Africa has declined.

The difference between Vancouver and the previous meeting in Nassau, said one British official, "is that everyone now realises that the issue of South Africa is going to be a long haul".

"No one is admitting publically that they were wrong over sanctions, but there is no longer the feeling that apartheid is teetering on the brink and that sanctions can provide the final push."

Ramphal said this week that those who believed sanctions were "off the boil" were wrong.

Most Commonwealth countries, he said, rejected the view that economic sanctions had been ineffectual or only hurt blacks.

Instead, they would recall their warnings that the effect of sanctions would be diminished if they were not applied universally and genuinely — "the fault lying not in sanctions themselves but in their non-application by all those who could apply them"

Discomfort

Nevertheless, he added, the leaders would agree to disagree and reach for common ground in other areas of action.

The common ground is aid to the frontline states. But there is a growing discomfort among African leaders that frontline aid is being presented as an alternative to

Nobody wants to go another round with Maggie at summit, so Commonwealth leaders play it cool

sanctions

Tanzanian president Hassan Ali Mwinyi was not alone when he said recently: "While we shall put more emphasis on the areas of agreement, we should not ignore areas of differences — for instance South Africa

At the insistence of Zimbabwe, Zambia and Tanzania, a draft clause calling for "the universalisation of measures already taken" has been added to the package.

By late this week, however, a growing number of countries, including frontline states, were intent on pushing for the adoption of measures along the lines of the US sanctions package — and if they are successful there could indeed be new sanctions measures.

There is also a move to improve monitoring of existing sanctions, but this has run into strong opposition from Britain

"We have always taken the position that sanctions adopted have been faithfully implemented. There has been no evidence produced to show that additional machinery would serve any other purpose," said one official.

However, the British will face embarrassing questions over a trade mission which is to visit SA, to be hosted by the embassy there, seemingly in breach of sanctions agreed to by Britain

The official explanation that trade missions to South Africa do not receive government funding, and that the mission will pay the costs of any cocktail party held at the embassy, has been met with widespread disbelief

Britain is lobbying to keep the Southern Africa issue as low-key as possible

As one Canadian official here said: "Britain is generally trying to downplay the whole conference.

"They had better begin to play ball Brian Mulroney (the Canadian Prime Minister) did not spend R40-million hosting this conference to be told the most important thing coming out of it is 'no big deal'."

12/10/87 Star

Fiji poses problem for Club

The Star's Foreign News Service

VANCOUVER — Calls for sanctions against Fiji, led by India, Australia and New Zealand, have received a cool response from Zambia's President Kenneth Kaunda.

In a BBC interview he called for restraint in dealing with the South Pacific nation, pointing out that the Commonwealth had not imposed sanctions against other member states after coups.

The Commonwealth should intervene "only in an advisory capacity", he said, a view which observers say suggests that it may be difficult for the Commonwealth to reach agreement on how to tackle the crisis.

Colonel Sitiveni Rabuka's declaration of a republic, following two coups, poses serious problems for the Commonwealth. It means that Fiji is no longer a member, although it is expected to apply for re-admittance. India is certain to veto the application.

New Zealand has already cancelled military and financial aid, Australia has suspended aid, and Britain is considering doing the same. India has suspended all trade and technical co-operation with Fiji.

The only country to recognise Colonel Rabuka's administration was thought to be Tonga, the South Pacific's only kingdom, but this has now been denied

President Junius Jayawardene of Sri Lanka has cancelled plans to attend the Vancouver summit because of the increasing violence between the Tamils and Sinhalese.



President Kaunda ... urges Commonwealth restraint in handling Fiji coup.

Gandhi will

The Star's Foreign News Service

VANCOUVER — This city's large Indian community is taking a lot of interest in the Commonwealth summit and rather more in the presence of Mr Rajiv Gandhi

They want to tackle him over the Punjab controversy and the treatment of Sikhs, and security men fear there may be assassins among them

Just over a year ago, a Punjabi Cabinet Minister, Mr Malkiat Singh Sidhu, was wounded by four attackers during a visit

Massive security operation

The Star's Foreign News Service

VANCOUVER — More than 3 000 security personnel — including bodyguards, snipers, bomb disposal experts and helicopter hit-teams — are deployed here to protect the Queen and Commonwealth leaders in an operation costing more than R15 million

It is the biggest security operation yet staged in Canada, and the bill amounts to half the total cost of the conference.

In addition to bodyguards, leaders will be protected by what the Canadian authorities are calling "shields" . "These are men who will surround the politicians to take the bullet if there's going to be a bullet".

Vancouver is like an occupied city Armed men are on the streets everywhere, inside and on top of buildings and in helicopters criss-crossing the sunny autumn skies.

The 800 delegates and about 1 100 pressmen have to pass through strict security to get into the Vancouver trade and convention centre on the downtown harbourside

No-one else is allowed near

Security forces say they are geared for a "worst case scenario".

British premier Mrs Margaret Thatcher and India's Mr Rajiv Gandhi are considered the prime risks

But the police and armed forces are determined to make sure they come to no harm

They recognise that the modern terrorist is bold and equipped with "state of the art technology", they say.

And all feature-filmmaking in Vancouver has been suspended for the week. Police say they do not want cameramen being mistaken for snipers



Unkind jesters say British Prime Minister Mrs Margaret Thatcher could have sponsored Fiji coup.

Fiji deflects apartheid, sa at C'wealth

By Michael Morris, The Star's Foreign News Service

VANCOUVER — Unkind jesters have it that Prime Minister Mrs Margaret Thatcher sponsored Fiji's "Rambo" coup leader, Colonel Sitiveni Rabuko, with the idea of deflecting criticism of Britain's aversion to sanctions on South Africa at the Commonwealth summit this week

The Fijian crisis will undoubtedly loom large in Vancouver, but even without the storm in the South Pacific, the sanctions debate appears to have mellowed — at least a little

There will certainly be more passionate rhetoric and pleas for solidarity with the South African "struggle".

President Kenneth Kaunda of Zambia gave a foretaste in his address to the United Nations last week when he said a peaceful solution in South Africa would take comprehensive, mandatory sanctions by the major Western powers or else there would be revolutionary violence by the people at home

So, in Vancouver, Britain will be chastised and, along with others, urged to enforce existing measures, and more strictly

It is not that apartheid is being considered any less evil, but that the Commonwealth's perception of what it can do to help in the region has changed

Much of the attention now focuses on the Frontline states The alliance of 49 states has been severely tested by the protracted wrangling over apartheid during the past two years, and seems determined to avoid tearing itself apart

Consensus and unity of purpose are the ideas the Secretary-General Sir Shridath Ramphal is inculcating as fervently as he can in the minds of member governments He has called the Vancouver summit a time for renewal How successful he will be remains to be seen.

The sanctions which Britain refused to endorse last August included bans on air links, investment, and South African exports of fruit and vegetables, coal and uranium

These will be highlighted again, but, more significantly, the admission by Zimbabwe and Zambia that they simply cannot afford to impose these embargoes has clarified the debate

Sir Shridath said in London last week "There will be a resolve

Pre-summit sanctions pressure rises in V

The Star's Foreign News Service

VANCOUVER — South African and Commonwealth trade unionists and anti-apartheid activists have preceded the South Africa debate in Vancouver with demands for more pressure in the form of sanctions.

For many, South Africa and its virtually unchanged apartheid policies remain the top priority for the 1987 summit and, they insist, the Commonwealth — chiefly its most powerful nations — has done nowhere near enough to end apartheid

But, while the rhetoric is passionate, Commonwealth leaders have yet to get down to the rather more taxing business of deciding exactly what action to take

At its last heads of government meeting in Nassau, capital of the Bahamas, the 49 leaders met in an atmosphere charged with the belief that revolts in South Africa's townships had pushed Pretoria close to defeat and that a deft manoeuvre by the international community aimed at undermining South Africa's economy would be a terminal blow

Britain disagreed and, today, points to the history of the past two years as an indication of the failure of a sanctions policy

While events in the region have undermined the notion of a "pushover" in South Africa, Pretoria's critics in southern Africa — principally Zimbabwe and Zambia — have blamed the West (and British Prime Minister Mrs Thatcher in particular) for the failure of embargoes to have a greater impact on President Botha's thinking

They are now saying that, while they clearly cannot afford to impose the sanctions to which they are committed in spirit, it should be up to Britain and other powerful nations in the West to do so

This is the point of view that Commonwealth trade union leaders conveyed to Canadian Prime Minister Mr Brian Mulroney yesterday

Among the visiting trade unionists at a press conference yesterday after the meeting with Mr Mulroney were Congress of South African Trade Unions president Mr Elijah Barayi, Cosatu general secre-



Kaunda ... urges restraint in handling Fiji coup.

Gandhi will be in for a hard time

The Star's Foreign News Service

VANCOUVER — This city's large Indian community is taking a lot of interest in the Commonwealth summit and rather more in the presence of Mr Rajiv Gandhi.

They want to tackle him over the Punjab controversy and the treatment of Sikhs, and security men fear there may be assassins among them

Just over a year ago, a Punjabi Cabinet Minister, Mr Malkiat Singh Sidhu, was wounded by four attackers during a visit to British Columbia, and Commonwealth conference organisers want to make sure there is no repeat performance

However demonstrations against the Indian premier will go ahead

His critics in Canada range from left-wing atheists to fundamentalist Sikhs and they are determined to make full use of the area designated for demonstrations outside the sail-topped Vancouver trade and convention centre.

Canada's Communist Party doesn't like Mr Gandhi either

It has a poster in the window of its downtown Vancouver office publicising a demonstration which declares "Gandhi, butcher of the people"

But the communists are vexed about other issues, too

Just below the blood red reference to the Indian leader is the familiar rebuke "Thatcher — champion of apartheid"

The Vancouver police say bookings for protest parades are already high

It is India and South Africa who are the subject of most of them



Mr Gandhi will find his country singled out by the Canadian demos.

deflects focus on theid, sanctions 'wealth summit

pressure rises in Vancouver

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Among the visiting trade unionists at a press conference yesterday after the meeting with Mr Mulroney were Congress of South African Trade Unions president Mr Elijah Barayi, Cosatu general secretary Mr Jay Naidoo and assistant general secretary Mr Sydney Mufamadi, Mr James Mndaweni, president of the National Council of Trade Unions of South Africa (Nactu), and Nactu general secretary Mr Phiroshaw Camay.

It has fallen to activists and some of South Africa's most virulent Commonwealth foes to raise the temperature of the debate in advance.

It will be up to all of the leaders to decide whether they can, for the time being, "agree to disagree" on sanctions.

(in Vancouver) to continue on the path marked out at the London review meeting last August

"Nevertheless, I do not expect Commonwealth leaders to dwell on differences over sanctions they can, at least for the present, agree to disagree as they reach for common ground in other areas of action towards shared objectives in southern Africa"

In essence, the Commonwealth will be urged to work jointly towards relieving the Frontline states, including non-Commonwealth Mozambique, from economic dependence on Pretoria.

Development and defence are the two key areas of action.

This is where the British Government has reason to feel it is in a strong position The Overseas Development Administration's recent glossy booklet, "British Aid to southern Africa a force for peaceful change and development", is clearly a challenge to Mrs Thatcher's critics, because it sets out just how British aid totalling millions of rands is being spent in southern Africa

It is aid, the booklet says, that is hope for the future.

Finally, aid and sanctions aside, just how Commonwealth leaders will tackle the question of promoting negotiation in South Africa is unclear.

Aussie govt may be embarrassed

MELBOURNE — A strongly-worded report on the plight of Aborigines could be a major embarrassment for Australia when it is tabled at the Commonwealth Heads of Government meeting in Vancouver this week

The report is being released by the British-based Anti-Slavery Society and contains damning evidence of the treatment of Aborigines, particularly children, by police

The report says many blacks face racial oppression in their daily lives — The Star's Foreign News Service.

Journalists protest on press curbs

LONDON — Commonwealth journalists have protested to leaders of the Commonwealth group against curbs on press freedom in many Commonwealth countries

The Commonwealth Journalists' Association (CJA) has asked the heads of government, who open a five-day summit in Vancouver tomorrow, to give urgent attention to the alleged abuses, which it said violated the organisation's declaration of principles

Some of the curbs mentioned by the CJA included alleged harassment, intimidation and the murder of journalists.

A memorandum submitted to the meeting said that since the last summit two years ago, journalists had been imprisoned without trial, newspapers raided, journals banned, an editor deported and another murdered

"This kind of behaviour is to be expected under the present regime in South Africa, but we do not believe it should be happening in Commonwealth countries," the CJA said. It did not name the countries concerned.

The CJA memorandum also criticised indirect fettering of the media through government control of newsprint, denial of foreign currency and withholding of government advertising.

Despite demands by the Third World for better reporting of its affairs, some countries were denying access to foreign journalists and barring their own citizens from writing for the foreign media, it said

The CJA said journalists' freedom could also be threatened by private owners, especially where media ownership was concentrated in a few hands, as had happened in some developed Commonwealth countries — Sapa-Reuter

CMG Times 12/10/87 (280)

★ Ca

Sanctions to dominate Commonwealth summit?

From MIKE ROBERTSON

VANCOUVER. — The battle over sanctions against South Africa is expected to dominate the Commonwealth summit which starts here tomorrow.

Some countries, including several frontline states, have been persuaded by the African National Congress that a failure by the Commonwealth to adopt any new sanctions will represent a setback to the "anti-apartheid cause".

Confirmation of this last-ditch attempt to get new sanctions back on the agenda is contained in the confidential report of the Commonwealth committee on Southern Africa, which will be laid before heads of government when the meeting gets under way tomorrow.

The committee, chaired by the Canadian High Commissioner in London, Mr Roy McMurtry, has held regular meetings attended by senior Commonwealth diplomats and British Foreign Office officials, to discuss the South African issue and prepare recommendations for the summit.

Its proposals, for the most part, reflect the thinkin , of a smaller group of officials including Commonwealth secretary-general Sir Shridath Ramphal, Canadian diplomat Mr Terry Bacon and Foreign Office under-secretary Mr Anthony Reeve.

They recommended that in the interests of Commonwealth unity, countries agree to disagree on sanctions and push instead for a list of practical measures to aid frontline states.

But in a major departure from their suggestions, a section of the committee's report — which was originally amended at the insistence of Zambia and Tanzania to include a vague commitment to the "universalization of existing measures" — has been changed to mention specifically those measures adopted by the United States and Nordic countries.

In both cases measures approved are wider than those agreed to by the Commonwealth.

Britain has already made it known it will not support any such move.

In spite of the opposition of the only country that could give meaning to the adoption of any new measures — Britain's trade and investment in South Africa exceeds the combined total of the rest of the Commonwealth countries — the sanctions lobby is determined to push for their adoption.

According to one frontline official: "Even if the new measures adopted are merely symbolic, it will be a defeat for those in the Thatcher and Reagan administrations who are trying to say sanctions are off the boil."

The Southern Africa committee report now reads: "Members of the committee, other than Britain, believe that, pending the acceptance of such a position by the international community as a whole, genuine efforts should be made to secure the universal adoption of the measures now adopted in common by most Commonwealth and other countries including the United States and the Nordic countries."

The frontline official said the adoption of the US package by the Commonwealth was regarded as the minimum goal.

The committee report also points to another area in which Britain is set to clash with other Commonwealth members — the monitoring of sanctions.

It reads: "To ensure that existing measures are rigidly enforced — particularly in view of the South African government's intensified efforts to circumvent them — the committee believes that subject to what is said in paragraph 18 (which exempts th frontline states from adopting sanctions) heads c government will acknowledge the need for strict compliance with agreed measures.

"The committee also believes that the secretaria with assistance from governments, should continu to co-ordinate the implementation of sanctions b Commonwealth countries to identify any efforts t frustrate them."

British officials have signalled their opposition t the secretariat playing such a watchdog role

The committee said the situation in South Afric had deteriorated sharply since the Commonwealt last met in Nassau.

In regard to the frontline states, the report accu: es the South African government of being guilty of "race to a generalized war" in the region.

Confirming the view expressed by Canadian an British officials that aid to Mozambique will featur prominently in the summit discussions, the repo states: "No country could have done more tha Mozambique to ensure peaceful co-existence wit South Africa.

'No problems with financing'

CMC Times 12/10/87 (S) 280

Sanctions threat real—Du Plessis

THE threat of sanctions is still real in spite of the general acceptance that they have not worked, Minister of Finance Barend du Plessis said on his return from overseas yesterday. But SA will have no problems with trade financing.

Du Plessis visited bankers in Zurich and Munich before attending the annual International Monetary Fund conference in Washington.

He also visited several South American countries, including Chile, which is in the process of an economic reform programme.

Hopeful

"The good news is that we have no problems with trade financing," he said. "In fact, on a number of occasions, bankers told me that they had very substantial spare capacity."

As far as long-term loans were concerned, he said: "Right now we don't need foreign loans on a large scale."

SA wanted, instead, to encourage foreign investment in job-creating activities and the situation was hopeful.

Du Plessis said he was impressed with Chile's economic recovery. Inflation there had dropped from 1 000% to 20% and state expenditure had been cut to such an extent that revenue not only covered running expenditure but also made a contribution to capital expenditure.

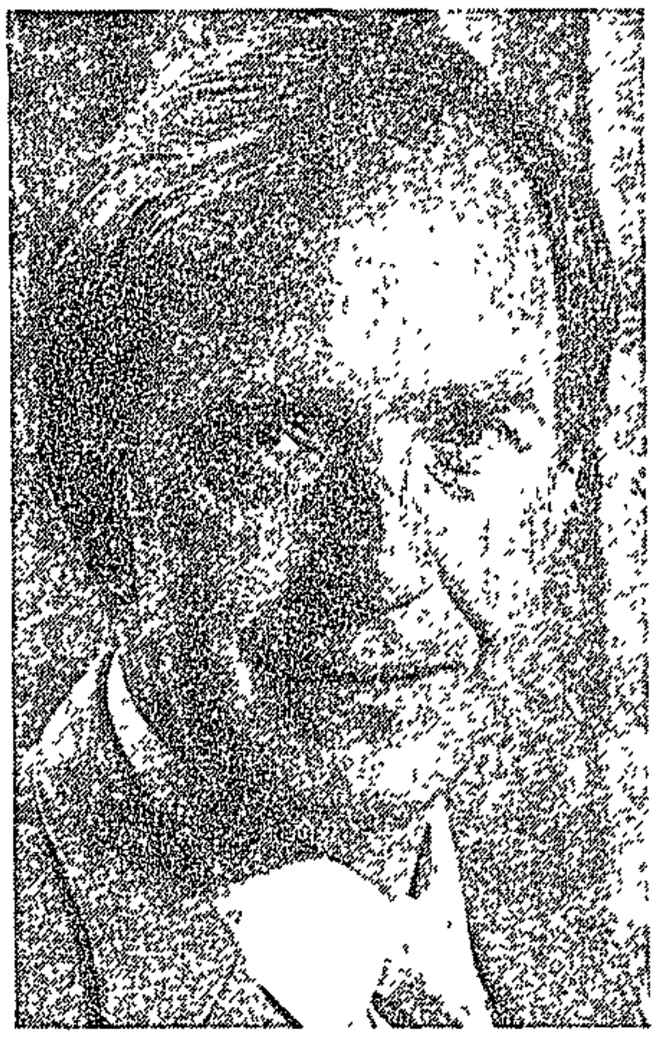
Chile had turned from a food importing country to an exporter.

"When a country is beseiged by external and internal problems, there is no way you can avoid painful sacrifices," Du Plessis said.

Although Chile had a highly regulated economy with a more favourable development ratio, there were strong parallels with SA in the challenges it faced.

Chile had proved that drastic measures could put an economy back on a sound footing, the Minister said.

He noted that there was a worldwide trend towards privatization and free-market mechanism is the only mechanism that will get your economy into equilibrium".



Barend du Plessis

The fruits of the change could be seen worldwide.

Du Plessis said it was too early to assess the ultimate implications of a call by the US for a gold-based commodity index, leading to a possible return to the gold standard.

He said that, internationally, there was "great admiration" for the way in which SA handled the debt standstill and for the way its economy was managed despite internal and external problems.

Understanding

In Europe particularly, there was deep understanding for SA's political problems and a realization that there was no "quick fix".

However, there was still uncertainty over the political situation in SA.—Financial Staff and Sapa.

Delegates jeer at call for SA talks, not sanctions

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12/10/87.

OUAGADOUGOU — Ivory Coast brought a hitherto routine anti-apartheid meeting to life in the Burkina Faso capital by suggesting dialogue rather than sanctions to deal with Pretoria.

An Ivorian delegation provided the only discordant note at the meeting by reaffirming President Felix Houphouet-Boigny's belief that violence and sanctions would not bring about desired political changes in South Africa.

The speech, by a member of the Ivorian Union of Teachers and Students, was greeted with jeers by 100 delegates.

A representative of the ANC said dialogue should be established not with Pretoria but with the Ivory Coast in order to change its stance on the issue.

The exiled poet, Breyten Breytenbach, said he was indignant that views such as the Ivory Coast's still be held.

Mr Houphouet-Boigny caused an uproar in the rest of black Africa when he sent the Minister of Information, Mr Laurent Dona Fologo, and his wife to South Africa in 1975.

Breytenbach is the only white South African to turn up for what was billed as a follow-up to the Dakar talks.

He flew here from Paris, where he now lives, with the president of France's SOS-Racisme, Mr Harlem Desir.

Mr Desir said he was working on plans for an international week against apartheid to take place in January.

He said it would be climaxed by a series of concerts televised live in Europe and Africa.

Mr Desir also said that "as a Frenchman and as an anti-racist militant" he was indignant at a recent visit to Paris by the Minister of Foreign Affairs, Mr Pik Botha.

Mr Botha met France's Prime Minister, Mr Jacques Chirac and his Foreign Minister, Mr Jean-Bernard Raimond. — Sapa-RNS

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UK 'confident' on sanctions issue

The Argus Foreign Service

LONDON. — British Prime Minister Mrs Thatcher, who arrives in Vancouver today for the Commonwealth summit meeting, is said to be confident she that can deflect African demands for tougher sanctions on South Africa.

She believes that since the confrontation over sanctions at Nassau two years ago she has not only won the argument but has also succeeded in occupying the moral high ground.

This is because Britain has applied all the sanctions to which she reluctantly agreed in Nassau and later in London, while the frontline states who urged them on her, have not.

Vocal

Zambia and Zimbabwe, always among the most vocal in calling for sanctions, promised at the London meeting in August last year to cut air links with South Africa but were not able so because of economic implications.



Mrs Margaret Thatcher

Zimbabwe's Prime Minister, Mr Robert Mugabe, having announced a sweeping sanctions package last July, was forced to reverse the decision 10 days later.

More tellingly, Mr Mugabe and Zambia's Dr Kenneth Kaunda have failed to gain even support for even limited sanctions from surrounding countries. However, this may not deter them from calling for tougher sanctions.

The Canadians, strong supporters of sanctions, appear less convinced than they were a year ago.

Britain's approach will be to emphasise "positive measures", such as aid to blacks inside South Africa and support for the Southern African Development Co-ordination Conference.

Positive actions

Conference officials have drawn up a list of positive actions. Foremost among them will be increased economic and military aid to Mozambique.

British aid to Mozambique has already increased and she helps to train Mozambican troops.

The South African issue is likely to dominate at least two of the eight formal sessions. But Mrs Thatcher is likely to get an easier run because two of her sternest critics — Australia and India — are preoccupied with the Fiji coup.

AEGGS 12/10/87

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Unions detect mood to 'back off on sanctions'

The Argus Foreign Service

VANCOUVER. — South African and Commonwealth trade unionists and anti-apartheid activists have begun the opening round of the South Africa debate here with demands for more pressure in the form of sanctions.

They will also urge Commonwealth leaders to back the formation of a military force in the front-line states if this should be requested.

Trade unionists, however, believe there is a "mood at this summit to back off from sanctions".

The Commonwealth Trade Union Council (CTUC) says that "internal repression in South Africa has intensified and none of the key preconditions for change have been met".

South African unionists who were to visit Vancouver, Cosatu president Elijah Barayi and general secretary Jay Naidoo, were refused permission.

For many, South Africa remains the top priority and, they insist, the major Commonwealth members have done nowhere near enough to tackle the problem.

PLIGHT OF ABORIGINES

A strongly worded report on the plight of Aborigines could be a major embarrassment for Australia when it is tabled at the summit, The Argus Foreign Service in Melbourne reports.

The report is being released by the British-based Anti-Slavery Society and contains damning evidence of the treatment of Aborigines, particularly children, by police.

The report details appalling living conditions in dozens of communities. It says many blacks face daily racial oppression and that there is a widespread desire among Aborigines for a treaty to redress their grievances.

Kaunda: SA should be tightened sanctions

VANCOUVER — Zambian President Kenneth Kaunda called here for the tightening of sanctions against South Africa on the eve of the Commonwealth conference.

"The abominable system is getting much more sick," Dr Kaunda, 63, said last night in addressing an anti-apartheid meeting of 100 Canadian organisations. "Sanctions must be strengthened."

Dr Kaunda spoke as leaders of most of the Commonwealth, the 49-nation association of Britain and its former colonies, gathered for a five-day summit opening on Tuesday.

Dr Kaunda, among the most vociferous in demanding tough embargoes against South Africa during the last two Commonwealth meetings, made no mention of black nations' inability to implement sanctions.

Commonwealth nations, with Britain alone dissenting, agreed on a tough list of embargoes in August, 1986, including cutting off air links. Zambia and Zimbabwe, among South Africa's most hostile neighbors, have not enacted the sanctions because they depend heavily on South Africa economically.

Dr Kaunda called on Canada, the host country, to sever diplomatic relations with South Africa and grant diplomatic status and aid to black guerilla groups opposing South Africa.

Dr Kaunda's speech underlined expectations that African nations will again press for more universal sanctions.

But Commonwealth secretariat officials acknowledged that the meeting would almost certainly reject new measures

The British Prime Minister, Mrs Margaret Thatcher, among the heads of government who flew into Vancouver on Sunday, remained determined to resist any new attempt at embargoes.

Mrs Thatcher also said she believed the last South Africa's last election results bolstered her argument that embargoes would harden white resistance to change, would hurt blacks most and would be circumvented.

12/10/87 Guardian 280

Employers 'will resist'

B/day
13/10/87
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ALAN FINE

TRADE unionists should recognise that, when they propagated sanctions and stayaways and employed confrontationist tactics, employers would resist to protect their businesses, outgoing Seifsa president Keith Jenkins said yesterday.

He told the Seifsa annual meeting: "Trade unions cannot at the same time, in all seriousness, make demands for improved living conditions."

Jenkins said metal industry employers had moved towards a more acceptable relationship between skilled and unskilled wages. The rate for a labourer as a percentage of the artisan rate had increased from 23% in 1973 to 39% in 1987.

He noted the refusal of the National Union of Metalworkers of SA (Numsa) to sign the wage agreement for the fifth consecutive year and the industrywide one-day strike which followed in July.

Jenkins said this had the makings of a serious logjam in future negotiations, as employers could not continue negotiations once they had reached agreement with the majority of unions.

He also expressed concern at government attempts to use employers to resolve the rent boycotts by requiring them to make rent deductions from wages. He said this would not address the real issue and would introduce a new major area of industrial conflict.

He also called on government to act speedily on tax reform, saying the Margo proposals should be introduced as a package. To make piecemeal changes would be disastrous.

He hoped major capital projects such as Mossel Bay and the Lesotho Highland scheme would help lift large sectors of industry out of recession.

● See Page 5

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Britain will again battle SA sanctions



Queen Elizabeth chats with Prime Minister Brian Mulroney as they tour the Commonwealth conference site in Vancouver.

New EPG plan to keep pressure on SA

The Argus Foreign Service

VANCOUVER. — The Commonwealth summit hosts, Canada, are to propose a new Southern Africa "contact group", probably of foreign ministers, to boost the frontline states, sustain pressure on South Africa and nurture negotiation politics.

Details have yet to emerge.

Canadian Prime Minister Mr Brian Mulroney is known to be keen to resuscitate the kind of dialogue initiative begun by the Eminent Persons Group last year.

But Britain is strongly opposed and is expected to fight the move.

It is suggested that the group would comprise the foreign ministers of prominent member states and would assist the Commonwealth's long-established goal of helping to bring about change in South Africa through negotiation.

A group of this kind could also keep the international spotlight on South Africa and, at the same time — through a programme of visits and trade and aid programmes — foster the relationship between the Commonwealth and the frontline states.

But Britain believes a diplomatic mission would be a waste because Pretoria is not likely to be receptive to its entreaties.

And, they say, a contact group would only intensify the pressure on Mrs Thatcher to impose new, tougher sanctions.

From MICHAEL MORRIS
The Argus Foreign Service

VANCOUVER. — Britain's rigid resistance to trade embargoes — which has earned Prime Minister Mrs Margaret Thatcher praise in South Africa but scorn north of the Limpopo — is unchanged.

Commonwealth heads-of-state meeting today for the official opening of their biennial summit know agreement on what to do about apartheid will evade them again.

With apartheid emerging once more as the main issue on which the political will of the Commonwealth will be judged, Canadian Prime Minister Mr Brian Mulroney, chairman of the summit, faces a difficult task.

He has been challenged by Southern Africa's frontline states to push for comprehensive sanctions.

But he also has Mrs Thatcher to contend with. Her delegation yesterday spelt out why she would refuse to back new measures.

A source close to the British Prime Minister said of leaders calling for sanctions: "They have to play to domestic galleries — but the position of the United Kingdom is well known and will not change.

"The signs in South Africa since October 1986 — the time of the Commonwealth review meeting in London — have not been encouraging and there is no indication that the measures adopted then have been productive.

"They have been counter-productive, especially in the outcome of the general election in May."

Britain was determined to continue working for dialogue in South Africa.

No quick fix

"We want to concentrate on what is constructive and practical, not on what is emotional and destructive. We see no purpose in having an argument about sanctions.

"There is no quick fix in South Africa and pressures from outside are not going to produce a quick result. Sanctions do not work because third parties always break them. We have a long experience of this."

But Mr Mulroney is being pressured to keep his word and cut all trade and diplomatic ties with South Africa in the absence of moves to dismantle apartheid.

The Canadian leader has emphasised his belief that sanctions should be strengthened.

There was friction between the British and Canadian delegations yesterday after British sources claimed Canadian trade with South Africa had increased by 45 percent since 1985.

Canadian officials angrily denied this, saying there had been a decrease in South African trade of about 50 percent since the beginning of the year.

When Southern Africa is debated tomorrow, Mr Mulroney will be trying to achieve consensus and have more pressure put on Pretoria.

For Britain, South Africa's most important Western trading partner, will be determined to avoid that — and is clearly prepared to go it alone.

CBC Times 14/10/82

SA sanctions issue stirs summit start

280

VANCOUVER, — The British Prime Minister, Mrs Margaret Thatcher, told Commonwealth leaders yesterday not to parade their differences as the 49-member organization began its two-yearly summit with members at odds over sanctions against South Africa.

On a second major issue, Indian Prime Minister Mr Rajiv Gandhi demanded the restoration of democracy in Fiji.

To avoid a confrontation on South Africa, the Canadian Prime Minister Mr Brian Mulroney, the host, urged compromise.

However, Zambia's President Kenneth Kaunda, speaking for African nations, demanded tougher action, saying parts of the country were now "war zones".

"There is nothing to be gained by parading our differences," Mrs Thatcher said at the two-hour formal opening ceremony before the conference went into closed session.

"We have a legitimate right to our own views. And the right, too, to hold these views without our motives being questioned," she said.

The exchanges came as the presidents and prime ministers assembled for the five-day meeting.

The opening speeches reflected the dominance of the South African issue, with Britain, a major trading partner, alone refusing to impose stringent embargoes.

Mrs Thatcher argues that sanctions stiffen white South African resistance to change, hurt black South Africans most, cost jobs and are circumvented by third countries.

The issue has already soured British-Canadian relations in Vancouver, with British officials saying that Canada's trade rose with South Africa during 1985 and 1986.

Fiji, too, has sent ripples of discord through the gathering.

Other Pacific island states are openly sympathetic to coup leader Colonel Sitiveni Rabuka, while the military government of Nigeria, black Africa's most powerful state, has said in Vancouver that the coup should not concern the Commonwealth.

Col Rabuka seized power after ethnic Indians, now in a slight majority, won political control in elections. He plans to entrench Melanesian domination. — Sapa-AP

Canada wants new 'contact group'

The Star's Foreign News Service

VANCOUVER — Commonwealth summit host Canada is about to propose a new southern Africa "contact group", probably of Foreign Ministers, to boost the Frontline states, sustain pressure on South Africa, and nurture the politics of negotiation

Canadian Prime Minister Mr Brian Mulroney is known to be keen to resuscitate the kind of dialogue initiative begun by the Eminent Persons' Group (EPG)

While setting up a new EPG is considered inappropriate, it is apparent Canada has come up with something similar — a proposal for a southern African contact group

But Britain is strongly opposed to the move and is expected to fight it.

It is suggested that the group will comprise the Foreign Ministers of prominent member states and will serve as an instrument of the Commonwealth's long-established goal of helping to bring about change in South Africa.

The group could keep the international spotlight on South Africa and, at the same time — through a programme of visits, and trade and aid programmes — foster the relationship with Frontline states

But Britain believes Pretoria is not likely to be receptive to the entreaties of a diplomatic mission And, they say, a contact group would probably serve only to intensify the pressure on Mrs Thatcher to impose tougher sanctions



Britain's Prime Minister Mrs Margaret Thatcher is greeted by Mrs Mila Mulroney and Canadian Premier Mr Brian Mulroney at the Commonwealth conference in Vancouver yesterday.

Zimbabwe warned of impact on economy

Sanctions would be 'catastrophic'

By Robin Drew, The Star's Africa News Service

HARARE — The Commonwealth summit in Vancouver this week will see a renewal of demands for sanctions on South Africa.

The impact of such a move, however, would be catastrophic for Zimbabwe.

The latest economic survey by R A L Merchant Bank says it is conservatively estimated that sanctions would hit the balance of payments, already under strain, by more than R240 million, which would have a drastic impact on the local economy

The survey says almost one-third of Zimbabwean exports from the manufacturing industry are sold in South Africa and there is no viable alternative outlet for most of these products.

South Africa continues to dominate Zimbabwe's foreign trade as it has done for many years.

While exports to South Africa dropped to 10,8 percent of the total export revenue in 1985 (down from 18,7 percent in 1983), they rose again to 12,4 percent in 1986

South Africa thus regained its position as the biggest absorber of Zimbabwean goods.

Last year South Africa supplied 21,4 percent of Zimbabwe's imports, only fractionally down from the position five years ago.

The survey also shows that the rate of emigration from Zimbabwe slowed from 19 000 in 1983 to under 4 000 last year, but an upturn is evident this year. With 3 363 having left by August, emigration could reach 5 000 before the end of the year.

More than 300 who emigrated in the first four months of this year were in the professional, technical and related categories of workers.

The survey confirms that inflation has had a savage effect on the consumer.

It says the value of the Zimbabwe dollar has diminished by more than 60 percent since 1980, when Zimbabwe became independent

A freeze on wages and prices in terms of the Emergency Powers was imposed by the Government with effect from June 24 this year It is expected to last until January

Shortages of many other products and the apparent willingness of buyers to meet higher price demands are helping to undermine the freeze in other retail areas

The merchant bank notes that many companies have applied to the Ministry of Labour to retrench workers and a wage freeze was considered essential.

'Reformed' Mozambique slips into the Club

By Paul Vallely of The Times

LONDON — With the eyes of the Commonwealth leaders in Vancouver this week directed toward Fiji and Sri Lanka, the observers from Mozambique slipped in largely unnoticed.

But, in years to come, the virtual co-opting of a Portuguese-speaking socialist republic into the Club could prove of greater significance than any other decisions made this week

Officially, there is no such thing as "observer status" in the Commonwealth But a precedent was established at the last heads of government meeting in Lusaka when the host, President Kaunda, invited a Mozambican delegation Now the Canandians have followed suit

Opposition to this comes largely from right-wing pressure groups and analysts who point out that Mozambique has an avowedly Marxist constitution, a Moscow-style party system and a highly orthodox Soviet economic structure

Support for the weaning of the Frelimo government from Marxism comes from aid agencies, the anti-apartheid lobby and from governments, including Britain and the US They say that, during the past three years, Mozambique has moved away from the hard-left stance it adopted after independence from Portugal and is now pursuing policies, including the acceptance of an IMF austerity package, which are moving it into the Western sphere

Those opposed to the "weaning option" are sceptical of Britain's current rapprochement One such is Tom Schaff, of the right-wing pressure group, the Mozambican Research Centre in Washington

"Help to Mozambique softens the criticism over Britain's refusal to impose sanctions on South Africa It protects the interests of British businessmen like Mr Tiny Rowland, who is the largest single investor in Mozambique And it is felt that it consolidates British influence in the region," says Mr Schaff

Certainly, Britain's role in supporting the Southern African Development Co-ordination Conference (SADCC) has been substantial since the group was founded in 1980 to reduce the economic dependence on South Africa of states in the region Since then, Britain has pledged R2 700 million in development aid to SADCC states.

In addition, it is contributing substantial amounts in emergency food aid and disaster relief to combat the famine and homelessness caused by drought and the war waged by anti-government Mozambican National Resistance (MNR) guerillas There has also been a stepping up of a British Army training programme.

Those opposed to weaning are mainly students of Soviet foreign policy rather than Mozambique experts They believe that the recent changes in Mozambique are a mere tactic to get the West to take over the financial reconstruction of the country which, later, will move back overtly into the Soviet sphere.

8



EARTHA KITT

Pledge not to sing in SA again

DUBLIN — Irish anti-apartheid protesters called off pickets planned for a Dublin theatre after singer Eartha Kitt promised not to perform in South Africa.

The American singer, on a week-long concert engagement in Dublin, had two hours of talks on Monday with the Irish anti-apartheid movement leader, Mr Kader Asmal.

Mr Asmal, noting that Miss Kitt had made a film in South Africa in January with British actor Oliver Reed, told reporters that a planned picket was cancelled after she promised not to perform there again. — Sapa-Reuter

South African policies in Commonwealth spotlight

Summit is unlikely to impose more sanctions

By Michael Morris
The Star's Foreign News Service

Vancouver

Commonwealth leaders began a five-day summit yesterday divided over the best means of pressuring South Africa to speed up racial reform.

Canadian Prime Minister Mr Brian Mulroney said in his opening remarks: "I am hopeful that this meeting will be able to agree on ways to hasten the end of apartheid and to foster a climate of change within South Africa."

But Commonwealth-wide sanctions, are unlikely. Britain remains rigidly opposed and there are signs the rest of the members have accepted that. All states are likely to back greater assistance to the Frontline states but they could differ on the question of military aid.

Canada has revealed it is soon to announce some new "measures" against South Africa and that it will introduce in today's debate "some other options" in the fight against apartheid.

Commonwealth leaders will also have to make a decision on Canada's proposal for a ministerial contact group on southern Africa which Foreign Minster Mr Joe Clark says is intended to keep track of developments in the region and to nurture dialogue if that opportunity arises.

But the African National Congress has made clear its opposition to a contact group. ANC spokesmen, among them Dr Johnson Makatini, dismissed the effectiveness of such a group and said they would dissuade Canada from pursuing it.

But even Mr Clark — who backs sanctions and wants to see more imposed or those already imposed tightened — paved the way for a broader Commonwealth response with less emphasis on trade embargoes when he said: "This conference will not mark a pause in the imposition of pressure on Pretoria but it could mark a development of means."

Off the hook

Nonetheless, he added, there "is more happening here than sanctions" and acknowledged that last year's meeting in London set a precedent — where heads of state agreed to disagree on sanctions — which could preserve Commonwealth unity and, by implication, let Britain off the sanctions hook.

But Mrs Margaret Thatcher, having set out her position so strongly at the start, has made it clear she has nothing to add.

All the other speakers touched on South Africa — but none made the strident demands that have whipped up an angry debate in the past.

It is clear leaders are all, more or less, taking a longer view in which sanctions are not an urgent requisite.

But the debate will consolidate international opposition to Pretoria and, even if indirectly, boost the campaign for embargoes.

The sanctions issue has already soured British-Canadian relations in Vancouver, with British officials charging that Canada's trade with South Africa rose during 1985 and 1986. Canada, which says trade fell by 50 percent this year after it imposed tougher embargoes, accused Britain of "distorting" the debate.

Summit heads for 'fiasco'

Cape Times 14/10/87 280

Own Correspondent

LONDON — A hostile confrontation between the British Prime Minister, Mrs Margaret Thatcher, and her host, the Canadian Prime Minister, Mr Brian Mulroney, has put the Commonwealth summit in Vancouver "on course for a fiasco", the London Evening Standard reported last night.

The summit was due to start last night.

The newspaper's correspondent said Mr Mulroney had told him angrily that "Mrs Thatcher had not behaved as a guest in this country should".

The report said the Canadians were "infuriated by a propaganda exercise by the British side which seems to have gone badly wrong".

MIKE ROBERTSON reports from Vancouver that British officials provided statistics showing that while their trade with South Africa was decreasing, some countries which had been calling for sanctions had increased their trade with the Republic.

An attempt to show that Canada's trade with South Africa was up by 43% was rejected by senior officials of that country as "misleading".

The British quoted International Monetary Fund statistics from 1986. The Canadians pointed out that the Commonwealth sanctions measures were only introduced in London late last year, so the figures were not appropriate.

The Canadians later released figures of their own that showed that in the first half of this year, trade with South Africa was down by more than 50%.

A British official said Mrs Thatcher had expanded on her well-known views that sanctions were counter-productive when she met other Commonwealth heads of state.

Explaining her opposition to sanctions, the official said economic pressures and demographic forces were building up an inevitable pressure for change in SA.

"People in the Broederbond" recognized this, but central government did not, he said.

● Sanctions stirs summit — Page 11

Protest plan born of Mono buyout

B/day 15/10/87

Union demands say in talks on disinvestment

280

WORKERS at Mono Pumps (Africa) in Sebenza near Kempton Park have resolved to hold regular demonstrations in protest against the failure of the company to negotiate with their union over disinvestment plans.

This was announced yesterday by a spokesman for the National Union of Metalworkers of SA (Numsa).

A local management buyout is being negotiated by the UK subsidiary of holding company American Brands Inc.

Local Mono Pumps MD Herbert Peake said the 360 employees had been assured soon after the April 30 disinvestment announcement that the change of ownership would not materially affect their working conditions. So negotiations were unnecessary.

In any event the union demands were excessive, he said.

Numsa said it wished to negotiate for

ALAN FINE

the disclosure of information concerning the sale of the company, full union recognition which would allow plant-level negotiations, and a job security agreement with wages guaranteed for five years.

It also wanted the departing company to establish a community trust fund to channel borehole and other pumps to needy rural communities.

According to Numsa, the representative of Mono Pumps (UK) refused to consider these demands. He said only he would consider giving an *ex gratia* payment to some educational institution for disadvantaged people.

Numsa accused the company of paternalism and "running away with their money after having profiteered in SA for 32 years".

Summit deadlock on action over SA

VANCOUVER — Nine Commonwealth Ministers are seeking to break a deadlock over what the 49-nation group should do to pressure South Africa to dismantle apartheid.

British Prime Minister Margaret Thatcher has stood alone at the Commonwealth summit in opposition to the use of tougher sanctions against South Africa.

The sharp differences between Mrs Thatcher and other Commonwealth leaders were aired yesterday in a closed-door debate on Southern Africa, officials said.

After it became clear that Commonwealth leaders were unable to agree on a course of action, they appointed a committee of nine Foreign Ministers to study the divisive issue and report back during the summit.

Canadian External Affairs Minister Joe Clark, chairman of the committee, said they would consider possible sanctions as well as proposals for aid to South Africa's neighbours.

"The purpose for us is to maintain pressure against apartheid," Mr Clark told reporters. "We expect that to be done."

Despite continued talk about sanctions, many delegates said the push for new punitive measures had weakened substantially since the last Commonwealth summit in Nassau in 1985.

Mrs Thatcher was isolated in her resistance to sanctions in Nassau as well, but finally agreed to a watered-down package of punitive steps.

Since then she has repeatedly said Britain would not accept further sanctions, contending they cause the greatest harm to South African blacks and neighbouring black states.

Summit spokesman Patsy Robertson said most leaders had resigned themselves to the belief that Mrs Thatcher could not be moved.

"Forty-eight countries in the Commonwealth are determined to pursue the sanctions issue," she said. "They are convinced that the 49th will not go further down the road to sanctions."

Diplomats said the focus of the summit appeared to be shifting towards proposals for aid to the frontline states.

British officials said Mrs Thatcher would welcome improvements in aid programmes.

The committee of Foreign Ministers — consisting of Canada, Britain, Australia, Tanzania, Zimbabwe, Zambia, Nigeria, India and Guyana — was ordered to report back today. — Sapa-Reuter

280 PD 15/10/87.

Sanctions drive running out of steam — British

from MIKE ROBERTSON
Daily Dispatch man in Vancouver

VANCOUVER — The drive to impose more sanctions on South Africa was running out of steam, senior British officials said as Commonwealth leaders sat down to discuss the issue last night.

They received backing for their claim from the Canadian External Affairs Minister, Mr Joe Clark, who said the conference was suffering from "temporary sanctions fatigue".

British officials said, despite public statements by the Canadian Prime Minister, Mr Brian Mulroney, the Zambian President, Dr Kenneth Kaunda, and the Indian Prime Minister, Mr Rajiv Gandi, that the Commonwealth would adopt some new measures, none of the leaders had raised any specific sanctions.

Mr Mulroney surprised even his own officials by launching immediately into the South African issue in his opening address

His call for the Commonwealth to agree on "fundamental and increasingly effective measures to deal with the situation in South Africa," they said, was moved to the top of his speech in reaction to a bi-lateral meeting with the UK Prime Minister, Mrs Margaret Thatcher, which had gone badly

But there is growing evidence that senior Canadian foreign policy officials and Mr Clark are becomming increasingly uncomfortable with Mr Mulroney's "adventurism" in regard to Southern Africa

While Mr Mulroney committed Canada to examining measures that would retain the Commonwealth as a leader in applying rigorous sanctions against South Africa, Mr Clark said the conference was developing "temporary sanctions fatigue".

Political analysts here believe Mr Clark's view is more in line with the majority in their Progressive Conservative caucus. At his briefing, Mr Clark stressed he believed sanctions had an important economic and psychological impact on South Africa.

However, sanctions were not the only way for the Commonwealth to act against apartheid, he said.

"I am quite encouraged at the interest being shown here at looking at other means."

Mr Clark said that above all the Commonwealth would not want Vancouver to be seen as the conference which marked a pause in the campaign to pressure South Africa into ending the apartheid system. He would not expand on the alternatives

Asked if the Canadians had pursued any new ideas with them, senior British officials said "no" "We talked about the situation as being vague yesterday, it's foggy today"

An official said he had gained the impression that the heads of governments would hand the entire Southern African issue over to foreign ministers who would prepare proposals for them to consider on Saturday

The British said they were considerably encouraged by a low key speech by Dr Kaunda at the opening of the conference. While he sketched a picture of an ever deteriorating situation in the region he made no call for further sanctions

Several frontline officials and ANC representatives expressed dismay at his speech, but others said nothing should be read into it.

"The fight will take place behind closed doors," said a senior Tanzanian official He pointed instead to Mr Gandhi's speech at the opening as a true indication of where the conference was heading in terms of sanctions

Mr Gandhi said the Emminent Persons' Group (EPG) had clearly established there was no scope for dialogue in South Africa "The only way to destroy apartheid without a terrible bloodbath is by imposing sanctions.

"Our task here is to take stock of what has been done, to assess the effects, and determine what more needs to be done Nassau set the direction London set us firmly on the path. Vancouver must carry the process forward.

"Yet the impression has gained ground that apartheid has been put on the back burner Let Vancouver show that our loyalty to principles and to declared objectives is not fickle, that our resolve to end racism in South Africa is not negotiable."

At a press conference yesterday, the ANC rejected a Canadian proposal to set up a committee of foreign ministers to monitor developments in South Africa and promote dialogue.

Editorial opinion p16



The Zambian president, Dr Kenneth Kaunda, embraces the Canadian prime Mulroney, after Mr Mulroney's speech at the opening session of the Commonv Vancouver.

Market forces 'better agent of change'

The Star's Foreign News Service

VANCOUVER — Britain is fighting sanctions with a controversial and ground-breaking argument that market forces within South Africa will be far more effective as an agent of change than trade embargoes imposed abroad.

It is the first time Britain has advanced the argument with such force in an important international forum.

The Commonwealth summit is still discussing what to do about apartheid.

But in what is seen as a major coup for South Africa's business community — which can claim to have pioneered the arguments Britain is now deploying against her pro-sanctions adversaries — the United Kingdom said at the Commonwealth summit yesterdaythat: "Whatever is done from the outside (sanctions) may operate on the margins, but if you are looking for real change in South Africa, internal economic pressures are likely to have a greater effect."

Mrs Thatcher has also argued that the "ANC does not have the capacity to overthrow the government by force".

Critics are already accusing Mrs Thatcher of giving succour to President Botha

Britain's position is slammed by the ANC spokesmen in Vancouver.

But the outline of this British policy is hailed as a major development by London director of the South Africa Foundation, Mr David Willers, who is in Vancouver.

"Maybe now that these views are being heard clearly in Vancouver they will have an even greater impact on the political process in South Africa There is no doubt that more and more people are recognising that this is the only way forward and that sanctions can only retard the efficacy of this approach."

In two packed briefings yesterday, British sources close to the Prime Minister sketched the policy.

"We are not saying you must invest in apartheid. What we are saying is that the economic pressures within South Africa (the need for growth and the need to find 1 000 jobs a day to meet population increases) are such that internal economic pressures are likely to have a greater effect than pressures from outside.

"The point is that international bankers are making their own judgment of the South African economy and its prospects ... the question of whether there is any political or social reform which are a vital facet of the economy. They want to see their money

Commonwealth leaders recognise that Thatcher will not be moved but ...

Sanctions issue is still alive

By Michael Morris,
The Star's Foreign News Service

VANCOUVER — Sanctions are not off the boil at the Commonwealth summit — but Britain insists its stand against them will not change.

Talks are continuing on what the Commonwealth should do in southern Africa to help Frontline states and pressure Pretoria into dismantling apartheid.

Some new measures, or a tightening of existing measures along with procedures to monitor implementation more strictly, are likely — but without Britain's support

Zimbabwean Prime Minister Mr Robert Mugabe opened the debate among heads of government with a "dispassionate" hour-long assessment of the situation in the region. He brought up the subject of sanctions but, equally, paid tribute to Britain's pioneering aid in Frontline states.

There were no recriminatory or personal attacks in the initial discussion which occupied Commonwealth leaders for much of yesterday morning.

It is apparent that even Mrs Thatcher's strongest critics have accepted that she is immovable on the question of economic sanctions.

The leaders have now left it to the Foreign Ministers of Britain, Canada, Australia, Tanzania, Zimbabwe, Zambia, Nigeria, Guyana and India to work out details of a new policy on southern Africa, covering sanctions, aid and a possible diplomatic intiative, before reporting back this morning.

Mrs Thatcher and her fellow Prime Ministers and Presidents may decide to take the proposals with them when they leave Vancouver today for their two-day retreat in Kelowna and their decision may be announced only on Saturday, the last day of the summit.

Canadian Foreign Minister Mr Joe Clark, who is chairing the Foreign Ministers committee, said yesterday: "Canada is determined to maintain the pressure for change and the end of apartheid and that this conference should not be seen as a pause in that pressure."

But he admitted: "There are a variety of ways to do this There has been a difference over the effectiveness of sanctions and that may be reflected in the results of the group I have been asked to chair and the meeting of the heads of government."

He denied there was a "contest" between Britain and Canada — it was merely a "difference of view". The tone of the heads of government meeting, he said, was consistent, eloquent and sincere.

Commonwealth will go on

He concluded "The Commonwealth will go on effectively whether or not the difference over sanctions is bridged."

Mr Clark also believed that the "temporary sanctions fatigue" he referred to on Tuesday had been partly the result of press censorship in South Africa. "The evidence of what is happening in that country is not readily available to the Western public."

Earlier, during the meeting of heads of government, Mr Mugabe asserted that his country, and others in the region, had pressured Pretoria by diverting their trade away from South Africa He claimed Zimbabwe hoped, by June next year, to substitute all trade with South Africa.

Later, on television, in one of his mildest performances, Mr Mugabe said: "We cannot understand how Britain, having accepted that the situation in South Africa requires an urgent solution and having condemned apartheid, cannot use sanctions as an instrument."

A stronger plea for sanctions came from Jamaican Prime Minister Mr Edward Seaga who said there was a "moral strength" — even if the economic impact was small — in the imposition of sanctions by smaller countries

He has proposed that Commonwealth states should intensify financial sanctions by banning new loans, rescheduling of old loans and new investments, and the withdrawal of existing investments.

Britain advanced a more detailed analysis of its view on South Africa yesterday, saying it believed market forces within the country would be more effective in creating change than sanctions which "operate on the margins".

Sources close to Mrs Thatcher said multinationals like BP and Unilever were in the vanguard of providing social programmes — "And where such companies disinvest or are bought out, there is nobody to continue those programmes".

It is clear the Commonwealth is engaged in one of its calmest debates on South Africa since that country left the family more than 20 years ago.

The next few days will show how deeply Britain's arguments have penetrated the political thinking of the diverse nations that make up the alliance — and how strong the Commonwealth's commitment to sanctions really is.

Remarks on violence sow confusion over party's policy

The Star's Foreign News Service

VANCOUVER — Remarks by a British Columbia MP which condoned violence by blacks in South Africa have brought a cloud of confusion to Canada's national political scene.

Conservative and Liberal politicians, along with many observers, see it as contradictory for the socialist New Democratic Party (NDP) to condone violence when it has always billed itself as Canada's party of peace and brotherly love.

The NDP, led by the popular Mr Ed Broadbent, has been gaining in popularity in recent months.

Public opinion polls have suggested it could become the next official opposition (now the Liberals), or could even defeat Prime Minister Mr Brian Mulroney's ailing Progressive Conservatives in a general election expected in a year or so.

But gleeful Tories and Liberals now think the NDP may have seriously damaged its chances because of its stand on violence practised by South African blacks in their fight against apartheid.

The latest development came in the House of Commons in Ottawa when Miss Pauline Jewett, MP for the city of New Westminster and NDP spokesman on external affairs, called on the Canadian government to support her party's position.

"We want one message to go to the black majority in South Africa.

"Will the (External) Minister also agree that since the root of the violence is apartheid, sometimes a resort to violence is absolutely essential in the struggle?" Miss Jewett asked.

Special aid committee appointed

VANCOUVER — The Commonwealth summit yesterday appointed a committee of Foreign Ministers to study how to provide aid to South Africa's embattled black-ruled neighbours.

Canadian External Affairs Minister Mr Joe Clark announced the committee of nine Ministers would meet in advance of the traditional retreat that Commonwealth heads of government will attend for 24 hours at a mountain resort later this week.

It comprises Canada, Britain, Australia, Tanzania, Zimbabwe, Zambia, Nigeria, India and Guyana.

The study group was formed after it became clear the 49-member organisation was unable to agree on new economic sanctions against Pretoria aimed at speeding the dismantling of apartheid.

The Commonwealth leaders backed away from adopting tougher sanctions after British Prime Minister Mr Margaret Thatcher remained firm in her opposition to the concept.

"The purpose for us is to maintain pressure against apartheid," Mr Clark told reporters. "It is important to maintain pressure for change and important that this conference not be seen as a pause in that pressure."

But he denied that the sanctions issue had caused a major rift between Britain and its former colonies. — Sapa-Reuter.

Market forces 'better agent of change'

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"The point is that international bankers are making their own judgment of the South African economy and its prospects ... the question of whether there is any political or social reform which are a vital facet of the economy. They want to see their money returned and that's a pressure on the South African Government to reform.

"You have to generate confidence to provide jobs and it is that kind of pressure that is more likely to produce reforms.

"And if you have the kind of society which lacks investor confidence, you will not get investment and you will not get jobs.

"The psychological point is that change is more likely if the country is moving forward, economically, rather than becoming increasingly embattled (besieged by sanctions)."

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Ambassador de Klerk .. South Africa's future will not be decided in Vancouver.

SA envoy speaks out

The Star's Foreign News Service

VANCOUVER — South Africa's ambassador to Canada, Mr Hennie de Klerk, has strongly attacked the sanctions lobby on the eve of the Commonwealth's southern Africa debate

Interviewed on Canadian television, Mr De Klerk said "I do not think the future of South Africa will be decided in Vancouver It will be found in South Africa, because we are determined and committed to find our own solution"

He admitted that sanctions posed a threat to South Africa, but he added "Responsible leaders (like Mrs Thatcher and President Reagan) know if you are going to hurt South Africa economically . . you will hurt the whole of southern Africa and other African states further north, because, whether you like it or not, the economies of the region are intertwined and a lot of people from neighbouring economies rely on jobs in South Africa and technology from South Africa"

The short-term threat of sanctions had been overcome "Just in Africa, we have increased trade tremendously and we now have trade with 49 of the 50 African countries"

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The study group was formed after it became clear the 49-member organisation was unable to agree on new economic sanctions against Pretoria aimed at speeding the dismantling of apartheid.

The Commonwealth leaders backed away from adopting tougher sanctions after British Prime Minister Mr Margaret Thatcher remained firm in her opposition to the concept.

"The purpose for us is to maintain pressure against apartheid," Mr Clark told reporters. "It is important to maintain pressure for change and important that this conference not be seen as a pause in that pressure."

But he denied that the sanctions issue had caused a major rift between Britain and its former colonies. — Sapa-Reuter.

Commonwealth has 'fatigue'

Sanctions drive runs out of steam

280

15/10/87

VANCOUVER — The drive to impose more sanctions on SA was running out of steam, senior British officials said at the Commonwealth summit last night.

They received backing for their claim from Canadian External Affairs Minister Joe Clark who said the summit was suffering from "temporary sanctions fatigue".



● CLARK

British officials said despite public statements by Canadian Prime Minister Brian Mulroney, Zambian President Kenneth Kaunda and Indian Prime Minister Rajiv Gandi that the Commonwealth would adopt some new measures, none of the leaders had raised any specific sanctions in bilateral talks.

Mulroney surprised even his own officials by launching immediately into the SA issue in his opening address yesterday.

They said his call for the Commonwealth to agree on "fundamental and increasingly effective measures to deal with the situation in SA" was moved to the top of his speech in reaction to a meeting with UK Prime Minister Margaret Thatcher which had gone badly.

MIKE ROBERTSON

But there was increasing evidence that senior Canadian foreign policy officials and Clark were becomming increasingly uncomfortable with Mulroney's "adventurism" in regard to southern Africa.

While Mulroney committed Canada to exmining measures which would keep the Commonwealth as a leader in applying rigorous sanctions against SA, Clark said the conference was developing "temporary sanctions fatigue".

Clark said he believed sanctions had an important economic and psychological impact on SA.

However, they were not the only way for the Commonwealth to act against SA. Clark said: "I am encouraged at the interest being shown at looking at other means."

A British official said he had gained the impression the heads of governments would hand the entire southern African issue over to foreign ministers who would repare proposals for them to consider on Saturday evening.

The British also said they were encouraged by a low-key speech by Kaunda at the summit's opening.

While he sketched a picture of an ever-deteriorating situation in the region he made no call for more sanctions.



GREETINGS . . . The Prime Minister of Canada, Mr Brian Mulroney (left), who is also host of the Commonwealth summit in Vancouver, embraces President Kenneth Kaunda of Zambia at the conference this week. Picture: REUTERS

Sanctions 'have curbed trade with Canada'

Own Correspondent

PRETORIA. — Sanctions have bitten deep into South Africa's trade with Canada, according to authorities here.

At the Commonwealth summit in Vancouver earlier this week, British officials claimed, in an effort to illustrate the futility of sanctions, that trade between Canada and South Africa had incresed by 47%.

This was countered by Canadian officials who claimed British statistics were for 1986 and in fact trade had decreased by 50%.

A Canadian Embassy official said in Pretoria that although no figures were available, trade between the two contries had taken a dive since sanctions were imposed.

And a Safto source confirmed that trade was shrinking: The last available figures — for 1985 — showed imports from Canada valued at R270 million and exports to Canada at about R200 million.

'Sanctions' fatigue' admission

VANCOUVER, British Columbia. — Commonwealth nations plunged into debate yesterday on South Africa with Britain even more opposed to trade embargos and Canadian Foreign Minister Mr Joe Clark acknowledging "sanctions fatigue".

As debate began, British officials said Prime Minister Mrs Margaret Thatcher saw change in South Africa coming only through economic growth and was "even more convinced sanctions are not the answer".

"The prime minister has never been concerned about being out on a limb when she thinks she is right, and the fact it is uncomfortable is neither here nor there," said a senior official, who asked not to be identified.

But Mozambique argued that sanctions were forcing changes, including meetings between white businessmen and the ANC.

"Mozambique is not in a position to apply sanctions," said Foreign Minister Mr Pascoal Macumbi.

"But this fact should not be taken by those who could apply effective sanctions as an example to follow."

"What is developing now is a temporary sanctions fatigue," Mr Clark told reporters after the leaders of the 49-nation association of Britain and its former colonies had met in closed session.

"Lonely little sanctions offered by countries like Canada don't have much impact on their own," Mr Clark added.

Canada implemented a full package of embargos agreed by Commonwealth nations last August, including bans on air links, farm products and new investment. Britain, whose trade with South Africa is eight times larger than Canada's, refused to impose the tough measures, claiming they do not work and hurt blacks the most.

Backsliding

Queen Elizabeth, official head of the Commonwealth, hosted a banquet at her hotel headquarters on Tuesday night for 37 leaders and deputy leaders from eight other nations.

When the five-day conference opened on Tuesday, Mrs Thatcher reiterated that she will not budge on the sanctions issue.

"We have a legitimate right to our own views, and the right, too, to hold these views without our motives being questioned," she said.

African and Asian leaders, headed by Zambian President Dr Kenneth Kaunda and the Indian Prime Minister Mr Rajiv Gandhi, made impassioned appeals for concerted action against apartheid and declared that the Commonwealth must not be seen to be backsliding on an issue it has debated for more than two decades.

No country made any suggestion for specific new embargos.

"The only way to destroy apartheid without a terrible bloodbath is by imposing sanctions," said Mr Gandhi.

Mr Clark said "nothing has changed" in the deep differences with Britain over sanctions, a rift that threatened to break up the Commonwealth two years ago. But he said there were "more ways of influencing apartheid than sanctions".

"This Commonwealth Conference will not mark a pause in the pressure against apartheid," said Mr Clark. He did not elaborate, but Canada has suggested setting up a foreign ministers group to monitor the issue between the two-yearly meetings of Commonwealth leaders.

Initial reaction to that idea was cool from both Britain and its African critics. — Sapa-AP

SA-Canada trade down

GERALD REILLY

PRETORIA — Sanctions have bitten deep into SA's trade with Canada, say authorities in Pretoria.

At the Commonwealth summit in Vancouver this week, UK officials claimed, in an effort to illustrate the futility of sanctions, Canada-SA trade had increased by 47%.

Canadian officials countered by saying UK statistics were for 1986 and, in fact, trade was off 50%.

A Canadian embassy official said in Pretoria although no figures were available, SA-Canada trade had taken a dive since sanctions were imposed.

And a Safto source confirmed trade was shrinking. Figures for 1985 showed imports from Canada valued at R270m and exports to Canada at about R200m.

Britain stands firm on SA sanctions

By Michael Morris,
The Star's Foreign News Service

VANCOUVER — Britain is standing firm against sanctions, but the rest of the Commonwealth may impose their own new measures.

Jamaica has proposed that all countries intensify financial bans — refusing new loans, the rescheduling of old loans, and new investment, and that they order the withdrawal of existing investments.

Canada insists it is still committed to intensifying sanctions pressure.

A restrained southern Africa debate got underway between heads of state yesterday morning.

They have now left it to a committee of nine Foreign Ministers to get down to details. This committee is expected to report back to their leaders at about 5 pm today.

The results may not emerge until the weekend, when heads of state return from their two-day retreat in the British Columbian resort of Kelowna, more than 400 km from Vancouver.

Anger appears to be absent from discussions so far, but there is a strong determination among some nations to intensify sanctions.

There is broad agreement on increasing aid to the Frontline States — Britain has succeeded in at least partly shifting the emphasis on to aid — and on working to end apartheid. But there remain deep differences.

Most of the Commonwealth accepts that Britain is showing no interest in pursuing trade embargoes — and the rigidity of British Prime Minister Mrs Margaret Thatcher's stand seems to have exhausted efforts by others to push her any further. Frontline Commonwealth states have been effectively exempted from having to agree to impose sanctions.

While rancour is absent from the talks so far, so is consensus. The result may put greater pressure on Pretoria, but with nothing like the economic impact that would result were the Commonwealth able to force Britain to toe a common line.

● See Page 15.

Consultants

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October

Sanctions 'hamper urging for change'

16/10/87 Business Day Reporter BD Bldaily

SANCTIONS have diminished the already limited ability of the private sector to influence change, Anglovaal chairman Basil Hersov says in his annual review.

He says the abolition of the Group Areas Act must be the next logical step in government's programme to abolish discrimination.

Further delays in the reform process will give SA's overseas opponents more ammunition and time to prepare strategies aimed at destroying the country's economy and its social and political structures.

The business sector lacks unanimity on political issues because its interest are so diverse, and thus it lacks the extensive "political clout" many believe it has.

But, he adds, that sector still has more influence than many South African businessmen are prepared to admit.

The areas where business should legitimately involve itself are in education and training, threats of sanctions and disinvestment and forced removals and other social issues that affect the business community, he says.

Bldaily 16/10/87

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ity, he says.

Put positive pressure on SA, Soal tells BBC

LONDON — PFP MP Peter Soal has said in a BBC TV interview that positive rather than negative pressure should be brought to bear on the SA government to bring about change in the Republic.

"I am not convinced that sanctions will change apartheid or rid South Africa of the system of racial discrimination that we have," he said.

"It hasn't changed the point of view of the whites, as experienced in the election that we held in May of this year, and certainly as far as black people are concerned it has effected their jobs rather than their political advancement."

Soal, MP for Johannesburg North and the PFP's media spokesman, said his party was opposed to sanctions "simply because we believe that they're not going to work. They're not going to effect the changes that the world wants or the changes that we want."

Soal said he understood the frustrations of Commonwealth leaders meeting in Vancouver, who wanted to see major changes in SA.

"We want those changes ourselves. We are implacably opposed to apartheid. We want to bring about a non-racial democratic society in South Africa where all South Africans will participate. But we don't believe sanctions will bring that." — Sapa.

Fire at mine

Thatcher wins the battle of Vancouver

280
SSM 16/10/87

By Michael Morris,
The Star's Foreign
News Service

VANCOUVER — British Premier Margaret Thatcher has succeeded in deflecting Commonwealth pressure on Britain to give up its opposition to sanctions.

But her critics are by no means appeased, nor have they given up the battle against Pretoria.

Britain is the Commonwealth exception once again — "isolated", Mrs Thatcher's critics insist — but this latest division in the family of 49 does not appear to be threatening the Commonwealth bond as it did in Nassau in 1985 and in London last year.

The other 48 nations are in the process of deciding how to toughen their response to apartheid. Action is likely against South Africa in regard to loans, investment and the rescheduling of old loans.

There may be other measures — and certainly a commitment to "universalise" sanctions. There is also broad consensus on more aid to Frontline states.

Zambia's President Kenneth Kaunda accused the British delegation Press officials of "leaking disinformation ... typical of South Africa. It's low politics, cheap. We cannot behave like that at a summit like this."

The British sources in question (renowned for their frank, but unattributable briefings) were bewildered by the accusation.

One said: "Well, you will just have to decide for yourselves whether we are giving you disinformation, misinformation or information."

The same source said of the suggestion that Britain was isolated: "We have never been bothered about being isolated. We have been isolated in the EEC and it has never been a concern.

"What matters is whether you believe in what you are doing."

The Anti-Apartheid Movement cancelled a press conference in Vancouver yesterday because so few of the more than 1 000 journalists turned up.

But the director of the World Campaign Against Military and Nuclear Collaboration with South Africa, Mr Abdul Minty, issued a report warning the Commonwealth that the effectiveness of sanctions was being weakened.

BRITAIN BLAMED

This was because they were not being universally applied, and because nations — Britain in particular — did not ensure rigorous implementation.

The Fijian crisis loomed large for the first time at the summit yesterday when the Governor-General Ratu Sir Penaia Ganilau resigned.

The Queen issued a statement saying she accepted his resignation with "regret".

The statement said: "The Queen accepts that it must be for the people of Fiji to decide their own future and prays that peace may obtain among the people of all races in that country."

Mrs Thatcher is among leaders hoping a way may be found to sustain Fiji's membership of the Commonwealth

No point in pushing for new UK sanctions, says Kaunda

VANCOUVER — Commonwealth nations pressing for sanctions against South Africa continued discussions yesterday, but it is clear they are hardly bothering to put pressure on Britain to join them.

British Premier Margaret Thatcher has been described as being "totally isolated" on the question, but one of her critics, Zambian leader Dr Kenneth Kaunda, admitted any attempt to persuade her to join in with new or tougher sanctions would be "a wasted effort".

The British camp clearly sees this as a victory in itself.

One of the most restrained Commonwealth debates on South Africa continued yesterday behind a veil of silence. Foreign Ministers working out a new southern Africa policy completed a preliminary report for the heads of state to consider between now and tomorrow, the last day of the summit.

The Fijian crisis intruded yesterday on the week's almost total preoccupation with South Africa when the Queen announced that her Governor-General in Fiji Sir Ratu Penaia Ganilau had resigned.

Commonwealth leaders have gone into the forests of British Columbia to mull over South Africa and Fiji and come up with proposals for action. Details will probably emerge only tomorrow.

Aid to Frontline states is likely to have special emphasis in the final Vancouver communique.

Canada announced yesterday it would write off outstanding loans totalling more than R450 million owed by Swaziland, Zambia, Zimbabwe, Kenya, Nigeria and Ghana. — The Star's Foreign News Service.

Problems in SA are touted for tourists

VANCOUVER — South Africa is marketing its political conflict as a tourist attraction, offering an "unparalleled travel experience".

In a travel advertisement in Canada's national daily, *The Globe and Mail*, Argosy Travel Ltd invites readers to "come see for yourself" and among the listed attractions are South Africa's "highly publicised social and political problems".

The advertisement concludes: "If you prefer to form your own opinions first hand, join us for an unparalleled experience in travel"

★ ★ ★

Zambian president Dr Kenneth Kaunda has summed up his opinion of Mrs Thatcher's policy on southern Africa by saying: "Aid without sanctions means you are fattening us like heifers for the slaughterhouse of apartheid."

Told later that Mrs Thatcher was emerging as the leader of the West, he said: "If so, God help us."

★ ★ ★

The hotels where heads of government are staying have their problems.

One hotel manager said he had had a bed rebuilt and reinforced to the take the apparently considerable weight of King Taufa'ahau Tupou IV of Tonga. In the end the monarch did not come to Vancouver.

The same hotel has had to import Belgian chocolates because one unnamed leader won't eat any other kind.

SA campaign 'cost R6-m'

MAPUTO — South Africa's propaganda campaign in Canada this year had a budget of more than R6 million, says the Mozambique News Agency, AIM.

It said every member of the Canadian parliament was offered a video cassette claiming to show improved living conditions for blacks. — The Star's Africa News Service.

Despite hardships, support for pressure higher than in 1985

Blacks do back sanctions, warns survey

State cracks down on varsity funds

Weekly Mail Reporters

THE government last night cracked down on universities, imposing strict conditions to be met, beginning on Monday, in order to qualify for state subsidies.

About 80 percent of university funds come from the government.

The new conditions — which do not differ significantly from those threatened several weeks ago — have laid down a lengthy process to deal with "any incident of unrest or disruption involving the university or a student or staff member thereof".

According to a statement released by the minister of national education, FW de Klerk, university councils will be required to take steps to prevent a range of activities including, *inter alia*, unlawful gatherings, the promotion of boycotts, support for or promotion of unlawful organisations, encouragement of members of the public to strike or to stay away from work, and support for civil disobedience.

Universities will have to ensure disciplinary steps are taken against any student or staff member found to be guilty of "intimidation or discrimination, disrupting teaching or research or taking part in illegal gatherings". The statement does not appear to restrict the university's responsibility to events on campus.

In terms of the conditions, incidents alleged to fall under these categories must be reported to the minister in writing within 21 days, along with an explanation of steps that will be taken.

The government had decided to take steps to compel universities to enforce stricter discipline, De Klerk said, because of the "unacceptable situation" which had developed over the past few years. The government had found unacceptable "intimidation of students .. disruption of academic activities and the infringement of the rights of lawful organisation to hold meetings and invite speakers"

He said the "managerial autonomy" of the universities and academic freedom of students, staff and universities "will not be substantially affected" by the crackdown.

De Klerk said reaction from universities had varied from acceptance to opposition, but sources said many universities across the spectrum, including Afrikaans-medium and black universities, found the conditions disturbing. — Sapa



Two-thirds blacks pro-sanctions - poll

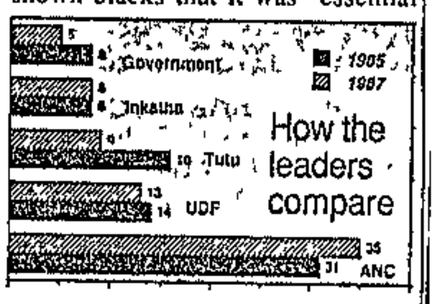
By PHILLIP VAN NIEKERK

AS the international sanctions movement struggles to maintain its momentum, a major nationwide survey released yesterday has revealed that two thirds of black South Africans support sanctions.

The survey was conducted during August and September by the Community Agency for Social Enquiry This was the same group which compiled a simular, controversial report two years ago showing that most blacks supported disinvestment by foreign companies

The survey — which for the first time included people in the rural areas — also revealed that African National Congress leader Nelson Mandela and the ANC are the country's most popular political actors for blacks

Mark Orkin, a director of Case, said yesterday that the repression of three successive States of Emergency had shown blacks that it was "essential that the full range of pressures should be brought to bear to help end apartheid"



Out of the sample of 800 respondents, 46 percent said sanctions should be applied until the South African government lifted the Emergency, freed political prisoners, unbanned political organisations and abandoned apartheid

Orkin said 21 percent supported "an even more adamant view" — that sanctions should be enforced unconditionally until the government surrendered power

Only 26 percent of blacks in the cities and in the rural areas were opposed to sanctions, fearing that it would stunt economic growth

The results are similiar to the 1985 questionnaire when about a quarter of respondents supported hard-line disinvestment, a quarter opposed disinvestment and one half favoured conditional disinvestment.

However, the 1985 poll was conducted only in the cities whereas 59 percent of the respondents in the latest survey were from the rural areas, 14 percent from small towns and 27 percent metropolitan.

In the metropolitan areas, support for sanctions was more widespread A total of 29 percent favoured hard-line sanctions, 52 percent backed conditional sanctions while 14 percent were opposed to sanctions.

●To PAGE 2

Orkin pointed out that compared to the 1985 figures, the support for economic pressures had increased among blacks in the cities.

A new question — on whether respondents were prepared to continue supporting sanctions if these resulted in job losses for blacks — also produced some surprising results.

The number of hard-liners, who stood by the sanctions position whatever the unemployment costs, declined to 14 percent overall. A second intermediate group who were prepared to see some but not many blacks unemployed as a result of sanctions dropped to 26 percent while 60 percent were not willing to support any job losses.

"The pressure to use economic measures is increasing at the same time as the growth in unemployment is worrying people," said Orkin. "Taken together, the results illuminate the policy decisions on sanctions of the unions, the churches and popular political tendencies

"They are calling for sanctions to be comprehensive rather than partial, and mandatory rather than voluntary, in the hope that this way sanctions will achieve the greatest possible political impact, while causing unavoidable economic hardship for the shortest possible time."

●From PAGE 1

The survey on political leadership revealed that nationally 24 percent supported the ANC, seven percent the United Democratic Front, six percent Archbishop Desmond Tutu and 11 percent Inkatha while 10 percent supported the government.

Within the metropolitan areas, the ANC received 35 percent, the UDF 13 percent, Tutu nine percent and Inkatha eight percent.

"The leadership figures display a close continuity with the earlier survey," said Orkin. "This confirms the reliability of the study and indicates the steady evolution of black opinion responding to political events.

"Since 1985 the only appreciable change is that support for the ANC has risen a few percent and that Tutu has lost support (from 16 percent in 1985) as he has moved residence away from the Witwatersrand."

The questions were framed so that each position was explained alongside the political groups which support it. For instance, the question for those opposing sanctions, read: "This view is supported by PW Botha, and the Nationalist government, by the PFP, by businessmen like Harry Oppenheimer and by homeland leaders like Chief Buthelezi."

Doubt was cast on the findings yesterday by Professor Lawrence Schlemmer, director of the Centre for Policy Studies at Wits University, who was himself criticised for a survey he did two years ago into black attitudes on disinvestment.

Schlemmer said that given that the options on sanctions were linked to political leadership, the question was not about sanctions but a mixture involving both sanctions and support for leaders.

"I am surprised that as many as 26 percent of people oppose sanctions given that to do so would be to associate with the government. That this has been done biases the response against rejection of sanctions.

"This is not comparable with other surveys and the respondent is faced with the critical dilemna to support sanctions or his political leadership."

Orkin said yesterday that as with the earlier study, it was important not only to mention the policy positions but also as background to give the important party political tendencies associated with each position.

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Survey: blacks favour sanctions

JOHANNESBURG — A survey released yesterday showed two-thirds of the blacks interviewed support economic sanctions in principle, but only 40 per cent back such measures if they result in the loss of jobs.

Blacks in urban areas were more likely to favour sanctions than those in small towns or rural areas, but a majority in all regions support the idea of economic embargoes, said the Community Agency for Social Enquiry, an independent research organisation.

The question on sanctions gave the respondent the choice of opposing sanctions, approving conditional sanctions until certain reforms are made, or unconditional sanctions until aparthied is ended.

The survey found that 46 per cent said sanctions should be applied until the South African Government ends the state of emergency, frees political detainees, unbans certain political organizations and takes other steps to end apartheid.

An additional 21 per cent said sanctions should be kept in force until the white-led government completely abandons apartheid.

Twenty-six per cent said they opposed sanctions and 6 per cent said they had no opinion, the group said.

Asked how they felt if sanctions led to increased unemployment, 40 per cent said they still approved of embargoes, but 60 per cent said they were reluctant to risk job losses.

The survey also measured support for political groups and leaders.

Twenty-four per cent said they backed Nelson Mandela, the African National Congress leader imprisoned for 25 years after conviction for sabotage; 11 per cent supported Mangosuthu Buthelezi, the chief minister of the Zulu tribal homeland; 10 per cent chose President P. W. Botha; 7 per cent backed the anti-apartheid United Democratic Front and 6 per cent selected Anglican Archbishop Desmond Tutu. Four per cent were divided among other leaders, and 38 per cent did not answer. — Sapa

Kaunda: talks on sanctions going on

from
MIKE ROBERTSON,
Daily Dispatch man
in Vancouver

VANCOUVER — A special committee of Commonwealth foreign ministers was considering imposing further financial sanctions against South Africa last night.

And, for the second time this week, Britsh officials came under fire for spreading "deliberate misinformation".

In his first press briefing at the conference the Zambian President and frontline chairman Kenneth Kaunda said he was "extremely happy with what is coming out of this conference on the question of sanctions".

"With one well known exception (Britain) the summit is unanimous that we must find ways of tightening up on sanctions and making them more effective," he said. Frontline countries have adopted a joint position on the issue calling for:

Increased financial and investment sanctions.

Improved monitoring to identify "dummy" companies through which SA exports are still reaching world markets and

The plugging of loopholes that are allowing foreign companies to continue exporting to SA.

Pointing the way to a disagreed communique at the end of the summit, President Kaunda said it would be a wasted effort to try to persuade the British Prime Minister, Mrs Margaret Thatcher, to agree to new sanctions. He refused to pre-empt the recommendations of the foreign ministers' committee, but said: "Financial centres need to be tackled and I would like to believe that some of the recommendations that the foreign ministers will come up with will be related to how to handle them."

On the issue of sanctions, he said, Britain was totally isolated. "That is a success for the summit."

Attacking British officials for giving a misleading impression of what was going on at the heads of government meeting, he said they were guilty of "leaking disinformation typical of South Africa."

Earlier other Commonwealth leaders had stepped in swiftly to rebut suggestions by British officials that a committee of nine foreign ministers, under the chairmanship of the Canadian External Affairs Minister, Mr Joe Clark, would consider only aid to the frontline states and not sanctions.

Mr Clark said his committee had been instructed to prepare recommendations on the agenda item Southern Africa, which included everything, although special emphasis was to be placed on aid to the frontline.

Despite British suggestions that discussions of sanctions had been "fairly low-key", it later became clear that the Jamaican Prime Minister, Mr Edward Seaga was spearheading a move to intensify financial and investment sanctions.

(280

Blacks show 81% sanctions support

Own Correspondent

JOHANNESBURG. — A survey of black South African attitudes towards sanctions published yesterday shows that while 81% support sanctions, 60% took a more cautious approach if these were to risk any job losses, and an additional 26% were prepared to see only limited job losses.

The survey had 800 respondents and was conducted nationwide with appropriate weightings for cities, small towns and the rural areas.

Sociologist Mark Orkin, of the Community Agency for Social Enquiry, explained this apparent contradiction as revealing the interplay among respondents' priorities between their socio-political commitments and their individual economic anxieties.

He argued that the policy position on the issue held by, for example, Cosatu, reflected an attempt to take both these currents into account.

Thus Cosatu advocated comprehensive rather than partial sanctions in the hope that they would have the greatest possible impact while causing economic hardship for the shortest possible time, the survey says.

Opinion on whether sanctions would actually work was evenly divided — 42% said "no" and 41% "yes".

There was 42% support for "conditional" sanctions, which should be applied until the emergency is ended, political prisoners released, organizations unbanned and apartheid abandoned — the position represented by groups like Cosatu, Nactu and the SA Council of Churches.

"Unconditional" sanctions, propogated by the ANC, PAC, UDF and Azapo, were supported by 21%.

And 26% opposed sanctions.

Sanctions 'are harmful to SA'

Own Correspondent

AMANZIMTOTI — The effects of boycotts and sanctions on SA's economy should not be underestimated, Finance Minister Barend du Plessis said yesterday. Responding to resolutions put at the Natal National Party Congress, he said SA had an open economy that was extremely vulnerable.

"Don't underestimate the negative effect that boycotts and sanctions have on our economy.

"We have billions accumulated in sterilised wealth in the form of strategic commodities such as oil," he said.

"Imagine what we can do if we could have certainty regarding oil supplies and were able to release these reserves to finance development and infrastructure."

He told the congress that his officials had supplied him with figures on inflation expectations which were too optimistic for him to repeat lest they were not realised. — Sapa.

Cape Times, Friday, O

UK 'isolated' on sanctions issue

VANCOUVER. — President Kenneth Kaunda of Zambia said yesterday that history would judge British Prime Minister Mrs Margaret Thatcher harshly for her lone resistance in the Commonwealth to sanctions against South Africa.

"That is the success of the summit. Britain is isolated totally," Dr Kaunda told a news conference on the third day of the five-day summit.

Dr Kaunda spoke as a group of nine foreign ministers, including those of Britain and Zambia, were putting finishing touches to draft recommendations on what to do about pressuring South Africa's white-led government.

The issue has dominated the summit, which appeared unlikely to agree on tough new measures but focused on giving more aid to Zambia and other black-ruled southern African states to decrease their economic dependence on South Africa.

During a closed session on South Africa on Wednesday, Mrs Thatcher argued that change in South Africa would come through ecnomic growth, not embargos which, she maintained, merely stiffen white resistance to change. — Sapa-AP

Argus 16/10/87

280

Mugabe sets target to cut SA links

Argus Africa News Service

MAPUTO. — Zimbabwe hopes to end all commercial links with South Africa by June 1988, the Zimbabwean Prime Minister, Mr Robert Mugabe, told a closed session of the Commonwealth summit in Canada.

In a report from Vancouver the Mozambique News Agency Aim said Mr Mugabe had also told the closed meeting that his country would stop using all rail routes through South Africa as soon as the Limpopo railway linking Maputo to southern Zimbabwe became operational.

He disclosed that the Zimbabwean military contingent in Mozambique was costing the Harare government R32-million a year.

Copper exports

Mr Mugabe also said that all Zambia's copper exports were now sent through Beira and Dar es Salaam and not South Africa.

Aim said Mr Mugabe had told the other Commonwealth leaders that South Africa was no longer Zimbabwe's main trading partner.

In Zimbabwe the national news agency Ziana did not report Mr Mugabe's speech to the closed session.

However, the agency said the frontline states had circulated a report to "a group of selected journalists" in which it was said that there was little point in adopting new measures if existing ones were not being adequately implemented.



Mr Robert Mugabe

Blacks cautious on sanctions

ALAN FINE

A SURVEY of black South African attitudes towards sanctions published yesterday, shows that while 81% support sanctions, 60% took a more cautious approach if these were to risk any job losses, and an additional 26% were prepared to see only limited job losses.

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Thus Cosatu advocated comprehensive rather than partial sanctions in the hope that they would have the greatest possible impact while causing economic hardship for the shortest possible time, the survey says.

Opinion on whether sanctions would actually work was evenly divided — 42% said "no" and 41% "yes".

Orkin said the survey was an advance on previous ones in that it allowed respondents to choose between two different types of sanctions.

There was 42% support for "conditional" sanctions, which should be applied until the emergency is ended, political prisoners released, organisations unbanned and apartheid abandoned — the position represented by groups like Cosatu, Nactu and the SA Council of Churches.

"Unconditional" sanctions, propogated by the ANC, PAC, UDF and Azapo, were supported by 21%. They believe sanctions should be applied until government hands over power to representatives of the majority, according to Orkin.

And 26% opposed sanctions.

Support for sanctions was higher than average among non-Zulus, newspaper readers, and urban dwellers. Some 8% of people who identified with pro-sanctions organisations were against such measures, while 51% Inkatha supporters opposed sanctions.

Britain alone on sanctions

Cape Times 17/10/82 280

VANCOUVER. — Britain yesterday remained isolated over its South Africa stand as Commonwealth leaders debated proposals to tighten economic sanctions against Pretoria.

Commonwealth secretariat sources said Britain alone dissented over proposed monitoring of sanctions against South Africa.

"It is not an easy meeting," commented one spokeswoman as the summit leaders battled to devise a strategy that will pressure South Africa while avoiding an open split with Britain.

Earlier, British government sources dismissed a warning by representatives of the African National Congress that its guerillas may target British assets for attack in reprisal for Britain's attitude.

"There are things in life which you hear but to which you don't respond," said a British official source.

● Fiji is no longer a member of the Commonwealth. According to Prime Minister Mr Brian Mulroney, Fiji's membership in the Commonwealth lapsed with the emergence of the republic earlier this week.

India and African countries want a harder line, but . . .

UK keeps sanctions out — 'leaked' report

MICHAEL MORRIS

VANCOUVER — No new sanctions have been recommended by the Commowealth's foreign ministers' committee against South Africa, it has-emerged.

An account, leaked yesterday evening of the report heads of government are now considering, shows that Britain has so far succeeded in keeping sanctions on the periphery of the agenda.

But aid to Front Line states is prominent, including a proposal to set up consultations with South Africa's neighbours on how to help with their defence and security Mozambique has asked for military trainung and non-lethal supplies.

There is also a proposal for a foreign miniters group to be established to monitor the implementation and effectiveness of sanctions.

The report by the foreign ministers of Britain, Canada, Australia, Zambia, Nigeria, India, Tanzania, Guyana and Zimbabwe is being discussed by the heads of government who will be deciding what to do today.

India and African countries are deeply concerned that the Vancouver summit might appear to be a retreat from the Nassau and even the London review meeting last year — and there is understood to be increased pressure on Canada to stand firm on sanctions.

RESTRAINED

The debate remains essentially restrained. The agree-to-disagree principle — allowing Britian to go her own way — is still being emphasised.

Sanctions are referred to in the foreign ministers' report — but only broadly, that they be tightened.

Britain is still resisting the setting up of a sanctions monitoring group, and Foreign Secretary Sir Geoffrey Howe is reported to have told his colleagues that he believed South African business should be offered "a respite" rather than more pressure.

Speaking yesterday while heads of goverment were discussing the proposals on their retreat away from Vancouver, the Indian Foreign Minister, Mr Natwar Singh, said: "We believe in sanctions. Our view is that we should go forward from Nassau and London (the review meeting) and show forward movement. This is the view of the majority of Commonwealth members."

But if the foreign ministers failed to propose new specific measures, the chances of the heads of government agreeing on any are considerably reduced.

If heads of government do introduce more sanctions pressure, it is believed South Africa's financial transactions abroad will be a key target.

Summit hears of sanctions, sense

MICHAEL MORRIS

VANCOUVER — President Daniel arap Moi has offered Kenya as a venue for a meeting between South Africa's white and black nationalists. He said in the Commonwealth's southern African debate this week he hoped Pretoria would "see the sense" of negotiations.

□□□

Mozambican Foreign Minister Dr Pascoal Mocumbi says his country cannot afford to impose sanctions on Pretoria because Pretoria is already imposing sanctions on Maputo.

□□□

But some British representatives have become impatient with talk of sanctions. One said. "Oh well, of course sanctions is a word in the vocabulary which has to be uttered on some national and international platforms . . . because I suppose it satisfies a deep emotional longing. But it does not satisfy the situation in South Africa"

□□□

If Mrs Thatcher had glanced up on Wednesday, she would have seen a seaplane trailing a banner which read: "Hang in there Maggie — don't give an inch"

SAA crews' sad adieu to Australia

BAN NOT FOREVER SAA HOPES

Weekend Argus Foreign Service

PERTH.— The chief executive of South African Airways, Mr Gert van der Veer, is confident the ban on SAA operating a service to Australia will not be permanent.

"I am positive that eventually we will come back to Australia," he told a Press conference here yesterday.

SAA bows out from Australia at the end of this month after a 30-year link which has seen it transport more than 600 000 passengers between the two countries.

"I can't think of two countries which are more similar," Mr van der Veer said.

"I reject out of hand the argument that such sanctions help to promote racial changes in South Africa by applying moral pressure."

He said sanctions merely destroyed jobs at the bottom of the economic pyramid — and in South Africa that meant blacks jobs.

Weekend Argus Foreign Service

PERTH. — A melancholy party has been held every Tuesday for the past few weeks at one of Perth's smaller hotels, the Transit Inn, which has been a home from home for South African Airways cabin crews since 1981.

At these unhappy occasions hotel staff have been saying goodbye to the crews as they leave for the last time before SAA's Australian service ends this month

Flight SA 280 leaving Jan Smuts Airport on October 26 for Mauritius, Perth and Sydney will be the last inward one, while outgoing flight SA 281 to Johannesburg the following day will see the end of a South African link with Australia which has lasted one month short of 30 years.

Australia's loss

Sad as the farewells have been for the cabin crews, it will be the Australian economy which will be left with a sizeable financial hangover, estimated to be worth R85-million a year.

That is the figure a spokesman for SAA has put on the loss to Australia resulting from the embargo placed on the airline a year ago by the Bob Hawke Labour government.

SAA was given 12 months' notice in October last year that its service was to end.

Trevor Henry, SAA's manager in Perth, said the Transit Inn has had two full cabin crews in the hotel every week since 1981 That is 32 people and on Monday nights, with another crew coming in, the total of hotel rooms occupied has been 48.

Spend freely

One crew has returned to South Africa the following day, one has flown the shuttle to Sydney and back to Perth, and there has been a new back-up crew

On this basis the Transit Inn has provided 12 480 bed nights a year and this alone has been worth R1,5-million to the hotel

Cabin crew are given a meal allowances, and on top of this they spend their own money freely on things such as laundry, personal shopping and recreation — cycle-riding along the river or sea trips to Rottnest Island off the coast

The proceeds to the West Australian economy are, however, only a small portion of the benefits to the country as a whole. Mr Henry estimates that SAA has been contributing about R40-million directly to the Australian economy every year

Apart from hotels and food services, SAA has been paying landing fees at Perth and Sydney airports, aircraft handling charges and engineering maintenance costs.

And, of course, there has been the enormous bill paid to the suppliers of aviation fuel

Jobs affected

"This R40-million contribution is what we pay direct, but Australia will also be losing out on the indirect benefit of our bringing in tens of thousands of passengers over the years," Mr Henry said

"We estimate that they spend about another R45-million every year. In this regard we must make allowances for the benefit to South Africa from what Australians spend there in the reverse direction."

Mr Henry said he expected about 1 500 jobs to be affected in Australia by the disappearance of SAA. But jobs in the airline's offices were safe and there would be no review of the staff situation, at least before January or February

"Hot product"

Time would be needed to see if the new routing to South Africa — excluding Australia but taking in Hong Kong and Taipei — would justify keeping on all staff

SAA staff in Australia are naturally sad to see the service ending but are by no means defeated Optimism about the future was expressed by Mr Allan Dexter, the airline's public relations manager in Sydney

"It is our feeling that Australians will still want to travel to South Africa and won't be deterred by having to pay slightly more in exchange for a Hong Kong stopover/shopover"

Thatcher stands alone on sanctions

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VANCOUVER — Britain yesterday remained isolated over its South Africa stand as Commonwealth leaders debated proposals to tighten economic sanctions against Pretoria.

Commonwealth secretariat sources said Britain alone dissented over proposed monitoring of sanctions against South Africa.

The proposals were contained in a report drafted by a committee of nine foreign ministers. The Commonwealth leaders debated the report yesterday during a 24-hour break at a lake resort.

"It is not an easy meeting," said a Commonwealth secretariat spokesman as the summit leaders battled to devise a strategy that will pressure the South African Government while avoiding an open split with the British Prime Minister, Mrs Margaret Thatcher.

The report by the nine foreign ministers, including those of Britain and its sharpest African critics, was unanimous in recommending increased aid to the front-line states, Commonwealth secretariat sources said.

Earlier, British government sources dismissed a warning by representatives of the African National Congress that its guerillas might target British assets for attack in reprisal for Mrs Thatcher's attitude.

"There are things in life which you hear but to which you don't respond," said a British official source.

In a television interview, Mrs Thatcher challenged proponents of sanctions to tell her why one million people from neighbouring black states voluntarily went to South Africa to work.

She said apartheid had been eroded "very considerably" and a lot of this had been due to the presence of successful companies in South Africa.

"This is the peaceful way of breaking down apartheid. And it's got to go. We're not arguing about that."

Mrs Thatcher said that in spite of all the criticisms of South Africa — "and we are the first to criticise apartheid" — it was still by far the best-run economy in Africa.

"There are more people now coming up to matriculation among black South Africans than in other countries," she said.

When the interviewer interjected about cheap labour, she said: "No, no, cheap black labour is gradually being broken down — first by the Sullivan code of conduct and second by the fact that they have to train more and more people for more highly skilled jobs."

Mrs Thatcher said blacks were paid more in South Africa than in surrounding countries. "That is why one million of them leave the countries who are complaining and go to South Africa for a better standard of living and remit money."

Mrs Thatcher said Zambia should be "a rich country, rich agriculturally, rich in raw materials", but it wasn't.

"Their real problem is that in spite of everything South Africa is the best-run economy in Africa and often helps to keep others going. When they have droughts it's from South Africa that they can get maize."

Mrs Thatcher said she took issue with President Kenneth Kaunda and others when they said factories should be shut and workers should be made unemployed.

"I say no. I see nothing that will help in depriving people of a job and indeed making it such that they cannot keep their children," she said.

● The South African Foreign Minister, Mr Pik Botha, said last night the Commonwealth summit was a "conference of disgust" because 33 of the 49 member countries attending it were guilty of violating human rights to a larger extent than South Africa.

He told a function hosted by Johannesburg's Greek community that these countries suffered from "poverty, malnutrition and oppression and do not know the meaning of elections . . . where millions of people are dying of hunger". — Sapa-RNS-AP.

MORE AID TO FRONTLINE STATES

w/e Argus 17/10/87 60 280

Counter-thrust to more SA sanctions

by RICHARD DOWDEN
of The Independent

LONDON — Mrs Thatcher's main counter-thrust to the calls for more sanctions against South Africa is that Britain is helping the Frontline states with aid.

In a glossy booklet called *British Aid to Southern Africa - a Force for Peaceful Change and Development*, the Foreign Office says that since 1980 Britain has contributed R2 700-million to South Africa's neighbours.

With tables and pictures, the booklet lays out Britain's contribution towards alleviating the problems "largely attributable to the unjust and immoral apartheid system and the tension this has engendered between South Africa and her neighbours".

Peaceful dialogue

The British intention is to "work for peaceful dialogue in South Africa, leading to the elimination of apartheid" and also "to help promote the peaceful, stable and prosperous development of all states in the region".

Since 1980, when they formed the Southern African Development Co-ordination Conference (SADCC), South Africa's neighbours have been trying to develop their own infrastructure to reduce their dependence on the Republic.

The Foreign Office's booklet says the British aid to SADCC "is designed to strengthen their self-sufficiency, so reducing the dependence on South Africa".

Dependence on SA

Britain has accepted the SADCC only since 1985.

Until then, London argued that the southern African states could not avoid their dependence on South Africa and should not try to do so.

This explains why Britain's aid to Mozambique has jumped from just R8,4-million in 1980 to R112-million committed in 1987.

Thatcher's 'gift' to PW Botha: Weakened sanctions campaign

by MICHAEL MORRIS, Weekend Argus Foreign Service

VANCOUVER. — Britain's electorate is to be thanked, or blamed, for the exhaustion of what began some years ago as the most potentially damaging assault on apartheid by the 49 Commonwealth nations.

However strongly 48 of them strike at Pretoria, their impact is limited by Mrs Thatcher's stubborn refusal to endorse sanctions.

Most significantly, the British Premier's rigidity on this vexing issue has led her Commonwealth partners to give up trying to pressure or persuade her.

Even as Zambian president Kenneth Kaunda talks of "conflagration", "bloodbath" and "time-bomb" in Southern Africa, he admits that trying to persuade Mrs Thatcher to see things his way and to act on that perception is "a wasted effort".

A very different chapter would have been written here if Britain had chosen Labour leader Neil Kinnock as its Prime Minister four months ago.

The most striking feature of the summit has been the sustained interest in the debate on South Africa — a country that left the Commonwealth more than two decades ago — and the absence of rancour on an issue which only a year ago threatened to break the family of former colonies apart.

That apparently innocuous, gentlemanly phrase, "agree to disagree", has gone down as a precedent that could in years to come erode the compulsion of Commonwealth members to act in concert.

It would seem that when South Africa parted company with the Commonwealth, it left behind a thorn that has been hurting ever since

The chief difference between member states centres on how they would like to tackle apartheid.

Mrs Thatcher's belief that economic and demographic pressures within the country will be the most effective agents of change, is seen as a vindication of the arguments of South Africa's liberal business community.

Her critics say she is merely keen to protect Britain's interests in South Africa. She counters that Britain's interests are themselves agents of change.

The injection of money and other aid into Mozambique and other Frontline states has enabled her to advance convincing "put-your-money-where-your-mouth-is" arguments.

Mrs Thatcher's determination not to be moved by emotional rhetoric or accusations that she is threatening the future of the Commonwealth has weakened the campaign for a punitive attack on apartheid.

It will undoubtedly earn her respect — and scorn — abroad, but she must wonder what it will earn her in South Africa. It is up to President Botha to decide the value of her "gift".

Exiled Hugh Masekela slams Graceland tour critics

ONE of South Africa's best-known musicians in exile, trumpet player Hugh Masekela, was among the artists who participated in Paul Simon's Graceland concert. In an interview with *Africa Report* Masekela expresses strong views about the criticism of the Simon effort by the overseas Anti-Apartheid Movement, which, he maintains, has made decisions affecting the lives of South African musicians without their consultation

Question: Do you perceive culture as a force for political change in the South African context and what contribution has your music made to the struggle?

Masekela. I think the only contribution that music or culture makes to political change is that by becoming popular on an international level, you have access to the media and, therefore, you can harp on the political situation at home.

In that way you can get the message across about what is happening in whatever country you come from if you are oppressed Now, rather than the exceptions, it has almost become the rule that many artists include social consciousness songs – militant or activist – in their albums because the record companies are not as adverse to it as they were before

Now, I'm sure executives of the record companies say you have put a clenched fist somewhere in it.

We are lucky that we have Miriam Makeba, Abdullah Ibrahim and myself, and that's why it is very important, vis-a-vis the cultural boycott, because it should not include the banning of artists from home going overseas The more of us who are in the international arena, the more of us can make a noise

That's why we need more artists from home to come overseas and have the same kind of prominence we have

Secondly, the more of us here, the more we can have a kind of coalition and be able to put out group statements That's why we are working closer with musicians from home

How many of these artists from South Africa are prepared to make a political statement? Isn't there also the danger of artists who have performed at Sun City being given special status abroad, in terms of representing South African opinion?

Masekela It cannot be a danger People are taking stands that are very divisive I think the cultural boycott should be involved with an educational program, because there is a lot of political snobbery in the cultural boycott. In other words, you are guilty up front if you are an artist

I was misquoted by a newspaper which said I'm against the cultural boycott. I support the cultural boycott completely when it comes to artists from overseas going to South Africa, working there, and earning one or two million dollars because the artists at home can't get it. Even the ones at home who worked at Sun City didn't get millions Second, it gives South Africa a great profile, it makes it look like the cultural capital of the world

Thirdly, all the people who have gone to South Africa and made money never looked to find out if there was anything they could contribute on the cultural side, like Paul Simon did He refused to perform there, but took his own money and did what I call developmental projects for artists

If Paul had been a poor guy when he went there, I would have said he went for the money, but I have known him for 21 years and the money he had made on this project for him is loose change

Yes, he's gotten a lot of prestige from it, but I think he has given a lot, because he has gotten four groups on the international stage, he has revived Miriam's career and to a certain extent mine

Because music is soft core, because it is visible, and because it has access to the media, it is very vulnerable

The thing that is wrong about the cultural boycott in a blanket form is that it has been done to affect our lives as the musicians of South Africa and the people in the arts, without consulting us

What is wrong about the cultural boycott is that it lacks definition, because the people whom it affects were not involved in its definition and even up to today, it is so vague that you can say what if, what if, what if?

There hasn't been a meeting involving the people whose lives have been affected In other words, we are already guilty

Tina Turner, Chicago, Frank Sinatra all went to South Africa and I've never heard Joe Garba, (chairman of the UN special committee against apartheid) say anything about them But the way they talk about this group is almost as if the Graceland tour hadn't happened

I don't feel that Paul's actions and the positive work that has come out of it should not have been harnessed, because we all stand on common ground with the movement, with the UN Anti-Apartheid Committee

By the movement you mean the African National Congress?

Masekela To me, the ANC – although I grew up in it, I'm not a card-carrying member – is not the only movement out of South Africa There are many movements which all support our tour, except the ANC, which has not come out and said anything

Q: How did you get involved in the Paul Simon tour, because there's a lot of confusion about who stands where?

Masekela Who stands where is not important to me because at this point, I am so angry that I don't care about what people think I say to them, "What have you done for South Africa lately? If the Graceland tour hadn't come up, what would we have heard from you about South Africa?" It's almost like the Graceland tour is the scapegoat for everybody taking a political stand about South Africa.

Paul Simon is an old friend of mine and we have followed each other's works for a long time We shared the same producer in 1966 So when Paul promoted this album when it was first released in London, he said, "I want you to hear what I did"

First he played me the album I've always loved Ladysmith Black Mambazo and that old style of South African music that captured the mood and translated very well into American and it mixes great So he asked me, "What do you think the next step should be if this record makes it? Do you think they will boycott us?" I said I didn't think it mattered

What has been the ANC's reaction to your involvement in Graceland?

Masekela I told the representative I spoke to the other day exactly what I'm saying to you And he said, "Hugh, our problem is that there are a lot of people overseas who are lobbying for certain things When you are lobbying, you are extreme Anything that makes waves in your lobby takes away your credibility"

So there are the extreme supporters of the boycott and there are the other extremists who like it I said to the ANC guy, "I don't know where you come from because you should decide whether you are against Paul Simon or against certain members in the group Tomorrow you're going to be after me and you will say, 'Don't go to Hugh Masekela's concert because he played in Graceland,' but when people like something, they will go and see it We wanted to inagurate that program at the UN, but the UN committee turned us down.

In the US, is the criticism coming from the UN?

Masekela We don't know where it is coming from because nobody is showing a face It has just appeared in the Press that so and so said this and that.

There are some guys at the UN who have been here for more than 20 years and who have never been in a township I don't think they know who Mahlathini is or who the Dark City Sisters are

In South Africa, the pro-apartheid media tried to use Graceland to say that the cultural boycott had failed.

Masekela We don't regard ourselves as part of the cultural boycott We don't regard ourselves as being wrong We think that the people who want us boycotted are well-intentioned and we stand on common ground

Second, there is a certain naivete here because the South African government will use anything, any time there is divisiveness, to come and put in the wedge

But people who don't make political statements are not necessarily apolitical

Paul Simon is the arch-devil when it comes to South Africa

Did the decision to do another tour to raise funds for detained children come about as a result of the controversy or was it planned before?

Masekela No, we went into this tour with the controversy already raging. We don't recognise the controversy, so we're not doing anything to placate anybody.

What happened was this We were in Los Angeles and Ray Phiri and I were dissatisfied when we looked at the audience and saw people mostly of European origin I said to Ray that I felt that we should take the show to the inner cities If we still don't get African-Americans, then at least we will have tried

But not only should we extend the tour, but we should give something to the South African cause, because our good luck and good fortune for this show has come from South African art.

We should show that we are grateful for whatever little we have gotten out of it We should find a cause At that time, we didn't know what it was going to be So Ray and I went to talk to Paul Simon and said we should take the tour to the inner cities – to Washington, Detroit, Chicago, and New York We then chose the charity.



Hugh Masekela believes the cultural boycott should be applied strategically and selectively

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Michael Jackson: BAD, MAD or WONDERFUL?

AGAIN!



18/10/87

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Only Maggie scorns summit promise of more sanctions

SUNDAY TIMES FOREIGN DESK

IRON LADY Margaret Thatcher yesterday stood defiant and alone against the rest of the Commonwealth over the sanctions issue.

The British Prime Minister made it clear that her Government would not sway from its dogged opposition to tougher economic measures against SA.

Only hours after the Commonwealth plan to tighten the screws on SA was announced, Mrs Thatcher and other Commonwealth leaders began sniping at one another.

The Vancouver talks ended in acrimony last night, with the leaders of Australia, India, Zambia and Zimbabwe — dubbed the "Gang of Four" by British spokesmen — accusing Britain of spreading "misinformation".

"We feel the Iron Lady has got it all wrong, perhaps deliberately," said Zimbabwean Prime Minister Robert Mugabe, who called Mrs Thatcher "the odd woman out".

Vindicated

But Mrs Thatcher said other leaders were "making a great deal of noise" and claimed her position had been vindicated. Asked if she felt isolated, she replied: "Hardly. I think in a way we're winning the argument."

According to reports in London last night, Mrs Thatcher will launch a brave new effort to win support for her policies with an historic New Year visit to black Africa to press home her argument against tougher sanctions.

It is thought that her programme will take her to Zimbabwe, Zambia and, possibly, Botswana.

She will drive home the message to black leaders that positive help from Britain to reduce their dependence on South Africa will do more to raise living standards and break down apartheid than a mutually damaging sanctions campaign.

◉ See Page 2

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18/10/87 Sunday Times

Yesterday's men lead call for sanctions



SIMON BARBER'S WASHINGTON DIARY

SANCTIONS against South Africa, Dr Chester Crocker observed recently, are "yesterday's agenda".

He could have observed, except that it would have been rather undiplomatic, that they tend also to be the agenda of yesterday's men.

Even accepting Damon Runyon's odds that life, on the whole, is six-to-five against, one may predict with some confidence that Margaret Thatcher will still be presiding over the Commonwealth Heads of Government Conference five years hence.

Less attractive a bet would be the continued presence of Canada's Brian Mulroney, India's Rajiv Gandhi, Edward Seaga of Jamaica, or even — though the Zambian electoral system is, shall we say, slighly more tolerant — of Kenneth Kaunda.

Indeed, by 1992, most of these gentlemen will likely be candidates for eminent personhood, the honour reserved by the Commonwealth for those no longer honoured in their own lands.

Successful leaders of real countries have better things to do than scramble for that curious piece of "moral high ground" that is said to be attained by promoting comprehensive South African sanctions.

Now, it is easy for me, sitting in Washington, to be rude about Canada.

But if I were a Canadian I would wonder why my Prime Minister seems more interested in the plaudits of the largely unsavoury Third World than in my vote.

It is not often that a foreign ministry spurns a chance to play a leading role in a foreign matter, especially when, in the normal course of affairs, it has few such opportunities.

Canada's Department of External Affairs, you would think, ought to feel starved for adventure. Maybe, but not in Southern Africa. Officials have quietly been circulating polls to show the public does not share Mulroney's enthusiasms.

The Prime Minister's motives are transparent enough. Like so many leaders who find themselves lacking popular respect he wants to be thought a statesman.

Not being a colossus, he has evidently concluded that Africa is one of the few places narrow enough for him to bestride.

This might be a sound plan, but for one small detail. It involves picking a fight with the "Iron Lady" — never a smart move, even for a real colossus.

At the start of the week Mulroney was full of thunder: "Canada cannot be only benignly interested in the greatest debate that is going on," he sternly informed the Toronto Globe and Mail.

"Canada has to be on the high ground and provide leadership to its friends and allies around the world."

Yes, indeed, Canada was on the point of severing diplomatic relations with Pretoria and really piling on the sanctions.

What about Thatcher?

"We have gone to the mat with her before. Unanimity is a splendid commodity but one can live without it."

By Wednesday, the bravado seemed to have lost air pressure, punctured perhaps by the sharp edge of a handbag.

The line was now: "Well, please, ma'am, couldn't we have a sort of commission, you know, just to monitor existing sanctions?"

Actually, the handbag was probably unnecessary. The Frontline States themselves were losing their appetite to be bestrode by Mulroney and were looking for a formula of words.

The draft read: "There is no point in adopting new measures if existing ones are not being adequately implemented.

"No one pretends that all loopholes can be plugged, but a clear demonstration of Commonwealth resolve to ensure strict compliance with agreed measures will register in Pretoria."

A little hypocrisy can go a long way, as long as it doesn't go too far.

If this was a disappointment, Rajiv Gandhi, taking a break from helping Sri Lanka clobber its recalcitrant Tamils (with South African armoured cars), offered consolation to the Canadians:

"Your Prime Minister has very clear views that are very similar to ours," he told reporters.

"Our" views included endorsing the ANC's use of violence.

No Mahatma Gandhi, this one. Presumably, he has a somewhat different opinion about the Sikh extremist who blew away his mother.

Hawke lashes Brits over SA

18/10/87 Sunday Times

By MIKE ROBERTSON: Vancouver

THE simmering row between Britain and the rest of the Commonwealth erupted yesterday only hours after their leaders had decided not to impose new sanctions on South Africa.

Four Commonwealth leaders headed by Australian Prime Minister Bob Hawke rounded on British officials for waging an "abominable misinformation campaign" against the conference chairman, Canadian Prime Minister Brian Mulroney.

Frustrated by British Prime Minister Margaret Thatcher's refusal to budge on sanctions, one of them, Zimbabwean Prime Minister Robert Mugabe, accused her of being a racist who believed oppression was the lot of black people.

With Mrs Thatcher bluntly dissenting, the rest agreed in a statement to

- Set up a committee of foreign ministers to monitor developments in South Africa.
- Increase sanctions-monitoring measures.
- Initiate an expert study on the impact of financial sanctions on the South African economy

Guilty

All countries agreed to stepped-up aid programmes to Mozambique and the Frontline states, with Britain and Canada pledging US$40-million to a project to reopen the Limpopo railway line.

But the statement on South Africa was overshadowed when Mr Hawke launched his attack on British officials.

He said the attempts to embarrass Mr Mulroney, including the much-publicised use of outdated trade statistics, defied imagination.



BOB HAWKE

And Mugabe calls Thatcher a racist

Appearing at a Press conference with Mr Hawke, Zambian President Kenneth Kaunda, Indian Prime Minister Rajiv Gandhi and Mr Mugabe joined in the attack.

Dr Kaunda said the British were guilty of a deliberate campaign to insinuate that Mr Mulroney had badly mishandled the conference.

Mr Mugabe said that, contrary to what British officials were claiming, the conference had gone well. It was Mrs Thatcher who was totally isolated.

Mrs Thatcher did not respond immediately to Mr Mugabe, but throughout the week she has infuriated Frontline leaders by hammering home their inability to impose sanctions and the parlous state of their economies in comparison to South Africa's each time they have attacked her.

Using arguments advanced originally by the South African business community, Mrs Thatcher said that only economic expansion would be able to create a climate in which South Africa would be forced to introduce more reforms.

British officials said that no matter what was said about them they proposed to "get on with what we believe is the right route of carrying South Africa towards a non-racial democratic state on a peaceful basis".

The committee of foreign ministers will be chaired by Canadian Foreign Minister Joe Clark.

The committee's first task, he said, would be to identify sanctions-busters as well to act on the report on financial sanctions.

Proof

Mr Hawke quoted SA Finance Minister Barend du Plessis as saying at the NP Congress in Durban that "the effect of sanctions should not be underestimated" as proof that sanctions were working.

Once the study on South Africa's links with international finance houses was completed it would prepare the way for the introduction of financial sanctions, which might turn out to be even more effective than trade sanctions, he said.

SA gives vital aid to frontline states

18/10/87
Sunday Times

By NEIL HOOPER

WHILE Commonwealth leaders were debating the provision of aid to frontline states in Africa, officials in Pretoria this week pointed out that South Africa was already quietly providing vital support to those countries.

South Africa has already entered into an agreement to lease 10 diesel locomotives and 250 railway trucks to Zimbabwe National Railways.

South Africa has also leased 18 diesel locomotives to Zambia and about 10 steam and diesel locomotives to Swaziland. A further 100 railway wagons have been sold to Zaire.

South Africa was this week also airlifting emergency supplies of food to people cut off by snow in the Lesotho mountain areas. People needing medical attention were airlifted by the SAAF.

Sources also noted that, despite the rhetoric in Vancouver, co-operation was close between the railway authorities of Zambia, Zaire, Zimbabwe, Botswana, Malawi, Lesotho, Swaziland and South Africa.

So much so that the annual meeting of general managers of railways in Southern Africa was held in Lusaka on September 14 and 15 and attended by three top SA railway officials, including General Manager Dr R L Grove.

During September alone more than 7 000 South African railways trucks were in use on lines in Zambia, Zaire, Zimbabwe, Botswana, Malawi, Lesotho and Swaziland.

Last year SATS gave financial assistance to these countries totalling more than R20-million.

SATS is also rebuilding a railway bridge in Mozambique, has provided rolling stock for the link between Beira and Zimbabwe, and is helping with a master plan to rebuild Maputo harbour.

Cape Times 19/10/87 280

Sanctions: Call to boost reserves

PRETORIA. — SA should strengthen its gold and other foreign reserves, or at least maintain current levels, to finance strategic supplies if the sanctions campaign should gather momentum, says Volkskas Bank.

Discussing the long-term prospects for the exchange rate, the bank says in its Economic Spotlight for October that unless SA manages to drive down the inflation rate, approximating those of its trading partners, the exchange rate of the rand is bound to decline further in time.

Gold price

This would happen regardless of a sharp rise in the gold price, it added.

It was much more difficult, if not impossible, to forecast the course of the exchange rate in the short term, say over the next year or so.

It would appear that, at current levels, the exchange rate of the rand was slighly undervalued rather than overvalued, said the bank.

"We believe that this is the result of deliberate policy actions during the past year and, in the light of overall economic circumstances, this cannot be faulted."

This also meant traditional exports should still be able to compete internationally — while imports would be discouraged — even if exchange rates were to remain at the current levels for a considerable period.

There was a satisfactory surplus on the balance of payments, and the reserves had been considerably strengthened in the past year. The indications were that another surplus could be expected in 1988, unless the gold price should drop sharply for some reason.

The current exchange control measures would have to be maintained for a long period, it said. "It is essential to maintain a reasonable surplus on the current account, since a continued net outflow of capital is likely."

On the gold and other foreign reserves position, Volkskas said the key question was whether it would become official policy to use these reserves to bolster the exchange rate if the balance of payments began to show a deficit.

This question was pertinent, it said, in the light of the fact that the country would probably have to contend with more economic boycotts.

"Should these reserves not rather be strengthened further, or at least kept at their current levels, to finance strategic supplies if the sanctions campaign should gather further momentum?

Adjustment

"In our view, such a policy would be desirable. If it were to be followed, a downward adjustment in the exchange rate could be made very quickly, since the reserves will not be used to defend the exchange rate."

Volkskas concluded that the rand would remain fairly steady for the rest of the year before beginning to move slightly lower in 1988. — Sapa

TRADE

Aussie sanctions against SA 'cause losers all round'

The Argus Foreign Service

SYDNEY. — There are losers all round in the demise of the Australia South Africa Trade Association, the organisation formed 10 years to foster trade links between the two countries and whose members were Australian companies and individuals trading in the Republic.

Mr Allan Dexter, the association's secretary, said the Australian Government's continuing hardline attitude to South Africa, which included trade sanctions, had caused members to seek anonymity.

"Because of the sanctions, several of our members have ceased trading in South Africa while others just want to steer clear of the controversies of trading in the Republic.

"In the good times there were up to 70 Australian companies in South Africa. Now only a fraction of those remain."

Mr Dexter said that at its peak the association had 200 members, representing companies and individuals across a broad spectrum of business.

"But, with disinvestment and the other pressures, our membership was only six when we decided recently that the association was no longer viable."

The biggest losers over the past few years were blacks given jobs by the Australian companies, he said. In at least three companies blacks held senior management positions.

"And the Australian people are also losers. They are the ones paying more for goods imported from South Africa, although they don't know it."

Mr Dexter explained that South African exporters were circumventing the Australian-imposed bans by getting their goods to Australia via a third country.

"So Australians are getting South African goods, but the label has them originating in the third country. This obviously costs the South African exporter more. His losses must be recouped, so it is the Australian consumer who makes up the difference."

"The Australian Government has made a big issue out of kicking the South African can. But the sanctions have cost the jobs of Australians and lost the country valuable foreign exchange.

"So nobody is the winner. Sanctions have not altered South Africa's apartheid policies to any significant degree and goods are still coming from the Republic into Australia.

"The Australian Government should be made to show how sanctions have changed apartheid."

The Australia South Africa Trade Association will be missed. Perhaps its most publicised achievement was in 1983, when members commissioned a national opinion poll which showed that 75 percent of Australians favoured trade and cultural links with South Africa.

The poll also disclosed that most people also wanted South African Airways to continue direct flights to Australia. On October 27 SAA flies out of Australia for the last time. And because of that decision Mr Dexter may lose his job as the airline's public relations manager.

"It is a pity that governments round the world don't recognise that South Africa can bypass the sanctions. But the innocent people suffer. They are the ones caught in the middle."

Black views mixed on sanctions, Dakar

MM443 19/10/87 280

POLL 1:

MOST South African blacks support economic sanctions, though a majority were reluctant to back sanctions if it meant increased unemployment, a nationwide has revealed.

The survey, released at the weekend, was conducted by the independent Community Agency for Social Enquiry and designed and supervised by sociologist Mark Orkin. It included respondents from metropolitan, small town and rural areas. The so-called "Independent states" were also included.

Of 800 respondents interviewed, 67 percent supported sanctions, while 26 percent opposed sanctions fearing that economic growth would be slowed Six percent were non-committal.

Twenty-one percent backed sanctions as a means of forcing the Government to hand over power, while 46 percent believed sanctions must be applied until the Government stops the state of emergency, frees political prisoners, unbans political movements and abandons apartheid.

The questionnaire also named the leaders and groups that support each view.

In the pro-sanction group were the Progressive Federal Party and big business, and homeland leaders like Chief Mangosuthu Buthelezi, while the African National Congress and Pan African Congress were in the group supporting unconditional sanctions.

The United Democratic Front, the Congress of SA Trade Unions and Archbishop Desmond Tutu were in the group that sees sanctions as a way of pressuring the Government until "it provides the conditions for democracy."

Asked if they still supported sanctions if it meant job loss, 60 percent of the respondents said they were afraid to risk unemployment, while 26 percent were prepared to see some, but not many blacks lose their jobs as a result of sanctions. Fourteen percent stood by their "hard-line" sanction position whatever the unemployment costs.

Amongst blacks, 27,9 percent believed the Government had gained the greatest advantage from the Dakar meeting while 25,8 percent believed the ANC had gained most from the talks.

The statistics obtained from the survey showed that blacks were less inclined to ascribe negative characteristics to the ANC than whites.

Case found that opinion on this issue had not changed since a similar survey on disinvestment conducted two years ago.

Demand for sanctions was strongest in the big cities, where only 14 percent opposed economic embargo. Here 52 percent favoured conditional sanctions, while 29 percent demanded unconditional sanctions.

Nationwide, 24 percent supported Nelson Mandela or the ANC, 11 percent supported Chief Buthelezi or Inkatha, 10 percent supported the PW Botha or other government figures, seven percent supported UDF or other pro-sanctions groupings, while six percent supported Archbishop Tutu.

The survey that 55,8 percent of blacks believed the ANC was strongly committed to democracy while only 5,1 percent of whites believed this.

More than 90 percent of whites believed the ANC was strongly committed to violence whereas only 39,1 percent of blacks held this view.

POLL 2:

THE Dakar talks had been a propaganda victory for the ANC according to more than half of whites interviewed in a Human Sciences Research Council survey.

The HSRC survey was carried out telephonically between July 27 and August 3 this year among 1 142 whites and 547 blacks.

It found that 58,4 percent of white Afrikaans speaking people believed the ANC had scored a propaganda victory while 37,5 percent of English speaking whites felt the same.

More than half of whites interviewed (52,4 percent) believed the Dakar meeting had not enhanced the ANC's prestige in the eyes of the world.

POLL 3:

THE Conservative Party has rejected as "unscientific" a national opinion poll which shows they have over 22 percent of white voters' support — up from 15,2 percent in February.

The CP feels its support is much higher than that.

The usually-reliable poll conducted by Mark and Mennings Opnemers in August, shows a drop in support for the National Party since February from 49,4 percent to 44,1 percent.

The Progressive Federal Party's support took a sharp dive from 19,4 to 10,4 percent.

The Independents, meanwhile, rocketted from 3,7 to 11,9 percent, to top the PFP.

But party leaders said that the position had changed since August, mainly because of the split in the Independents.

The poll was commissioned by an Afrikaans Sunday newspaper which concluded that there had been little growth in CP support since the election, when it had reached its high point.

It said most of the seven percent growth in support for the CP had been between the last poll in February and the May elections.

Mr Frank le Roux, CP MP for Brakpan, rejected the poll as "unscientific."

"It's the usual story, that we have reached our ceiling. But at least they do show we have grown, which they did not say before the elections.

"The results of the election proved the February poll wrong.

"I think our support is more than 22. Also they give our support among Afrikaners as 26 percent. I would say it is more like 50 percent."

Mr Ken Andrew, MP for Gardens and chairman of the Progressive Federal Party's federal executive, said the poll had been done in the worst time for the PFP, just after the controversy about the attendance of three PFP representatives at the Dakar talks with the ANC.

The Independents were now in "disarray" and the PFP may have picked up support from them.

"The results are not all that surprising given the PFP's disappointing show in the elections and the relatively good showing by the Independents.

"I think the PFP has now bottomed out and should soon be a few points above the Independents."

Fresh pressure bid by Commonwealth

Dateline: VANCOUVER

From MICHAEL MORRIS
The Argus Foreign Service

IN spite of the absence of new sanctions, 47 Commonwealth leaders have taken home a document capable of keeping South Africa in the glare of world attention.

They believe the document — the Okanagan Statement on Southern Africa — will in itself generate pressure on Pretoria.

Named after the lake near where heads of government enjoyed a two-day retreat during the Commonwealth summit, the Okanagan Statement is the most publicised document of the Vancouver conference.

Commonwealth Secretary-General Sir Shridath Ramphal said "This conference has not ended with a list, but with a process."

That process — to be built round a committee of foreign ministers — will keep the pressure on the Commonwealth to keep up its fight against apartheid.

So far the only real commitments have been for aid to frontline states. But once the "process" is set in motion South Africa can expect a tougher response

South Africa's financial dealings abroad will be singled out for particular attention.

Mrs Thatcher has no enthusiasm for the Ramphal measure.

Canadian Prime Minister Mr Brian Mulroney said at the weekend "Even South Africa's Finance Minister admits sanctions bite and hurt Everybody knows that.

"But the Commonwealth has no illusions about its power — and if Britain, South Africa's largest trading partner, does not join in, the impact will be less than would have been the case.

"President Botha must get some comfort from the fact that the pressure is not what it could be"

But Mr Mulroney insisted the Commonwealth "must and will provide more leadership in the struggle to end apartheid".

Mrs Thatcher said with triumph "This statement on South Africa does not contain one single additional measure.

"Britain believes sanctions will harden attitudes rather than promote progress

"There is a growing realisation in the Commonwealth that change in South Africa will be a drawn-out process and that the momentum will come mostly from within the country. That's positive change."

There had been a "change of mind and heart" in South Africa and change would come only with economic expansion

The report Commonwealth leaders had been given in Vancouver said conditions in South Africa had worsened since the Nassau meeting at which sanctions were agreed to.

"That's not an argument for the efficacy of sanctions, but the inefficacy of sanctions," said Mrs Thatcher.

Decisions on SA 'irrelevant'

Dateline PRETORIA

DECISIONS taken at the Commonwealth conference in Vancouver were "irrelevant and did not merit further attention", the Minister of Foreign Affairs, Mr Pik Botha, said in Pretoria.

Reacting to a communique issued after the conference last night, he said: "The circumstances in which the conference took place and the decisions taken on South Africa were, with one exception, more revealing about the harrowing conditions in the countries of the majority of governments present than any extent to which they cast a credible reflection on South Africa."

Mr Botha added: "What is nevertheless interesting is that the conference provided an opportunity to give prominence to a report by Amnesty International which sharply condemned 33 of the 49 member countries for the neglect and violation of fundamental rights in those countries.

Monitor

"Ironically, as a result of decisions taken, a structure has been created to monitor anti-South African sanctions. As Mr Mugabe and Mr Kaunda can testify, South Africa's transport system still contributes to the betterment of the average Zimbabwean and Zambian citizen.

"South Africa's fuel and food still make the difference between hope and despair when the crunch comes," Mr Botha said. — Sapa.

British Premier may visit frontline states

SPECULATION is growing that the British Prime Minister, Mrs Margaret Thatcher, will visit the frontline states next year in an effort to gain support for her anti-sanctions line on South Africa.

Downing Street has confirmed that it is "possible" she will visit the countries bordering South Africa but denied that such a tour was being planned.

The speculation followed the announcement yesterday that Mrs Thatcher had accepted an invitation from the Kenya's President Daniel Arap Moi

Thatcher will 'have no truck with ANC'

BRITISH Prime Minister Mrs Margaret Thatcher has lashed out at the African National Congress, calling it a terrorist organisation and saying she will have nothing to do with it.

She likened the ANC to the Palestine Liberation Organisation and the Irish Republican Army and suggested that the contacts ANC leader Oliver Tambo has had with the Foreign Office Minister for African Affairs, Mrs Lynda Chalker, and the Foreign Secretary, Sir Geoffrey Howe, would not be repeated.

Mrs Thatcher's attack came on the final day of the week-long Commonwealth summit and followed a report in a local Vancouver newspaper — strenuously denied by the ANC — that British companies in South Africa were to be added to the list of targets in the armed struggle

The newspaper attributed the threat to ANC international director Dr Johnstone Makatini, suggesting that it was the ANC's response to Mrs Thatcher's refusal to impose sanctions and her assertion that foreign companies in South Africa were in the forefront of promoting the erosion of apartheid

But Dr Makatini denied the report, saying he was misquoted

In a question about the newspaper report at a Press conference on Saturday Mrs Thatcher said
"I have never seen anyone from the ANC, PLO or IRA, nor will I have any truck with those organisations."

CM & Times

SA could become colossus — Buthelezi

Own Correspondent

DURBAN. — South Africa could easily rise from the ashes of apartheid to become a colossus of Africa, bringing benefits to the entire sub-continent, Chief Mangosuthu Buthelezi, the Chief Minister of KwaZulu, said in West Germany at the weekend.

Speaking at a dinner held in his honour in Essen, Frankfurt, he said there were growing signs of disillusionment with the effectiveness of sanctions, and encouraging evidence that the world was beginning to re-examine attitudes towards the South African situation.

Black South Africans were disillusioned with the effectiveness of the politics of confrontation and with the violent tactics of some groups, he said.

"Three years ago revolutionaries were telling the black population that violence would continue escalating until the government was toppled.

"Now, three years later, the government is still there and it is blacks who are paying the price of failed violence."

COMMONWEALTH CONFERENCE



Mrs Thatcher unrepentant on opposition to sanctions

by MICHAEL MORRIS
Weekend Argus Foreign Service

VANCOUVER. — Britain's Commonwealth partners have rounded on Mrs Thatcher, saying she is "wrong" and "isolated" over her refusal to back tougher measures against Pretoria.

But she insisted that Britain had forged a new "realistic" view and was "ahead of the game" in injecting aid into Southern Africa.

She was unrepentant and pleased. Her colleagues were critical but the debate ended — much as it had preceded during the week — without the rancour which threatened the very bonds of the Commonwealth in Nassau and in London last year.

Mrs Thatcher, however, accused the sanctions lobbyists within the Commonwealth of "judging the social conscience barometer by how many people they throw out of work".

She reiterated her opposition to apartheid but said: "What we have is a dawning of practical reality."

And, in a comment clearly aimed at her critics, said added: "When you are made to face practical reality it is very irritating."

"Ahead of the game"

She said that a "lot of the steam has gone out of the sanctions debate and we are ahead of the game on aid. I believe our argument is winning."

She also believed that the May election in South Africa had been a "vote against external interference".

Her Press secretary, Mr Bernard Ingham — who has been strongly criticised over the manner and content of his daily off-the-record briefings — said: "The rest of them (the other Commonwealth states) are getting on with words while Britain is getting on with the job of giving aid to the frontline states."

But Zambian leader Dr Kenneth Kaunda said: "This has been a very successful summit, except for one of our colleagues who has decided that Britain cannot go along with us.

"We have agreed to allow Britain to decide to be wrong. She has that right."

Mr Bob Hawke, Prime Minister of Australia, said he agreed with the leaders of Indian, Zimbabwe and Zambia that the Commonwealth had "wanted to make crystal clear our commitment to the opposition of apartheid and to see the emergence of South Africa as a non-discriminatory nation".

He believed that the financial sanctions now on the agenda would be "very effective, possibly more so than trade sanctions".

The Prime Minister of Zimbabwe, Mr Robert Mugabe, said: "We believe that the Iron Lady has got it wrong. Perhaps deliberately. That is the way she gets her votes in Britain — but

Leaders vow to step up pressure

Weekend Argus Foreign Staff

VANCOUVER. — Commonwealth leaders have spared South Africa from a new, immediate, round of sanctions, but they have vowed to step up the pressure in a variety of ways, and equip neighbouring countries better to respond to threats from the South African Defence Force.

Britain has excluded itself from much of the programme of action on southern Africa approved by the Commonwealth heads of government yesterday, the penultimate day of a week-long summit, dominated by the apartheid debate.

After one of the calmest of Commonwealth debates on South Africa, no new specific sanctions have been agreed in Vancouver, but Pretoria's important financial links with the world have been singled out for a future assault.

New areas

Agreeing to disagree, Mrs Thatcher refused to back sanctions, or even measures intended to toughen the international community's response to apartheid, insisting these would be counter-productive.

The other 47 nations, however, have gone ahead on their own to create a committee of Foreign Ministers who will monitor events in the region, seek new areas for pressure — including new sanctions — keep track of the implementation of sanctions and, if the opportunity arises, help nurture negotiations.

Undoubtedly, Mrs Thatcher has succeeded in forging a new emphasis on developmental and security aid to the Frontline states.

In their unanimous statement on southern Africa — upon which the programme of action is based — all Commonwealth leaders reaffirm their commitment to "work together for the total eradication of apartheid and the brutalities that it continues to inflict on its victims within and in the neighbourhood of South Africa".

It blames apartheid for "intensified" repression in the country and "acts of war and destruction" in neighbouring states.

It expresses solidarity with South Africa's neighbours in their search for "security ... freedom and independence".

Calling on Pretoria to accept the Eminent Persons Group's "negotiating concept", the heads of state say "we remain convinced that only through negotiations can catastrophe be averted".

Pik 'filled with revulsion' over Summit

JOHANNESBURG. — The Commonwealth Summit in Vancouver was a "conference of disgust" because 33 of the 49 member countries attending it were more guilty of violating human rights than South Africa, says the Minister of Foreign Affairs, Mr Pik Botha.

Speaking at a function hosted by Johannesburg's Greek community last night, he said the attitude of the countries attending the summit filled him with revulsion.

This wa because the majority of states represented did not understand "a fundamental reading of democracy".

Not only were they denied Press freedom but the Press in most countries was owned and controlled by government.

Amnesty International had shown that 33 of the 49 countries attending the conference were more guilty of human rights violations than South Africa.

He said these countries suffered from "poverty, malnutrition and oppression and do not know the meaning of elections".

Millions of people were dying of hunger and there was no prospect of a future or of any human dignity.

"Nothing could be more undignified than dying in poverty, ignorance and famine."

Mr Botha said the Vancouver conference was attended by a group of states who had no idea why they were there, except for their venomous and vindicive attitude towards South Africa, which bound them together. — Sapa.

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WE Argus
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Blacks favour sanctions

19/10/87

BLACK South Africans favour economic sanctions imposed by Pretoria's trading partners in order to end apartheid by a majority of two to one, according to an opinion poll conducted one year after limited sanctions were imposed by the United States and other Western countries.

The poll, conducted by Mark Orkin, a South African sociologist and director of the Community Agency for Social Enquiry (Case), reached similar conclusions to his previous poll conducted a year ago, but the new study has been expanded to include rural blacks as well as urban blacks over the age of 16.

The poll found that 46 percent of blacks believe that sanctions must be applied until the South African Government ends the 16-month-old state of emergency, frees political prisoners, unbans outlawed political movements and abandons apartheid.

A further 21 percent support a more hardline position, holding that economic sanctions should be maintained "unconditionally", until the Government hands over power to the representatives of the majority of black population.

Twenty-six percent of the 800 people interviewed in the nationwide survey weighted to represent metropolitan, small town and rural areas proportionally, were opposed to sanctions. They feared that economic growth benefited all populations groups, and sanctions would slow down economic growth.

Six percent were non-committal.

The survey also asked which political parties and leaders black South Africans support. It found that 24 percent volunteered support for Nelson Mandela or the African National Congress, seven percent supported the United Democratic Front or other pro-sanctions groups, and six percent supported Archbishop Desmond Tutu.

A key opponent of sanctions who received significant support was Chief Mangosuthu Buthelezi, the Zulu leader who is Chief Minister of the KwaZulu Homeland.

A surprise vote was the 10 percent support by blacks polled for President P W Botha or other government figures. Thirty-eight percent of respondents declined to say who they support. Most of these were in less well-informed, rural areas.

In the metropolitan areas the ANC received 35 percent, the UDF 13 percent, Tutu nine percent, Buthelezi and Inkatha eight percent, Botha and Government figures five percent with 24 percent not responding.

Only 51 percent of Buthelezi supporters agree with the leader that sanctions should not be imposed. Among supporters of the ANC and UDF, eight percent oppose their leaders' call for more sanctions.

When respondents were asked the extent to which they were prepared to lose their jobs through sanctions, many became cautious. Orkin found 14 percent backed sanctions regardless of the job losses, 26 percent had an intermediate opinion while 60 percent were considered "cautious" about supporting sanctions if the policy lead to severe unemployment.

But even among those who support sanctions, people were divided over whether sanctions would actually work to end apartheid. Of the whole sample, 42 percent said they would not work, while 41 percent said they would.

There were clear majorities who believe in their effectiveness among the more educated, politically involved and informed, Orkin said.

Orkin compared his findings to those from last year's survey, in which only black people in urban areas were asked whether they supported disinvestment.

He found that opinion has not softened among this group, despite reports of cases of hardship since economic measures were taken against South Africa a year ago.

In that survey about a quarter of metropolitan blacks supported disinvestment unconditionally, a quarter opposed them unconditionally, and half the respondents supported disinvestment unless companies did more to fight apartheid in defined ways.

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Club demand for sanctions 'rang hollow'

LONDON — Despite the "surface sputter" at the Vancouver Commonwealth summit, the participants seemed to be simply going through the motions of trying to secure sanctions against South Africa, said *The Times* in a leading article today.

The condemnations rang hollow, "but the Canadian Foreign Minister summed up the real mood of the conference when he spoke of 'sanctions fatigue'."

The reason the Commonwealth persisted, however, could be traced to Washington's demand for "further and even more heroic doses" of a medicine which has been shown not to work.

At the very least, an American acknowledgement that sanctions had failed might finally remove them from the international agenda, "thus adding immeasurably to the quality of future Commonwealth conversations", the paper said.

The *Financial Times* wrote in a leading article today: "It remains impossible not to wonder why a group of countries that has spent so much time over the years trying to deal — on the whole ineffectually — with the problems of South Africa should give so little attention to problems at least theoretically within its domain."

These were "legion", ranging from the coup in Fiji to the troubled situation prevailing in Sri Lanka.

New US sanction step

From SIMON BARBER

WASHINGTON. — The House of Representatives is set to deny American firms tax deductions for the taxes they pay to Pretoria, adding tens of millions of dollars to the cost of doing business in South Africa.

The new sanction, which was quietly reported out of the House Ways and Means Committee last week as part of the final 1988 budget, would place South Africa in the category of countries deemed by Washington to support international terrorism.

These nations include Libya, North Korea, Iran and Afghanistan.

The measure, which effectively means double taxation for American companies still operating in South Africa, was authored by Congressman Charles Rangel, a leading member of the congressional black caucus.

Even though it must still be endorsed by the Senate and survive a possible presidential veto of the entire budget bill, Reagan administration officials remain deeply concerned that it will become law.

"This is the sanctioneer's best bet this year," one official said.

An industry source described the new legislation as "very serious".

One industry source, who would only speak on a non-attributable basis, called the legislation "very serious — a lot of companies will have to reconsider their position if this passes. the oil companies would be likely be especially hard hit."

Democrats on the Ways and Means Committee adopted the proposal unanimously after minority Republican members refused to participate in the budget drafting process.

NEWS FOCUS

Maggie could yet act to dismantle sanctions

MIKE ROBERTSON in Vancouver

EXPERTS ON South Africa were springing up all over the place here last week. Every way you turned, officials — from Canada to Kiribati — were offering suggestions to advance the downfall of apartheid.

Appearing under the guise of "media" were representatives of the ANC, the Anti-Apartheid Movement and even the SA Embassy.

Away from the sail-topped convention centre where the Commonwealth summit was held, a cab driver — whose accent could only have been nurtured in the shadow of Table Mountain — and an unhappy emigree businessman advanced opinions that ranged from amusing to pathetic.

Despite the spectrum of opinion available, however, the person whose decisions most affected SA — Britain's Prime Minister Margaret Thatcher — displayed a palpable ignorance of the country on which she is said to hold such strong beliefs.

On the emergence of unions, the beginnings of apartheid and recent reform measures she made statements that were less than accurate. More importantly, compared to the sometimes compelling arguments against sanctions advanced by sections of the SA business community, the way she and her officials set about the task was at best amateurish.

Severing

Yet it is also true that this summit has seen a significant halt in the campaign to impose total sanctions on SA. Whether this "setback" will result in a turning back of the sanctions campaign or its diversion into areas which could prove even more detrimental to the South African economy remains to be seen.

The Vancouver summit marked the severing of the final links between Britain and the rest of the Commonwealth in regard to policy on SA.

Thatcher and her officials advanced arguments, drawing on a more sophisticated analysis developed by Anglo American, which held up alternative "high road" and "low road" scenarios for SA's future — the former involving the unleashing of economic forces, the second being a result of sanctions.

For the first time they put a time-frame — 20 years — on the emergence of a non-racial SA.

But if in closed meetings Thatcher advanced the argument against sanctions as badly as her officials did at briefings, it's not surprising she was isolated from the rest of the Commonwealth.

Emerging from one briefing, a journalist from a leading US newspaper quipped: "Thatcher wants the West to invest in apartheid and blacks to buy shares in it."



☐ THATCHER . . . showed ignorance

It was a harsh judgment, but understandable given the officials' argument that economic expansion and demographic forces alone would bring about the dismantling of apartheid. "I thought that was exactly what apartheid was intended to control," said a sceptical Canadian official.

Yet there can be no denying the validity of Thatcher's argument when she said: "The real importance of the statement we have agreed to is that in it there is implicit recognition that further progress can't be made down the sanctions path. There is no proposal for further sanctions actually there."

She held the view that South Africans were prepared to change. Sanctions were an impediment to change. To back her sentiments she quoted both Helen Suzman and Alan Paton.

Spurious

"There has been a change of minds and of hearts within SA, which has come at a time also of economic expansion. It has come at a time when a number of companies, quite a lot of them British, others South African, have been forward in their thinking.

"They have set up black South African unions, as you know full well, and they have been very active," she argued. Later she repeated the rather spurious claim that companies had set up black trade unions.

While she was not prepared to say Britain would act to dismantle sanctions already adopted, it seemed clear that having completely broken ranks with the rest of the Commonwealth on SA, such an action — which would be in line with the arguments advanced in favour of economic expansion — was not out of the question.

This was later reinforced when she deliberately distanced her government from the ANC.

The rest of the Commonwealth, however, will be moving in the opposite direction. Thatcher dismissed this commitment to sanctions as "muddled thinking" and implied some countries were guilty of hypocrisy.

But it was also a result of the case for sanctions being argued more strongly than the case against it.

A case in point is one involving Kenya's Daniel Arap Moi. He is reported to strongly oppose denying landing rights in Nairobi to aircraft flying to SA.

According to a Frontline official, this is not just because he is concerned over a loss in revenue, but because he genuinely doubts the efficacy of sanctions. Yet Moi joined the other 46 Commonwealth leaders in adopting new measures against SA.

Shallow

A Canadian official, who has met leading SA businessmen and been extremely impressed by their arguments against sanctions, said British attempts to argue along similar lines at the summit came over as shallow, lacking both coherence and commitment.

Despite attempts by the British to embarrass him, Canadian Prime Minister Brian Mulroney emerged from the summit with the support of all members except Britain for a package on SA that contained every element his officials were predicting it would more than two months ago — increased aid to Frontline states, a committee of foreign ministers to monitor developments in SA and stepped-up monitoring and implementation of existing measures.

However, Mulroney recognised that, unlike Britain, Canada's limited links with SA reduce its effectiveness. He is reluctant to break all links with SA, saying: "Once you do it you take yourself out of position to influence dialogue."

Perhaps as a result of an inability to affect SA by the adoption of new trade sanctions, the Vancouver summit, to quote Mulroney, "ended in a process, not in a list".

And despite the absence of Britain from the "process," it would be unwise to underestimate the effect of measures agreed on by the rest.

been joint managing director for the past three years, be-

INTERNATIONAL

Thatcher's remarks won't change policy

The Argus Foreign Service

LONDON. — The Foreign Office has been at pains to point out that Mrs Margaret Thatcher's reference to the African National Congress as a "terrorist organisation" and to sanctions against South Africa not working has not signalled a change in the British Government's policy towards South Africa.

Although Mrs Thatcher placed the ANC alongside the IRA, a Foreign Office spokesman said this did not rule out future contacts with the ANC.

Mrs Thatcher has repeatedly said her government does not talk to terrorists but both Foreign Secretary Sir Geoffrey Howe and Mrs Lynda Chalker, Minister of State at the Foreign Office, have met ANC leader Mr Oliver Tambo.

On each occasion the British Ministers repeated their rejection of violence. Although no date was set for future meetings, the impression was left that the door was open for future talks. Mrs Chalker's talks with Mr Tambo were described by the Foreign Office as "useful and candid" and Sir Geoffrey's as "good, candid and open".

The Foreign Office says there is no indication that Britain will not carry out its commitment to impose certain sanctions on South Africa in spite of Mrs Thatcher's repeated assertion at Vancouver that sanctions have not worked and have been counter-productive.

Noted with dismay

Asked if Britain had not been somewhat half-hearted in its implementation of sanctions agreed by the Commonwealth, the European Community and the United Nations, the Foreign Office spokesman said: "We stand on our record however tightly we may have interpreted the precise letter of what we said we would do"

● The solutions to South Africa's problems would be resolved only if the African National Congress and the Government met to devise a new constitution, says the United Democratic Front.

A UDF (Western Cape region) spokesman said today it had noted Mrs Thatcher's remarks "with dismay and great disappointment".

South Africa came under the spotlight again at the Commonwealth leaders conference, but criticisms levelled at the country had been "fair" and "constructive", said the UDF.

"The theme of the conference, to us, seems that our immediate neighbours are concerned about the alleged destabilising role that the Government is playing in the region.

"We say that the British Prime Minister should endeavour to become part of the solution of the problems which face the South African nation," the statement said.

Bureau disputes study

THE head of the Bureau For Information, Mr D W Steward, says the majority of black South Africans wish to have nothing to do with economic actions against their country.

He quoted three major scientific surveys, including one conducted by a private company on behalf of the Bureau, adding that these have consistently indicated that the majority of blacks quite understandably wish to have nothing to do with sanctions against South Africa.

Mr Steward was reacting to a recent survey conducted by an organisation called Community Agency for Social Enquiry, which indicated that a large majority of blacks support sanctions against this country.

He said the sample, which included 800 blacks, has been criticised by Professor Lawrence Schlemmer, director of the Centre of Policy Studies at the University of the Witwatersrand. He pointed out, among others, that each of the questions involved in the survey was linked to the views of prominent politicians.

"The survey could therefore hardly be regarded as objective," Mr Steward said.

He said a survey carried out in August by a private company on the attitudes of black South African coalminers, established that only 21 percent supported sanctions.

Another survey conducted by the Human Sciences Research Council in September last year found that 50,6 percent of black South Africans were opposed to disinvestment.

be tightened to strangu- the majority. — Sapa

280 DD 22/10/87.

Detentions to be used to extend sanctions — MP

JOHANNESBURG — World-wide publicity given to the detention of young South Africans would be a major factor to be used in persuading the US Congress to extend the present sanctions against South Africa, Mrs Helen Suzman said last night.

Mrs Suzman, the PFP MP for Houghton, said this at a report-back meeting to her constituents.

She said 1 500 people were still in detention and quoted the Minister of Law and Order, Mr Adriaan Vlok, as saying 79 detainees were under 18.

Mrs Suzman said: "To what extent the minister's release of children was spurred on by the conference which took place recently at Harare on the subject Children under Apartheid, I do not know, but I have no doubt that the world-wide publicity which has been given to the holding of young people in detention without trial in South Africa, will be a major factor which is going to be used in persuading the US Congress to extend the present sanctions against South Africa."

Irrespective of this, the minister should release not only those under 18, but everyone detained without trial, she said.

If he could not charge detainees, he should release them, Mrs Suzman said. — Sapa

News in Brief

Lebowa head rejects NC

JOHANNESBURG — Lebowa's new Chief Minister Mr Mgoboya Ramodike yesterday appealed to other homeland leaders not to take part in the South African government's National Council. Mr Ramodike, a campaigner against homeland independence, was yesterday voted successor to Chief Minister Mr Cedric Phatudi.

100 000 for anti-SA march

LONDON. — About 100 000 people are expected to march through London this weekend in a mass demonstration supporting sanctions against South Africa. Speakers at the demonstration, organized by the Anti-Apartheid Movement, will include Swapo president, Mr Sam Njoma, and the head of the ANC's international section, Mr Johnston Makatini.

March to back UK sanctions

LONDON — About 100 000 people are expected to march here this weekend in a mass demonstration supporting sanctions against South Africa.

The demonstration, organised by the Anti-Apartheid Movement (AAM), will be addressed by a number of speakers, including the Swapo president, Mr Sam Nujoma, the president of the AAM, Archbishop Trevor Huddleston and the head of the ANC's international section, Mr Johnston Makatini.

Organisers of the protest are predicting a turnout of 100 000.

It is expected the recent sanctions stance taken at the Commonwealth conference by the British Prime Minister, Mrs Margaret Thatcher, will boost interest.

The march starts at 1 pm on Saturday from the Thames Embankment, moves past South Africa House in Trafalgar Sqaure and on to Downing Street.

Speakers, including the Labour shadow cabinet minister, Mr Bob Hughes, will hand a letter of protest to Mrs Thatcher.

Then the marchers will move on to Hyde Park for the speeches and musical entertainment provided by two bands. — DDC

US SANCTIONS

Shot in the foot

SA, like other countries, is chafing at the effects of US attempts to limit its exports of hi-tech items to preserve its technological edge. Most of the US effort in this direction is devoted to ensuring that the USSR doesn't gain access to hi-tech items of a military or manufacturing nature, but countries friendly to the US, such as the UK and West Germany, are indignant at the means emloyed to implement US resolve.

In practice, the Americans use their Department of Commerce to grant licences for the export of the hundreds of thousands of US products which are covered by the embargo. If there are political problems with the country of destination, the State Department becomes involved, or if there are military problems, then the Pentagon has its say.

The whole initiative has become a source of friction within the US government — the Pentagon accuses the Department of Commerce of being too lenient in the granting of licences and the department accuses the Pentagon of being over-zealous. Friction between one official agency and another sometimes takes up so much time that the potential buyer turns to another (non-US) supplier.

This was the case in West Germany. The granting of a licence was so long delayed that the customer, a shipping line called Transnautic which had Soviet shareholders, turned to Hitachi to supply the mainframe that it originally wanted from IBM's West German subsidiary. The West German government protested at what it saw as US interference in a deal between two ostensibly West German entities.

In another case, the US licensed the export of a Cray supercomputer to a UK university, which sold time on the computer to the USSR. The US protested, the UK government lodged a strong counter protest at what it saw as US interference in the country's internal affairs. Eventually British industry stepped in to cool the steadily escalating row for fear of jeopardising its future supplies of hi-tech equipment.

The granting of a US export licence involves prior as well as post-shipment inspections by US personnel. In SA the US government is using its embassy and consular staff to do the check, which involves determining the ownership, use and location of what is usually a mainframe computer. This check is more onerous than in other cases, in that it is also aimed at ensuring compliance with the provisions of the Comprehensive Anti-Apartheid Act.

Obviously this intrusion has been regarded as unwelcome. Sources in the data processing (DP) industry in SA indicate that up to five individuals have been used to conduct these inspections and some confusion has arisen because three of the inspectors are said to have been fluent Afrikaans-speakers, though a US spokesman denies that it has any Afrikaans-speaking staff who could pass as locals.

Aside from this minor but interesting point, the spokesman says of the inspections that "without exception, the private sector has been friendly." No one at any of the large State corporations even admits to being the subject of such inspections, but industry gossip has it that some of the encounters have been less than amicable

Carefully monitored

The consulate spokesman says that more than five US officials have been used in on-the-spot inspections on a sporadic basis and that in total this is the equivalent of using one person full time. He says no one does these inspections on a regular basis. Nevertheless, DP staff feel that the local industry is being carefully monitored.

To South African business and professional people, harassed and ostracised by the world community at large, over-regulated and over-taxed at home, the additional aggravation of having to suffer these inspections must be especially irritating — as well as being yet another incentive to strive for local sufficiency in hi-tech.

When approached for comment, the Department of Foreign Affairs issued a terse statement affirming the legality of the procedure. Nevertheless, some may construe these inspections as a flag-waving exercise by a US administration frustrated by its lack of influence in SA's internal affairs.

Ironically, the chief victim of the policy is the US economy. One special interest group in the US, the Electronics Industries Association, estimates that export controls are costing the country some $9 billion in lost business and 225 000 jobs every year as foreign suppliers rush to fill the orders which US officialdom has decreed may not be fulfilled by its industries.

The reverse is also true. Billions of dollars in hi-tech business is being denied to the US because buyers are becoming wary of the restrictions and especially the infighting between the various departments. This resulted in the US posting a deficit in hi-tech trade of $2,6 billion last year, the first ever such deficit. ■



Ludin . . . Siltek and staff vetoed deal

CAPE TIMES 23/10/87

UK body says no to sanctions

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Own Correspondent

EAST LONDON. — Britain's biggest employer body, the Confederation of British Industry (CBI), remains opposed to sanctions against SA, its president said yesterday.

David Nickson, in a satellite interview with the Assocom congress in East London, said the CBI shared the views expressed by Prime Minister Margaret Thatcher at this month's Commonwealth conference in Canada.

He said: "Our view is not a political one. We are opposed to apartheid and to violence. But we are also opposed to sanctions, which are counter-productive and harm those they are intended to help. We are in the business of wealth creation."

Nickson said this week's international stock market crash had not affected Britian's industrial confidence and the business mood remained buoyant. Strong economic growth was expected to continue.

'Dislike of SA rises' as sanctions fail

Eve Post 23/10/87 280

JOHANNESBURG — The failure of sanctions has heaped greater international dislike than ever on South Africa and increased the likelihood of further action against this country, Mr Harry Oppenheimer, doyen of South African industrialists, told a banquet in Johannesburg last night.

"It is clearly recognised that their (sanctions') value, if they have one, is not related to changing South Africa but is rather a self-indulgent demonstration of the emotional needs and political interests of left-wing groups in Europe and America," Mr Oppenheimer said.

He was addressing the Convocation of the University of Natal banquet.

"The failure of sanctions, far from improving sentiment in respect of SA, has made it much worse.

"I have just returned from overseas with the impression that while it is recognised that SA cannot easily be bullied, the fact remains that ours is a country increasingly disliked and any means of damaging our interests, provided thay are cheap enough, would be widely supported."

The most popular alternative to sanctions now was to provide help to the Frontline States to enable them to become economically independent of SA.

"Yet economic assistance to these states, set in these terms, is bound to fail in its ostensible objective."

"No one can doubt that the black states of Southern Africa are in great economic need, and assistance from the major industrial countries, provided it is wisely directed and controlled, could be of great value to the whole region.

"However, none of these countries will be prosperous and stable unless they are also peaceful and that involves peaceful relations with South Africa, however much they disapprove of South Africa's racial policies.

"There is a contradiction between a policy aimed at solving those countries' economic problems and a policy aimed at making them independent of South Africa.

"Economic help for the black states in Southern Africa would be much more practically employed in building up new economic links with SA than trying to break down those that already exist.

COMMONWEALTH SUMMIT

Sanctions off the boil

When the Commonwealth summit got under way last week, a British official said the South African issue would not dominate the conference and sanctions would not dominate the discussions on SA. Maybe his crystal ball needed polishing or perhaps it was the beginning of what Australian Prime Minister Bob Hawke later called an "abominable" disinformation campaign. For, apart from occasional moments when it was displaced by Fiji, SA remained exactly where it had been at the close of the previous conference in Nassau — at the top of the Commonwealth agenda.

At the end no new sanctions were agreed upon against SA and most measures in the communique were as expected. Canada succeeded in getting everyone except Britain to agree to the setting up of a committee of foreign ministers to monitor developments in SA. Canadian External Affairs Minister Joe Clark was appointed chairman and said its first task would be to "tighten, widen and intensify" sanctions.

Hawke, acting on an original suggestion by Jamaica's Edward Seaga, got the summit, with the exception of Britain, to agree to the commissioning of a study to examine SA's relationship with international finance houses. Mozambique, whose Foreign Minister Pascoal Mocumbi was an ever-present figure on the fringes of the conference, scored heavily. Canada and Britain agreed to put up US$40m for the rehabilitation of the Limpopo line. A further undisclosed sum will also be made to a project to get Maputo port fully operational.

A special fund to provide technical assistance to Mozambique was also set up, and while no immediate military assistance was forthcoming, both India and Australia indicated there could be some bilateral aid in this area. Mocumbi, who made history by becoming the first non-Commonwealth minister to address an official summit committee, appealed in particular "for all kinds of transport — jeeps, helicopters, planes," as well as skilled personnel to provide training. He was confident the aid would be forthcoming.

The one suprise in the package was a plan to set up a transmission facility in a frontline state to overcome SA's censorship laws. Censorship, it was claimed, allowed Britain to advance with some casualness the view that sanctions were not working. And Britain's Margaret Thatcher, it was said, was totally isolated. She did not agree. "I find more recognition of the views that I adhere to," she said, stressing that no new sanctions had been adopted. "I take some encouragement from the growing realisation on the part of many Commonwealth countries, first, that change in SA will be a long drawn-out process and second that the momentum for change must come from within SA." Her officials put a time frame on the "long drawn-out process" — 20 years.



PM Thatcher ... a hard line to hold

There can be no denying that Thatcher and the rest are now heading in completely different directions on SA. Not only will she not budge on sanctions but she firmly put the case for encouraging economic expansion. In a separate but parallel development, she attacked the African National Congress (ANC), calling it a "typical terrorist organisation" which people should fight and not embrace. Her statement not only takes Britain back to prior to the Nassau summit, where it agreed to call for the unbanning of the ANC, but is a significant setback for the ANC itself, which has secured a string of diplomatic triumphs in the past two years.

Thatcher might not have stopped the sanctions bandwagon, but she has certainly held it up. Combined with the attack on the ANC it is a strong message to Pretoria that as far as she is concerned the heat is off. With a little reciprocation on their part, she could well begin to undo even the limited sanctions Britain has adopted so far. ■

SRI LANKA

India's nightmare

Indian Prime Minister Rajiv Gandhi has flown home from the Commonwealth summit to face a Sri Lankan nightmare. At the weekend the Indian peacekeeping force (now 18 000 strong), sent to protect the 2m Tamil minority in Sri Lanka from Sinhalese security forces, was locked in a bloody battle with the separatist Tamil Tiger guerrillas for the northern city of Jaffna.

The price of the peace pact Gandhi signed with Sri Lankan President Junius Jayawardene is proving high in terms of casualties. It could rise if Indian army action against the Tamil Tigers, and the inevitable loss of civilian life in the crossfire, ignites the 50m Tamils of Tamil Nadu, just across the narrow Palk Strait from the Jaffna Peninsula.

The Gandhi-Jayawardene accord was an extraordinary and risky political move after India's intervention to stop Sri Lankan forces rooting out the Tamil Tigers in the wake of a series of atrocities in April. Sri Lanka offered semi-autonomy to the Tamil-dominated areas of the north and east. It also ceded part of its sovereignty. An Indian peacekeeping force — which was supposed to have gone home by the end of August — assumed responsibility for law and order in the Tamil heartland and supervised an amnesty under which the Tigers (and other smaller guerrilla groups) handed over their guns There followed an impressive public display in which the Tigers' leader, Velupillai Prabhakaran (33), accepted the deal in a symbolic surrender of weaponry.

But it was not followed up. The Tigers may have turned in 15% of their arms but the Indian army made no attempt to search out more In addition while Sri Lankan security forces were confined to barracks the Indians did little to contain a resurgence of Tamil attacks on Sinhalese Buddhists and Muslims in the eastern province around Trincomalee.

The flawed truce exploded, however, when 15 Tamil Tigers, caught trying to ship in guns by Sri Lankan naval patrols, committed suicide (with cyanide pills) while under arrest. The Tigers embarked on an orgy of slaughter — massacring Sinhalese and Muslim civilians. India had no option but to act after Jayawardene threatened to unleash Sri Lankan forces and resume the mopping up which New Delhi had likened to genocide.

As the *FM* went to press the Indian army was battling its way into Jaffna city, controlled for the last five years by the Tigers who have set up a web of Vietnam-style bunkers and booby traps. Ostensibly it was a one-sided battle: elite Indian troops, with armour and artillery, outnumber the estimated 2 500 "frontline" Tigers by more than six to one.

With the press banned from the fighting zone, no independent confirmation of the death toll was available. But Red Cross and hospital sources painted a grim picture. Up to 550 Tigers have been killed, 100 civilians

Sanctions 'to get worse'

GERALD REILLY

PRETORIA — Sanctions and disinvestment pressures against SA would intensify next year, a survey of the top 100 industrial companies listed on the JSE has found.

The Unisa Bureau of Market Research survey says 68% of the corporate executives support that view, compared with 54% in the previous report.

About 53% believe the overall political situation will deteriorate next year, compared with 47% who took that view for 1987.

The majority — 76% — also think labour unrest and strikes will increase in 1988 compared with 1987.

And 44% believe unemployment will also rise next year, while 47% do not believe companies will be hampered by shortages of business resources such as capital and raw materials.

On inflation, the executives forecast a lower rate next year — 17,1% against 18,6% in 1986. They expect the real growth rate to be higher than in 1986 — 2,4% compared with 0,5% and they predict a growth rate of 2,1% for 1987.

About 52% also believe consumers will exert more pressure on the manufacturing industry, government and the media "to be more responsive to consumer problems". This is less than the 67% who felt that way in the last report.

Trade ban cuts exports by 45 pc

Sanctions 'are killing mineral sales to US'

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STAR 23/10/87

By Adele Baleta

South African exports to the United States dropped by 45 percent from R2,6 billion in the first half of last year to R1,4 billion this year, said Mr Ian Leach, president of the American Chamber of Commerce in Johannesburg yesterday.

He was speaking at a two-day conference on "Power and wealth in South Africa, the economic system under review" organised by the Institute for Industrial Relations.

Mr Leach said exports of South African commodities banned under the American Anti-Apartheid Act of 1986 had effectively dried up.

Exports of uranium products, iron, steel and coal fell from R351 million in the first six months of 1986 to almost zero in the first half of this year.

Imports were unchanged at R1,2 billion, but South Africa's trade surplus with the United States had fallen from R1,4 billion to R200 million.

Mr Leach said while the Act had effectively restricted trade, it had failed in its intention to pressure South Africa into political reform.

"The tragedy of the disinvestment campaign is that most of us in this country shut our eyes to reality. Disinvestment includes the loss of research and development, technical and scientific knowhow, patents, loans and sophisticated equipment," he said.

Mr Duncan Innes, senior lecturer in industrial sociology at the University of the Witwatersrand said a survey carried out in September 1985 in 10 metropolitan areas found that three-quarters of the respondents favoured socialism.

This was probably due to the fact that capitalism was perceived by many to be linked directly to apartheid.

If there was to be any meaningful debate about a post-apartheid South Africa, he said, business had to understand the different economic systems.



Here's to getting to know you

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US Customs probes SA sanctions-busting

23/10/87 The Star Bureau 280 SSA

WASHINGTON — The US Department of Customs is investigating 20 sanctions-busting cases involving South Africa, 13 of them imports fraud entailing the mismarking of merchandise.

Officials are also probing seven alleged US export violations, according to an official report on how the US government is enforcing economic sanctions against South Africa

Most import cases involved falsification of documents listing the country of origin, false markings on the containers, or transhipment through a third country to mask South African origin, the report said. It was issued at a Senate hearing yesterday.

Officers stopped four imports investigations after establishing they were unfounded and in three of the remaining 13 ongoing probes Customs had seized goods.

On the exports violations, the report said 13 of 14 probes involved the Arms Export Control Act or the Export Administration Act.

CALIFORNIAN SOLD TECHNICAL MANUALS

Two files had been closed without indictment, seven were still active, one had been passed to the State Department's office on munitions control for review, three were awaiting a prosecutor's decision and the last had been prosecuted.

A California businessman was convicted recently for selling South African authorities technical manuals for military transporter aircraft.

Department of Commerce officials were busy, the report said. They had devoted "significant resources" to post-shipment checks of restricted items such as computers, which, in terms of the sanctions, cannot be sold to South African military, police or apartheid-enforcing agencies

One official said the department did more post-shipment checks in South Africa than anywhere else.

Crocker: no move on Japan

The Star Bureau

WASHINGTON — The United States would not press Japan to impose punitive economic sanctions against South Africa, President Reagan's top Africa policymaker has said.

Dr Chester Crocker was reacting to senators' questions on Capitol Hill prompted yesterday by a newspaper report that Japan had just replaced the US as South Africa's leading trading partner.

***The Washington Post* reported Japan's new leading position had embarrassed Japan's corporations and government which were concerned about the backlash it may create in the US. It had also sparked an official study on whether Japan was taking "commercial advantage" of American sanctions against South Africa.**

The report said estimates based on first-half trade statistics put Japan-SA two-way trade this year at about R6,2 billion, and the US's at about R5 billion. Last year, US-SA trade was R7,26 billion, and Japan-SA trade R7,2 billion.

Thatcher defends Britain's attitude towards sanctions

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LONDON — In the House of Commons yesterday, Prime Minister Mrs Margaret Thatcher defended her stance on sanctions against South Africa.

She insisted that sanctions had been, and would be, counter productive and ineffective, and would delay the dismantling of apartheid. Sanctions would turn South Africa into an economic wasteland, she said.

Earlier, Foreign Secretary Sir Geoffrey Howe had also defended the British position on South Africa, saying Britain's belief that apartheid should be removed as quickly as possible was not in doubt.

He added that earlier meetings with ANC leader Mr Oliver Tambo had been part of a "pattern of contact" with the ANC which had to be judged from time to time.

Mrs Thatcher was making a statement to the House on the Commonwealth heads of government meeting in Vancouver.

She said: "There is a growing realisation on the part of many Commonwealth countries, first, that change in South Africa will be a slow and long-drawn-out process and, second, that the momentum for change must come from within South Africa itself.

"Britain, for its part, has faithfully implemented the limited measures to which we agreed at earlier meetings as a signal to South Africa. We shall continue to do so. But where we disagree with other Commonwealth governments is on the most effective means to get rid of apartheid.

"We believe that sanctions only harden attitudes as the recent elections in South Africa have shown. Moreover, so far as they do have an effect, the first to suffer are the black people whose jobs and livelihoods would be put at risk, without any social security to fall back on.

"They would also be very damaging to the Frontline states who have themselves come to understand more fully the difficulty of applying sanctions."

Labour leader Mr Neil Kinnock told the Prime Minister that white South African politicians and the press saw her as an ally of apartheid.

He asked: "Does she not realise that it is impossible to believe her declarations against apartheid when she uses all her political weight to protect apartheid?"

Mrs Thatcher replied by quoting Mrs Helen Suzman who had called sanctions "actually counter productive", and Mr Alan Paton, who had referred to "an ill-advised sanctions campaign".

Mrs Thatcher also recalled her remarks in Vancouver about the African National Congress. The ANC were terrorists, she said, and she condemned them for that.

But, at the invitation of black Labour MP Mr Bernie Grant, she also condemned torture of children in South Africa and South African incursions into the Frontline states.

THE ECONOMY

Bishop Isaac rallies to Maggie's aid

BRITISH Prime Minister Margaret Thatcher was not entirely alone in her anti-sanctions stance in Vancouver — although she surely would have wished for stronger and more prestigious allies.

Perhaps, in a battle as unpopular as that Thatcher was waging at the five-day Commonwealth heads of government meeting, one doesn't look a gift horse in the mouth.

For the first time, a full Commonwealth conference was being lobbied by black South Africans from both ends of the political spectrum.

Churchman Isaac Mokoena, who has a habit of turning up at international conferences of this kind, was in Vancouver feeding those who would listen a line that sounds surprisingly similar to that of the South African government.

It goes something like this: "We want apartheid to be destroyed but we don't want blacks to be harmed by sanctions. Sanctions will impose suffering, throwing millions out of work."

The world should rally around South Africa, Mokoena argues, to save it from being driven into the Marxist camp.

Media representatives entering and leaving the Commonwealth meeting site were handed pamphlets in the street by Mokoena's supporters. Others had them hand-delivered to their hotel rooms.

By SHARON FULLER in Vancouver

The pamphlets say that Mokoena lives in black Soweto, contrasting his lifestyle with those of other churchmen who lead major churches. It does not say how this obscure and apparently concerned clergyman manages to finance his overseas trips.

Mokoena has notched up some media attention here. The daily tabloid, *The Province*, devoted a column to "the bishop" saying he praises Thatcher for sympathising with his plea not to press sanctions by refusing to support "that devastation".

The other anti-sanctions lobbyist in town is the mayor of Lekoa, Esau Mahlatsi, who says he was sent by businessmen in his township to tell Canadians that sanctions are "unfair punishment" for black South Africa and that the Commonwealth should halt such trade bans.

A group calling itself the Canadian Friends of South Africans Society appeared to be their only means of support.

An unexpected participant in the propaganda war is Toronto-based Canadian journalist Peter Worthington, who has produced a videotape on what he says are the activities of the African National Congress in South Africa and sent it to 3 000 politicians, journalists and others.

The ANC representative in Canada, Yusuf Saloojee, says the allegations in the skilfully edited tape are "almost identical" to those made by the South African government.

Saloojee says he suspects the South African embassy in Ottawa may have helped to pay for the video.

On the other side of the spectrum, those lobbying the Commonwealth leaders for comprehensive, mandatory sanctions against South Africa included the ANC's international department head, Johnstone Mahkatini, Saloojee and Abdul Minty, of the Anti-Apartheid Movement.

Swapo was represented by Amdimba Toivo ja Toivo.

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Exit Mono, but the workers want guarantees

By HILARY JOFFE

THE right of trade unions to negotiate with companies pulling out of South Africa over the terms of disinvestment is at issue between workers and the foreign owners of Mono Pumps, who plan to sell their South African subsidiary

The workers are demanding guarantees, to be written into the deed of sale, that their jobs will be secure, their conditions of employment no worse and their union recognised. They also want the disinvesting company to leave behind it a fund, under workers' control, to provide them with improved benefits and make resources available for broader community projects, for example in rural areas.

The director of the British parent company has twice met Mono Pumps shop stewards and union officials. But the union says while the company has discussed the sale with them. it has refused to negotiate.

The company says it has given workers assurances that their jobs are secure, but it is not prepared to meet some of the "unrealistic" demands.

But the company denies that the planned sale is a disinvestment. Mono Pumps SA is a wholly owned subsidiary of Britain's Mono Pumps, owned by Gallaher, a British company. This is controlled ultimately by US company American Brands.

Gallaher, according to local Mono Pumps managing director Peak, decided some time ago to sell off its Mono group, comprising engineering companies in the UK, US, Australia and New Zealand.

But whatever the reason for the South African sale, the American controlling company is clearly getting some political mileage out of it.

An American Brands press release dated April this year says: "Edward Whitmore, chairman and chief executive of American Brands, announced today that the company's UK-based subsidiary has recently sold two of its South African units and plans to sell its two remaining units in that country after which American Brands will have no investments in South Africa." He added that the board of directors of American Brands had "re-iterated its strong opposition to the apartheid system".

Numsa, and the workers at Mono Pumps in Edenvale, are acting in part on the basis of this statement. Says a shop steward: "They are disinvesting because of apartheid, even if they say they are not. They can disinvest but they must leave something behind for us."

SANCTIONS

Case against CASE

Supporters of sanctions here and abroad — their theories under fire — are increasingly relying on statistical gymnastics to bolster their case. The argument that blacks support sanctions and are willing to suffer has never been supported by the facts.

That is again clear, with the release by the Community Agency for Social Enquiry (CASE) of the findings of a survey of black opinion. "Blacks *do* back sanctions, warns survey," said a front-page headline in the *Weekly Mail* — "Despite hardships, support for pressure higher than in 1985."

The report begins: "As the international sanctions movement struggles to maintain its momentum, a major nationwide survey released yesterday has revealed that two-thirds of black South Africans support sanctions

"The survey was conducted during August and September by the Community Agency for Social Enquiry. This was the same group which compiled a similar, controversial report two years ago showing that most blacks supported disinvestment by foreign companies."

It's a shame that the sometimes thoughtful *Weekly Mail* has fallen, so uncritically, for CASE's half-truths. To understand this year's survey, it helps to know what was wrong with the interpretation of the widely quoted 1985 poll to which the *Mail* refers.

"This report clearly establishes the fact that a decisive majority of urban black South Africans support some form of disinvestment as a means of helping to end apartheid," Mark Orkin, a Johannesburg sociologist and a CASE director, wrote about the 1985 survey.

"Whatever other justifications might now be advanced by the advocates of investment, they can no longer maintain their posture of deferring to democracy, of seeking to respect the available indications of black opinion."

Orkin's findings did not justify his confident conclusions

Urban blacks were given a three-way choice — between encouraging unbridled investment; kicking out all foreign investment; and a middle position to "limit or restrict investment" The middle position said "foreign firms should not be allowed to invest here unless they actively pressure the government to end apartheid, and recognise the trade unions chosen by the workers"

The results. 26% supported investment, 24% supported complete withdrawal, and 49% took the middle position of conditional investment

In other words, three out four rejected wholesale withdrawal, the most radical position and the goal of many anti-apartheid activists and lawmakers outside SA *Three out of four supported investment under some conditions*

Orkin's interpretation was that 73% of urban blacks favour some sort of disinvestment. He lumped those who took the middle position — which he called "conditional disinvestment" — with those in the radical position.

We call the middle position "conditional investment," since it refers to controlling the flow of new investment, not kicking out the old. And the conditions are hardly tough: many would argue that businesses should actively campaign against apartheid and recognise trade unions

Orkin, then, is right only to the extent that 73% of blacks don't want business as usual. But that does not demonstrate the support for blanket disinvestment claimed by those who quote the 73% figure.

Of course, a middle position in any poll is going to gather a fair amount of support The fight is over who can claim that middle ground. Our less radical interpretaton is supported by another question in the 1985 poll. The question began by noting "some people say disinvestment may cause some blacks to lose their jobs, but the sacrifice is worthwhile in order to pressure the government to end apartheid."

The question. Is the sacrifice worthwhile? The answers: 26% said yes, even if many blacks would lose their jobs; 25% said yes, if few blacks would lose their jobs; and 48% said the sacrifice of jobs is not worth it.

In other words, half of the blacks did not believe it is worthwhile to lose jobs in the campaign to fight apartheid. And that fraction rises to nearly three-quarters if you include those who want only a few blacks to lose jobs (those who, for example, aren't willing to suffer but would tolerate a bit of suffering among their neighbours).

At best, it seems, they would support symbolic — or ineffective — sanctions that send a message but don't create hardships. They apparently don't want to suffer more than apartheid makes them suffer.

Now, a look at this year's offering from CASE — which, we expect, will also be widely misinterpreted. The poll, which surveyed rural as well as urban blacks, gave respondents three choices on sanctions.

The findings: 26% opposed sanctions, fearing they would stunt economic growth; 46% said sanctions should be applied until the South African government lifts the State of Emergency, frees political prisoners, unbans

TOUGH AT THE TOP

Hillbrow's Nat MP, Leon de Beer, is unlikely to return to parliament if he is convicted on any of the scores of charges of fraud or contravention of the Electoral Act. De Beer and two of his helpers are due to appear in court again on January 29, only a week before parliament reconvenes for the new session.

And although De Beer's membership of the NP has only been suspended, he is likely to be formally expelled (even if he is acquitted on all charges) following harsh criticism of party policy in interviews published at the weekend.

De Beer won the seat from the PFP's Alf Widman by 90 votes on May 6. It is now alleged that De Beer and two helpers contravened the Electoral Act, or are guilty of fraud.

In terms of both the constitution and the Electoral Act, an MP "shall" be incapable of holding office if sentenced to a prison term of 12 months or more without the option of a fine. However, if convicted of offences set out in the Electoral Act, the court may declare an MP incapable of holding office and order him to vacate his seat even if he is not sentenced to 12 months or more. It is also possible for parliament itself to expel a member under certain circumstances.

The PFP may also institute a civil action to unseat De Beer, if he is convicted on counts that would have made a material difference to the Hillbrow result.

While attention has been focused largely on De Beer, the fate of another MP also hangs in the balance. The Conservative Party's MP for Schweizer-Reineke, Kobus Beyers, is awaiting the outcome of an application for the sequestration of his estate. If the application succeeds, he will be disqualified from holding office in terms of both the constitution and the Electoral Act.

The CP also face a new struggle in Standerton where their MP, Jacobus de Ville, was unseated by order of the Pretoria Supreme Court last week, on the grounds that he was a State employee at the time of his election. De Ville held the post of deputy-sheriff. In terms of the Electoral Act, State employees may not stand for parliament.

political prisoners, and abandons apartheid and 21% said sanctions should be enforced unconditionally until the government surrenders power.

Therefore, two-thirds of blacks support sanctions.

There is, however, a problem with this question (besides the universal polling problem of a middle position gathering support because it is a middle position). Blacks who stand in the middle ground are basically opting for concrete action — specific steps Pretoria must take — over a somewhat elusive concept, "sanctions."

Wits professor Lawrence Schlemmer has criticised some other polls on the same grounds: "When black survey respondents are asked to balance vagueness against pressure to end apartheid they choose the latter. This can hardly be construed as support for withdrawal of investment capital or prohibitions on South African exports, however."

In other words, what do the respondents agree to when they support "sanctions" to effect change? The answer, again, is in the job-loss question.

This time around, 60% were not prepared to continue supporting sanctions if they result in job losses for blacks; 26% would agree to seeing some but not many job losses (the "my-neighbour-but-not-me" middle position); and just 14% supported sanctions no matter the amount of unemployment.

This is not a portrait of a group of people who are calling for more sanctions and more suffering. Compared to the 1985 survey, blacks are even more wary of the potential effects of sanctions on employment.

We must conclude that many of those who said they support "sanctions" really support symbolic moves that express outrage at apartheid — but don't throw blacks out of work.

That would exclude trade boycotts on, say, coal and agricultural products, which have hit black workers in the targeted fields. And it would include disinvestment only in those cases where assets are either turned over to black workers, or black workers remain employed under South African bosses. (And, we might ask, how exactly are these steps supposed to end apartheid?)

Nonetheless, expect to hear US congressmen debating sanctions this week and beginning their speeches like this: "A survey released last week shows that an overwhelming majority of black South Africans support sanctions . . ."

Those who oppose both apartheid and sanctions can listen, smugly, knowing that the sanctioneers don't have their facts rights. That doesn't make them any less dangerous.

Leaving the sanctions debate to the Left only generates more untruths. Blacks want jobs, the end of apartheid and freedom — a combination that only democratic capitalism can deliver. ■

UNIVERSITIES

Biting the hand

In the name of academic freedom (the Nat version), universities must now police their campuses. If they fail, the State subsidy (which makes up 80% of their finance) will be reviewed. The government argues, seductively, that taxpayers' money is being wasted because of disruption by leftist students.

For a government long wishing to act

LABOUR IN BRIEF

Management of Shell subsidiary Cadac, and the metalworkers' union, Numsa, together with the SA Boilermakers' Society, prepare for their third meeting to consider "new proposals" aimed at settling their wage dispute.

Some 400 semi- and unskilled workers began a legal sit-in strike at the Industria plant on October 5. This has brought continuous production to a standstill, says Cadac, but "some limited activity is being maintained." The joint union demand is a minimum wage of R4 an hour (R780 a month), which would mean a 49% increase to the wage bill, says Cadac. The company's offer is R3,30 an hour (R643,50 a month) and 75 cents an hour across the board (R146,25 a month) — a 29% wage bill rise.

The trial of Numsa general secretary Moses Mayekiso and four others, on charges of treason/subversion, commences before Justice Van der Walt in the Rand Supreme Court. Mayekiso, Paul Tshabalala, Richard Mdakane, Obed Bapela and Mzwanele Mayekiso, all from Alexandra, have been in custody since June 1986. They are represented by Advocate David Soggott SC. The State is charging the five with offences allegedly committed in Alex between January 1983 and June last year.

Putco management was expected to decide this week whether to hire new drivers, or reinstate the 450 who walked out at the Wynberg division last Friday, following a dispute that broke out three days earlier. This brought the Alexandra service to a halt. With no drivers at the depot, the company had arranged for substitutes from its Putcoton (Dobsonville) depot to drive passengers from the city to the northern suburbs and back again.

Problems arose last Tuesday, when a member of the workshop staff apparently infringed job demarcation by driving a bus across the road. He was dismissed, whereupon workshop workers walked out and were joined by the drivers demanding the workshop manager's dismissal.

After four days of evidently fruitless negotiations with its Wynberg work force and the Zakheni Transport and Allied Workers Union (a branch of the Transport and Allied Workers Union), Putco set a deadline to return to work by Friday at noon. This was ignored. The company claims the workers chose not to adhere to agreed grievance procedures, "instead preferring to enter into an illegal strike, which, until the last hour, the company was sincerely trying to bring to an end."

SA Breweries' beer division and the Food and Allied Workers Union resume negotiations aimed at resolving the two-week-old wage strike at SAB's Isando and Alrode breweries, and depots at Denver, Wadeville and East London. About 1 100 workers are out. The company says it is maintaining about 90% of normal production, and there is more than enough beer to go round.

The company has offered an improved minimum wage of R4 an hour, representing a national average increase of 33%. The union wants R4,30.

They swopped fresh proposals at a meeting on Monday. SAB negotiator Gary May said intimidation and violence would be a major issue at Tuesday's talks. This followed a company statement saying two houses belonging to its employees were fired-bombed last Sunday, "allegedly by striking workers trying to enforce the two-week-old wage strike." SAB also said "shots were fired into another employee's house, Alrode brewery workers who wanted to get to work were allegedly sjamboked by striking workers and many workers' homes have been visited and the occupants threatened."

The magistrate in the case of the 1986 Kinross goldmine disaster, in which 177 miners died, conducts an inspection of the site on the eighth day of the trial in the Witbank Regional Court. Seven officials of the Gencor mine have pleaded not guilty to charges of culpable homicide, or 13 alternative charges in terms of the Mines and Works Act.

Magistrate Pietersen found that a number of fire extinguishers are now in place along the underground haulage where the polyurethane foam wall-lining ignited and caused the disaster. The extinguishers were not there at the time of the accident. The court was also told that various changes had taken place underground at Kinross since the accident.

A new acronym, PPWAWU, is born with the merger of two Cosatu paper and print unions. PPWAWU — not to be confused with predecessor PWAWU — stands for the Paper, Printing, Wood & Allied Workers Union. It claims a paid-up membership of 24 260, and declares its "full support for the Freedom Charter and its adoption as the basic minimum demands of the oppressed and exploited in SA."

Failure of sanctions stirs up greater dislike for SA

Dateline: JOHANNESBURG

THE failure of sanctions has heaped greater international dislike than ever on South Africa and increased the likelihood of further action against this country, said Mr Harry Oppenheimer, doyen of South African industrialists.

"It is clearly recognised that sanctions' value, if they have one, is not related to changing South Africa but is rather a self-indulgent demonstration of the emotional needs and political interests of left-wing groups in Europe and America," Mr Oppenheimer said.

He was addressing the Convocation of the University of Natal banquet in Johannesburg last night at which three prominent South Africans were honoured for their contributions to human rights, industry and humanities.

A director of Durban Legal Resources Centre, Mr Chris Nicholson, head of Anglo American Corporation industrial relations division, Mr Bobby Godsell and MD of Checkers, Mr Clive Weil, received the awards.

"The failure of sanctions, far from improving sentiment in respect of South Africa, has made it much worse," Mr Oppenheimer added.

"I have just returned from overseas with the impression that while it is recognised that South Africa cannot easily be bullied, the fact remains that ours is a country increasingly disliked and any means of damaging our interests, provided thay are cheap enough, would be widely supported."

The most popular alternative to sanctions now was to provide help to the Frontline States to enable them to become economically independent of South Africa, Mr Oppenheimer said. — Sapa.

US should lead world in curbs, say senators

Mgas 23/10/87 280

From ALAN DUNN
The Argus Foreign Service

Dateline: WASHINGTON

AMERICAN senators behind the present economic sanctions against South Africa are pressing the Reagan Administration to lead a worldwide effort to sever trade links with South Africa.

Admitting that the sanctions imposed on October 2 last year had failed so far to end apartheid or to force the South African Government to make changes, they blamed President Reagan and his officials yesterday for subverting their wishes for international sanctions.

The senators' views on pushing their allies to impose sanctions, aired at a Senate Foreign Relations Sub-committee on Africa hearing, may be seen as a pointer to their efforts in coming months. They also intend to close loopholes in the sanctions law.

Less zeal

Yesterday's hearing reflected little of the anti-apartheid fervour and zeal for sanctions seen in last year's congressional debates. While several tough anti-apartheid Bills are presently circulating in the Senate and House of Representatives, no specific new measures were suggested.

Senator Edward Kennedy of Massachusetts said nobody had expected the Comprehensive Anti-Apartheid Act's modest measures to have a major economic impact on South Africa.

"But we did hope that our sanctions would become part of a co-ordinated international effort aimed at producing external economic pressure that would make a difference inside South Africa. It is disappointing to see that the administration chose to frustrate that objective."

The Reagan Administration had actively worked to thwart the law's requirements of an international conference and general collaboration on anti-apartheid pressure and sanctions, he said.

US veto "indefensible"

The US veto of a United Nations Security Council vote for similar sanctions to its own against South Africa on February 20 was "indefensible', he said.

The next step for America, he said, was to unify industrialised nations in a common anti-apartheid policy.

Another leading sanctions advocate, Senator Lowell Weicker of Connecticut, said: "At best the administration has been reluctant to uphold the law, and at worst, it has been obstructionist."

The chairman of the Africa sub-committee, Senator Paul Simon of Illinois, a Democratic candidate for the US presidency next year, said "many" lawmakers, Democrats and Republicans alike, were "deeply disturbed" at the Reagan Administration's reluctance to co-ordinate an international sanctions effort.

He said the US could push for an international boycott of South African coal, for instance, and asked Mr Reagan's top policymaker on Africa, Dr Chester Crocker, to pursue this.

"The main beneficiaries if that were to happen would be the Poles and Australians," he said. Black South Africans would suffer, he said. "We would have real reservations about that."

Impose sanctions

The United States would not press Japan to impose sanctions against South Africa, said Dr Crocker.

He was reacting to senators' questions after a newspaper report yesterday that Japan had just replaced the US as South Africa's leading trading partner by sliding into gaps left by departing American businesses.

He said the US talked to Japan "very regularly" on the South African issue, discussing aid programmes in the country and the Southern Africa region.

The Washington Post reported that Japan's new leading position had embarrassed Japanese corporations and government which were concerned at the backlash it might create in the US.

The report quoted the Rev Leon Sullivan, author of the code of employment practices for American firms in South Africa, as saying Japan was doing "big business" with South Africa.

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Thatcher defends policy on SA

The Argus Foreign Service
Dateline: LONDON

PRIME Minister Mrs Margaret Thatcher has defended her stance on sanctions against South Africa in the House of Commons.

She insisted in a statement to the House on the Commonwealth heads of government meeting in Vancouver that sanctions had been and would be counter-productive and ineffective, and would delay the dismantling of apartheid.

Sanctions would turn South Africa into an economic wasteland, she said yesterday.

Mrs Thatcher said: "There is a growing realisation on the part of many Commonwealth countries, first that change in South Africa will be a slow and drawn-out process, and second that the momentum for change must come from within South Africa itself.

Harden attitudes

"Britain, for its part, has faithfully implemented the limited measures to which we agreed at earlier meetings, as a signal to South Africa. We shall continue to do so. But where we disagree with other Commonwealth governments is on the most effective means to get rid of apartheid.

"We believe that sanctions only harden attitudes as the recent elections in South Africa have shown. Moreover, so far as they do have an effect, the first



Mrs Thatcher

to suffer are the black people of South Africa whose jobs and livelihoods would be put at risk, without any social security to fall back upon."

Labour leader Mr Neil Kinnock told the Prime Minister that white South African politicians and the Press saw her as an ally of apartheid.

He asked: "Does she not realise that it is impossible to believe her declarations against apartheid when she uses all her political weight to protect apartheid?"

Mrs Thatcher replied by quoting from Mrs Helen Suzman, who had called sanctions "actually counter-productive", and Alan Paton, who had referred to "an ill-advised sanctions campaign".

She said Mr Kinnock wanted Britain "to throw as many black South Africans out of work as we possibly can. They have no social security and would face deprivation and starvation".

Mrs Thatcher also recalled her remarks in Vancouver about the African National Congress. The ANC were terrorists, she said, and she condemned them for that.

But at the invitation of black Labour MP Mr Bernie Grant, she also condemned torture of children in South Africa and South African incursions into the frontline states.

Heart of Africa

● Mrs Thatcher is ready to take the fight against apartheid into the heart of South Africa ... when the time is right.

"If the time comes when I think it would help to discourage apartheid, then I will go," she said in the Commons.

Meanwhile, preparations are going ahead for a Thatcher tour of East and West African Commonwealth states next year. It may prove to be the roughest overseas trip she has ever made.

Everywhere she goes on her African trip, the ANC — recognised by Black Africa as a virtually legitimate government-in-exile — will be out in force to confront her.

Thatcher defends tough stand on SA sanctions

LONDON — British Prime Minister Mrs Margaret Thatcher yesterday vigorously defended her stand against stiffer sanctions on South Africa.

She said in the House of Commons that she had received a message from leading anti-apartheid campaigner Mrs Helen Suzman that embargoes would cause enormous damage in South Africa and put large numbers out of work.

Mrs Thatcher, just back from the Commonwealth conference in Vancouver, told protesting opposition Labour MPs that "sanctions only hardened attitudes".

SLOW CHANGE

She said there was a "growing realisation" in the Commonwealth that change in South Africa would be slow and that the momentum for it must come from within the country.

Labour Party leader Mr Neil Kinnock accused Mrs Thatcher of being "an ally of apartheid".

He said it was impossible to believe Mrs Thatcher's declarations against apartheid when "you systematically use all your political power to protect apartheid".

Mrs Thatcher hit back: "You want us by the use of sanctions to throw many black South Africans out of work, knowing full well that there is no social security."

'WASTELAND'

Blacks would go to "deprivation and starvation".

She said: "To apply sanctions would increase oppression rather than delay dismantlement of apartheid. Some Labour MPs would like to create an ecomonic wasteland; would like to cause full unemployment among black South Africans by sanctions. That is not our way."

Mrs Thatcher won praise from Tory MP Mr John Carlilse for her stand against tougher sanctions at last week's Commonwealth conference. — Sapa.

US senators want global sanctions against SA

23/10/87 SAPA

By Alan Dunn,
The Star Bureau

WASHINGTON — American senators behind the present economic sanctions against South Africa are pressing the Reagan Administration to lead a global effort to sever trade links with the Republic.

Admitting that the sanctions they imposed on October 2 last year had so far failed to end apartheid or force the South African Government to make changes, they yesterday blamed President Reagan and his officials for subverting their wishes for an international concert of sanctions against South Africa.

They called for more time to let the sanctions take effect, noting that the Reagan policy of "constructive engagement" had been branded a failure only after six years.

The senators' views on pushing their allies to impose sanctions, aired at a Senate Foreign Relations Sub-committee on Africa hearing on Capitol Hill, may be seen as a pointer to their efforts on the South African issue in coming months.

CLOSE LOOPHOLES

They gave notice also of their intention to close loopholes in the sanctions law.

Yesterday's hearing reflected little of the anti-apartheid fervour seen in last year's congressional debates, however. While several tough anti-apartheid bills are circulating in the Senate and House of Representatives, no specific new measures were aired at the hearing.

A pro-sanctions leader, Senator Edward Kennedy of Massachusetts, said no one had expected the Comprehensive Anti-Apartheid Act's modest measures to have a major economic impact on South Africa.

"But we did hope our sanctions would become part of a co-ordinated international effort aimed at producing external economic pressure that would make a difference inside South Africa. It is disappointing the Administration chose to frustrate that objective."

● See Page 15.

US Customs probes SA sanctions-busting

The Star Bureau

WASHINGTON — The US Department of Customs is investigating 20 sanctions-busting cases involving South Africa, 13 of them imports fraud entailing the mismarking of merchandise.

Officials are also probing seven alleged US export violations, according to an official report on how the US government is enforcing economic sanctions against South Africa.

Most import cases involved falsification of documents listing the country of origin, false markings on the containers, or transhipment through a third country to mask South African origin, the report said. It was issued at a Senate hearing yesterday.

Officers stopped four imports investigations after establishing they were unfounded and in three of the remaining 13 ongoing probes Customs had seized goods.

On the exports violations, the report said 13 of 14 probes involved the Arms Export Control Act or the Export Administration Act.

CALIFORNIAN SOLD TECHNICAL MANUALS

Two files had been closed without indictment, seven were still active, one had been passed to the State Department's office on munitions control for review, three were awaiting a prosecutor's decision and the last had been prosecuted.

A California businessman was convicted recently for selling South African authorities technical manuals for military transporter aircraft.

Department of Commerce officials were busy, the report said. They had devoted "significant resources" to post-shipment checks of restricted items such as computers, which, in terms of the sanctions, cannot be sold to South African military, police or apartheid-enforcing agencies.

One official said the department did more post-shipment checks in South Africa than anywhere else.

Crocker: no move on Japan

The Star Bureau

WASHINGTON — The United States would not press Japan to impose punitive economic sanctions against South Africa, President Reagan's top Africa policymaker has said.

Dr Chester Crocker was reacting to senators' questions on Capitol Hill prompted yesterday by a newspaper report that Japan had just replaced the US as South Africa's leading trading partner.

The Washington Post reported Japan's new leading position had embarrassed Japan's corporations and government which were concerned about the backlash it may create in the US. It had also sparked an official study on whether Japan was taking "commercial advantage" of American sanctions against South Africa.

The report said estimates based on first-half trade statistics put Japan-SA two-way trade this year at about R6,2 billion, and the US's at about R5 billion. Last year, US-SA trade was R7,26 billion, and Japan-SA trade R7,2 billion.

Anti-sanctions balloon campaign to take off

LONDON — The International Freedom Foundation (IFF) has urged the British Government to stand firm in its opposition to sanctions against South Africa in the face of the Anti-Apartheid Movement's "March for Sanctions" here today.

The newly established British branch of the IFF argued that sanctions and disinvestment had the opposite effect to that desired by hurting the people they should help.

The IFF supported its argument with "poll evidence" indicating blacks' rejection of sanctions.

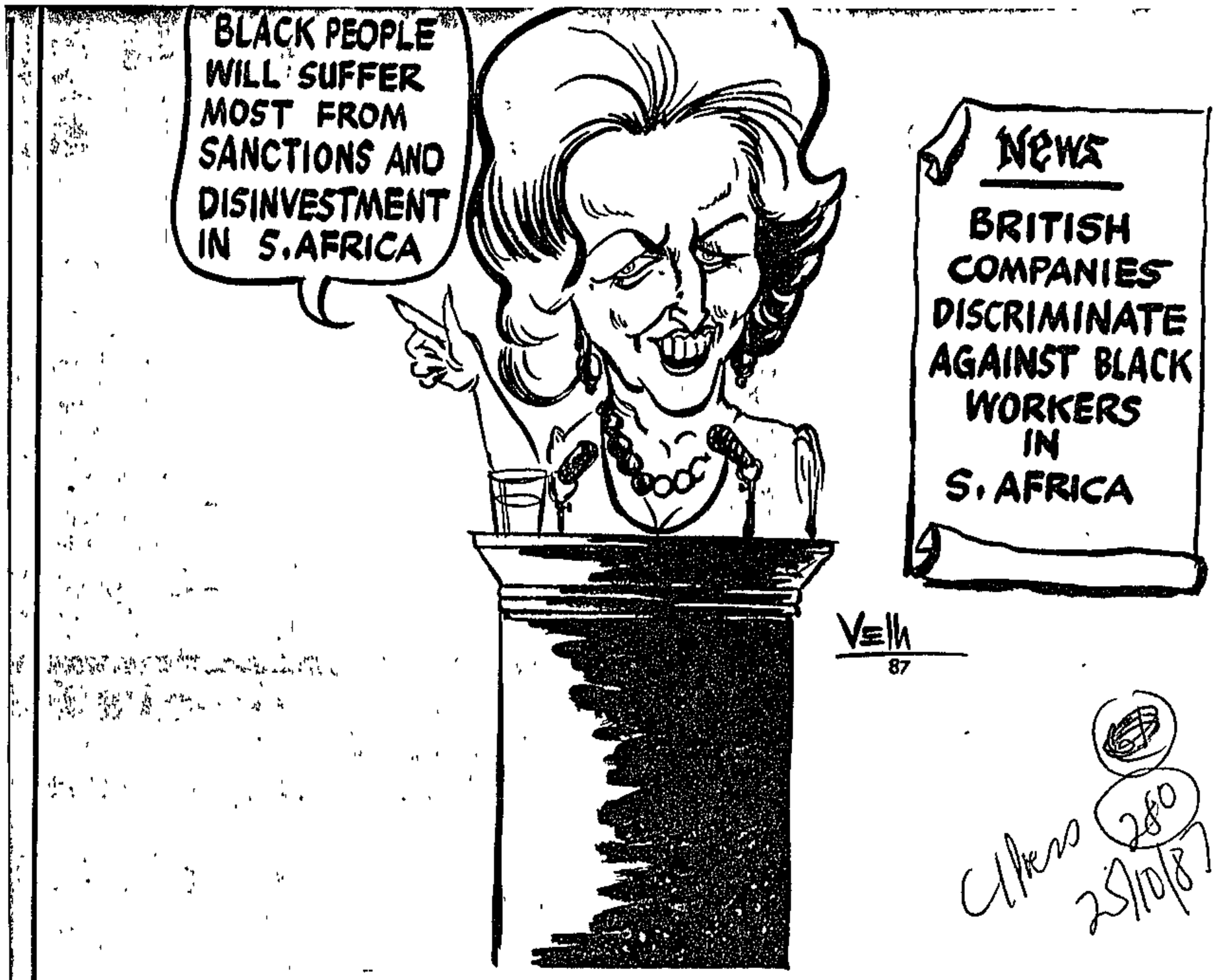
The IFF said: "It has become clear that sanctions as a means of damaging the South African state are futile and, if anything, damaging chances for further reform."

The organisation described the actions of South African and British "radicals seeking to put blacks out of work in South Africa, merely to help further their narrow sectional political interests," as hypocrisy.

As a counter-thrust to the "March for Sanctions," the IFF said it would release 2 000 balloons, all bearing the logo "Sanctions Starve" and a picture of a black starving mother and child.

The IFF's executive director, Mr Marc Gordon, said: "The intention of this release is to highlight the consequences their demonstration may have upon black South Africans."

The IFF said it would also carry out a poster campaign. — Sapa



Percy's Itch

The Queen has withstood all evil



THOUSANDS of people are expected to pack the Regina Mundi Church on Sunday, November 1.

No, it's not because they will be celebrating All Saints Day, which falls on that date.

Nor will it be another of the political rallies for which the church has acquired its unique international reputation.

It will be Regina Mundi's silver jubilee! My, how time flies.

For many of us it will be a sentimental journey. For years before Regina Mundi was established, I can vividly remember attending church services under a tree at the same venue as a young urchin.

Open-air services – and woe to us if the heavens opened up, leaving us soaking to our bones.

Not far from there a school, St Mathews, was built and our burdens became a little lighter because, for a change, we could attend Mass with a roof over our heads.

Many of my generation will remember the fun we had. Some of the incidents we remember with great fondness, but some of the things we got up to are enough to make you hang your head in shame.

Alter boys, being what they were then, operated as some form of Mafia that left many a mother grinding her teeth in anger at the antics we got up to. We were a hungry lot.

Usually, people living in shacks had their mbawulas (braziers) burning at full speed outside where they cooked their night meals.

In our irreverent way, the elder ones among us would snatch a pot of boiling meat and we would vanish in the smog-ridden alleys of the backstreets which we knew by heart.

Somebody would head for old Tshabalala's shop opposite the Mavis Isaacson hall and bring back a loaf that was also obtained by devious means and we would settle down for a meal That was downright dirty stuff of which I am will be eternally ashamed.

Our parish priest in those days was a tough weatherbeaten German called Father Anthony Poulson, a no-nonsense stickler for discipline who packed the meanest left hook in the business.

After school, he got his alterboys around him and we were drafted for hours on end making coffins in his make-shift workshop behind the school.

With rampaging blanketed Russians strewing bodies all over the place, there were more deaths coming up than the coffins we were making

A Russian funeral anytime provides the chills that would have left any soft-minded priest going round the bend.

For one thing they had very little respect for people who died in battle, delegating them to the ranks of cowards.

After all the funeral rites had been dispensed with at the graveside, they would order us out of the way and the coffin would be left in smithers as they bashed it with pangas called Kwakwas in their language.

From the graveyard they would go down the old Potchefstroom road at a menacing trot and anything that moved on two legs, and did not have the sense to get out of their maurauding path, was left stone dead.

Part of our responsibilities as alterboys was to take turns in serving Mass at what was then Protea High School for Boys. The resident priest then was an old retired bishop of Johannesburg.

It was not the fun of serving Mass for a bishop that we looked forward to, but the thought of a delicious breakfat the nuns at the school prepared for us after the service. Now, that was juicy stuff.

While all this was happening many people chrished the dream that one day we would have a proper church of our own.

That dream became a reality when the Regina Mundi foundation stone was laid by the late Pope Paul who was visiting South Africa at the time.

Gracing the occasion was another visiting dignitarian, the late Senator Bobby Kennedy who was here on a lecture tour of South African universities at the invitation of Nusas. Regina Mundi was born.

It was not to be just another church. June 16, 1976 saw to that. Today it stands as a proud monument to a people's resistance to an unjust society.

Thousands have gathered there to give testament to the will and determination of the people to be free.

Regina Mundi, Latin for Queen of the World, has accommodated all those aspirations with dignity.

The evil ones have visited her in the middle of the night and bombed her. They have set her alight. They have often shot at her roof.

People gathered there have often been subjected to painful tearsmoke. Yet the elegant lady has withstood all those evil deeds and continues to stand with dignity.

Her doors are open 24 hours a day for the afflicted who need to enter her bosom for consolation. Happy birthday, lady. You are, indeed, the Queen of the World!

Percy Qoboza

Sanctions issue dominates conference



Margaret Thatcher ... told that economics were secondary to the suffering caused by apartheid.

DURING the Commonwealth conference in Vancouver, British Prime Minister Margaret Thatcher is reported to have said that the South African economy was the best managed in Africa.

That statement is not surprising coming from one of the leading opponents of the imposition of sanctions against South Africa.

Britain is also responsible, along with the US and West Germany, for the underpinning of the South African economy through investments and trade.

At the Commonwealth conference, Canadian External Affairs Minister Joe Clark told reporters that his country – unlike Britain – believed that sanctions did work but that temporary "sanctions fatigue" had set in.

Clark was probably reacting to the apparent success of the British manipulation of the debate on the imposition of sanctions against South Africa at the week-long conference which began on October 13.

The British anti-sanctions campaign in Vancouver was so persistent that, even towards the end of the conference, Prime Minister Thatcher was telling the media that the arguments against sanctions had hindered the call for sanctions.

But as far as other delegates were concerned, sanctions were in and Britain was effectively isolated on the major political issue that dominated the conference, – described as one of the best attended since the modern Commonwealth was founded in 1949.

Zambian President and chairman of the frontline states, Kenneth Kaunda, came down hard on what he termed the British "disinformation campaign" intended to play down the importance of sanctions in the deliberations.

"Sanctions mean life and death for 36-million people in South Africa and millions of others in neighbouring states," he said.

Zimbabwean Prime Minister Robert Mugabe shared similar views. He said that apartheid had to be "realistically confronted" and that the frontline states would continue to insist on comprehensive and mandatory sanctions against South Africa "no matter how much sacrifice we will be required to make".

As Mugabe pointed out, the frontline states believed that, if enforced seriously and sincerely, sanctions would force South Africa to abandon apartheid.

In order to make their position clear, the frontline states circulated a document emphasizing the elimination of apartheid as the top priority.

The British counter-proposal offered aid to the frontline states and training and education to black South Africans.

However, Kaunda expressed the frontline states' view when he said: "We are happy to receive aid but to forsake sanctions is out of the question."

The double standards employed by some Western powers – that sanctions "work" against Nicaragua, Poland, the Soviet Union, Cuba and even against Japan, but "do not work" against apartheid South Africa – were criticized by Kaunda.

He also pointed out that the British Prime Minister could not speak for the black people of South Africa who have repeatedly demanded that they wanted sanctions to be applied against the Pretoria regime.

Jamaican Prime Minister Edward Seaga rolled out a series of statistics at a Press conference to show that sanctions have created a business confidence crisis in South Africa.

However, the British government was insistent that sanctions were no good. Needless to say, economic interests are at the heart of the issue.

At the conference Thatcher was reminded that she should not look at economic interest in the face of so much human suffering caused by apartheid.

Canadian Prime Minister Brian Mulroney said human rights must not be sacrificed on the alter of economics. And Kaunda reminded British television viewers in an interview that "the strategic minerals, heavy investments and profits their government wanted to protect were dependent on the cheap labour of apartheid".

Notwithstanding the British stand, the campaign for sanctions to force South Africa to abandon its racial policies has come a long way since the last Commonwealth conference held two years ago in Nassau.

Despite opposition from Thatcher and US President Ronald Reagan, the Nordic countries, Canada, Australia and even Israel, have all imposed sanctions against SA.

Reagan only has a few months left in office, but Thatcher seems set to remain in office for quite some time. As a senior journalist pointed out, Africa will have to make a direct appeal to the British public.

The object lesson arising out of Vancouver is that black Africa must win the war for the hearts and minds of the British people as, in the end, they matter more than Thatcher. – Ano.

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25/10/87 Citizen

'Don't handle SA goods'

Bldg 26/10/87

LONDON — Swapo president Sam Nujoma has called on British airport and harbour workers not to handle SA goods or carriers.

During a two-week visit to Britain he will meet Opposition politicians and dignitaries, including Labour leader Neil Kinnock, Liberal leader David Steel and Deputy Commonwealth Secretary-General Chief Emeka Anyaoku.

Nujoma said individual British people could play a role in pressing for formal sanctions.

"We call upon the British people

Own Correspondent

— the workers in airports and harbours — to refuse to handle SAA planes and all vessels going to and from SA," he said.

"If this is done, it will be a good start and will be followed by many countries in Europe."

Demonstrations should also be held to show that the people of Britain did not support apartheid.

Sanctions were the "only peaceful way of forcing the racist apartheid regime to accept genuine negotiation with the real leaders of the people of Namibia and SA".

He rejected the argument that sanctions hurt blacks as "an unacceptable fabrication". Blacks were dispossessed people who had nothing to lose, he said.

Turning to the continuing conflict in Namibia, Nujoma accused the SADF of stepping up repression of civilians.

Last SAA flight to Australia

JOHANNESBURG — The last South African Airways flight to Australia left Jan Smuts Airport today after the Australian Government's suspension of SAA landing rights a year ago.

The manager of SAA, Mr Gert van der Veer, said, however, that passengers would not be affected because arrangements had been made with other airlines for flights to Australia via Hong Kong, Tapei or Singapore. The cost would remain the same. — Sapa

SA is losing heavily in wake of sanctions

Sowetan 26/10/87 280

SOUTH Africa lost more than R500 million in export business last year while income derived from import trade cost the country more than R5 billion in the same period.

The startling revelation was made by the chairman of the American Chamber of Commerce in South Africa, Mr Ian Leach, at a seminar convened by the Institute of Industrial Relations in Johannesburg.

Mr Leach said: "While many observers and followers of sanctions will argue that their impact is minimal, recent trade statistics released prove that this damaging piece of legislation (the US Anti-Apartheid Act of 1986) has impacted dramatically on the South African economy.

"Statistics released by the US Consulate of Johannesburg show that exports of commodities banned under the Act have effectively dried up ...."

Mr Leach said exports of uranium products, iron, steel and coal fell from R351 million in the first six months of 1986. Some exports outside the sanctions net have also declined.

"The exports of gold and silver, industrial diamonds and motor fuel have fallen from R236 million to almost nothing," Mr Leach said.

Also, Mr Leach said, South Africa exports to the US crashed by 45 percent from R2,6 billion in the first half of 1986 to R1,4 billion this year.

Imports were unchanged at R1,2 billion but South Africa's trade surplus with the US fell from R1,4 billion to only R200 million.

"The figures indicate that America has strictly enforced sanctions," he said.

40 000 in British pro-sanctions demo

LONDON. — More than 40 000 protesters marched through the streets here on Saturday in Britain's biggest demonstration against apartheid.

Police said three people were arrested for public-order offences during the generally peaceful rally, organized by the Anti-Apartheid Movement (AAM).

A petition demanding sanctions against South Africa was handed in at 10 Downing Street.

The demonstrators, carrying placards and ANC flags, chanted anti-apartheid slogans as they passed the South African Embassy in Trafalgar Square.

Swapo president Mr Sam Nujoma was the principal speaker at the rally in Hyde Park, which was also addressed by a representative of the ANC.

Anti-ANC groups last week said they would stage counter-protests, but these and the pro-ANC demonstrations were hardly mentioned in the Sunday newspapers.

AAM president Archbishop Trevor Huddleston told the rally: "This extraordinary demonstration has shown that the British public does not support the Prime Minister on the issue of sanctions." — Own Correspondent and Sapa

26/10/87

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New UN sanctions bid likely

The Star Bureau

NEW YORK — African countries at the United Nations have submitted a formal request for an urgent meeting of the Security Council to consider the situation in Namibia.

The council is expected to meet on Thursday.

It seems inevitable that demands will again be made for sanctions against South Africa, which is bound to be criticised for insisting on a link between independence for Namibia and the withdrawal of Cuban troops in Angola.

Among the council members, only the United States supports the linkage.

The matter is academic as far as sanctions are concerned.

If a resolution to apply an embargo received the required minimum of nine affirmative votes, the US and Britain would again veto it. West Germany's opposition is also virtually certain.

Sanctions are shot — but Ted Kennedy just won't lie down

280 Guardian 7/11/87

Washington Letter
by SIMON BARBER

WASHINGTON — The noise that emanated from Senator Edward Kennedy before the Senate Africa sub-committee last week was the cranking of an engine out of fuel. There's plenty of life in the battery so the noise will continue but the car is unlikely to start. Mary Jo Kopechne should have been so lucky

Dr Chester Crocker, also appearing before the panel, used a rather less delicate metaphor The sanctioneers, he said, had "shot their wad". Perhaps reflecting the weariness of six years on the job, Crocker has become unusually plain-spoken of late.

The truth, however you choose to describe it, is that the sanctions debate (inasmuch as it ever was one) is all but over.

If more sanctions are imposed by Congress it will be for domestic symbolic purposes in the full knowledge they won't work

Aside from the subcommittee's chairman Senator Paul Simon and a perfunctory appearance by Senator Paul Sarbanes, not a single Democrat bothered to turn up Last year they would have been there en masse to take a crack at Crocker and lavish praise on Randall Robinson (an obligatory witness at such performances).

Kennedy, not a member of the panel, came to testify with Senator Lowell Weicker in tow

Weicker is a Republican in name only and regularly used by the Democrats to demonstrate that whatever piece of folly they happen to be preaching has "bipartisan" support

Had this pair of tired hams come out with a specific legislative agenda it might have been marginally easier to take them seriously but for the most part they simulated fervour with stale, generic pieties

Their one novelty was a report from the General Accounting Office, a government watchdog agency, which they had commissioned to prove the administration was not faithfully implementing the Comprehensive Anti-Apartheid Act.

It would take an experienced casuist to find much criticism of the administration in this document though the senators and the Washington Post somehow succeeded Add one more pernicious lie to the pile.

The only genuine sin the GAO could identify was insignificant in the extreme. The Act required the administration to deliver about 12 reports to congress dealing with such matters the South African Communist Party's involvement in the ANC, the feasibility of banning SA bank accounts in the US and other nations' compliance with the UN arms embargo Most were delivered late

One can be absolutely certain that, aside from a few harried staff members, nobody on Capitol Hill read any of these bits of paper (the President's report on the effects of the CAAA included)

In each case the tardiness was fully agreed by Congress Besides, many of the reports were on subjects — the SACP, for example, and ANC lobbying — that Kennedy et al would surely have preferred left unexplored. But no, the administration was flouting Congress' will

The other alleged lapses were in the State Department's failure to convene an international conference on sanctions by the end of May and its refusal to support sanctions in the UN Security Council

As it happens, Congress does not have the authority to tell the administration how to vote at the UN on matters that do not involve the expenditure of congressionally appropriated funds Neither can the legislature order up international conferences

It can only say to the president such things would be nice. No law is violated, no crime or misdemeanour committed if, as in each of these instances, the president disagrees

As for the mandatory aspects of the Bill, the GAO concludes that the administration has been doing as it was told, in some areas much to Kennedy's irritation. The law said ban South African uranium and uranium ore the Treasury Department did so The law did not mention uranium that had been processed overseas into uranium hexafluoride, so it was untouched.

This has the sanctioneers furious and they have resorted to the courts but that is precisely the point it was their oversight When you write laws, it pays to know what you are talking about

That Kennedy and his fellow sanctioneers have been reduced to such specious quibbling is a measure of how pathetic their crusade has become. Forget the ambient shouting, the only concrete piece of legislation they currently have in the system is a double taxation measure on US companies still in South Africa.

The Tax Lawyers' Supplementary Relief Act of 1987, as this is known in some quarters, is almost certainly going nowhere. It is attached to the House version of Congress' final 1988 budget package which everyone expects the president to veto

All of which, especially when combined with Margeret Thatcher's splendid defiance at the Commonwealth conference, ought to be good news Sanctions have distracted attention from the real issue of change in South Africa long enough. Supporting them has provided American politicians with a convenient means of pretending they are doing *something*. Opposing them has given Pretoria an equally convenient excuse to do nothing

Ironically, however, the collapse of the sanctioneers may have consequences almost as perverse as their success. Why? Because Pretoria will wilfully misread what is happening as victory. Already South African officials have started approaching the administration suggesting a return to "the good old days" of the relationship.

A distinction has to be drawn. Crocker and his men no longer criticize sanctions out of any regard for or belief in the South African Government but rather because they do not believe undermining the country's economy to be an effective or moral way of solving the problem.

They are afraid, now the tide has turned, that Pretoria is growing complacent — emboldened to pursue a profoundly counterproductive course on the theory, unfortunately proved correct, that the outside world is powerless to stop it.

For example, murder. The feeling here is that the Government is more confident than ever that it can get away with it, not just at home but regionally. The reference in the president's report

to "the increase in unexplained deaths and disappearances of anti-apartheid activists throughout the region" was not gratuitous.

Administration officials looked forward to the day when they could put sanctions behind them and get down to what they imagined would be honest-to-goodness diplomacy. Now that they are reaching that point they are beginning to have second thoughts Arguing over sanctions was so much easier.

Pretoria with its back to wall was bad enough but Pretoria rampant?



Senator Edward Kennedy: he's still making a big noise even though his sanctions campaign has run out of fuel

Sanctions distracts from the real issues

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BD
27/10/87

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SIMON BARBER writes from Washington

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Pretoria with its back to wall was bad enough. But Pretoria rampant?

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Now the sanctions tide has turned, is Pretoria turning rampant?



□ KENNEDY . . . specious quibbler

(280) B/day 27/10/87

SIMON BARBER in Washington

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Pretoria with its back to wall was bad enough. But Pretoria rampant?

Mrs Thatcher supported by Suzman in her tough stance

THE Iron Lady of South African politics, Mrs Helen Suzman, helped the Iron Lady of Britain, Mrs Margaret Thatcher, stave off further sanctions against this country.

The British prémier has revealed she took the tough stand she did at the recent Commonwealth Conference after a "message" from Mrs Suzman.

And last week Mrs Suzman had high praise for Mrs Thatcher: "I think she did a remarkable job in facing the 48 Commonwealth countries and opposing new sanctions."

But, she said, she had not sent a direct "message" to Mrs Thatcher. Copies of two recent anti-sanctions articles she had written for American and Canadian newspapers had been given to the British ambassador in South Africa.

"She must have got a message from them," she said.

In the articles Mrs Suzman said sanctions had been counter-productive in different ways. They had caused a swing to the right in white politics.

"I also pointed out that none of the conditions for the removal of the original sanctions had been met, which indicated the South African Government was not going to be influenced," Mrs Suzman said.

She had also written that apart from jeopardizing blacks' jobs in South Africa, closing coal markets to South Africa would jeopardize the jobs of blacks from neighbouring states.

She had also asked why certain people wanted sanctions.

"Some naively believe they can topple the regime in this way and others want more and greater chaos," she said.

"The Frontline states, whose trade with South Africa is increasing, hoped that Western governments would make good any losses they suffered — which they won't.

"I said the alternative to sanctions was expansion in the country which would increase black economic muscle as they became more involved in top jobs."

DISINVESTMENT and sanctions will come under the spotlight at a three-day seminar hosted by Teammate's Union to be held in Klerksdorp next month.

The seminar will be held at Rabunni Centre between November 18 and 20.

The meeting will discuss — among other things — inter-union rivalry and union registration.

Meanwhile the independent union recently concluded a wage agreement with an Orange Free State company, MVSK, according to general secretary, Mr Steve Mohatla.

He said the union had achieved a wage increase of between 13 and 16 percent across-the-board for its members.

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Chrome could be among future targets

Tough monitoring of sanctions likely

By Nigel Tutt, The Star's Foreign News Service

BRUSSELS — The European Parliament will debate tomorrow the first year of sanctions on Common Market iron and steel imports and new investment in South Africa — and is likely to call for tougher monitoring.

The debate will endorse a report by Mrs Barbara Simons, a West German Socialist Euro MP, which has examined the way the 12 European Community states have implimented the September 1986 measures and how they have found loopholes.

According to Mrs Simons: "The experience shows clearly that the European Parliament is right to want concerted sanctions to be put in force at a Community level and controlled by the European Commission".

To the annoyance of many Euro MPs, Community governments decided not to introduce a binding European directive last September but to allow each state to introduce its own decrees or recommendations.

Governments have used different means to prevent new investment in South Africa by European industrial groups.

In Belgium a letter to leading industrialists says it will withdraw government export credit insurance on investments.

In Denmark the parliament has adopted a binding law on new investment, Germany has sought a voluntary agreement with industry, in France all investments in South Africa require authorisation.

In the United Kingdom and Luxembourg recommendations have been sent to industry. Italy, Spain, Ireland and the Netherlands have already passed or intend to pass a legal restraint but neither Greece nor Portugal have legislative plans.

ONLY CAMOUFLAGE

The two largest investing countries are the UK, with £3,8 billion invested, and Germany, with £760 million.

Mrs Simons also complains that the ban does not cover stakes in industry in the South African satellite, Namibia. She is critical of disengagement plans by multinationals, calling them "a camouflage".

Control is retained through transfer of technology agreements and black workers suffer worse conditions, she claims.

Mrs Simons says the wide ban on South African iron and steel imports to Europe has cut European imports from a pre-September 1986 monthly average of £12 million to £6 million in April this year.

The report says the effect of the iron and steel ban is limited by long term contracts signed before sanctions were imposed and because not all products are covered.

Mrs Simons identifies growing imports of chrome, ferrochrome and vanadium as potential targets for further sanctions.

She says the Community now gets over 50 percent of its supplies from South Africa.

Some of the tougher parts of the report, with calls for wider sanctions, have already been watered down by the parliament's external affairs committee which overwhelmingly backed the present report.

Russia bids for beach-head in the South Pacific

MARSHALL WILSON: Melbourne

In the aftermath of British prime minister Margaret Thatcher's defiant anti sanctions stance at the Commonwealth heads of government meeting in Canada, South Africans would do well to consider the parental role Britain has played in defusing the racial time bomb so ominously ticking away in their midst.

Yet while the threat of intensified trade sanctions appears for the moment to have been averted, giving Pretoria breathing space to re-assess the timetable for change, so too must the West critically examine the Commonwealth's ongoing involvement in attempting to determine events that ultimately could decide the balance of power between east and west.

President Reagan's decline since tumbling into the bearpit of Irangate has left the free world with no obvious leader, although some would reluctantly concede Mrs Thatcher is now the de facto head of the West. As such her spirited refusal to be cowtowed by the Commonwealth Mafia in Vancouver — Canada's Brian Mulroney, Australia's Bob Hawke, India's Rajiv Gandhi, Zimbabwe's Robert Mugabe and Zambia's Kenneth Kaunda — bears testimony to the suitability of the Iron Lady tag.

Given the strict though unofficial guidelines of convention that once governed Commonwealth membership in the heady days before it ceased to be anything but a moral force, such are the ideological differences among member countries today that it seems incongruous the body still functions.

From the vantage point of Australia where the Labour Party push for a republic before the year 2 001 is fast gaining momentum, it is interesting to note that 26 former colonies of the crown have already taken the republican road, while five others in the 49-country Commonwealth club are indigenous monarchies.

To the delight of the purists, Britain's Queen Elizabeth 11 still presides over 17 others with Fiji a recent casualty, the common bond that binds them being their willigness to accept the queen as symbolical head.

Only three countries, Ireland in 1949, South Africa in 1961 and Pakistan in 1972 have ever voluntarily left the Commonwealth, although many would say South Africa was provoked

Despite the club's endemically democratic nature where the rule of law and the freedom of the individual are supposedly inviolate, the falibility of man and the Westminster system, as well as the advent of creeping socialism in depressed Third World countries, has seen Commonwealth values eroded almost to the point of no return.

How else can one explain the lack of combined Commonwealth action against the Seychelles in June 1977, which saw President James Mancham overthrown in a left-wing coup while attending a Commonwealth meeting in London, or the converse reaction to the coup in Fiji where the right wing now dominates?

Led by Australia, the Commonwealths self-appointed voice of the Third World in the southern hemisphere, Fiji looks certain to endure a period of union imposed debilitating trade sanctions as Colonel Sitiveni Rabuka prepares to repel a sinister Libyan influence and establish a Melanesian led democracy

Australia was also responsible for bringing Robert Mugabe to power in Zimbabwe, which already threatens to become a one-party Marxist state without apparent Commonwealth concern, and again in Vancouver voiced support for tougher economic steps against its favourite whipping boy, South Africa.

Given that so many Commonwealth countries have so blatantly broken with accepted doctrine over the years, is it any wonder that Australia is even now preparing to sign a series of agreements with the Soviet Union that will increase and widen trade ties and scientific space co-operation, but also a pact that will guarantee safe passage on matters involving family reunions between Moscow and Canberra

Initiated by Moscow which earlier this year sent Foreign Minister Eduarde Shevardnadze to Canberra for top-level talks, the Soviet overture seeks to guarantee the right to family reunions in Australia and the right of departure from Russia by dual nationals.

In light of the fact that India's defence force is heavily dependent on Soviet supplies of arms and equipment despite its supposed allegiance to the Commonwealth and western alliance, and that so many of the club's junior members, particularly in Africa, have already taken the first tentative steps along the path of one-party Marxist rule, could it be that the bear already has its foot well inside the door of the clubhouse?

South Africa's generals are well aware that Cuban troops and East German pilots have long been used as proxies for the Soviet Union in various theatres of regional conflict Here in the south Pacific where Fiji stands like a drop in the ocean and Australia dominates the trade routes into south-east Asia, it is the Libyans the Russians manipulate with a view to establishing beachheads in remote island states as yet unaware of their strategic import.

Vanuatu's head of state, Father Walter Lini is outspoken in his rejection of the United States and all it stands for, including the defence umbrella that protects him, with overtures already underway to attract Soviet support by way of fishing contracts and port rights

Kiribati has telegraphed much the same message, and destabilising moves are afoot in Sri Lanka where civil war rages, as well as New Caledonia where the French are desperately trying to hang on to their island colony despite Australia's carping.

The Philippines is in a precarious position with the New Peoples Army running rampant in all but the major centres, which poses a further long-term threat to the West as the US bases there wind down to leave the region dangerously exposed

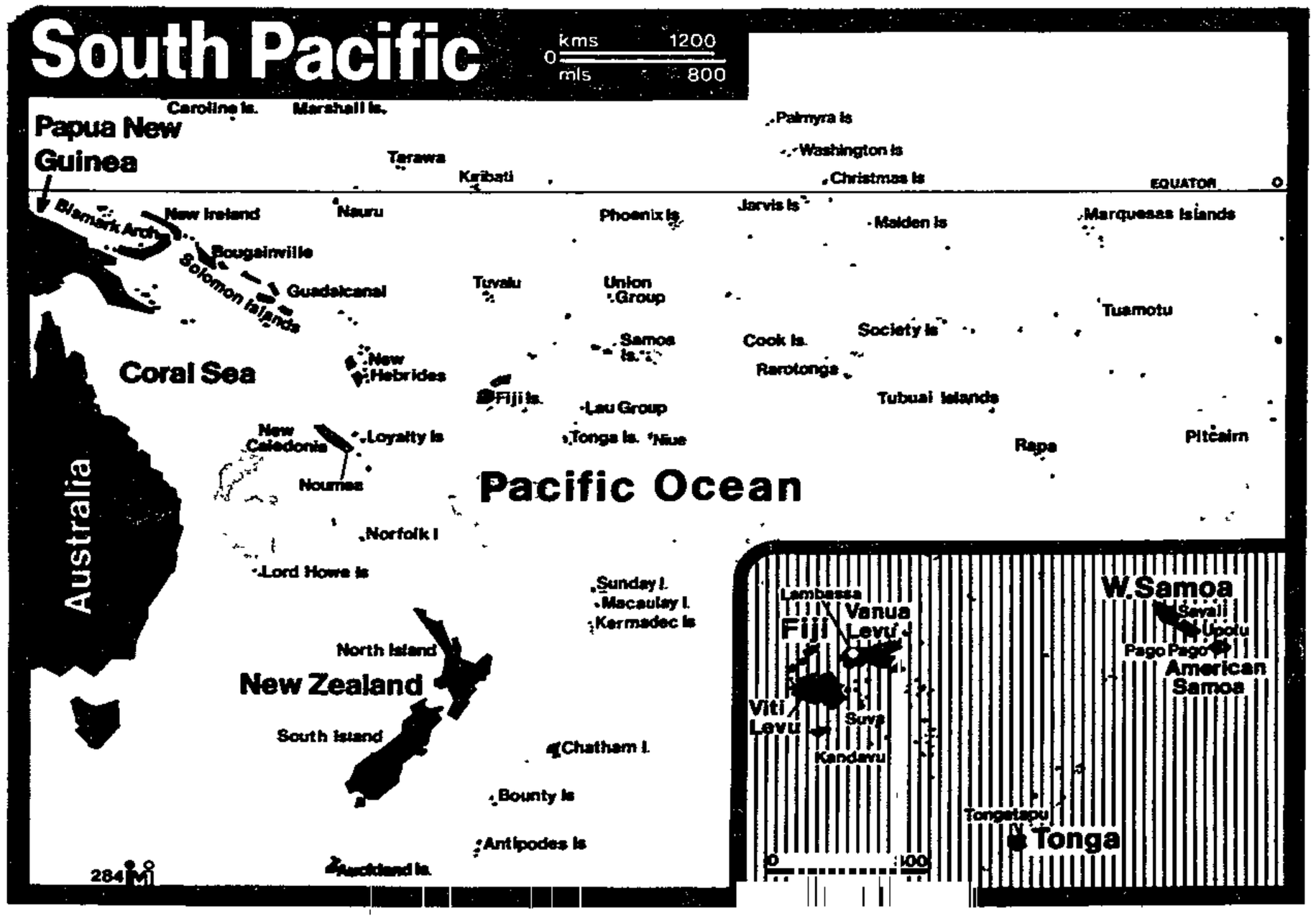
Back in the Commonwealth fold, after Fiji where the attempt was stalled, can it be long before Papua New Guinea, Tonga, Tuvalu, the Solomon Islands and Western Samoa all become prime targets for subversion?

From a Soviet viewpoint that tranquil holiday island Mauritius must offer a tantalising target, straddling not only the vital shipping lanes between the Cape and Middle East but also Australia and Far East.

With the Seychelles already accounted for in the Indian Ocean, as is Malagasy, logic confirms that the Western alliance has been badly let down by its Commonwealth allies since the decolonisation process began three decades ago with the winds of change

Unless smart moves are made to stall the fashionable drift towards non- alignment which appears to be taking place among Commonwealth countries, and the overt initiatives of that emerging naval force of the Soviet Union are countered by concentrated action, all too soon established democracies like Australia may find themselves seduced if not subverted into believing its own best interests lie elsewhere

One wonders aloud if Mrs Thatcher's belated defence of South Africa might not lie somewhere in such a scenario?



Amcoal earnings decline by 51,1%

From LIZ ROUSE

JOHANNESBURG. — Anglo American Coal Corporation (Amcoal) suffered a 51,5% decline in interim earnings but the interim dividend has been maintained at 80c.

Although the outlook remains gloomy on export markets and margins will remain under pressure, chairman Graham Boustred forecasts a maintained dividend payment of 240c from the cash-rich group.

Amcoal's earnings slid to 205,4c a share in the six months to September from the 1986 half-year's 424c a share. The interim dividend is covered 2,57 times. This cover is considered adequate because of the group's large cash balances and earnings from these funds, which make a significant contribution to profits.

Export decline

Amcoal's export sales declined by over 1,2m tons in the six months. Total coal and export sales were down 5,3% to 19,2m tons. Sales to Escom increased by 518 000 tons but industrial and metallurgical sales in the local market decreased 373 000 tons.

The interim results also reflect the effects of the three-week strike in August which had a material impact on production with a consequent rise in working costs at certain collieries.

Production loss was more serious at underground mines. Opencast mines' production was largely maintained with the reduced workforce. Coal supplies were maintained from stockpiles.

Turnover down

Amcoal's turnover was down only 10,6% to R550,3m (R615m) but pre-tax profit dropped 53,6% to R109,6m (R236,1m) in the six months to September, mainly due to lower export tonnages, depressed dollar prices and a stronger rand.

In addition, collieries' export earnings were hit by a progressive increase in the basic rail rate from an effective R12,90 a ton in March to R23,68 a ton in Sepetmber.

Amcoal shares traded at R35 yesterday, only 400c off their low of R31 a year ago. Dividend yield is now 7,7%. The stock rose to a year's high of R43 in February when the coal sector appeared to be on the rise.

Counting the cost of sanctions

ECONOMIC sanctions and disinvestment have always been very sensitive issues in South Africa. An increase in pressure to impose sanctions usually coincides with periods of intense political instability.

The sanctions web

By an Economist

Sanctions should not be seen only as a result of turmoil in South Africa but also as a facilitator of change which is often accompanied by political upheaval.

Widespread media coverage works in tandem with the embargoes making people more aware of the inequities that exist in the system.

Sanctions and disinvestment in South Africa is an extremely confounded issue as various interested groups are using the identical economic mechanisms to achieve very different political ends. The common thread that links these groups is their "anti-apartheid" stance.

For people who see the present capitalist regime in South Africa replaced by a more socialist-type government, the core aim of sanctions and disinvestment would be to propagate the economic collapse of the South African Government.

This would allow for the rebuilding and restructuring of the economy and society from a more grass-root level.

For others, sanctions and disinvestment is more a mechanism to try and coerce the present government and businesses to move away from apartheid.

The change is encouraged to be evolutionary rather than revolutionary occurring within the capitalist framework.

Harsh

Moreover, just like many meat-eaters are "arm-chair vegetarians" so many countries with vested profit-making interests in South Africa find it hard to implement harsh measures against South Africa despite claims of humanitarism, equality and abhorrence of apartheid.

The force of embargoes against South Africa should not be underestimated.

The fact that two superpowers — the US under Reagan and the UK under Thatcher — have been forced to make concessions in the face of severe lobby pressure shows the strength and determination of anti-apartheid groups to fight for their cause.

Every cause, however, has its cost. The trade-off between the benefits and losses incurred depends on the motivation and aims of the various interested groups.

Unemployment arising from sanctions, for example, has often been cited by businessmen to harm the blacks who are laid off work much more than harming those who control the power.

On the other hand, those wishing to engineer the economic collapse of the South African Government would see unemployment as part and parcel of the "expected package" and not some frightful result of something unexpected.

One may become sceptical when judging those who use the loss of jobs as a reason to avoid sanctions.

Problem

Unemployment, with or without sanctions, has always been an endemic structural problem in South Africa. Loss of jobs are frequently created through cutbacks in staff to trim down a company's costs and dismissals due to strikes.

The officially quoted number of unemployed people in South Africa of three million is a very understated figure.

Some independent studies have shown a true representation to be at least twice that figure Much controversy surrounds disinvestment. Where so-called enlightened companies divest of their interests in South Africa, there is often a reduction in development and social existence in South Africa.

Disinvestment is usually accompanied by takeovers by one of the giant conglomerate groups in South Africa. It thus results in a further centralisation of power in fewer hands.

Moreover, these companies have to tow a very fine line to enlist the support of vested interest groups on whom their existence may depend.

The process of change therefore may be slowed down. Together with the four national "independent states," the percentage of the economically inactive population would be still higher.

Tourism

The harmful effects of embargoes against South Africa are often cited or quoted in terms of the black workers who will be laid off work The hidden and often subtle costs which ripple through the entire economy are less often mentioned.

Drives to cut off all ties with South Africa and relegate the country to the status of an "economic leper" in the world community has induced much negative sentiment against the country both at home and abroad.

Tourism has suffered. Some exports have found difficulty in finding secure markets. Imports are often hard to come by via the conventional routes.

Going through third parties to disguise the source of South African exports or importing via countries willing to co-operate automatically costs more as middlemen are involved.

There are also costs attached to keeping our trading partners increasingly more clandestine.

Growth in the South African economy has been faltering in recent years.

Effects of trade curbs

• From Page 16

growth and growth stimulated by fixed capital investment by both foreign and local parties is being stifled by embargoes. The effect has been a lack of confidence in the entire South African economy.

This has impacted on our exchange rate which makes imports relatively more expensive. This is accentuated by our trade being directed more towards the far-eastern countries (for example Japan, Taiwan) whose currencies have been showing significant appreciation.

South Africa is more vulnerable to certain types of sanctions, for example electronics, computers, high-technology and engineering knowhow and parts.

Debt

In other areas sanctions or the threat thereof have been a drive to self-sufficiency especially in strategic areas such as arms or finding alternative sources of fuel like coal, ethanol from sugar.

Stocking up has also taken place to hedge against a sudden unavailability of supplies.

Sanctions have been extended to the arenas of academic, cultural and sports boycotts. Debt is yet another area where embargoes have impacted, as the International Monetary Fund (IMF) and World Bank have the power to cut back at the amount South Africa is allowed to borrow or cut out loans to South Africa altogether.

As there will always be countries willing to buy from us, South Africa will never be economically isolated. Thus one may argue that boycotts do not work.

Yet, to the extent that there are destabilising forces that are continually impacting on the South African economy due to sanctions and

Euro MPs to debate trade curbs

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Swanton
21/10/87

BRUSSELS — European Parliament will debate the first year of sanctions against Common Market iron and steel imports and new investment in South Africa today. It is likely to call for tougher monitoring.

The debate will endorse a report by Barbara Simons, a West German socialist Euro MP, which has examined the way the 12 European Community states have implemented the September 1986 measures and how they have found loopholes

According to Simons' "The experience shows clearly that the European Parliament is right to want concerted sanctions to be put in force at a community level and controlled by the European Commission "

To the annoyance of many Euro MPs, community governments decided not to introduce a binding European directive last September but to allow each state to introduce its own decrees or recommendations

Governments have used different means to prevent new investment in South Africa by European industrial groups In Belgium a letter to leading industrialists says it will withdraw government export insurance or investments

In Denmark the parliament has adopted a binding law on new investment, Germany has sought a voluntary agreement with industry, in France all investments in South Africa require authorisation

Plans

In the United Kingdom and Luxembourg recommendations have been sent to industry, Italy, Spain, Ireland and the Netherlands have already or intend to pass a legal restraint but neither Greece nor Portugal have legislative plans.

The two largest investing countries are the UK, with billions invested, and Germany, with R760-m. Simons also complains the ban does not cover stakes in industry in South African satellite, Namibia.

She is critical of disengagement plans by multinationals, calling them "a camouflage" Control is retained through transfer of technology agreements and black workers suffer worse conditions.

Simons says the wide ban on South African iron and steel imports to Europe has cut European imports from a pre-September 1986 monthly average of R24-m to R12-m in April this year

Marjorie gets her prize



MISS Marjorie Ndaba of Katlehong flashes a winning smile after being presented with the keys of a new Volkswagen Fox by OK managing director Mr Gordon Hood at the Turffontein racecourse this week.

Nine claim new Foxes

WINNERS of the OK Gold Bowl sweepstake received their prizes at a function held at the Turffontien racecourse this week.

Speaking at the ceremony, OK managing director Mr Gordon Hood said that a record of nine of the 12 major prizes had been claimed this year.

"This means that at least 16,7 million sweepstake game pieces were checked," he said.

The sweepstake promotion entailed the in-store distribution of some 22 million tickets, each containing five numbers of the horses which ran in the OK Gold Bowl Major prizewinners each held a ticket which had the numbers of the first five horses past the post in correct sequence

The winning sequence was 4-17-19-11-18

In addition some 140 consolation prizes have been claimed by holders of tickets containing the first four number in the correct order

"This promotion was conceived of as a way to give a wide range of people lots of fun and excitement — and it looks like we have gone well down the road in achieving this,"Mr Hood said.

The major prize winners of the New Volkswagen Fox worth nearly R19000 are Mrs EC Smith, Mrs Leona Schutte, Miss Beatrice Alexandra, Mrs Adrian Strange, Mr Johannes Pviele, Mr Cornelius Borchardes, Mr Thedekile Dube, Mr Samuel Tshoive and Miss Marjorie Mbatha

SUB-SAHARAN POVERTY

A recipe for failure

When Reserve Bank Governor Gerhard de Kock spoke in Switzerland on his way home from the International Monetary Fund's annual meeting, he raised a question that sanctioneers at this month's Commonwealth Summit in Vancouver ought to have had in mind. It seems even to have escaped the advocates of the Thatcher plan to uplift sub-Saharan Africa.

If an economic war is waged on SA, how can its struggling neighbours, especially those impoverished ones to the north, possibly progress? The answer, of course, is that they will not, despite the additional charity that the British and others plan to parcel out.

"Bringing sub-Saharan Africa to its feet is not compatible with bringing the South African economy to its knees," De Kock told the Swiss-South African Association in Zurich.

As De Kock correctly notes, SA provides the economic lifeblood for the region:

☐ A web of roads and railways connects the subcontinent with SA's ports and financial centres;

☐ SA's investments in Africa — which totalled more than R8,4 billion at the end of 1985 — have helped develop mining, agriculture and manufacturing industries;

☐ Last year, SA supplied 42% of Swaziland's electricity, 37% of Botswana's and all of Lesotho's;

☐ Some 380 000 registered guest workers from neighbouring states were employed in SA last year, with perhaps three times more than that here illegally; and

☐ About 7,5% of SA's exports last year were to African countries, SA's fastest-growing market.

Bash SA's economy with sanctions, and impoverished sub-Saharan Africa will shake.

"The answer to many of the problems of sub-Saharan Africa," says De Kock, "lies in increased economic co-operation between SA and the other countries in the region and, more specifically, in the locomotive power that can come from foreign and domestic private enterprises operating in a market-orientated environment."

That wisdom, unfortunately, was in short supply when southern Africa was discussed at the Commonwealth Summit. The eventual Commonwealth solution — continued, although muted, sanctions for SA and massive foreign aid for SA's neighbours — is self-defeating and futile.

Not only is the belief that there can be reasonable prosperity in sub-Saharan Africa while excluding SA incorrect, foreign aid itself is a tried-and-failed solution that has boosted the power of often dubious — and certainly incompetent — governments and distorted markets the world over. It is no substitute for economic growth, which in turn requires a dismantling of restrictive practices.

Foreign aid in southern Africa bankrolls undemocratic governments that impoverish their countries with over-valued currencies, price controls, nationalised industries and trade restrictions — and all of that while encouraging a population explosion.

The Commonwealth solution for the tragedy of sub-Saharan Africa will not work — simply because it does not give sufficient weight to resuscitating free enterprise. Unleash trade with SA and the resulting wealth will make it easier for this recalcitrant country to move towards democratic rule and speed up the process of reform that the capital boycott and trade sanctions have stultified. Unleash capitalism in SA's neighbours, and the chances are that in a very short time these countries will at least be able to feed themselves.

Greater economic interdependence that transcends political differences will at best transform southern Africa into substantial prosperity and at worst save many millions from starvation. ■

EC not pushy about tougher SA sanctions programmes

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30/10/87

The Star's Foreign News Service

BRUSSELS — The European Parliament has heard calls for tougher centralised monitoring of economic sanctions against South Africa but the pleas for an extension of the measures were muted.

The parliament held its debate at Strasbourg, France, yesterday on the first year of the European Community's bar on new investment in South Africa and on iron and steel imports.

Mr Peter Price, Tory Euro MP for London south-east, said member states had not totally carried out the agreement and tightening up was needed.

"It would be better to give the Community, within its trade competence, a bigger role," he said.

Despite 60 amendments being tabled for the debate on a report by Mrs Barbara Simons, a West German socialist MEP, the parliament was unlikely to split over the main policy issues.

Tenderised Steak Super — B2 R7,99 per kilo

Variet Braai Pa R7,99 per kil

Free

Nkomati optimism has gone, says prof

Pretoria Bureau

The optimism raised by the Nkomati Accord had evaporated and South Africa and most of its neighbours were now locked in "rhetorical exchanges which are exacerbated by the sanctions issue", Professor Gavin Maasdorp, director of the Natal University economic research unit, told the SA Institute of International Affairs conference yesterday.

"It would be economic suicide for the Frontline states to impose sanctions and seal borders — and they know it," said Professor Maasdorp.

The transport programme of the Southern African Development Co-ordination Conference (SADCC) was in fact seeking to restore the colonial transport patterns disrupted in the post colonial period by insurgent activity, infrastructural deficiencies and inefficiency.

Developments were that some routes used by the countries affected were functioning more reliably and they had received offers of support to improve this situation.

"Within a few years the countries to the north might feel less dependent on the southern network, but in the meantime they rely heavily on South Africa.

"These countries fear that Pretoria might take the initiative and seal the borders, but such steps would be out of keeping with South Africa's longstanding antipathy to boycotts and sanctions," he said.

On the question of South Africa's so-called destabilisation of the region, Professor Maasdorp said "the issue has become so emotional that facts hardly count".

EC not pushy about tougher SA sanctions programmes

X80 30/10/87

The Star's Foreign News Service STAR

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Embargo order against SA man

A BUSINESSMAN based in Johannesburg has been indicted by a Miami Federal Grand Jury for procuring $2,3m worth of military aircraft parts for the SA Air Force.

John Nash — described simply in his indictment as an SA resident and "a principal" of Avitech in Johannesburg and Adastral in Geneva — is accused of acting as an agent for the SAAF in a globe-straddling conspiracy to break the US arms embargo.

The equipment, chiefly parts for C-130 transport aircraft, was apparently shipped though intermediaries in Hong Kong, the UK and Switzerland.

Nash's US suppliers were named as Norman Steckler and Robert Helmuth, both 59, co-owners of Hercaire International in Dania, Florida.

The two men were scheduled to surrender to the authorities yesterday.

SIMON BARBER

Hercaire has also been charged with smuggling spares for F-14 fighters and other US aircraft to Iran.

US customs agent George Ulickas said 90% of Hercaire's business came from SA and Iran and the company had continued the trade despite the seizure of a shipment in 1985.

According to the indictment, Nash was active in obtaining embargoed items from the US between 1978 and March 1, 1987.

His operation is portrayed as a textbook case of sanctions-busting.

"Nash was making the orders on behalf of the SA Air Force," US attorney Leon Kellner said. "The orders generally came to Hercaire from Adastral in Switzerland."

Sanctions nip turns to bite — report

It's often said these days that the sanctions campaign is losing steam — but the Anti-Apartheid Movement doesn't plan to ease the pressure. MOIRA LEVY reports from London

THE South African economy's long-standing dependence on foreign investment and trade, in particular on its economic relationship with five key powers, has made it acutely vulnerable to sanctions and incapable of adapting to siege conditions.

This is a conclusion of a study entitled *Sanctions begin to bite* released last week by the Anti-Apartheid Movement days before the "Sanctions Now" rally held in London at the weekend.

The AAM study argues that South Africa's pattern of trade has been distorted for two decades by sanctions imposed by African, Asian, Caribbean and socialist countries, and this imbalance has been exacerbated more recently by a huge outflow of Western capital.

Fifteen billion rand flowed out of the country during 1985-86 — largely as a result of an inability to establish new loans in the international capital markets.

The report warns that in spite of the bouyant gold price that is propping up the economy, there has been a significant falling off in levels of non-gold exports.

American exports from South Africa fell by almost 52 percent during the first half of the year, Britain's were down by 20 percent in the first seven months and Japan's decreased by 10 percent.

The European Community as a whole imported only four percent less, due mainly to a 31 percent increase in imports by West Germany. And the value of coal exports — which accounted for 10 percent of South Africa's export earnings last year — is expected to fall by 40 percent as a result of sanctions, the report says.

Historically South Africa has always been dependent on Western capital. Domestic South African capital formation has always been insufficient to provide for the heavy investment requirements of mines, manufacturing, industry and supporting infrastructures. The soaring costs of apartheid are increasing South Africa's need for foreign investment.

Faced with a stagnant economy being drained of capital and escalating resistance to its apartheid policies, the government has had no alternative but to adopt a potentially inflationary strategy involving significant increases in spending on repressive agencies.

The report distinguishes between embargoes on arms, computers and strategic equipment and restrictions on trade and investment.

The former all have a significant impact on South Africa, constraining its military and nuclear capability, and have led South Africa to respond by a combination of import substitution and sanctions-busting operations, the study argues. South Africa has had to build extremely expensive arms export industries and oil-from-coal plants, according to the report.

Restrictions on foreign investments, coupled with bans on new fixed investment and the refusal of foreign banks to extend loans to South Africa, have accelerated massive outflows of capital. The country's inability to tap the international capital markets since 1985 has forced it to run a large current account surplus to cover its capital account deficit.

The effects of bans on exports have been disguised by the steep rise in the gold price. Nevertheless, the study claims, some major exports, notably coal, have been hit hard.

Iron and steel imports have fallen dramatically and in Britain, consumer boycotts cut imports of fruit and vegetables by 8,5 percent last year and of South African clothing by 50 percent since 1984.

To counter sanctions the SA Chamber of Commerce sent a delegation to Britain, France and Spain last month.

In June it was reported South Africa had opened a financial consulate in Zurich to keep open channels to the foreign banks, and last month, in the face of a growing campaign for coal sanctions, the South African coal industry opened an office in London.

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Paul Nash's father in US arms case

CAPE TIMES 31/10/87

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From IAN HOBBS

LONDON. — A top South African businessman, Mr John Nash, father of the athlete Paul Nash, has been indicted by a grand jury in Miami in connection with smuggling aircraft parts to South Africa in contravention of the United States arms embargo.

Miami Customs claim Mr Nash is at the centre of a multi-million-dollar arms-smuggling racket.

Mr Nash, believed to be in Johannesburg, faces arrest on serious charges that could lead to lengthy imprisonment if he sets foot in the United States.

Customs suspect the operation they uncovered with the help of the Lockheed Aircraft Company is the tip of the iceberg.

A Customs spokesman in Miami said Mr Nash represented two companies, Aviatech Pty Ltd of Johannesburg and Adastral AG of Geneva.

Mr Nash is accused of central involvement in export from the US of $2 376 000 (R4 752 000) worth of radar equipment and Hercules C130 aircraft parts for South Africa and $3 230 000 (R6 460 000) in parts for fighter aircraft for Iran.

A Customs spokesman said a London "middleman company", CAS Aviation and Marine International, was used to give the appearance the military equipment was being sent to countries like Hong Kong.

He said two men had been arrested in Miami. Mr Norman Steckler, 57, president of Hercair International Limited of Dania, South Florida, and Mr Robert Helmuth, the company's vice-president.

Maggie has already told sanctions to ST! Now it's time for her to let investments GO!

By BRUCE ANDERSON
of the Sunday Telegraph, London

KENNETH KAUNDA was once hosting a cocktail party in Lusaka when, who should arrive but General Piet van der Westhuizen, then South Africa's Director of Military Intelligence.

Did Mr Kaunda have him arrested, or at least order him to leave the country at once? No, he did not "Piet!" he cried. "KK!" the General replied.

They clasped each other's shoulders and compared the latest photographs of their grandchildren.

In Africa, things are rarely quite as they seem. This is not to say that black Africa has a monopoly of political hypocrisy Apartheid, for instance, is not only oppressive, but hypocritical — as most Afrikaners now acknowledge

Indeed, the Afrikaner critique of apartheid was greatly influenced by a magazine entitled Woord en Daad (Word and Deed), which argued that in South Africa the two were in contradiction

No such self-awareness has reached black Africa There, most politicians talk and behave as if word and deed inhabited separate planets

To listen to them at the Commonwealth Conference, the United Nations, or (worst of all) at the Organisation of African Unity, one would think that the African continent was a paradise of prosperity, justice, and freedom — with the exception of its sole blemish, South Africa

It is hard to remain indignant about the commonplace, so these days the West's response to all that rarely rises above a weary, cynical smile

That is fair enough. After all, there is nothing we can do to improve the situation and anyway it is not in the nature of diplomats to tell other diplomats blunt home truths They leave that to the British Prime Minister

But in one respect, British policy in southern Africa is coming dangerously close to a collaboration with hypocrisy Unlike Mrs Thatcher, the Foreign Office is concerned to placate the Commonwealth and the UN — if the FO had its way Britain would have imposed further economic sanctions on South Africa But as this has been emphatically vetoed by the Prime Minister, the diplomats have had to adopt another approach

A key element in this is to assist the frontline States (principally Zambia, Zimbabwe and Botswana) to reduce their dependence on South Africa. In particular, we propose to help them to develop alternative transport routes so that their trade is not so locked into South African ports and airports

Now that might sound like a perfectly laudable contribution to the welfare of the region — in fact, it is no such thing It is a fundamentally flawed and dangerous policy for three reasons

● It is totally impractical Before the collapse of the Portuguese empire, other trade routes were available — principally through Beira and Lourenco Marques (now Maputo) But today there is a civil war in Mozambique, which shows every sign of continuing indefinitely.

In these circumstances it is just daft to think of reconstructing the old rail links.

● It ignores the strategic realities One of the most important geo-political developments in recent years has been the rise of the regional superpower In its particular region, South Africa is just such a power

As the Americans are discovering in the Gulf, the only way to restrain a regional superpower is to use global superpower force In southern Africa, that is not on the agenda — so for the foreseeable future the Frontline States will have to accommodate their policies to take account of South African interests.

In that case, we have a duty — to do nothing to encourage the frontliners to deceive themselves

But talk of enabling them to reduce their dependence will only and Mr Kaunda in particular is excitable enough as it is If at any stage the South Africans feel threatened by their neighbours, they have innumerable ways of causing trouble

We could do nothing to prevent this, so we should do nothing to nourish the delusion that one day a man on a white horse will arrive from the West to sort out the South Africans

● The reason behind discouraging the Frontline States from a futile quest for independence (from South Africa) is the most important and positive of all We should be doing the exact opposite those countries have everything to gain from a closer involvement with South Africa

In a continent where little else works, South Africa has a dynamic economy, with a healthy free-enterprise sector There are problems inflation is far too high, as is public spending, particularly on the bureaucracy, which is disgracefully overmanned

But by African standards, those difficulties are minuscule. If Mr Kaunda had set out with the intention of wrecking the Zambian economy he could hardly have improved on the policies he has pursued

But the South African experience proves that Africa is not doomed to poverty, decline and famine South Africa itself is both a First and a Third World economy It offers the rest of Africa a bridge between the two

As one contemplates the present state of Africa, there are few grounds for optimism The success of the South African economy is one of them.

But that economy is under threat from international isolation At present it cannot achieve the growth it needs to cope with its rising population, let alone act as a motor for the rest of the region

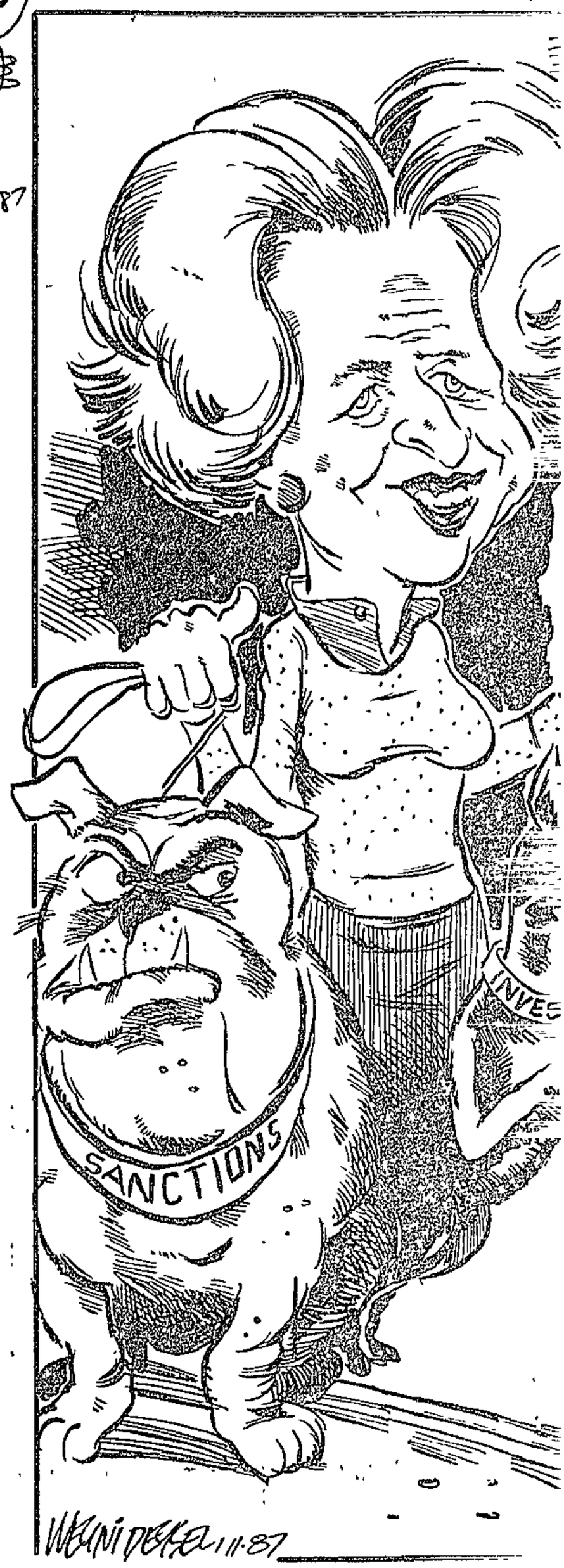
Mrs Thatcher is aware of this hence her implacable opposition to sanctions, which she reaffirmed last week She should go further

A developing South African economy cannot accommodate racial discrimination, so governments all South Africans should not be calling for more sanctions, but more investment, as Mrs Thatcher should make clear when she visits black Africa next year

This is in tune with Mrs Thatcher's instincts, and she has the stature, the moral courage and the pigheadedness that would be necessary to embark on such a course of defiance

A clearer statement of principle from Mrs Thatcher would have a further advantage At present, the stress is on the anti-sanctions aspect of her South African policies The danger is that this will encourage President Botha's mood of triumphalist negativism Mrs Thatcher understands the Botha government's difficulties and is realistic about time-scales, but is absolutely sincere in her desire for fundamental change in the Republic

If she linked it to a call for more investment and more economic growth in South Africa, she could project that message more clearly



He and his wife Luisella, who cham- to Cape Town for our dream yacht." morrow in the Rand Supreme Court.

UK paper: Reform starting to move

Own Correspondent

LONDON. — The stalled reform process in South Africa was beginning to move, The Times said in a leading artice yesterday.

Describing the process as "glacial", it said more thanks were due to British Prime Minister Mrs Margaret Thatcher for ANC member Mr Govan Mbeki's release than to "sanctioneers ever-anxious to claim a spurious credit".

By holding off a tranche of sanctions in Vancouver, Mrs Thatcher had made possible the release. Till now President P W Botha had proved impervious to both external pressure and internal insurrection. Any new round of sanctions would have stopped all movement in its tracks.

Describing Mr Mbeki as a "half-blind septuagenarian communist", the Times said that with his release the prison door of SA politics had opened a crack.

"Whether it will open still further to release a free, constructive and open debate between all South Africans about their country's future will depend on how the world and South Africans themselves respond to the ending of Mr Govan Mbeki's captivity."

Mr Botha had dropped the condition that prisoners need forswear violence before being released. He would drop it again if he was satisfied the conditions were right to release Mr Nelson Mandela.

"Right-wing jeers at Mr Mbeki's release, as much as any significant black political demonstrations, would ensure that Mr Mandela remained in his cell. So too will empty cheers by sanctions lobbyists, desperate to claim a victory which is not theirs."

Mr Botha, it said, now believed he had room to manoeuvre.

"Manoeuvre he must if he is to win the support of moderate black leaders, most notably Chief Mangosuthu Buthelezi, for his National Statutory Council.

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Slabbert: Success of sanctions doubtful

AMERSFOORT, Netherlands — Dr Van Zyl Slabbert said on Saturday that he doubted that economic sanctions were an effective way of forcing an end to the apartheid system in his nation.

Sanctions had moral significance for the nation that imposed them but appeared to cause only limited harm to South Africa's economy, according to Dr Slabbert.

"It's important to foreign nations that they should make known their disapproval of apartheid in the strongest possible manner," Dr Slabbert told reporters at the De Flint theatre here.

However, "in my experience, there is not a whole lot that a foreign power can do" to speed up its dismantling, he said.

"A little modesty is called for . . . stating a clear moral view should not be confused with effective action."

There is widespread political and moral disapproval of the apartheid system in the Netherlands, where churches and religious groups have played an important role in galvanizing public opinion into its anti-apartheid stance.

Dr Slabbert spoke after addressing a meeting of the D'66 party, an opposition group to the government of Dutch Premier Mr Ruud Lubbers. — Sapa-AP

By LANGA SKOSANA

about the growth of the spirit of the church."

He asked the congregation to ask itself where it came from and where it was going.

He said before Regina Mundi was built, the congregants attended church at a school building.

He said Regina Mundi — which is known throughout the world — was famous because of its mission and service to God. He said the church should go forward and carry out its mission to the world.

Bishop Biyase said Regina Mundi Church would not have been there if its congregants did not unite to help support its foundations. He said married couples who celebrated their jubilee anniversary — like Regina Mundi was doing — usually prayed to God for blessings to have many more.

It was fitting on such days for the church to pray for fortitude.



Mr MAHLATSI . . . sanctions will hurt blacks.

Mahlatsi slams sanctions

SANCTIONS had failed to persuade the South African Government to abandon the apartheid system, Lekoa mayor Mr Esau Mahlatsi told a public meeting in Sebokeng at the weekend.

Addressing more than 500 Vaal residents, Mr Mahlatsi said disinvestment and sanctions were just as evil as the apartheid system.

Mr Mahlatsi, who returned from an overseas tour last week, said he had successfully campaigned against sanctions during his visit to the United States and Canada. His visit to Canada coincided with the Commonwealth summit, where sanctions were the main item on the agenda.

"Sanctions have brought untold suffering to our people," the Lekoa mayor said. "Outside countries should not forget that it is the black people who suffer when they fight South Africa."

SOWETAN, Tuesd

Labour Update 280 Sowetan 3/11/87.

MINERS REJECT SANCTIONS says German funded study

A large majority of black coal miners rejected sanctions, a German poll conducted on the South African mines has revealed.

Of the 1004 coal miners polled, the survey found, 70 percent rejected sanctions while 21 percent supported the measures.

Three-quarters of miners polled believed sanctions would hit them hard. Above all, mineworkers mentioned the risk of losing their jobs (79 percent), life at home being affected (75) and a decline in wages (74), according to the survey

Thirty-four percent of coal miners would support sanctions if they would finally lead to the fall of the South African Government, the survey found. The number of those supporting sanctions, however, fell to 26 percent if sanctions were to lead to the fall of the Government, but also lead to loss of jobs.

Other findings were.

- South African coal miners were "largely satisfied" with their working conditions. They were, however, "not at all" satisfied with wages;

By LEN MASEKO

- Mineworkers were "insufficiently informed" on positions adopted by the trade unions on sanctions and other issues;
- Seventy-two percent of miners polled sought a government that shared power equally between black and white;
- Seventy-two percent of coal miners rejected violence as a means of bringing about a change of government; and
- A majority of miners believed boycotts of white businesses by blacks (53 percent) was not the right means to bring about a desired government.

The German Africa Foundation, which commissioned the survey, concludes. "The findings may give some of those who see sanctions as a miracle cure to abolish apartheid in South Africa a cause to think, to reconsider their own stance.

Sacrifices

"In any case, the argument that the majority of the black population accepts sanctions and is prepared to make the resultant sacrifices can no longer be upheld "

Reacting to the survey findings, National Union of Mineworkers assistant secretary-general Mr Marcel Golding said his union did not see sanctions as an "exclusive issue or part of the multi-pronged political, diplomatic and organisational campaign "

The question of unemployment itself was a "structural issue" generated by the economic policies of the Government, Mr Golding said.

ovember 3 1987

SA's US embassy asks about sanctions and reform

Koornhof's $70 000 bid to question Americans

SIMON BARBER

WASHINGTON — Ambassador Piet Koornhof has mailed questionnaires to about 200 000 Americans seeking their opinion on reform in SA and sanctions.

The move, the first of its kind by SA's Washington embassy, is believed to be costing close to $70 000 Officials say the response rate is running at around 12%.



● Koornhof

The results are almost certain to favour Pretoria because the embassy's mailing list consists chiefly of persons thought likely to be sympathetic

The list has been compiled over the past decade from a sources that include Satour, SA Airways and visa applications

The survey is prefaced by a letter from the ambassador and prepared by a US consultancy.

Recipients are reminded that "we stood side by side as allies in two world wars and in Korea. We are committed to free market economic systems with opportunity for all

"We have both confronted the bitter legacy of racism, segregation, and racial discrimination in our societies Like the US, we are working to correct the mistakes and injustices of our past."

The mailing includes a recent Forbes magazine article critical of sanctions and disinvestment

Some of the questions are less than scientific For example "A Barron's editorial on August 3, 1987, concluded that sanctions against SA have increased US dependence on the Soviet Union for strategic minerals. Does this concern you?"

The editorial, based on allegations by Idaho Senator Steve Symms, has been widely discredited because US sanctions do not affect strategic mineral imports from SA which, in fact, have broadly risen since passage of the Comprehensive Anti-Apartheid Act

SA officials concede that the poll results will not be definitive, but stress that the intention is to enable the embassy to target its audience more precisely

"we don't want to waste time and money preaching to the totally converted," one official explained.

ibian gov-

Turn tide of divestment — Crocker

From ALAN DUNN, The Argus Foreign Service

WASHINGTON. — The Reagan Administration's top official on Africa has urged the US Congress to help turn the tide of American businesses disinvesting from South Africa.

"A clear signal of congressional interest in this would send a powerful message across America," the US Assistant Secretary of State for African Affairs, Dr Chester Crocker, told a House of Representatives hearing yesterday.

".. Company after company is being intimidated by all forms of local and other action into a belief that if you're in South Africa it means you have blood on your hands or you're some kind of racist," he added.

" "Our view is that our companies should be encouraged to stay."

In a clash with Congressman Stephen Solarz of New York, a leading sanctions advocate, Dr Crocker said black South Africans could show their displeasure at US corporations in the Republic if they wanted them out.

"They haven't done so. Why is that?" Dr Crocker asked.

● The US House of Representatives panel on Africa would consider specific proposals on new economic sanctions against South Africa early next year, its chairman, Mr Howard Wolpe, said

Charging that the Reagan Administration's implementation of the sanctions passed last year were "clearly in conflict" with bi-partisan congressional consensus on American policy towards South Africa, he said:

"In the light of what is happening in South Africa today, and as a matter of American self-interest, I personally believe it is high time that we strengthen and expand existing US and international sanctions"

Mr Wolpe gave notice at a hearing yesterday that his sub-committee would look at new legislation, including various sanctions, at hearings early next year. He said a new package of measures should "embrace the thrust" of proposals presented yesterday by the US trade union giant, the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO).

The proposals included: Closure of all South African consulates in the US, restrictions on South Africans' entry to the US until South Africa was opened to all Americans, banning all advertisements relating to South Africa and it's products, banning all trade between the US and South Africa, including US exports, and forcing all US companies out of South Africa

Denis Worrall's independents to form party

Political Correspondent

THE Independent Movement, supporters of Dr Denis Worrall, have formed a new constituency committee to further the aims of the original movement.

All attempts to bring together this group and the other independent splinter, the National Democratic Movement, have failed.

Mr Keith Gurney, chairman of the new Independent committee, who recently placed an advertisement in The Argus calling for efforts to get the two groups together, is chairman of the committee.

He said today efforts to achieve unity among the independents had only failed in the short-term. There was a feeling that the groups would eventually have to get together.

The committee was elected at a meeting in Gordon's Bay this week.

UNIFICATION

There are plans to form a national steering committee to plan a congress and the formation of a political party.

At the meeting Dr Worrall called on supporters to work towards the realignment and unification of the anti-apartheid opposition.

Rejecting allegations that he was concerned exclusively with parliamentary politics he emphasised the importance of negotiation with extra-parliamentary political groups in the creation of a non-racial democracy.

Two fishermen missing

Staff Reporter

TWO fishermen are missing, believed drowned, after their dinghy capsized near Elands Bay

Police said men in other boats found no trace of Mr Ntkintiki Ntamo, 67, of Engelbrecht's Compound, Elands Bay, and his partner when they reached the overturned dinghy.

The identity of the other fisherman is being withheld until his family have been told.

Sanctions crowing!

The other side of the coin

WHAT'S the true story abroad about support and opposition for sanctions against this country.

British Prime Minister Margaret Thatcher refused at the recent Commonwealth summit to support sanctions against South Africa.

And American President Ronald Reagan believes sanctions have failed.

These statements have been welcomed as favourable signs in official circles in South Africa.

But their excitement is in vain, says World Alliance of Reformed Churches (WARC) president and United Democratic Front (UDF) patron Dr Allan Boesak, who has just returned from a trip to the United States and Europe.

RYLAND FISHER spoke to him.



SINCE my return, I have been watching with some amusement what newspapers have been saying and how excited they seem about what they call a favourable climate for South Africa overseas.

I also saw on the plane coming from Johannesburg to Cape Town that one newspaper had the same story, about Margaret Thatcher opposing sanctions, twice in one edition They had it on the front page and the same story was prominent on one of the inside pages. If that is not excitement, then what is?

Just the other day a Cape Town newspaper had a long article on US Senator Ted Kennedy, how he knew sanctions would not succeed but still continued to put on pressure in the States.

It is very interesting that they are going to all that trouble to create that impression

Yes, it is true that Margaret Thatcher is not going to impose sanctions And because Britain is one of South Africa's biggest trading partners, it makes a difference

It is true that South Africa has something to crow about in Britain.

Last bastian of support for apartheid

But they are crowing too soon There are other factors The Commonwealth countries are unanimous on sanctions, except for Britain

Britain is becoming more and more isolated and is being seen as one of the last bastions of support for apartheid in the Western world They are being seen as the most protective protector of apartheid Whether that is to Britain's advantage is another matter

Most people I have spoken to in the West are quite surprised at Thatcher It is one thing to be against sanctions It is another to be so prudent and openly supportive of a regime such as South Africa

Thatcher has raised serious questions about herself and her leadership.

People are looking with a sense of amazement at what Britain is doing Thatcher will learn to regret the day she chose to openly side with apartheid

There is also a note of desperation in her actions She senses she is just about the only one who is effectively supporting the South African government.

Ronald Reagan has lost his effectiveness, and certainly his charm He used to be seen as a charming old man Now he is just an old man For many, he is a dangerous old man

Everyone knew about the key campaign

Through the Iran/Contra affair, the deterioration of the domestic situation and the Stock Market crash, Reagan has been shown to be a rather ineffective president The glib talk is over, the smoothness no longer matters The great communicator can no longer communicate

In a way, Thatcher feels she must make up for the United States

The reality in the States is different I went to the States for four days and spoke at five public meetings and several press conferences.

I was astonished at the attendance at these meetings Everyone knew about the key campaign The organisers told me that about 40 000 keys had been collected and sent to the South African embassy to protest against detention without trial

This says that people are not willing to forget the situation in South Africa simply because the Government will not allow information to go through

People always say Americans are superficial and work on fads only They say South Africa was a fad in 1986

If this were so, people in the States would have been engaged in other things now Yet, I drew 5 000 people to a meeting in Louisville, Kentucky, in the week of the Stock Market crash.

Many Americans are not going to forget No matter what Ronald Reagan or the South African Government says. There are campaigns underway to make sure Southern Africa will become one of the major issues of the 1988 presidential campaign

Presidential candidates will be bombarded with questions, protests and newspaper advertisements

People are organising all across the States. They are going to put very pertinent questions to all the candidates on their attitude towards Mozambique's Renamo, sanctions and the kinds of pressure they would put on South Africa if they became president

This shows that the South African issue is far from being dead It is more alive than many of us expected

In Congress, the sanctions question is not off the agenda And Ted Kennedy is not the only one involved, even though he is a key person

There is a growing tide of opinion in the States about the wrongness of apartheid, and that being associated with apartheid can't be tolerated.

When I speak to people on Capitol Hill, they want to know how best to handle the sanctions issue

Reagan has lost any political power he had, he has no more moral persuasion And morality on the South African issue is very important

Reagan is facing a Congress where the Democrats are in the majority He will be facing a campaign where people will be asked their views on South Africa

If Reagan persists with his attitude towards South Africa, some of the Republican candidates will have to distance themselves from him They will be bombarded with questions on South Africa It will not be good for Reagan

The simple truth is that the impression people want to create here is wrong. We will still see sparks flying in the States over the South African issue

An encouraging and good sign is the involvement of more and more prominent people, like entertainer Bill Cosby, in the campaign against apartheid

(Cosby recently launched the "key" campaign to make Americans aware of detentions in South Africa He asked people to post or deliver to the South African embassy keys, calling for the doors of apartheid prisons to be unlocked)

Cosby has been underestimated Some people think that because he is not on the streets, he is apolitical or indifferent He is a very convinced and committed person He has had a growing concern over the South African issue and will become more and more involved

And it is not only him, but many others too In the States, entertainers are important They set an example and can influence people to vote or not to vote for certain candidates

There is a temptation to dismiss what these artists do as gimmicks But they are real people and have feelings When I speak to Bill Cosby there is nothing of the artist but only a concerned human being

He and others are getting involved because they find the issue important

In spite of all the odds, like the only news reaching those people being what the South African Government wants to allow out, the campaign against apartheid still continues

It puts the lie to what we hear in South Africa, that people are only concerned about the stock market and Iran, and not apartheid

280 WO Mail 6-12/11/87

Shell takes the won't-buy British councils to court

By MOIRA LEVY in London

SHELL will take a Labour-controlled London council to court next week over a boycott of its products in a case which could have far-reaching implications for the British movement for sanctions against South Africa.

In a High Court hearing scheduled for November 11, Shell is challenging the decision of the Lewisham council — or any council — to refuse to buy its goods.

It is expected to argue that local governing bodies responsible for administering community funding may not refuse to buy products or services that may be the cheapest or most effective — because by doing so, they would not be acting in the best interests of their constituency.

This would be in keeping with the Local Government Bill, expected to come before parliament next year, which would prohibit local authorities from using any criteria other than purely economic grounds in deciding which contracts to enter into for goods or services.

It is believed the Lewisham council will argue its case on the basis of the Race Relations Act. Because of Shell's public ties with South Africa, the council will say entering into agreements with the company will be damaging to race relations in the multi-racial borough

Shell was targeted by the Anti-Apartheid Movement at its annual general meeting earlier this year. Local branches have repeatedly demonstrated outside Shell service stations and offices throughout England.

According to Alan Brookes, AAM deputy executive secretary, Shell's action can be seen as an attempt to frighten off other councils who may be considering similar boycott action

What is believed to be at stake is the Shell contract with the Inner London Education Authority, believed to run to £11-million (about R36,3-million)

At least one other local governing body, the Sheffield council, has also decided to boycott Shell

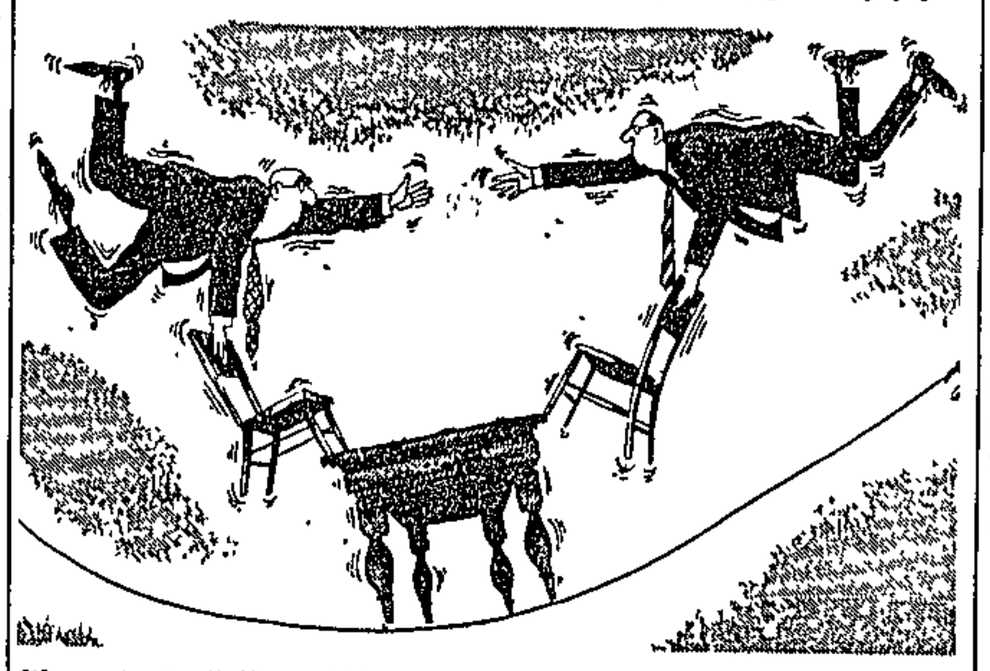
The Methodist Church, at its annual conference in July, endorsed the Boycott Shell campaign, and in September, first the Trades Union Council and then the Labour Party announced support for the campaign.

According to Brookes, if the local authorities' sanctions are removed by legislation or litigation the campaign will lose its cutting edge But consumer boycott action by churches and trade unions would still hurt.

"We are protecting our commercial interests," said Shell press officer John Pike "If we win it isn't going to stop people holding banners outside filling stations That is part of free speech in this country But it will affect other councils who are contemplating similar courses of action"

He declined to discuss Shell's stand on sanctions, but said "We don't think disinvestment will help the cause at all We believe if Shell leaves South Africa a very important anti-apartheid voice in that country will be silenced"

Stay calm, they said. It's all under control. That was in 1929 ...



It's not at all like 1929, soothe the economists. And they're right. Except that they're mouthing the same soothing sounds as the economists of 1929. PATRICK RENSHAW, a British economist who is completing a book on the economics of the Depression, compares two eras

THE fall in New York Stock Exchange share prices on "Black Monday", now almost three weeks ago, was larger than on the worst day of 1929. And inevitably, as the crisis has continued, with the world's stock markets plummeting in response to New York's lead, events have been compared to the Wall Street crash which precipitated the Great Depression of the 1930s.

But while there are similarities between 1929 and 1987, the differences are just as important.

The 1929 collapse occurred after a long period of bull market conditions in which, as in the last decade, share prices rose steadily and then very rapidly. Then, as now, there had been plenty of warnings that the stock market could not go on rising forever, but nothing practical had been done about it.

Yet by today's standards, the way shares were being bought in the Twenties seems like stock market insanity.

The problem was that rising prosperity during the First World War and the decade which followed had brought a new type of investor into Wall Street. These new investors often lacked the knowledge and resources of their predecessors. And, more importantly, they were not really interested in investment but simply in speculation.

They were not concerned with the dividends shares paid but with their paper value. If paper values rose, such investors could use them as collateral to borrow more money to buy more shares.

Since they only had to pay 10 percent down, by buying on margin, this process rapidly created a whole paper fantasy of values.

Everything was all right as long as shares went up. But if they went down sharply, shareholders who had bought on margin would be caught short — then their brokers — and finally the banks.

Such a collapse was made certain by the fact that the economy had several serious underlying weaknesses. And by the summer of 1929 clear danger signs were being posted.

Building contracts, always an indicator of economic health, declined drastically. Net investment for home construction, one of the great growth areas for more than a decade, dropped by over $1-billion in 1929. At the same time, business inventories trebled in size as the rate of consumer spending slackened noticeably. Production and prices fell and unemployment rose.

The break came on Wednesday October 23 with securities suddenly unloading, prices falling and acute pressure on credit traders. The next day — Black Thursday — selling orders streamed out in such volume that for a time there were no buyers

Bankers, economists, the Treasury Department and above all the White House issued a stream of statements in October 1929, often in the exact words used this week, emphasising that despite the panic the nation's economy was fundamentally sound.

But the vortex went on week after week and by mid-November stocks had fallen more than 40 percent in value, a loss on paper of $26-billion.

The downward spiral in Britain was far longer, more frightening and catastrophic Unemployment rose inexorably and in seeming geometrical progression from two million in 1930 to four million in 1931 to eight million in 1932 to 15-million — more than one in four — in 1933. Prices of all kinds had collapsed, production had fallen by half in four years, agriculture was in ruins, business, banking and finance at the point of collapse.

When US President Franklin Roosevelt took office in March 1933 he faced the most serious crisis since the American Civil War.

The effects of the Wall Street crash had not just devastated the American economy, but the economies of Western Europe too In desperation, nations turned to strong men for solutions Barely a month before, Hitler had taken power in Germany. In that way the crash was one of the pivotal events of the 20th century.

Yet the underlying problem with the economy was that America's capacity to produce goods was tending to outstrip its capacity to consume them More than a third of the population was still dependent on agriculture in 1930 but this sector had not shared in the 1920s boom. In industry, real wages had risen by about 10 percent in the decade before the crash, but productivity had risen by 50 percent, creating an unbridgeable gap between making and selling.

The distribution of income was so skew that the wealth of the nation's richest 631 000 families was greater than that of 16-million at the bottom of the economic pyramid. The economy was thus dangerously dependent on the spending decisions of a few rich people

Roosevelt and the New Deal did something to tackle these problems. Wall Street was reformed and regulated. Banking was reformed and small depositors given Federal insurance

High public spending helped reflate the economy. Stronger trade unions, protected by law, helped bid up wages and raise aggregate demand But the real problem was that even when the economy recovered, there was still high unemployment — a riddle Britain faced throughout the inter-war years, and faces again today When Roosevelt cut public spending in 1937, the result was an economic downturn as steep as in 1929.

Public spending, as the British economist JM Keynes was arguing, was the answer to the riddle of unemployment "It seems impossible," he wrote in 1940, "for capitalistic democracy to organise expenditure on the scale necessary to make the grand experiment which would prove my case — except in war conditions."

The war made that grand experiment possible, and the postwar world was shaped by the application of Keynesian ideas, in America and elsewhere, about the role of government in managing modern capitalism. But all that changed in the 1970s. The huge rise in oil prices, slow growth and inflation led to disillusion with Keynesian economics.

The 1980s have seen Reaganomics and Thatcherism in full cry in reaction against the trends of the past 50 years Certainly they have changed the agenda But have they not also served to restore the competitive free enterprise which came unstuck after 1929?

In Britain, privatisation created a new class of investor which, like those in America in the Twenties, were interested in profit rather than income and believed shares only went up The huge federal budget deficit in America, which was non-existent in 1929, means moreover that speculators speculate while the Japanese largely fund American debt.

The problems may be different today than they were in 1929. But chronically high unemployment in Western Europe, credit and mortgage indebtedness, and the size of America's foreign trade and budget deficits reveal that now, just as then, there are serious underlying problems which another stock market scare might exacerbate. — The Guardian, London

Cape Times
6/11/87

Activists 'called SA's sports bluff'

HARARE. — World anti-partheid activists had called South Africa's bluff and proved they were ready for any confrontation forced by breaches of the sports boycott, the president of the South African Non Racial Olympic Committee, Mr Sam Ramsamy, said yesterday.

Addressing the first conference here on apartheid and sport, Mr Ramsamy accused South Africa of wanting to see international events disrupted.

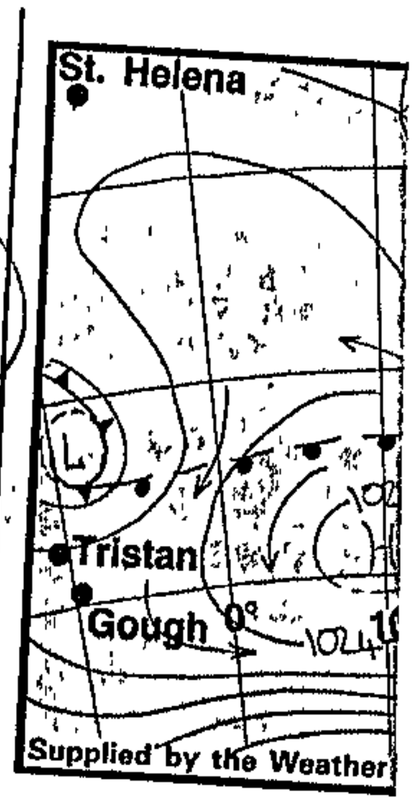
But the boycott of last year's Commonwealth Games had shown how serious the opponents of apartheid were.

Mr Ramsamy claimed South African embassies were in the forefront of the country's attempts to gain a foothold in international sport, through the secret appointment of special "sports liaison" diplomats.

The Zimbabwean Prime Minister, Mr Robert Mugabe, called on all national and international sports bodies to strengthen the Organization of African Unity and United Nations endeavours to eliminate apartheid in sports.

The finance secretary of Sacos, Mr Krish Mackerdhuj, said inequalities, brutalities and atrocities in sport in South Africa must be highlighted to expose the cosmetic nature of the so-called reforms in that country.

In an interview he said his delegation had had few chances of coming out of South Africa to tell the world what sport under apartheid was like.



Fine a

CAPE PENINSULA and vicinity and Western Cape Coastal Belt: Fine and cool bu cloudy in the Overberg with light rain clearing later. Wind fresh to strong southerly be coming gale force south-easterly and moderating over the Boland The minimum and maximum temperature will be between 13 and 22 deg C

Coastal belt Cape Infanta to Plettenberg Bay Cloudy and cool with light rain clearing partially.

Coastal belt Plettenberg Bay to Port Alfred. Cloudy and cool with light rain

Namaqualand and the South-Western Cape Interior. Cloudy and cool

Pretoria, Witwatersrand and the Eastern Highveld Partly cloudy and hot with scattered thundershowers

Transvaal Partly cloudy and hot with scattered thundershowers

Free State Partly cloudy and hot with scattered thundershowers.

Natal Partly cloudy and warm with rin later.

Namibia: Partly cloudy and hot with scattered thundershowers

Botswana Partly cloudy and very hot with isolated thundershowers

YESTERDAY'S READINGS

	noon	8pm
Barometer	1023,2	1023,8
Humidity	63,0	69,0
Temperature	18,8	15,1

max 19,7 min 12,3
(At D F Malan 24 hours to 8pm)
Hours of sunshine: 11,8

telev

TV schedules, supplied by the SAB

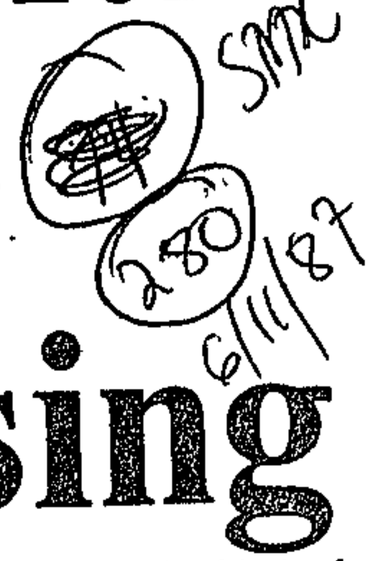
6.00-8.00: Good morning SA
3.27: Programme schedules
3.30: Take a break
4.00: The Raccoons

Swedish firm out

STOCKHOLM. — Swedish engineering group Alfa-Laval AB is to transfer ownership of its South African subsidiary to a trust in terms of a trade boycott Sweden imposed on Pretoria last month. — Sapa-Reuter.

As West tightens sanctions noose . . .

SA's trade with Eastern bloc said to be rising



By David Braun,
Political Correspondent

By trading behind the Iron Curtain and the Bamboo Curtain, South Africa is poised to take advantage of a yawning gap in the international sanctions net.

It is understood that private sector organisations have already made contact with a number of Eastern bloc countries and, more recently, with Red China.

Representatives of these countries have already visited South Africa for discreet informal negotiations, according to a well-placed source.

Aggressive new policy

"You would be surprised to know where South African businessmen are travelling in Eastern Europe at this very moment, while certain gentlemen from countries that normally would have nothing to do with us are in Johannesburg right now," the source said.

South Africa has apparently sanctioned an aggressive new no-holds-barred trading policy in the face of mounting economic sanctions from the West.

There is no discrimination against any countries willing to trade, while anything goes to secure business, including undercutting, barter deals and "triangle trade" involving three-way swops between countries to secure needed goods.

This last form of trade is apparently particularly alluring to Red China, which increasingly trades through Hong Kong, Macao and, it is reported, even through Taiwan.

A Department of Trade and Industry spokesman says it should be stressed that the private sector, not the Government, is involved in trade.

For a long time it has been been Government policy not to interfere with international trade, he says, and private entrepreneurs are free to trade where they can.

Trading links with the Eastern bloc has already enabled South Africa to circumvent America's strict sanctions legislation.

This week a symposium was held in Johannesburg on the development of trading ties between South Africa and Red China.

National Party member of the President's Council and international trader, Mr Craig Williamson, told the symposium that, in the Government's view, local commerce and industry were free to develop trading links with any other nation.

The expandion of trading links with Peking would not affect existing trading relations with Taiwan, he said, and it was in no way a Government initiative.

China, he said, was interested mainly in South African mining technology and equipment, as well as some raw materials and minerals.

On the other hand, South Africa was Africa's Hong Kong in the sense that it offered the ideal gateway for China's trade with the rest of the continent.

Mr Williamson said a sizeable quantity of Chinese goods were already available in South African shops.

There would obviously not be any official comment or admission of such trade from either the South African or Chinese Governments, but it was in both countries' interests that their respective private sectors be allowed to get on with business, Mr Williamson said.

Coal exports cut by 7,5m tons

Own Correspondent

JOHANNESBURG. — Sanctions imposed by a number of Western countries will reduce SA's coal exports by between 5m tons and 7,5m tons in 1987, Allen Sealey, Rand Mines coal division chairman says.

He tells Witbank Collieries shareholders in his annual review that the full effect of sanctions imposed by the US, Denmark and France was being felt in the current year.

"Political sentiment in certain other countries where formal sanctions have not been implemented has made it extremely difficult for South African exporters to expand their sales. As a result, exports are expected to reduce markedly during the 1987 calendar year to between 38m and 40m tons."

"Unfortunately, one of the major effects of this is the inevitable contraction of the mining operations at the various mines — with employees having to be retrenched. Cutbacks in production were forced upon a number of South African mines," he said.

In the Witbank Colliery group 550 workers were laid off at Welgedacht colliery and at Van Dyks Drift 308 employees were retrenched.

"Far from encouraging reform, the sanctions campaign has led to a hardening of attitudes in South Africa and the sufferers include the very people who the pro-sanctions campaigners claim to be supporting," Sealey says.

A recent opinion survey of Rand Mines employees shows an overwhelming rejection of sanctions, he says.

The survey, carried out by an independant overseas organization on a representative sample of colliery employees, indicated that:

- 61% of workers felt sanctions were a bad thing,
- 71% believed sanctions would reduce their earnings and harm their life at home, and
- 80% felt sanctions could result in their losing their jobs.

Senator faces SA rumpus as White House race starts

The Argus Foreign Service

WASHINGTON. — Republican Senator Bob Dole of Kansas officially launched his bid for the US presidency — and immediately ran into trouble with the American anti-apartheid movement.

As Senator Dole's campaign kicked off yesterday, Transafrica, the Washington-based organisation that spearheads the pro-sanctions effort in the US, launched a series of anti-Dole television ads in the politically crucial state of Iowa

One of the first preliminary party votes to chose a presidential nominee will take place in Iowa early next year.

Running second

Dole strategists believe their candidate, now running second to Vice-President George Bush in nationwide polls, must win in Iowa if he is to have a chance of winning the Republican nomination

Iowa, like Senator Dole's home state of Kansas, is a mid-Western state. The two states have similar populations and problems.

If Senator Dole loses in Iowa, his campaign will be virtually lost. At present he has the support of 32 percent of Iowa Republicans compared with 41 percent support for Mr Bush

Opposed sanctions

The Transafrica advertisements accuse Senator Dole, Republican leader in the US Senate, of turning his back on apartheid because he has consistently opposed economic sanctions against South Africa.

The advertisements urge Iowa viewers to "make Dole face the consequences of opposing sanctions on South Africa" and are expected to pursue him as he follows the campaign trail.

Yesterday Senator Dole denied he had turned his back on apartheid

"There isn't a racist bone in my body," he insisted.

Losing side

Senator Dole's opposition to economic pressure on Pretoria, which put him on the losing side in the big 1986 debate over apartheid, is seen as an attempt to gain support from Republican conservatives lukewarm about Vice-President Bush.

Speaking in his home town of Russell, Kansas, yesterday, Senator Dole, 64, said he would be a "common-sense" President who would reduce the federal budget deficit, not raise taxes, oppose abortion and support the Strategic Defence Initiative — all popular policies in rural America

Analysts say one of his biggest assets is the campaign support of his wife, Elizabeth, an attractive Southern-born lawyer.

Mrs Dole resigned as President Reagan's Secretary of Transportation to help her husband get to the White House.

Cape Town

Argus 10/7/82

Zeebrugge port seeks more trade with SA

280

Staff Reporter

SOUTH AFRICA is the biggest container customer of the Belgian port of Zeebrugge, which seeks to expand trade.

A 12-man delegation yesterday started a 10-day visit to South Africa to promote the port, which members claim will be a reliable gateway to the European hinterland for imports and exports from this country in future.

"We are against this sanctions nonsense because people in Europe do not understand the complicated situation in South Africa. We support evolution in this country without sanctions," said Mr Fernand Traen, president-managing director of the Zeebrugge Port Authority and delegation leader.

South African container ships started calling at the port last year and were the biggest customers of the port, he said.

Cape Town shipping and businessmen were entertained to a cocktail party at a city hotel where they were shown a film on development of the port over the past decade and plans to enlarge it to attract more trade.

The delegation will also visit Port Elizabeth, Durban, Johannesburg and Pretoria.

Sanctions 'will slash exports'

Sanctions imposed by a number of Western countries and political sentiment in others, will reduce South Africa's coal exports in 1987 by between 5 million tons and 7,5 million tons, says Mr Allen Sealey, Rand Mines coal division chairman.

In his latest chairman's statement to shareholders of Witbank Colliery, he says the full effect of sanctions was not felt during 1986 and the coal industry exported 45,5 million tons — 2 percent more than in 1985.

Exports were expected to reduce markedly during the 1987 calendar year to between 38 million and 40 million tons, he said.

"Unfortunately, one of the major effects of this is the inevitable contraction of the mining operations — with employees having to be retrenched." — Sapa.

B/day 10/11/87 (280)

Sanctions support shrinks

THE number of black South Africans willing to support sanctions at the cost of their jobs had shrunk from one in four to one in seven in the past two years, South African Institute of Race Relations executive director John Kane-Berman said in London yesterday.

He told British members of the Institute at the Reform Club the weight of opinion poll evidence contradicted the claim that blacks were willing "To sacrifice their jobs on the altar of economic warfare".

He said: "There seems to be a wide view abroad that most black South Africans favour sanctions and disinvestment. The weight of opinion survey evidence suggests otherwise".

In 12 of 14 opinion polls conducted among blacks over the past few years,

Business Day Reporter

more were opposed to sanctions and/or disinvestment than supported them, and in eight of those 12 cases the opponents outnumbered the supporters by at least two to one".

Published

Citing the most recent survey results published, Kane-Bermann said they showed that the number of blacks who thought sanctions would work to end apartheid had dropped from 57% to 41% in the last two years, and that the number who support sanctions at any cost dropped from 26% to 14%.

The number who would not support sanctions if this would mean any job losses has increased from 48% to 60%.

He said: "This does not mean that blacks oppose all international pressures against the SA government, but that they take a pragmatic view of what kinds of pressures should be applied".

One positive effect arising from the sanctions campaign, he said, was that it had helped to alert a widening circle of businessmen to the need for change in SA and had been a factor eroding their complacency towards the brutalities of apartheid.

He added: "One of the effects of sanctions will be to augment the reserve army of labour and so, among other things, increase the supply of potential recruits to vigilante groups, not to mention the police and the defence force".

'SA remains a force in trade'

Despite increasing international pressure and the call for sanctions South Africa remains a major force in world trade.

Mr Alwyn Schlebusch, Minister in the State President's Office told guests at the Export Achievement Awards banquet in Johannesburg last night that last year this country was in 27th spot in the export league of 161 nations.

"In the January-August period of this year, we exported goods valued at R27,8 billion," said Mr Schlebusch.

"Since imports have remained fairly constant over the same period the foreign trade surplus up to August this year was R9,4 billion."

He emphasised, too, that the outlook for exports was even better.

● Export Achievement Award winners on Page 19.

ARGUS 10/11/87 280

CITY/INTERNATIONAL

Tennis now target for sports 'sanctions' on SA

Argus Africa News Service

HARARE. — Tennis is to become a major target for opponents of sports links with South Africa now that it is to become an Olympic sport.

This was one of the decisions reached at the three-day meeting of the International Conference against Apartheid Sport at which it was agreed that efforts would be concentrated on persuading the International Tennis Federation to halt contact with South Africa.

A declaration agreed by popular acclamation at the closing ceremony said the conference was satisfied with the progress in excluding South Africa from the international arena.

It seems the strategy now will be to concentrate attention on selected areas such as tennis, rugby and cricket.

Blocking loopholes

The declaration said delegates recognised that apartheid defied reform and must be destroyed.

A leading figure at the meeting, Major-General Joseph Garba of Nigeria, chairman of the United Nnations Special Committee against Apartheid, said he was confident concerted international action would result to block loopholes which South Africa was exploiting in its attempt to get back into international sport.

He welcomed a Zimbabwean promise to stop South African sportsmen from using Zimbabwean passports for convenience and urged action to pinpoint multinational companies which sponsored sport in South Africa.

Major-General Garba made a special appeal to Britain, the United States and West Germany to be more sensitive to the wishes of the international community as a whole who regarded apartheid as a terrible evil.

The conference applauded the efforts of the South African Non-racial Olympic Committee (Sanroc) headed by Mr Sam Ramsamy and urged governments to give it financial support.

Sanctions to reduce SA coal exports by 7,5m tons — Sealy

Daily Dispatch Correspondent

JOHANNESBURG — Sanctions imposed by a number of western countries will reduce South Africa's coal exports by between 5-million tons and 7,5-million tons in 1987, the chairman of the Rand Mines coal division, Mr Allan Sealy, said.

He told Witbank Collieries shareholders in his annual review that the full effect of sanctions imposed by the USA, Denmark and France was being felt in the current year

"Political sentiment in certain other countries where formal sanctions have not been implemented has made it extremely difficult for South African exporters to expand their sales. As a result, exports are expected to reduce markedly during the 1987 calendar year to between 38-million and 40-million tons.

"Unfortunately, one of the major effects of this is the inevitable contraction of the mining operations at the various mines — with employees having to be retrenched. Cutbacks in production were forced upon a number of South African mines," he said.

In the Witbank colliery group, 550 workers were laid off at Welgedacht colliery and at Van Dyks Drift 308 employees were retrenched.

"Far from encouraging reform, the sanctions campaign has led to a hardening of attitudes in South Africa and the sufferers include the very people who the pro-sanctions campaigners claim to be supporting," he said.

A recent opinion survey of Rand Mines employees shows an overwhelming rejection of sanctions, he said.

Mr Sealey added that coal producers are facing a lean time and problems in the inland market could be exacerbated if export producers attempt to sell surplus export output locally

He said that despite South Africa's present production cost advantage, the international picture is bleak. Local costs are rising and competition is intensifying, with the entry of Colombia and China to the market.

However, Mr Sealey said spot prices on the export market appear to have bottomed, and an increase in prices is expected next year.

CHC Times 10/11/87 280

Race Relations survey on black opinion

Only one in seven support sanctions

LONDON. — The number of black South Africans willing to support sanctions at the cost of their jobs has shrunk from one in four to one in seven in the past two years, the executive director of the South African Institute of Race Relations, Mr John Kane-Berman, said here yesterday.

Addressing British members of the Institute at the Reform Club, Mr Kane-Berman said the weight of opinion-poll evidence contradicted the claim that blacks were willing "to sacrifice their jobs on the altar of economic warfare".

Mr Kane-Berman said: "There seems to be a wide view abroad that most black South Africans favour sanctions and disinvestment. The weight of opinion survey evidence suggests otherwise, however.

"In twelve of fourteen opinion polls conducted among blacks over the past few years, more were opposed to sanctions and/or disinvestment than supported them — and in eight of those twelve cases the opponents outnumbered the supporters by at least two to one."

THE impact of sanctions and disinvestment should primarily hit employers and make whites and the business community aware of the suffering apartheid was causing, according to the general secretary of Cosatu, Mr Jay Naidoo.

"We are looking at measures aimed directly at isolating apartheid — ending loans to this government, an end to emigration and business travel.

"Obviously we are going to have unemployment as well," Mr Naidoo said in an interview with Leadership magazine.

Citing the most recent survey results published, Mr Kane-Berman said they showed that the number of blacks who think sanctions will work to end apartheid has dropped from 57% to 41% in the last two years, and that the number who support sanctions at any cost has dropped from 26% to 14%, while the number who would not support sanctions if this would mean any job losses has increased from 48% to 60%.

"The weight of opinion-poll evidence thus contradicts the claim that black South Africans are willing to sacrifice their jobs on the altar of economic warfare.

"The most recent poll in fact suggests that even that minority of people willing to support sanctions at a cost to their jobs has shrunk in the past two years from one in four to one in seven," Mr Kane-Berman said.

He added: "This does not mean that blacks oppose all international pressures against the South African government, but that they take a pragmatic view of what kinds of pressures should be applied."

Mr Kane-Berman added: "One of the effects of sanctions will be to augment the reserve army of labour — and so, among other things, increase the supply of potential recruits to vigilante groups, not to mention the police and the Defence Force.

"Such vigilantes are already playing a role in curbing township militancy." — Sapa

Our men in Washington see fresh trouble ahead

Pro-sanctions lawmakers seem to be mobilising again with the anti-spartheid sector, reports Alan Dunn.

When Dr Piet Koornhof meets his top aides in his office at the South African Embassy in Washington at 9 am each day, he is given a playback on how the mainstream American news media have reported on South Africa.

Until 10 days ago, the official assigned the task had taken only a few minutes of the conference's time. Suddenly his contribution swelled.

For those listening to the news scans, alarm bells started jangling. Most officials at the daily meetings had been through last year's sanctions storm and they soon detected a developing momentum on the South Africa issue, an early warning that further trouble was looming for Pretoria.

Their recognition of it was shaped by a number of recent South Africa-related events leading to the conclusion that the apartheid issue was being kept very much on the simmer.

Prime mover

Congressional leaders in the sanctions debate have already signalled that no further measures against South Africa will be introduced this year. A full legislative agenda, crowded with other pressing foreign policy issues and domestic crises, saw to that.

Next year, however, is a different matter. One of the prime movers in wanting more sanctions against South Africa, Congressman Howard Wolpe, chairman of the House Foreign Affairs Sub-committee on Africa, has indicated he will try to bring it to the boil again early in 1988. He will hold hearings then on further specific sanctions against South Africa.

The nucleus of pro-sanctions lawmakers on Capitol Hill yielded this autumn in Washington to other issues, especially because it was only a year since the victorious passage of a tough sanctions law against South Africa in defiance of President Reagan's veto. They seem to be mobilising again with the anti-apartheid sector. The question is whether they will succeed in making South Africa an issue in the presidential elections next year.

In the last 10 days, the American news media have shown a readiness to cover South Africa intensively again, a bandwagon no politician worth the name could afford to let go by.

"Cry Freedom", a film on exiled East London newspaper editor Donald Woods, and Steve Biko, the black leader who died in detention when he was 30, has generated widespread reviews, comment and debate. "The Cry of Reason", a documentary on the Rev Beyers Naude, also had its premiere last week and will also attract some publicity.

These films, particularly "Cry Freedom", may well serve as the bedrock for the anti-apartheid movement's efforts next year. The movies are powerful and moving, likely to



Wolpe . . . more sanctions wanted.

rally public sentiment on apartheid.

Another film, "Children of Apartheid", may be screened on CBS television within weeks. It is an hour-long documentary by the American news legend, Walter Cronkite.

South Africa's return to the news pages and broadcasts has been conspicuous. Routine reports are now being accompanied by features, editorials and even advertisements — in Iowa, a crucial state for next year's presidential elections, Senator Bob Dole, a White House contender, is facing an anti-apartheid attack on TV for opposing sanctions last year.

Sponsoring the advertisements is TransAfrica, a highly active group branding the Senate's Republican leader as one of the "faces behind apartheid".

While Congress seems to have placed South Africa on hold, there have been some moves to keep the issue ticking over, with both the Senate and House passing disapproving resolutions on children in detention, two recent hearings reviewing developments in South Africa in the last year, and an ongoing bid to break a double-taxation agreement between the two countries, which would cost US companies operating in the Republic a lot of money.

The release of the former African National Congress chairman, Mr Govan Mbeki, also received solid publicity. It was widely welcomed by government officials, politicians and the media.

But most viewed it cautiously, saying more acts like this should follow. Some political analysts in Washington believe the Mbeki move will have a limited shelf-life. It may have bought the South African Government time to maneouvre, but signs are clear that it will allow little more than a breather.

Officials at the SA embassy in Washington have detected a developing momentum on the South Africa issue and see it as an early warning that further trouble is looming for Pretoria, reports ALAN DUNN of The Argus Foreign Service in Washington.

Argus 11/11/87

All eyes on Pretoria

WHEN Dr Piet Koornhof meets his top aides in his office at the South African embassy each day, he is given a playback on how the mainstream American news media have reported on South Africa.

Until 10 days ago, the official assigned to the task took only a few minutes of the conference's time. Suddenly his contribution swelled — he had much more to tell the ambassador.

For those listening to the news scans, alarm bells started jangling. Most officials at the daily meetings went through last year's sanctions firestorm, and they soon detected a developing momentum on the South Africa issue, an early warning that further trouble was looming for Pretoria.

Their recognition of it was shaped by a number of recent South Africa-related events leading to the conclusion that the apartheid issue was being kept very much a-simmer.

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The nucleus of pro-sanctions lawmakers on Capitol Hill yielded this autumn in Washington to other issues.

They seem to be mobilising again with the anti-apartheid sector. The early signs are there, and the question is whether they will succeed in making South Africa an issue in the presidential elections next year.

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who died in detention when he was 30, has generated widespread reviews, comment and debate.

The Cry of Reason, a documentary on the Rev Beyers Naude, was also premiered last week and will attract some, though significantly less, publicity, debate and sympathy than its Hollywood twin.

These films, particularly *Cry Freedom*, may well serve as the bedrock for the anti-apartheid movement's efforts next year. The movies are powerful and moving, likely to rally public sentiment on apartheid.

Another film is in the wings. Titled *Children of Apartheid*, it may be screened on CBS television within weeks

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Sanctions hit coal exports

SANCTIONS imposed by a number of western countries will reduce South Africa's coal exports by between 5-million tons and 7,5-million tons in 1987, Allen Sealey, Rand Mines coal division chairman says.

He tells Witbank Collieries shareholders in his annual review that the effect of sanctions imposed by the US, Denmark and France was felt in the current year.

"Political sentiment in certain other countries where formal sanctions have not been implemented has made it extremely difficult for South African exporters to expand their sales. As a result, exports are expected to reduce markedly during the 1987 calendar year to between 38-million and 40-million tons.".

One of the major effects of this was

PETER STACEY
Mining Editor

the inevitable contraction of the mining operations at the various mines, with employees having to be retrenched.

In the Witbank colliery group 550 workers were laid off at Welgedacht colliery and at Van Dyks Drift 308 employees were retrenched.

"Far from encouraging reform, the sanctions campaign has led to a hardening of attitudes in South Africa and the sufferers include the very people who the pro sanctions campaigners claim to be supporting," Sealey says.

A recent opinion survey of Rand Mines employees shows an overwhelming rejection of sanctions he says.

The survey, carried out by an independant overseas organisation on a sample of 1 004 workers and representative of collieries in the group with export involvement indicated that:

- ☐ 61% of workers felt sanctions were a bad thing;
- ☐ 71% believed sanctions would reduce their earnings and harm their life at home, and
- ☐ 80% felt sanctions could result in their losing their jobs.

"It would appear from the results of the survey that the employees have overwhelmingly rejected sanctions and that the leadership of NUM, in their campaign against South African coal, has failed to consider the views of their workers," Sealey concludes.

Alienation started with apartheid, says US ambassador

SA 'one of the loneliest states in the world'

A 40-year pattern of disengagement which was sometimes forced and sometimes chosen, had brought South Africa to the sad point where it was one of the loneliest states in the modern world, American ambassador Mr Edward Perkins, said yesterday.

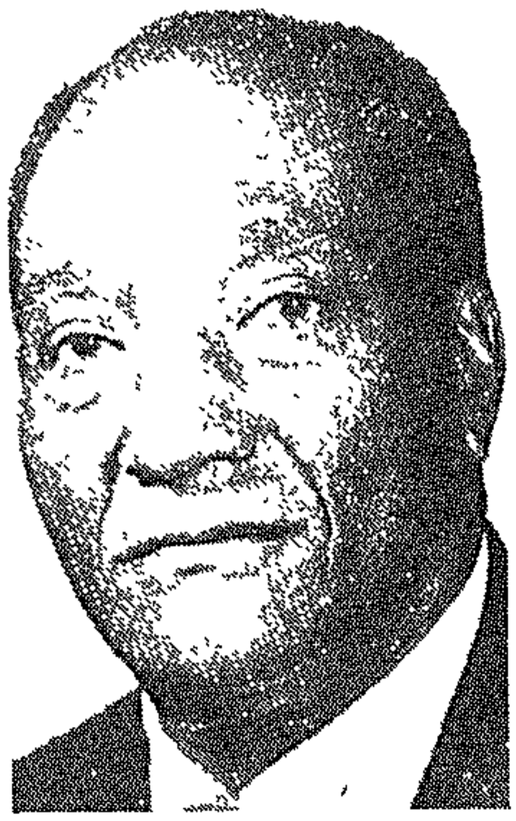
Addressing the Vaal Triangle Technikon symposium in Vanderbijlpark on a vision of the future for South Africa, he said positive interaction by South Africa with the outside world, particularly the West, was crucial for the country's future.

Advocating a "new realism" in the relationship between South Africa and the world, he said it was impossible to believe the country could endure into the next century, if it turned its back on the West.

"It is folly for a nation to allow itself to be lulled to sleep in the false belief it can go it alone — economically, politically or socially.

"There may be some short-term gratification in writing xenophobic editorials or telling us all to go to hell, but as Chester Crocker once said 'indignation is not a foreign policy'," Mr Perkins said.

The process of alienation of South Africa, which started with the institutionalisation of



Perkins . . . SA needs interaction.

apartheid in 1948, had extended to an "alarming" degree in the last two years, during which there had been a spate of sanctions and growing diplomatic isolation.

"Far fewer official visitors venture into the country and most serious is the growing sense among South Africans — tragically mistaken in my view — that somehow their country must forge a future of its own, apart from the West."

Mr Perkins said he had already spoken and written to the effect that the West had to treat "this fascinating, fractured society in a sensitive manner.

"Similarly, South Africa cannot, in its own interest, afford to manage its relations with the other countries on this globe irresponsibly."

Mr Perkins said he doubted South Africa's ability to sustain indefinitely, the role of isolated regional superpower.

A new political system had to be a broader democracy which took into consideration the "genuine pluralism" existing in South Africa.

"It has been very disheartening to see this society turn away from the values which help people to bridge differences and forge bonds.

"The curtailment of free speech and the denial of open access to information will only stifle the creativity needed to envision the future of this nation.

"Does it make sense, as you begin to imagine a new country, to cut yourselves off from the freest, most prosperous and most productive societies in the world? I cannot believe it does.

"Rather, Western experience, both positive and negative, should be carefully used," Mr Perkins said. — Sapa.

SELLING A BUSINESS?
MAKING AN ACQUISITION?

NEWS

Bloom: stop sanctions

SANCTIONS would make the SA government, and whites generally, more belligerent and defiant, Premier Milling group chairman Tony Bloom told the Harvard Business Review recently.



● BLOOM

In a wide-ranging interview conducted in the US, Bloom attempted to introduce US readers to the complexities of doing business in a society "regulated by institutionalised, legislatively entrenched racial discrimination".

The interview covered:

Business Day Reporter

☐ The effect of international pressure on SA business operations;
☐ Black advancement within the business sector;
☐ Business's limited influence on government policy;
☐ The prospects for free enterprise under black rule; and
☐ Disinvestment.

Bloom urged the international business community to "stay, expand, gain greater leverage — focus on breaking down discrimination wherever it's encountered".

Asked about business pressure on government, Bloom said the business community tended to divide itself into English and Afrikaans camps, while the English business community was divided on the issue of talks with the ANC.

"English-speaking business has as much influence on government racial policy as a ping-pong ball bouncing off a stone wall. We have influenced legislation, but we do not control it."

Businessmen who had met the ANC had come away with the impression that it concentrated more on political and military issues than on economic policy.

"ANC leaders did talk in terms of mixed ownership, not about a plan for total nationalisation. They spoke of Scandinavian models rather than Eastern bloc models."

NEW OU MARK

THEO RAWANA

THE Ou Mark on the eastern side of Bloemfontein's CBD is to reopen on Saturday as a new R2,4m shopping complex after 18 months of reconstruction by the Small Business Development Corporation (SBDC).

The market, built in the 1920s near the railway station and on a busy pedestrian route, had been unused for some years after a new market was built out of town.

Early last year the SBDC, with the Bloemfontein City Council's support, decided to redevelop the Ou Mark into a 43-shop, 3 400m² complex, including clothing shops, jewellers, home industries, office space and bottle stores.

NATIONAL/INTERNATIONAL Argus 13/11/87

UK business urged to boost SA reform

From MICHAEL MORRIS
The Argus Foreign Service

LONDON. — Some of South Africa's most important British business partners have been told that reform is continuing steadily and that they can help speed the process by boosting "action on the ground".

Mr John Kane-Berman, executive director of the South African Institute of Race Relations, has told businessmen in London that irrespective of the Government's public statements on political change, a virtually inexorable process of reform is occurring "from the bottom up".

Week-long visit

He said: "What we have told people in Britain is that this is happening not because the Government particularly wants to see the dismantling of apartheid but because it (apartheid) is crumbling under the weight of its own contradictions ... and it is action on the ground which forces Parliament to keep up and to change laws"

Mr Kane-Berman is nearing the end of a week-long visit to the British capital to brief institute members, including South African and British individuals and organisations, on the situation at home



Mr Kent Durr

His contacts in the past week have included informal talks with London representatives of the African National Congress and Inkatha, a British MP, and members of the British Industry Committee on South Africa

Meanwhile, the Deputy Finance Minister, Mr Kent Durr, has said in London that European countries are displaying a "new realism" towards South Africa and its political reform initiatives

Mr Durr, on a two-week visit to Europe for meetings with South Africa's international bankers and industrial contact men, said sanctions and disinvestment had been "a hopeless failure in every respect".

The country's economy, far from being ruined, was moving out of its recession.

Mr Durr said he had found during his trip that Europeans were adopting a more pragmatic approach to encouraging political reform in South Africa.

He said "People are looking at more realistic time-frames. Before, they were expecting the impossible of us.

Vital development

"There has been the realisation that the country is not going to go to revolution tomorrow morning, but also that we won't produce solutions tomorrow morning."

Many Europeans had come to believe, like Mrs Margaret Thatcher, "that the economic development of the region is vital for delivering political reform".

Deep gloom after IRB meeting

w/e
MR6CS
14/11/87

280

by ALAN ROBINSON

AGEN.— Early optimism that South Africa might escape lightly from the row over the South Pacific Barbarians rugby tour turned to deep gloom after the International Rugby Board meeting broke up here last night.

Although both SA Rugby Board delegates, Professor Fritz Eloff, and Mr Jan Pickard, remained tight-lipped, it was noticeable that they were distinctly subdued after their initial buoyant mood.

The word from other delegates was that South Africa has been severely punished for hosting the Barbarians tour. Although nobody was prepared to spell out the nature of the sentence, speculation among the Press corps centred on a stiff period of suspension, perhaps lasting 12 months.

One South Africal official was heard to remark: "The people back home will not like it one bit, but it was the best we could get in the circumstances."

The IRB was due to announce its verdict late today, and whatever it is, there will be strong feelings for and against.

IRB chairman, Albert Ferrasse, admitted publicly he wanted South Africa acquitted on all counts, but he faced heavy and prolonged opposition from England's John Kendall-Carpenter. The English rugby union have already severed ties with South Africa in protest against the Barbarians tour and are believed to have been given active su port by at least one other home union.

If there has been a decision on a 12-month suspension, it may well have been back-dated to the start of the Barbarian's visit, thus allowing a short tour by a Five Nations side at the tail end of next seson.

And provided South Africa served sentence without staging another unofficial tour, the going looked good for a visit by a full British Lions team in 1989.

Official: Germany rejects sanctions

HARARE — There is consensus in the Federal Republic of Germany's Parliament that apartheid should be dismantled, but not on the methods by which that system should be brought to its knees, the vice-president of the Bundestag, Mr H. Westphal, has said.

Speaking at a press briefing at a hotel here yesterday, Mr Westphal said: "We are not all agreed on the subject (apartheid) in parliament.

"We are of one opinion that we completely and utterly reject apartheid, but we do not agree on the methods of dismantling apartheid."

He said Germany was committed to assisting the frontline states achieve economic independence from South Africa especially in the field of transport.

He added that the West German Government and European Community were against any sanctions package.

Mr Westphal is the leader of a West German delegation of parliamentarians and educationists currently in Zimbabwe to hold "intensive" discussions in several areas but mainly, technology, education and politics, with their Zimbabwean counterparts. — Sapa

Local staff buy Cigna Insurance

B/day

16/11/87

LINDA ENSOR

THE management and staff of Cigna Insurance Company have acquired the short-term insurance company in a management buy-out from the US Cigna Corporation — one of the world's five largest insurance groups — which has decided to disinvest from SA after 40 years here.

A Cigna Corporation spokesman said the decision had been difficult and had been delayed until an equitable and workable solution could be found to meet the interests of the company's insureds, brokers and employees.

The name of Cigna Insurance has been changed to Concord Insurance, which has assured clients there will be continuity of coverage and service. Also, capacity for accepting insurance risks and underwriting flexibility will remain unchanged.

This is because Concord will benefit from a new reinsurance treaty programme and a stop-loss treaty which has been introduced to protect its underwriting results and solvency margins.

Concord's paid-up capital has been increased from R3,2m to R10m. Its unaudited results for January 1 to October 31 show a gross written premium of R92,5m and a pre-tax profit, including investment income, of R13,6m. The underwriting profit was R8,4m.

Its financial base, says a statement, was 176,5% of net premium income as at October 31.

The approval of both the Insurance Registrar and the Reserve Bank has been obtained for the arrangement.

FOR SUBSCRIPTION INQUIRIES — TELEPHONE EAST LONDON 26141

UK anti-apartheid group faces defeat

Bill seeks to erase sanctions against SA

Daily Dispatch Correspondent

LONDON — The British Anti-Apartheid Movement (AAM) today faces a severe defeat which could erase sanctions applied against South Africa over the past 27 years.

Two clauses in the Local Government Bill, which comes before a Commons select committee today, seek to stop councils from applying their own sanctions against South Africa and from refusing to do business with South African-linked companies.

The AAM is fighting a fierce rearguard action against the Bill — which members openly admit will emasculate their efforts to isolate South Africa. But, with Mrs Margaret Thatcher's Conservative Party holding a majority of more than 100 seats in the Commons, their chances of getting enough Tory MPs to join opposition members to defeat clauses 17 and 18 of the Bill are slim.

Clause 17 which, according to Environment Secretary, Mr Nicholas Ridley, is designed to deal with councillors who "seem to find it more fun to play at national politics at their ratepayers expense than to deal with the real local challenges and problems" obliges local authorities to ignore matters which are non-commercial in relation to their purchasing and contracts. A subclause defines "the country or territory of the origin of supplies to, or the location in any territory of the business activities or interests of contractors or associated bodies" as matters which are non-commercial

Clause 18 closes a possible loophole which could have been used by local authorities to get around the Bill by stipulating that they will not be able to argue that it is legitimate to take action against South Africa on the grounds that the Race Relations Act obliges them to promote good race relations.

Although local authorities have taken action to boycott South African products and firms with links with South Africa since 1960, the Thatcher era has seen a huge growth in council sanctions activity.

Faced with a central governemnt opposed to sanctions, the AAM has switched the emphasis of its sanctions campaign to local authority level. In total, more than 100 authorities across Britain have imposed some kind of economic sanction against South Africa or South African-linked companies.

Lewisham, one of the leading pro-sanctions councils, is at present facing court action from Shell for boycotting its products.

The executive secretary of AAM, Mr Mike Terry, said: "The government's motives appear to be a combination of prejudice and ignorance. If these proposals are enacted into law it will represent a grave setback for one of the most effective campaigns in Britain to isolate apartheid South Africa"

At the meeting in the Commons today members of the AAM; ANC; Swapo, a black Labour MP, Mr Bernie Grant; and trade unionists will attempt to lobby opposition to the two clauses.

An AAM spokesman said they would argue that in addition to emasculating efforts to isolate apartheid, the Bill would: Poison race relations in Britain; undermine industrial relations in local authorities; damage Britain's standing internationally; prohibit local authorities from giving effect to the British government's own voluntary sanctions; and, prevent local authorities taking action such as that in the Commons itself where the Lord Privy Seal said none of the items in regular supply were of South African-origin.

AAM members are taking heart from a debate in the Commons last week where several Conservatives expressed varying degrees of support for sanctions against South Africa.

But Tory right-wingers said the number of MPs unhappy with Mrs Thatcher's South Africa policy was "insignificant".

poned to December 1.

17/11/87

280 Star



Insurance company disinvests

By Teigue Payne

The American parent of Cigna Insurance Company has disinvested and local staff and management will now hold all shares in the company.

The disinvestment, for political reasons, by one of the world's largest insurance groups, was effective from November 5, and the company's name has been changed to Concorde Insurance.

The managing director of Concorde, Mr Robert Greenwood, said negotiations had taken about 13 months. He said 51 percent of the shares would be held by directors and senior management and 49 percent by staff at all levels, "down to the tea-lady".

He said staff had only to pay a nominal amount for the shares immediately.

There had been a "very good response" to the offer. The indications were that all shares allotted would be taken up immediately, he said. If they were not, they would be placed in a trust.

Mr Greenwood said the move would not affect policyholders in any way.

the Swazi border post.

will now begin the process of selecting Mozambique. — Sapa-AP

SUZMAN: SANCTIONS BACKFIRED

280 B'day 17/11/87

LA JOLLA (California) — Sanctions have backfired and are likely to make the SA government more repressive, PFP MP for Houghton Helen Suzman said yesterday.

She urged Americans to withdraw their support for sanctions.

Suzman said the withdrawal of US and European companies polarised SA, increasing the likelihood of violence and decreasing chances for reform.

"Sanctions are counter-productive in SA," she said.

"I believe the regime will become more repressive. No one should be under the delusion that the situation is so bad it won't get worse. It will."

Suzman's speech at the University of California, San Diego, was the first of several planned for the country.

"I absolutely understand the moral outrage against apartheid. I share it," said Suzman. "But I cannot support the practical results of this policy (of sanctions)."

She said the withdrawal of foreign companies had not weakened the SA government but had increased black unemployment.

Only as employed, contributing members of society could blacks gain political strength, she said. — Sapa-AP.

s share of the capital profit made by Boumat
d on the sale of its interests in two subsidiary
anies, less the write off of R138 000 goodwill on the
sition by the group of a 75% interest in Barnes
s (Proprietary) Limited.

e inventories were particularly low at
tember 1987 and it is estimated that these would
een approximately R15 million higher had stock
been commensurate with current sales
ements Had the consolidated balance sheet at
tember 1987 been adjusted to take this into account
d nevertheless have reflected a sound financial
n.

rim dividend of 11 cents per share (1987 – 6 cents)
n declared and will be paid to shareholders on or
January 1988.

e reviewed our forecast for fiscal 1988 which now
es earnings and dividends per share of 111 cents
80 cents) and 33 cents (1987 – 23 cents)
ively.

ng this forecast it has been assumed that the
f new vehicles from our suppliers will not be
d and that the present upheaval on the stock
will have no significant impact on the South
economy during the second six months of fiscal

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Sunday

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SA labour dispute has ripple effect

By DICK USHER, Labour Reporter

AN international union federation has started a worldwide boycott of a Spanish fishing company's products because a South African firm has not reinstated about 180 workers dismissed this year.

The boycott has been called by the International Union of Foodworkers (IUF) against Pescanova, 50 percent owners of Sea Harvest at Saldanha.

Sea Harvest was called on to reinstate about 180 members of the Food and Allied Workers' Union (Fawu), affiliated to the IUF, who were dismissed in September after they stopped work in solidarity with about 300 workers who had been dismissed three weeks earlier during a wage dispute with the company.

Fawu claims the company's actions before and after the dispute showed it was intent on destroying the union or weakening it so that it ceased to be an effective presence at Sea Harvest.

Fawu said the company was "putting up a puppet committee" to replace it.

"POLITICAL ASPECTS"

Mr H E Kramer, managing director of Sea Harvest, said there was no suggestion of "union-busting".

"The fact that we continue negotiations with Fawu in spite of some questionable tactics and a lot of abuse proves otherwise," he said.

"It is our impression that the heavy accent which Fawu increasingly places on political aspects of its activities does not find favour with a large part of the workers living in Saldanha and surrounding communities.

"This has unfortunately led to a measure of polarisation and Fawu has lost support in some quarters."

IUF general secretary Mr Dan Gallin today confirmed that the boycott had started.

Sanctions may become more repressive says Suzman

CALIFORNIA — Economic sanctions against the South African Government have backfired, and will likely force it to become more repressive, Mrs Helen Suzman said yesterday.

She urged Americans to withdraw their support for sanctions.

Mrs Suzman said the withdrawal of American and European companies has polarized her country, increasing the likelihood of violence and decreasing chances for reform.

"Sanctions are playing a counter-productive role in South Africa," said Mrs Suzman, 70.

"I believe the regime will become more repressive," she added. "No one should be under the delusion that the situation is so bad it won't get worse. It will."

Mrs Suzman's speech at the University of California, San Diego, was the first of several planned around the country.

"I absolutely understand the moral outrage against apartheid. I share it, but I cannot support the practical results of this policy (of sanctions)."

Mrs Suzman said the withdrawal of foreign companies hasn't weakened the South African Government, but has led to increased unemployment amoung blacks. Only as employed, contributing members of society can blacks gain political strength, she said.

Mrs Suzman also blamed foreign sanctions for the right-wing Conservative Party's gain of 22 seats in the May election.

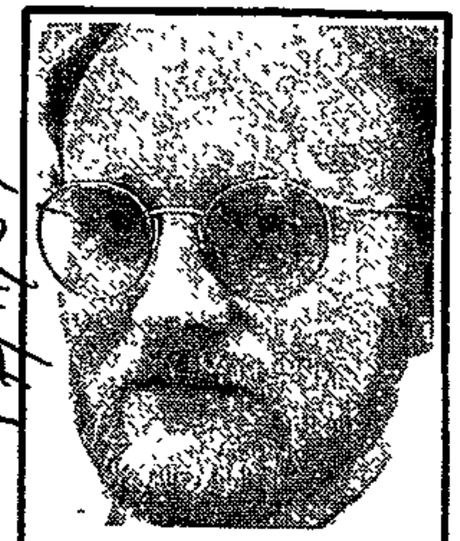
"Sanctions have aroused a pseudo-revolution among the whites who share the government's view that they're not to be dictated to by the rest of the world.

"I foresee more violence, a long confrontation between a government that has the support of the whites and the military, and the blacks."

Mrs Suzman said she was confident a non-violent resolution was possible if her country's critics learned patience.

"Getting rid of apartheid is a common cause, but it's the strategy that's the issue. There's a limit to what can be done from the outside — unless you plan on sending in the Marines, which I don't think you would do," she added. — Sapa-AP

Raising stakes in poker game of sanctions



SIMON BARBER writes from Washington

The sanctioneers, it has been argued in this column, are in retreat. The consequences of their 1986 success have been ambiguous enough, and sufficient doubt has been sown about their wisdom, that they have been unable to refocus Congress' attention for a further push

Nonetheless, they still have one weapon in their arsenal (two if you count Pretoria's capacity for lunatic thuggery) that is proving near impossible to counter. It is the simple, seemingly unassailable argument that apartheid's victims themselves want full-scope sanctions.

Now, I'm sure there will a lot of spluttering over the word unassailable, and I do not mean to suggest that the argument is revealed truth. To the contrary It is, however, extremely difficult to assail without getting into a form of name calling that can only undercut the anti-sanctions case

Let's face it. at the core of the entire debate at are some 18 million people denied any say in their own destinies, save on terms dictated by their government For the outside world to deny them a say as well is problematic, to put it mildly. And denying them a say is, unfortunately, what it has come to look like if you criticise sanctions

You may just get away with a deftly worded put-down of the ANC. But to state or imply that Archbishop Desmond Tutu, the Reverend Alan Boesak or, a newcomer in the American pantheon of black South African leaders, Cosatu's Jay Naidoo, are unrepresentative and do not know what they are talking about — well, it is at best a foolish undertaking.

As the sanctioneers were girding their loins last September for the president's first anniversary report on the Comprehensive Anti-Apartheid Act, Naidoo sent Congressman William Gray a "Dear Brother Gray" telex laying out in some detail what he and his union wanted

The menu, it hardly need be said, included a total embargo with several special, and especially chilling, emphases. All credit, whether to the public or private sectors, should be halted, all foreign investment by South Africans banned.

No South African should be permitted to emigrate, no official or businessman granted even a temporary visa. All foreign companies should be forced to withdraw under terms dictated by their soon-to-be former employees

This, and several similar appeals, prompted 33 members of Congress, 17 of them Republicans, to write to the president that "we are struck by the increasing breadth of consensus both within and outside SA in favour of tougher sanctions.

"The great majority of popular black leaders and organisations in SA, including Archbishop Tutu, Reverend Boesak of the United Democratic Front, and the two major black union federations, are appealing for stronger sanctions."

It is impossible to state definitively that there has been genuine change in SA because so much may (or, by the same logic, may not) remain hidden by censorship. Similarly, no one can honestly know what it is that black South Africans want of the outside world. There exists no mechanism, least of all one rooted in the consent of the population to be tested, that might provide an unimpeachable answer.

The closest alternative is, of course, the opinion poll. There have been a number of these The latest suggest that a majority of black South Africans oppose sanctions if it is their ox that ends up getting gored This does not impress the sanctioneers, nor, if I were them, would it me. Polls tend to be like sheep entrails. Even the most disinterested soothsayer will tend to frame his inquiry and interpret what he sees by his own lights

Another, even less scientific, method of rebuttal is the numbers game The sanctions critic, especially the cruder conservative kind, will play a sort of poker game with his opponents· I see your Tutu with my Chief Buthelezi and raise you one Bishop Mokoena

Each of the latter gentlemen is assigned a numerical value equal to the number of followers (generally rounded off to the nearest million) he is alleged to possess Since neither side can agree upon that value — indeed the sanctioneers go so far as to claim Buthelezi and Mokoena are counterfeit — this makes for a pretty futile exercise

Of more merit is the blunt approach As deployed by the increasingly blunt Dr Chester Crocker, it goes like this: "Yes, there are major organisations who are calling for tougher sanctions. They've be doing it for so long that it would be very difficult for them to change positions. But it will be a sorry day when US foreign policy must be judged by whether foreigners clap or boo".

This has the virtue of honesty. We, Crocker infers, as a superpower whose institutions and ways of doing things have been relatively successful reserve the right to know better This is a tempting, but very vulnerable proposition. It will not give the sanctioneers much pause

How then to march around their logical Maginot Line?

The first thing, I believe, is to recognise that the victims of apartheid are in a very real sense customers of American and others' ideas and foreign policy, and that whether you like it or not, the customer is always right.

The product demanded is a means to end apartheid and acquire power. Excluding simple insurrection, two basic models are on offer. Of these, the sanctions package is widely touted as promising by far the quicker result so long as the consumer is ready to risk a variety of perverse consequences.

It also addresses the power issue quite neatly. The theory is that Pretoria proceeds according to a simple cost-benefit calculus and that when the cost of maintaining its monopoly of power begins seriously to outweigh the benefit, the government and its supporters will somehow abdicate. Nobody said the advertising had to be true.

The second model, and the one the West is much more anxious to sell, is avowedly much slower It is pragmatic. It offers support for education, the development of institutions and skills, and, of course, for negotiation. Put another way, it talks about a lot about preparing the customer for power, but not a lot about how he is actually to achieve it.

Obviously this has some takers, particu-



REV. BOESAK.



DR. CROCKER.



ARCHBISHOP TUTU

West must market new strategies to deliver power without side-effects

SIMON BARBER in Washington

THE SANCTIONEERS, it has been argued in this space, are in retreat. The consequences of their 1986 success have been ambiguous enough, and sufficient doubt has been sown about their wisdom, that they have been unable to refocus Congress's attention for a further push.

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Let's face it at the core of the entire debate are some 18-million people denied any say in their own destinies, save on terms dictated by their government

For the outside world to deny them a say as well is problematic, to put it mildly And denying them a say is, unfortunately, what it has come to look like if you criticise sanctions.

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Another, even less scientific, method of rebuttal is the numbers game. The sanctions critic, especially the cruder conservative kind, will play a sort of poker with his opponents I see your Tutu with my Chief Buthelezi and raise you one Bishop (forgive me if I can't pronounce him the same way twice in one sentence) Mokoena

Each of the latter gentlemen is assigned a numerical value equal to the number of followers (generally rounded off to the nearest million) he is alleged to possess

Since neither side can agree upon that value — indeed, the sanctioneers go so far as to claim Messrs Buthelezi and Mokoena are counterfeit — this makes for a pretty futile exercise

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The product demanded is a means to end apartheid and acquire power Excluding simple insurrection, two basic models are on offer

Of these, the sanctions package is widely touted as promising by far the quicker result so long as the consumer is ready to risk a variety of perverse consequences.

It also addresses the power issue quite neatly. The theory is that Pretoria proceeds according to a simple cost-benefit calculus and that when the cost of maintaining its monopoly of power begins seriously to outweigh the benefit, government and its supporters will somehow abdicate

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It offers support for education, the development of institutions and skills and, of course, for negotiation Put another way, it talks about a lot about preparing the customer for power, but not a lot about how he is actually to achieve it

Obviously this has some takers, particularly among those like Buthelezi, who rightly fear that model one will produce precisely the opposite of what it promises Otherwise, black South African leaders are scarcely lining up to buy it

Common sense suggests that if the West is loath to purvey sanctions and the customer is equally dubious about the presently available alternative, it is time for the West to develop and market a new and more enticing product, a set of ideas and strategies that will deliver power without hellish side-effects

Such a product would promote the revolutionary use and expansion of the customer's existing economic strength It would encourage and assist black workers to acquire controlling interests in the companies that employ them

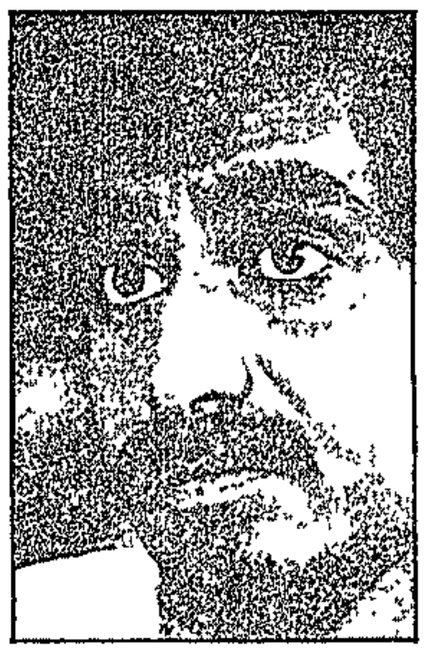
It would deliver capital at concessionary "democratised" rates to make this, and the accelerated development of black enterprise and ownership, possible It would help turn the current lie of South African "free" enterprise into reality.

The point is very straightforward Until the US and its fellow espousers of the free market can come up with a convincing ideology and a gameplan with which black South Africans will be able to take genuine power in their own country, the barren, self-destructive option of sanctions will stay current

And, I daresay, the sanctioneers will ultimately win.



☐ GRAY . . . got telex



☐ NAIDOO . . sent telex

280 Blaw BW187

SA trade ban would kill British influence

DAVID FURLONGER
Industrial Editor

SANCTIONS and trade embargoes lead not to change but to a hardening of attitudes and political resistance, British ambassador Robin Renwick said yesterday.



● RENWICK

He said sanctions never achieved their ultimate political aim — to change "hearts and minds" — because they were punitive rather than corrective.

"They tend not to increase, but to diminish external influence," he told the annual meeting of the SA Britain Trade Association (Sabrita) in Johannesburg. "It is in the nature of most people to react to threats with defiance. They dig in, accept the damage and refuse to change."

He said the British remained opposed to sanctions. It recognised change would be long and painful, and would have to come from within the country. It also recognised some change had been achieved.

The sanctions debate was an emotional one that generated "far more heat than light". If Britain were to cut its trade links with SA, it would lead to hardened political resistance and leave Britain with no trade, no investments and no influence.

Experiences elsewhere in the world showed sanctions and embargoes did not work. SA was proof disinvestment also did not work.

"Disinvestment was supposed to be a magical and relatively painless way to achieve political change," Renwick said. "What change has so far been achieved?

"Well, it certainly has improved, still further, the financial position of Anglo-American, Sanlam, Old Mutual and Liberty Life, all of whom have been able to take over the assets of disinvesting companies at fire-sale prices."

Suzman urges US to withdraw backing for anti-SA sanctions

SAN FRANCISCO — Mrs Helen Suzman told Americans in San Diego, California yesterday that the imposition of economic sanctions on the South African Government had backfired, and could force it to become more repressive.

She urged Americans to withdraw their support for sanctions.

Mrs Suzman said the withdrawal of American and European companies had polarised South Africa, increasing the likelihood of violence and decreasing chances for reform.

"Sanctions are playing a counter-productive role in South Africa," said Mrs Suzman.

"I believe the regime will become more repressive," she added. "No one should be under the delusion that the situation is so bad it won't get worse. It will."

Mrs Suzman's speech at the University of California, San Diego, was the first of several planned around the country.

"I absolutely understand the moral outrage against apartheid. I share it," said Mrs. Suzman. "But I cannot support the practical results of this policy (of sanctions)."

Mrs Suzman said the withdrawal of foreign companies had not weakened the South African Government, but had led to increased unemployment among blacks. Only as employed, contributing members of society could blacks gain political strength, she said.

She also blamed foreign sanctions for the Conservative Party's gain of 22 seats in the May election.

"(Sanctions) have aroused a pseudo-revolution among the whites who share the Government's view that they're not to be dictated to by the rest of the world," Mrs Suzman said.

"I foresee more violence, a long confrontation between a government that has the support of the whites and the military, and the blacks," she added.

But Mrs Suzman said she was confident a non-violent resolution was possible if South Africa's critics learned patience.

She suggested that foreign countries foster the economic growth of minority groups in South Africa through direct aid to those groups. She said foreign companies should remain in South Africa to keep up the pressure for reform. — Sapa-AP

Sanctions unwarranted: Pik

PRETORIA — Government believed sanctions adopted by European countries against SA were vindictive and unwarranted, Foreign Minister Pik Botha said in Munich, West Germany, last night.

Addressing the eighth international symposium on policy and strategy, he said sanctions had been applied and endured, and the heavens had not fallen on SA. A copy of his speech was released in Pretoria.

The major progress SA had made in

GERALD REILLY

the area of socio-economic and political reforms within the country had simply not been recognised abroad.

There had been an alarming deterioration in the political, socio-economic and security conditions in all the so-called Frontline states, which remained economically dependent on SA.

Botha said the whole debate in the US

● To Page 2

European sanctions vindictive: Pik

and Europe was conducted on an emotional plane without reference to the true conditions in SA.

"What I find worrying is that if a legislature as powerful as that of the US can legislate on the basis of emotion rather than on objective criteria, then the whole world faces potential hazards

● From Page 1

of frightening dimensions.

"It is a matter of concern that a power like the US is incapable of harnessing and interpreting data rudimentary to decisions affecting millions of human lives."

Why the UK is opposed to sanctions on South Africa

THIS is a speech by British ambassador to South Africa, Mr Robin Renwick, to the South African/British Trade Association on Monday.

This is the first of a two-part series.

FOCUS



MR Robin Renwick ... the UK's ambassador to South Africa.

SINCE the argument for and against sanctions normally is conducted in terms of great emotion and amid far more heat than light, I would like to take this opportunity to set out calmly and, I hope, dispassionately, our view, and to try to answer the question of those critics who argue: if not sanctions, then what?

It is important for us all to understand that the argument for sanctions is not borne of stupidity or malevolence, or simply a desire to do damage to South Africa, but of frustration

The proponents of sanctions say that the pace of change is very slow sometimes they deny that there has been any change at all. They argue that efforts at persuasion have not worked Despite the changes that have taken place, apartheid remains in force; and the great majority of the citizens of this country have no effective political rights

The African National Congress and Pan Africanist Congress believe in a military solution to these problems — though they also favour sanctions Others argue that without sanctions, people will be driven to the use of force They see sanctions as a sort of bloodless substitute for war.

Why do we not believe that this strategy will work?

Well, the historical experience is that it never so far has worked The first major attempt to apply sanctions was against Italy in order to get Mussolini to withdraw from Abyssinia Sanctions did not succeed. Of course many people will argue that they did not succeed because they were not properly enforced. But that is one of the major problems of a sanctions policy They never have been properly enforced There always are leaks Some countries cheat All sorts of middlemen suddenly appear in places one has never heard of Companies spring up and go out of business as soon as they are identified as sanctions evaders Sanctions, like prohibition, have created a field day for the shadier kind of businessmen operating at or beyond the frontiers of the law.

In the case of Britain, when we agree to apply an embargo, the most strenuous efforts are made to ensure that it is observed Even in our own case, we are not always successful. There are cases of evasion. Many of them are brought to court and convictions are secured There are very few other countries in which similar steps are taken.

In the Rhodesian case we were very successful in putting a virtual stop to British trade with Rhodesia, but we were totally unsuccessful in putting an end to the trade of other countries with Rhodesia

The fact of the matter is that sanctions cannot be really effectively enforced without a blockade



Effects

Next we come to the more fundamental problem, which relates to the effects of sanctions.

There are a number of people here who would like to pretend that sanctions, somehow, are good for you

Well, let me tell you they are not For when we say that "sanctions do not work", we distinguish very sharply between the political and the economic effects

Sanctions, if they are sufficiently widely applied, and despite the inevitable leakages, can and do cause serious *economic* damage They can seriously limit the growth potential of an economy

Sanctions do mean that people will be unlikely to invest in a sector to which they are applied Producers will have to get used to selling at a disount, while some imports will have to be bought at a premium

But *where sanctions do not succeed is in achieving what they are intended to do – that is to say, in producing the desired political results. In changing people's hearts and minds*

Their effect is punitive, not corrective They tend not to increase, but to diminish external influences It is in the nature of most people to react to threats with defiance They dig in, accept the damage – and refuse to change

Racists

Those who oppose sanctions are accused of supporting apartheid — even of being racists

Britain has given independence to approximately one fifth of the world's population, and we do not think that we are in any need of lectures about democracy

None of you is in any doubt of our opposition to apartheid

My prime minister has made clear that she wants to see it eradicated completely, and she is not someone who is noted for saying things in which she does not believe

That means the end in due course not just of the Group Areas Act, but of the Population Registration Act, and of all other features which remain of the apartheid system So please be in no doubt of our hopes and ambitions on that score!

Differences

Where we differ from others is in the following respects

First, *we do pay tribute to what has been achieved* I was last in this country seven years ago I can see a great many changes since then The legalisation of black trade unions, the restoration of citizenship rights to the urban black population, the ending of the pass laws under which half a million people were arrested every year — these and other measures do constitute very important reforms But none of that will "work" unless the process is continued

Second, *we do not expect all reforms to be achieved overnight* This country is going through a difficult and no doubt protracted period of change There will be all sorts of problems and, if you get things wrong, a great deal more violence before a new equilibrium is found

• To be continued tomorrow

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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Apartheid can be beaten

THIS is the second part of a speech by British ambassador to South Africa, Mr Robin Renwick, to the South African/British Trade Association on Monday.

He continues his argument against sanctions being applied against South Africa.



MR Robin Renwick . . . the UK's ambassador to South Africa.

FOCUS

WE do not believe that there is any quick fix or easy answers

We do not see South Africa as a "problem" susceptible of some easy or externally imposed "solution", but as a country going through an extremely difficult and painful process of change

You are going to have to work out your own salvation

Now let me come to Vancouver On the eve of that meeting I received messages from some very estimable bodies here urging my government to agree to comprehensive economic sanctions against South Africa.

What would have happened if we had agreed to that? And why did we not agree?

Well, obviously our critics would say that our most important concern was to look after our trade with South Africa and our investments here They are absolutely right that it is a concern of the British Government to look after our trade and investments — and jobs in Britain. Because of our long history together, we have more at stake here than any other country I am talking more of people than of trade, for Japan and Germany are just as important trading partners.

But let us not exaggerate this point. British exports to South Africa last year amounted to just over one percent of our exports worldwide. It is impossible to make an exact estimate of the value of our investments here They are important, though a great deal less important than those in some other parts of the world — in North America, for example.

I can assure you that *if my Government believed that sacrificing Britain's trading interests in this country would bring apartheid to an end in two, three or four years, then I have no doubt that we would agree – and wait for utopia to arrive.*

But I am bound to tell you that we do not believe that cutting off trade would have that effect. On the contrary we suspect that there would be hardened political resistance and that we would be left with no trade and no investments – and no influence whatsoever on what happens here

Let me take one very practical example.

One of the further measures that has been most widely advocated is the idea of a ban on the import of fruit from South Africa. The US Congress already has imposed such a ban, and many in Europe would be prepared to follow suit — for reasons which, I am afraid, have more to do with protectionism than with morality

Such a ban would cost Britain nothing — or next to nothing (there would be some marginal cost to the consumer). So it is rather difficult to argue that our resistance is based on pure self interest. Why then do we oppose such a ban?

Because at present about 300 000 people here, nearly all of them non-white, work in this sector Two thirds of the production goes for export. Assuming, as we always must with sanctions, that they would only be about fifty percent effective, 100 000 people would lose their jobs With their dependents, half a million people would be rendered destitute — with no social security net to fall back on

Survival

And let us be under no illusions. *They would not be unemployed and their dependents destitute for a few months. They would be out of work indefinitely.* It is not the white employees who would suffer. most of them probably would find other jobs, in some cases again at the expense of non-whites.

Secondly, the messages I received urging comprehensive sanctions gave no indication whatsoever of what would happen to Botswana, Lesotho Swaziland or Zimbabwe

As a result of its history, *the economic infrastructure of Southern Africa is interlinked, and the day those links are broken, the consequences will be fatal for the region as a whole*

Apartheid is not the only problem facing Africa.

The other problems are economic development and indeed survival.

It really would be futile in the struggle against apartheid to adopt policies which could only lead to catastrophic consequences for other countries whose economies would be destroyed long before the South African economy.

We have been through this before.

Sanctions against Rhodesia inflicted enormous damage on the economies of Zambia and Mozambique.

No amount of external aid could begin to compensate the neighbouring countries for the loss of earnings, destruction of their transport routes and dislocation of their economies.

Every country in the Southern African region currently is facing severe economic difficulties, including even this one.

In many if not most of those countries, the present risks getting worse rather than better

Economic warfare with South Africa would put an end to any prospect of economic development.

It simply is no use advocating comprehensive economic sanctions, as a sort of ritual incantation, without explaining how it is proposed to deal with these problems.

Disinvestment too was supposed to be a magical, and relatively painless, way to achieve political change.

What change has so far been achieved? Well, it certainly has improved still further the financial position of Anglo-American, Sanlam, Old Mutual and Liberty Life, all of whom have been able to take over the assets of disinvesting companies at fire sale prices.

Change

The British Government will not tell any company to disinvest. Neither will we seek to persuade any British company, against its own commercial judgment, to continue operations here. We consider that is a decision which must be made by the companies themselves

But *we are proud of the*

To page 10

'South Africans must help themselves'

• From page 8

record of British companies in South Africa, and we do not see how it could possibly help the future of this country, or the prospects for peaceful change here, for them to withdraw Companies like BP, Shell, Unilever, RTZ and many others have some of the most advanced programmes for the training, welfare, health, pensions and advancement of their non-white employees.

If they disengage, those programmes would be bound to suffer; and a lot of people would be bound to suffer too. There would be fewer people qualified to take on leadership positions in industry; and not only industry, in the future. We do not see how that can be of benefit to anyone

Since these external pressures have not succeeded, *does that mean that you can afford to sit back and rest on your oars?*

I do not think so Because there is one external factor that is liable to prove decisive over time.

Since 1985, South Africa, which always was a capital importing country, and needs to be if it is to fulfil its full growth potential, has been a capital exporting country South Africa no longer is attracting the inward investment flows it needs

Although many governments have imposed restrictions on "new investment", this is essentially a market sanction, applied by the banks and financial institutions outside South Africa, based on their own judgment.

It is very much in South Africa's interests, indeed crucial to your survival, to get yourselves out of that position, and into one where there is confidence in the future

But still we must face the question *if not sanctions, then what?*

We believe that the beginning of wisdom is to recognise that change in this country, whether we like it or not, is going to be a long drawn-out process, and, secondly, that change is going to have to come from within

Contrary to some of the Press reporting, this does not mean that we believe that economic growth will solve South Africa's problems

That requires changes in the legislation too

There was a period of rapid economic growth in the 1960s throughout which South Africa's problems, in our view, got worse with the further development and consolidation of apartheid

But *what we are saying is that without economic growth, all the problems will become insoluble*

We also believe that *important changes have been taking place in South African society* and in the workplace.

The ending of job reservation is a very important step

But, it has to be followed by the de facto opening up of jobs in areas where in the past they have been reserved for whites

People today are working far more directly together, irrespective of race, in the offices, factories and workplaces of this country

There has been an erosion of petty or social apartheid, particularly in the major cities, though as yet not in many of the rural areas Society has been changing faster than the legislation That process will continue

The ultimate outcome is hardly in doubt

For *in my government's view, apartheid is doomed Your president has described it as an outmoded and outdated concept It is unsustainable', The question is not whether it will disappear – but how protracted, and desperate, its death throes will be how long and difficult the process will be before it is brought to an end*

What then is Britain doing?

What we try to do, obviously, is to encourage the forces working for peaceful change *We do not believe in delivering public lectures on the changes that need to be made South Africa has to find its own solutions We do believe in putting our views across – but in doing so, so far as possible, privately*

Secondly, *you will be aware of the vast amount of assistance we give to the neighbouring countries* to help them develop their economies

We have given a great deal more assistance than anyone else, and we are continuing to do so.

Our efforts include help to Mozambique and to rehabilitate the road and rail routes on which the neighbouring states depend for many of their exports

This does not mean that we believe that neighbouring countries should seek or can afford to try to dispense with the South African transport infrastructure

We do not always get a vast amount of thanks for the help that we give but we will go on giving it because we believe that the economic prosperity of the region is in everyone's interests, including ours

Thirdly, we have launched *a very important scheme to provide scholarships* for, mainly black South Africans

We have earmarked £20 million (about R60-million) for the scheme over the next five years and if it continues to work as well as it is doing so far, then I hope and believe that it will be extended

These are long-term programmes As such they may appear unglamorous to those who believe in miracles tomorrow But we believe there is nothing more important than to help prepare people for the future

Fourthly, we try to give some direct and practical help to non-government projects in the townships. There are some ideological zealots who would argue that this in some way constitutes indirect support for apartheid What rubbish!

It is impossible to visit the townships, as I am sure that many of you do, without finding people who, often in conditions of great difficulty, are attempting to do something really worthwhile and fully deserving of help and support

To mention just one case — that of Alexandra, seven miles from here, a township of 120 000 people which only one year ago had no sewerage We are helping the health clinic, the centre for paraplegics and the centre for handicapped children Many of your companies are doing that kind of thing too As we increase our efforts, we shall be looking to all of you to increase yours!

Ambition

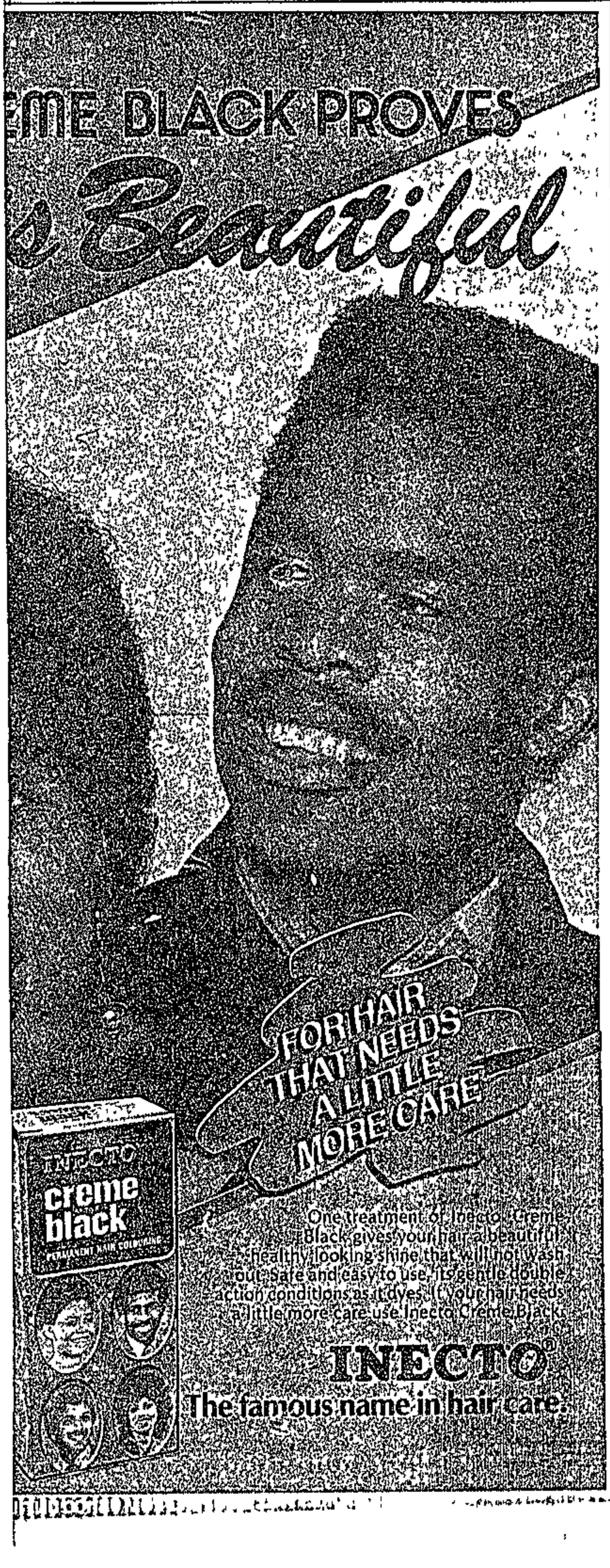
Will all of this work? I don't know That will depend on the decisions that are taken here

It is not our ambition by these means to reform South Africa Only you can do that We can't do it for you

But we are not prepared to resign ourselves to violent revolution as the only solution to South Africa's problems That will take a long time coming and one of the features of revolutions is that they devour their own children — and their own leaders

No-one who has served even for as short a while as I have in this country can fail to be impressed by its unique combination of human skills and natural resources or by the numbers and quality of people of all political persuasions who are determined to work out a worthwhile future for themselves and for their children here

We cannot help you if you do not help yourselves But we can avoid actions that would make solutions still harder to find It is only here that they can be found It is up to you to succeed in finding them





West German Chancellor Helmut Kohl (left) and Mozambican President Joachim Chissano, second from right, at the talks between their two countries in Maputo yesterday.

Helmut Kohl says during visit to Mozambique:

Sanctions would have bad effect

19/11/87

MAPUTO — The West German Chancellor, Mr Helmut Kohl, said in Maputo yesterday that he remained opposed to sanctions against South Africa.

Mr Kohl, the first Western government leader to visit Mozambique since it gained its independence from Portugal in 1975, was speaking at a news conference after a three-hour meeting with President Joaquim Chissano.

Mr Kohl, who arrived in Maputo late on Tuesday, said sanctions "would have a bad effect, which could even threaten the existence of Mozambique".

He said it was also against the interests of South Africa's black majority.

Mr Kohl, who is on his first visit to Africa, said apartheid should be overcome by peaceful means and the rights of all citizens of South Africa should be protected.

The West German leader said he agreed with his Mozambican hosts that Namibia should gain internationally recognised independence as soon as possible.

He said his government believed the removal of all foreign forces from the region would contribute to its stability.

Mr Kohl, who said his visit was aimed at promoting peace in southern Africa, also praised Mozambique's efforts to open up towards the West and pledged increased aid for Maputo

He said his government would give a total of R112 million in 1987 and 1988 for various projects and programmes and rice worth R10 million for emergency food programmes.

An estimated 4,5 million of Mozambique's 14 million people was in need of emergency food aid because of drought and civil war.

Mr Kohl's 18-hour visit has been hailed in Maputo as an important signal of Western support for the government in its war against the MNR.

Mozambique obtains most of its military and security aid from the Soviet Union and East Germany, but it has received increasing amounts of economic aid and relief assistance from the West, including West Germany.

Mr Kohl said he had assured President Chissano of support for "the pragmatic policy that seeks to harmonise relations in southern Africa, as well as an opening to co-operation with the West".

Mr Kohl refused to comment on the recent visit by President Botha to the battle zone in southern Angola.

At his news conference, Mr Kohl was asked if his government would act to prevent the MNR from holding meetings in West Germany.

He said action against the group was possible, but added. "We are a very open country and we take pride in this freedom. It can happen that people who don't have our sympathy visit the country."

He denied that the Christian Social Union, a partner in his conservative coalition, had been sending funds to the rebels.

● Mr Kohl arrived in Nairobi late yesterday from Maputo to a red carpet welcome.

Mr Kohl hugged Mary Waithithi (5), who presented him with a bouquet of orchids, after he had been greeted by President Daniel Arap Moi at the steps of his Lufthansa jet.

Kenyan Cabinet Ministers and diplomats also welcomed Chancellor Kohl — Sapa-Reuter-AP.

Kohl opposes SA sanctions

LISBON. — The West German Chancellor, Mr Helmut Kohl, ending a one-day visit to Mozambique, yesterday announced increased aid of about R76m to the war-torn country, but opposed economic sanctions against South Africa, it was reported from Maputo.

Mr Kohl reportedly blamed South Africa for the "destabilizing conflicts" in the region, but said anti-Pretoria sanctions would only deepen problems.

"We can't think in terms of destroying the South African economy because it is indisputably important for all of Southern Africa," he said at a news conference before leaving for Kenya. — UPI

Oil embargo 'has failed'

Cape Times 19/11/82

NEW YORK. — A 10-year-old voluntary United Nations oil embargo against South Africa has not succeeded and has led to the expansion of an "illegal oil business" with that country, a UN report said yesterday.

"While small companies and middlemen are reported as being the main violators of the oil embargo, the role of major transnational oil companies, such as British Petroleum, Caltex, Mobil, Shell and Total, which own subsidiaries in South Africa, cannot be underestimated," said the report drafted by the UN monitoring group. — Sapa-Reuter

Blaring sirens for SA sanctions get a shrug

(280 SPM 20/11/87)

By Ken Vernon,
The Star's Africa
News Service

The call for economic, social and political sanctions on South Africa has been voiced most shrilly by some of the country's closest neighbours, but so far the rhetoric has been unmatched by any significant action.

While the United States, Canada, Australia, European countries and others have acted to cut ties with South Africa — often at cost to themselves — countries such as Zimbabwe, Zambia and Mozambique, three of the most vocal demanders for sanctions, have done little or nothing to implement them.

It has, of course, been said for some time that these countries are so dependent on South Africa that if they did impose sanctions they would hurt themselves more than South Africa, but a recent article in the bulletin of the Africa Institute by director Mr Erich Leistner, has detailed for the first time the dimensions of the interdependence between the countries of southern Africa.

The implicit message of the article is that not only would it be foolhardy and self-defeating for southern African states to try to impose sanctions on South Africa, it would be virtually impossible.

Mr Leistner shows that all the countries in the region commonly called southern Africa — South Africa, Lesotho, Botswana, Swaziland, Zambia, Zimbabwe, Malawi, Angola and Mozambique — are inextricably linked by a network of commercial, financial, technical, social and political bonds that are impossible to break, no matter what the political desire may be to do so.

Transport

He suggests that technological and entrepreneurial expertise pulses out from the South African core region to the peripheral countries to create wealth and foster development.

These spheres of interaction include

The railways and ports of South Africa at present handle about 90 percent of Zimbabwe's exports and imports, a figure

SADCC aim to reduce trade links has failed

which could perhaps be challenged with the recent rehabilitation of the Beira corridor road, rail and oil pipeline, while the figures are about 45 percent for Zambia and Malawi, with lesser percentages for the other countries

All told, South African Transport Services (Sats) moves about six million tons of goods a year, which earns R300 million in fees.

This is only 3 percent of Sats' income, making it possible for it to cut off the trade at a moment's notice without incurring any real damage to itself.

This is a powerful political weapon which neighbouring countries are desperately trying to counter by finding alternative routes.

Some 50 Sats locomotives and 7 800 units of rolling stock also enable the rail networks of neighbouring countries to continue to function.

Trade

South African Airways also maintains and repairs the aircraft of Mozambique, Mauritius, Swaziland, Comoros and Zimbabwe, as well as helping in the training of pilots and administrative staff.

South Africa has strong trade links with all the countries of southern Africa — except Angola — and, in fact, trades with most African countries

Ten percent of South Africa's direct exports are to African countries and this figure is growing steadily, while trade via middlemen in other countries pushes it even higher.

In 1980, nine southern African states, including Tanzania, which is not really a part of the region, formed the Southern African Development Co-ordination Conference (SADCC) to reduce trade links with South Africa and foster trade among themselves

But the SADCC countries (except Tanzania) are still conducting more trade with South Africa than with all their SADCC partners combined.

South Africa is the main trading partner of Botswana, Lesotho, Swaziland and Zimbabwe, it is also the main supplier of goods to Mozambique and Malawi, and Zambia's second main trading partner.

What makes this trade even more important is that it consists mostly in South Africa supplying such essentials as maize, agricultural and mining machinery, veterinary supplies and fertilisers.

Maize is the staple diet of most of Africa, and every year South Africa exports 500 000 to 750 000 tons to Africa. It also exports between 100 000 and 200 000 tons of wheat, and millions of rands worth of processed foods

Food production is deteriorating in Africa, so this vital supply of foodstuffs can only grow in importance.

In addition, South Africa, Lesotho, Botswana and Swaziland are joined in the Southern African Customs Union, imposing common tariffs on all imports.

Income from the union, which is biased against South Africa, provides at present about 25 percent of government revenue in Botswana, 65 percent in Lesotho, and 50 percent in Swaziland, effectively making it impossible for these countries to even think of imposing sanctions on South Africa — a fact they all recognise.

Petroleum

At present, South Africa supplies all of the petroleum product needs of Botswana, Lesotho and Swaziland And about 95 percent of the needs of Malawi while southern Zaire imports about 75 percent of its oil from South Africa.

In addition, Zimbabwe relies on South Africa for the supply of all its aviation fuel. On occasion, it also has to rely on South Africa to make up shortfalls in its petroleum products supplies, especially diesel — usually obtained from other sources

South Africa provides employment for an estimated 400 000 legally-recognised workers from neighbouring countries — not to speak of an estimated million illegal work seekers.

The wage remittances of the legal workers are an important part of the national income of their home countries. The remittances provided nearly half Lesotho's Gross National Product (GNP) in 1985, and a third of Mozambique's foreign exchange earnings in 1986.

South African technology and technicians are to be found throughout southern Africa, while research done in South Africa in veterinary science, medicine, agriculture and engineering usually hold far more relevance to the rest of Africa than similar work done overseas.

Millions of doses of vaccine for 42 animal diseases are sent to neighbouring countries every year, as well as other veterinary products and supplies of insecticides and fertilisers — without which much of southern Africa's agricultural industry would be crippled.

Engineers and technicians recruited in South Africa are running diamond mines in Angola, harbours and airports in Mozambique, and are involved in civil engineering and agricultural projects as far north as Equatorial Guinea.

In general, technical supplies and services from South Africa are cheaper and more suited to African conditions than those obtaied elsewhere.

Although the supply of goods and services in southern Africa is not entirely one-sided in favour of South Africa, it can be seen that it has a vastly stronger hand in any economic conflict with a neighbour.

South Africa is the undoubted economic and technical giant of the sub-continent, its GNP being more that four times that of the other countries combined.

Effective sanctions on South Africa are impossible without the support and co-operation of the neighbouring countries, and at present it would amount to national suicide for any southern African country to try seriously to impose sanctions of almost any kind.

There's life after Rev Leon

U.S. firms plough in millions to uplift SA workers

280 STIMES 22/11/87

THERE *is* life beyond the Rev Leon Sullivan, the American clergyman who for so long rode shotgun on American companies operating in South Africa.

While the good preacher himself has abandoned his policy of engagement and joined the sanctions movement, US investors have carried on their social responsibily programmes without him.

And this week the Sunday Times obtained a report which revealed that virtually all the American companies represented in SA are still voluntarily submiting to a monitoring process — and emerging with credit

By CAS St LEGER

Of the 300-odd US companies invested in SA about two years ago, more than 100 have disinvested or simply ridden off into the transatlantic sunset But many of those remaining are ploughing increasing millions into the upliftment of their workers

Signatories to the voluntary business code of ethics dropped from 183 last year to 92 Yet, against this funds assigned to improving the lot of employees increased significantly — with only one company failing to make the grade.

Nearly R130-million was spent on education, community development, social justice and business aid This figure does not include job upliftment and training, and a higher wage structure

An impressive R31-million was spent on education And goods and services worth R27-million were bought from businesses in the disadvantaged sector

Meaningful

These figures are drawn from the independently evaluated 11th Report on the Signatory Companies to the Statement of Principles for South Africa — the annual evaluation of the social performance of US-owned companies in this country (formerly known as the Sullivan Report).

Reporting signatories employed a total work force of only 43 865 — yet, said Mr Roger Crawford, chairman of the Signatory Association, their influence on South Africa was meaningful

"We often make the mistake of measuring our performance in terms of rands spent, but our contribution should be measured in a far broader way — our management expertise and our influence in society," he said

"As chairman of the Signatory Association, I was particularly concerned that we would lose a number of our signatories; of course, that is reflected in the report But notwithstanding that, there have been significant increases in spending

"This is a human endeavour and we attempt to quantify those involvements by millions of rands, percentages of management advancement, and so on We are inclined to overlook the ripple effect the American business community has on South Africa.

"One of our very real contributions has been to introduce our managers and others to the real-life situation of the majority of the population in this country"

Since the 10th report, 52 signatory companies have withdrawn from SA. Of the 134 companies surveyed in the July 1986 to June 1987 period, 85 percent were wholly-owned by their parent companies.

Numbers of blacks filling managerial vacancies rose four percent to 24 percent, and supervisory posts manned by the disadvantaged sector increased from 52 to 60 percent

Signatories are required to pay 30 percent above the local Minimum Living Level (MLL) and Household Subsistence Level (HSL), as established by the universities of SA and of PE

Only one signatory paid wages less than the required amount and all other companies averaged R396 a month Lowest-paid employees received 64 percent above the MLL/HSL and signatories at six localities paid minimum wages of more than double the prevailing rate.

Directors

Eleven percent more was spent improving education standards, including the provision of 11 767 bursaries and grants

During the 1986-7 reporting period, 387 employees were trained to journeyman status Seven companies said they had 14 non-white members on their boards of directors White employees supervised by non-whites increased from 4,9 percent to 6,2 percent

The wage gap remained serious and complex, though 12 companies reported improvements

Signatory assistance worth more than R36-million — a R5-million increase — was spent on community development, including housing, health and welfare About 40 percent of workers owned their homes.

Aid worth R9,6-million was devoted to black, coloured or Asian businesses and R27-million — an increase of 23 percent — was spent in buying goods and services from non-white companies.

Many companies became involved in the Adopt-a-Clinic programme, providing money, equipment and advice, while others assisted mobile health units.

Much progress was made under the controversial Principle 7 on social justice and the elimination of apartheid, with R25,8-million spent on activities, including lobbying, anti-apartheid advertising, negotiation and legal assistance

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ANC meet in Tanzania

DAR ES SALAAM. — The first international conference of the ANC, aimed at developing a world-wide sanctions strategy against SA, will open in Tanzania next month.

More than 600 delegates from governments and organizations worldwide will attend the four-day conference at Arusha from December 1.

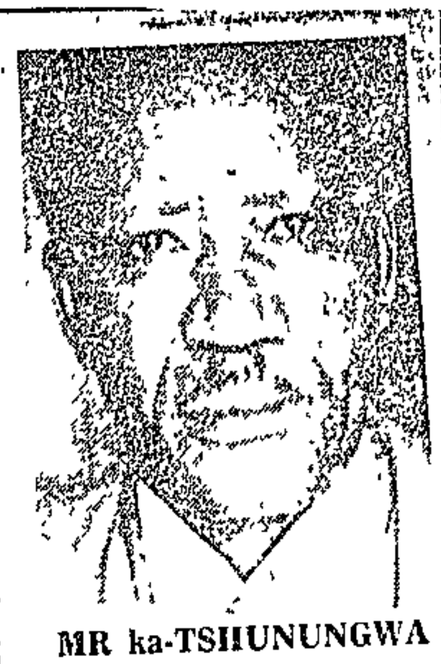
Delegates will discuss a strategy to isolate SA through arms and oil embargoes, tougher economic sanctions and a cultural and academic boycott.

An ANC spokesman said the conference would target the US and Britain, which, he said, had not taken serious measures against SA.

Both countries have been invited to the opening of the conference.

Consideration of the sanctions issue would include moves to get more individuals to boycott South African goods and to refuse to handle South African cargoes. — Sapa-Reuter

Minister: sanctions harm Transkei people



MR ka-TSHUNUNGWA

Daily Dispatch Reporter

UMTATA — Economic sanctions against South Africa would hit the already economically weak black community heavily, the Transkei Minister of Foreign Affairs and Information, Mr E. ka-Tshunungwa, said in a speech delivered in Munich, West Germany.

He delivered the speech on behalf of the Prime Minister of Transkei, Miss Stella Sigcau, at the Hans-Sidel Foundation Conference.

Mr ka-Tshunungwa said the creation of an atmosphere of reconciliation through dialogue was high on the agenda for resolving the complex problem of apartheid.

"We visualize a Transkei which is a vocal and potent constituent in the dialogue and negotiation process that we believe should seriously begin if we are all going to be spared a bitter conflict and chaos."

In the debate on the options for change, there was disagreement on the methods by which change could be realised.

Mr ka-Tshunungwa said that violence, once condoned, could not be controlled, and if violence won the day, any future government would rule over a deeply polarised South Africa and would inherit a weakened economy which would diminish its capacity to make liberation meaningful.

"In Transkei, we believe that negotiation as against either violence or prescriptive politics will win the day.

"The Commonwealth's Eminent Person's Group was a classic example of the failure inherent in not negotiating directly with all parties concerned."

He said his rejection of violence did not mean that the reasons underlying it could be ignored or done away with by repression, but to eliminte violence "we have to remove its cause and permit discourse between divergent political groups".

"We recognise that the historical course of South Africa has culminated in the constitutional independence of the TBVC (Transkei, Bophuthatswana, Venda and Ciskei) states as a unique development necessitated by our political circumstances.

"We recognise the need to structure a political process that reassures the security and normality of white existence as an integral permanent part of the South African community."

Transkeians were aware that in the international community there were a number of people who felt that the best way to fight apartheid was by imposing sanctions.

"One can clearly understand the morality behind that, however, the application of sanctions tends to hit the very people it is intended to save."

He said an opinion poll conducted by a British newspaper showed that 32 per cent of all black South Africans opposed sanctions as against 29 per cent who were in favour while 39 per cent had no opinion

Mr ka-Tshunungwa said he was a follower of the Sullivan Code which promoted investment in South Africa but insisted on the democratisation of working conditions, a process which, like intergrated education, accelerated the erosion of racial prejudice

"We perceive a deep-rooted fear in the white community for any real changes that appear to disturb the present balance of power and transform the social fabric of South Africa," he said.

Mr ka-Tshunungwa said most white South Africans were reluctant to depart from apartheid and make political and social adjustments that would permit the evolution of a non-racial society.

"There is a divergence of opinion between Transkei and South Africa in our perception of the future.

"We submit that apartheid cannot be reformed, it cannot be maintained by force, and must be removed through negotiation," Mr ka-Tshunungwa said.

PE buy-out of Connecticut firm

PORT ELIZABETH — The Emhart Corporation of Connecticut in the United States has sold its local interests in Bostik and Formex Industries, two major companies here employing about 1 000 people, to a consortium of South African investors.

The consortium consists of management of Bostik and Formex, SA Bottling and First National Merchant Bank.

The sale was effective from November 21, a spokesman for the consortium said yesterday.

Bostik manufactures and distributes adhesives, sealants, speciality chemicals, fasteners and sound insulators for the motor industry.

BU Engineering, a division of Formex and a major general engineering and metal pressing operation in Port Elizabeth, will now trade under the name Formex Engineering.

The sale does not include British United Shoe Machinery, which bought out Emhart shares in the company worldwide.

Mr Philip Gutsche, a Port Elizabeth industrialist who will become executive chairman of the new group, said the continued employment of all personnel was assured.

"We are glad to see these businesses which have successfully traded in South Africa for many years continuing their operations intact under the new ownership," he said.

"Being largely Port Elizabeth-based, this is important. This area has suffered more from disinvestment pressure than any other."

Mr Dennis MacDonald, chief executive of the chemicals and fasterners operation, said the group had secured ongoing user rights to the well established trademarks Bostik, Prestik, Pop and IVI, as well as the right to secure new technology from Emhart companies worldwide.

"There is every confidence we will maintain our level of service to our customers under the Formex Industries name," he said.

In January this year, Emhart said pressures for divestiture in South Africa were beginning to affect its abilities to conduct its business elsewhere, especially in the United States.

It said that the sale of their assets formed part of their worldwide restructuring programme.

Emhart was the first major company to link its departure directly and exclusively to pressure from the anti-apartheid movement without citing economic and political problems in South Africa.

It was reported at the time that the South African subsidiaries had combined sales of more than R60 million a year.

— Sapa

Dutch reject call for end to SA flights

THE HAGUE — The Dutch government has rejected a call by five Dutch development aid groups for a halt to regular commercial flights between the Netherlands and South Africa, the Foreign Ministry here said yesterday.

In a letter, the organisations, all of which get government aid, claimed cancellation of the Dutch-South African aviation treaty would be a "powerful signal" of official Dutch rejection of white minority rule in South Africa.

A Foreign Ministry spokesman said that cancellation of the bilateral treaty would not be considered "because it does not fit in the Common Market package of sanctions" enacted against South Africa.

The EEC package, agreed upon by the trade bloc's 12 member nations in October 1986, calls for a ban on the sale of South African gold coins, an import ban on South African steel, a ban on new investments, and an arms embargo.

The Dutch Government has repeatedly stated that it will only support joint Common Market sanctions.

One of the five aid organisations involved, the Netherlands Development Organization (SNV), is the Dutch version of the US Peace Corps and is wholly financed by the government.

Although the other four organisations also receive government subsidies, none of them is fully dependent on government funding.

Ford disinvests but cars stay in SA

The Ford Motor Company is disinvesting from South Africa, but will continue to provide Ford vehicles, components, service parts and management and technical services to Samcor, which at present manufactures Ford vehicles in the country.

Agreement was reached yesterday between Ford, Anglo American Industrial Corporation (AMIC), the National Union of Metalworkers of SA and Samcor "whereby Ford Canada will give a 24 percent equity interest in Samcor to a trust for the benefit of all Samcor employees", Anglo American Corporation said in a statement.

The statement said that for 10 months, Ford Motor Company "has been consulting interested parties with regard to the transfer of Ford Canada's equity in the South African Motor Corporation (Samcor)".

EQUITY

"The remaining 76 percent of Samcor's equity will be held between AAC, AMIC and associates."

The transfer, in effect, "means that Samcor will continue to operate unchanged, supplying Ford products to the public through its Ford Division and Ford dealer network in South Africa".

Dividends received by the employee trust would "be used for community welfare and development activities".

In addition, Ford would "establish and fund two community trusts, one in the Pretoria area and one in the Port Elizabeth area, with an equal number of employee and community representatives as trustees. Ford will contribute $2 million to each of the trusts..." — Sapa.

Workers to run R100m fund

Ford, union conclude trust deal

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B/day.

AGREEMENT was reached yesterday on the terms of the Ford Motor Company's disinvestment from SA, five months after the proposed move was announced.

Ford Canada is to donate a 24% equity interest in Samcor — estimated by industry sources to be worth R100m — to a trust controlled by Samcor employees. Dividend income accruing to the fund will be used for community welfare and development activities.

The rest of Ford's 42% stake in Samcor will be held by Anglo American, AMIC and associates — who now hold the remaining, and majority, interest in the company. Anglo was unwilling to say what the 24% amounted to in monetary terms.

The employee trustees will nominate three of their number — two representing hourly paid employees and one representing salaried employees — to serve on Samcor's board of directors.

The agreement was concluded between Ford, AMIC, the National Union of Metalworkers of SA (Numsa) and Samcor.

An Anglo statement said Samcor operations would, in effect, continue unchanged.

Ford would continue to supply vehicles, components, service parts, management and technical assistance, as well as licensing the use of the Ford trade mark. Products would be distributed to the public in the same way as now.

ALAN FINE

In addition, Ford would establish and fund two community trusts — one in the Pretoria area and one in the Port Elizabeth area — with an equal number of employee and community representatives as trustees.

Ford would contribute $2m to each of the trusts, with the trustees having complete autonomy over the disposition of the trusts' funds.

The head of Numsa's motor section, Fred Sauls, expressed satisfaction with the accord.

He said while it was a small step — in that only a portion of Ford's total interests had been given to the trust — it came the closest to complying with Cosatu's position on disinvestment, that the assets and wealth should be retained in SA and used in the interests of the people of the country.

Sauls said a critical aspect of the agreement was that dividends accruing to the employee trust would not benefit workers personally.

He said this was the only basis upon which the union was able to accept the offer. There had been widespread resistance among members to having dividend income distributed among them personally.

They had, said Sauls, no desire to be drawn into "alienating private enter-

To Page 2

P.T.O

Ford, union in deal on 24% Samcor stake

From Page 1

prise relationships", which would lead to competition between them and colleagues in other companies.

It also meant there would be no contradiction between the normal collective bargaining processes and the position of the workers as shareholders.

Sauls said at this stage it was not envisaged that employee directors would directly participate in the running of the company. Rather, they would aim at gaining an understanding of how the company was being managed, and at collecting information which would be of use and interest to workers.

Union attempts to negotiate an equity of more than 24% — which would have given the trust a more decisive say in certain corporate decisions — were unsuccessful.

Anglo said a joint committee of trustees and management would be established to address issues of mutual interest. This committee would not substitute for the normal collective bargaining process.

The trust would comprise five representatives of hourly-paid workers — elected on a one-employee-one-vote basis, and two salaried staff representatives.

Regarding the two community trusts, Sauls said the union had demanded equal worker representation so as to ensure funds were channelled into relevant projects and to progressive organisations.

According to the Anglo statement, Ford had agreed to provide training over a period of five years — primarily at its US and European locations — for the purpose of upgrading the skills and qualifications of Samcor's employees (including, it is understood, worker directors) and to improve their career development and job opportunities.

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Israeli: sanctions harm independent states

Daily Dispatch Reporter

EAST LONDON — Economic sanctions would harm not only South Africa but also independent states like Ciskei, a visiting Israeli newspaper editor said here yesterday.

Israel, too, would be hurt by sanctions against South Africa, said Mr Moshe Ishon, the editor in chief of the Hatzofe Daily, the official mouthpiece of the National Religious Party (NRP) in Israel.

Mr Ishon is visiting Southern Africa and was the guest of the Ciskei Government yesterday.

Before leaving East London for Israel, Mr Ishon said: "I am impressed at how the people of Ciskei have developed the bush into a thriving industrial and agricutural country in such a short space of time.

"Bisho is an excellent 'workshop' and a fine example of how to develop a country"

Mr Ishon said the NRP opposed sanctions for three reasons:

● "The first is the question of who will get hurt tomorrow or the next day.

"Sanctions can be imposed today, but tomorrow the people will weep

● "Therefore we should not intervene with the internal policies of another country especially when we know that over the last three to four years progress has been made and is being made internally to solve the problems of apartheid in South Africa.

● "For the third reason, we in Israel feel responsible for the Jewish community in South Africa and we appreciate what the government has done for this community in the past.

"This is particularly important in view of the special policy that exists here which allows Jews to leave South Africa with their money and property and go to Israel thus exercising the Israeli law of the Right of Return for every Jew throughout the world to go to Israel.

"We cannot be indifferent to the effects sanctions will have on the weak, the blacks, and the poor in Southern Africa," Mr Ishon added

"Sanctions against South Africa will hurt Israel It is not a secret that Israel had good trade relations with this country and I hope that in the future Israel will continue its trade relations with South Africa.

"I have spoken to parliamentarians, university professors, black leaders and a wide cross section of the South African public, all of whom have asked that Israel continues to oppose sanctions.

"On my return to Israel I will carry this plea in a series of articles on why Israel should not support sanctions," Mr Ishon said

Union, Samcor agree on equity trusts

Daily Dispatch Correspondent

JOHANNESBURG — An agreement was reached yesterday about Ford's disinvestment from South Africa, five months after the proposed move was announced.

Ford Canada is to donate a 24 per cent equity interest in Samcor to a trust controlled by Samcor employees. Dividend income accruing to the fund will be used for community welfare and development activities.

The rest of Ford's 42 per cent stake in Samcor will be held by Anglo American, Amic and associates — who presently hold the remaining, and majority, interest in the company. Anglo was unwilling to say what the 24 per cent amounted to in monetary terms.

The employee trustees will nominate three of their number — two representing hourly-paid employees and one representing salaried employees — to serve on Samcor's board.

The agreement was concluded between Ford, Amic, the National Union of Metalworkers of South Africa (Numsa) and Samcor.

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Mr Sauls said a critical aspect of the agreement was that dividends accruing to the employee trust would not benefit workers personally.

Mr Sauls said at this stage it was not envisaged that employee directors would directly participate in the running of the company.

Rather, they would aim at gaining an understanding of how the company was being managed, and at collecting information which would be of use and interest to workers.

Airline tit-for-tat may go on

JOHANNESBURG — The Australian national airline, Qantas, has refused a South African Airways offer to meet it halfway in Mauritius.

The move follows SAA's offer to provide connecting flights at Mauritius for seven special flights during December/January instead of from Harare.

An SAA spokesman said: "The Australian airline has answered that it will be too costly to include the Mauritius stop en route to Harare. Such a landing, according to Qantas, will cause crew problems."

The tit-for-tat wrangle between SAA and Qantas over using Harare as a connection point for Jan Smuts looks set to continue.

Sources said the sanctions-induced ban, denying SAA landing rights in Australia, which came into force last month, has prompted SAA to dig its heels in on the question of ferrying Australian passengers — of which 90 per cent were South Africa bound — from the Zimbabwe capital to Johannesburg.

The SAA spokesman said the airline had responded by suggesting that Qantas terminate its seven special flights at Mauritius and that the passengers then transfer onto the already existing SAA flights.

"The South African national carrier points out that it still does not have any additional aircraft or crew available to provide a connecting service from Harare as a result of seasonal demand, but that it has blocked off seats from Mauritius for Qantas

"SAA is also prepared to fly the Qantas crew from Harare to Mauritius"

The airline previously had one flight a week operating between Jan Smuts and Sydney via Perth.

Because of the ban on SAA, passengers bound for Johannesburg must now fly to Singapore, Hong Kong or Taipei to board connecting flights to South Africa — DDC

SAP aware George has armed guards

PORT ELIZABETH — The police were aware that Chief George Matanzima was in St Francis Bay with armed bodyguards, a spokesman for the Minister of Law and Order said yesterday.

Brigadier Leon Mellet, the liaison officer for the minister, Mr Adriaan Vlok, said police knew the former Transkeian Prime Minister was being guarded by armed Transkeians. He said the matter was receiving urgent attention from Pretoria.

Brig Mellet was approached for comment after holidaymakers complained about the presence of heavily-armed men outside the house Chief George is renting in the popular resort.

As a result of the inquiries, Brig Mellet sent a senior officer from Port Elizabeth to St Francis Bay to investigate the matter.

Home-owners in the area have also objected to the presence of the guards, saying they do not want the guards around while they are trying to relax.

Brig Mellet declined to comment when asked why the SAP were not guarding Chief George instead of armed citizens from a foreign state.

It appears, however, as if South African authorities are facing a dilemma since Chief George resigned as prime minister while he was in South Africa.

He and his guards entered South Africa quite legally, but the situation has changed since his resignation and it appears it is this aspect which is receiving urgent attention. — DDC



Israel no longer working on jets says minister

JERUSALEM — The Defense Minister, Mr Yitzhak Rabin, reassured legislators that Israel was not continuing development of the defunct Lavi jet fighter in co-operation with South Africa, a spokesman said yesterday.

Mr Rabin also told parliament that although Israel did not approve of Israeli aircraft workers who were laid off from the Lavi project taking jobs in South Africa, it had no power to stop them, according to a Defense Ministry spokesman, Mr Eitan Haber.

The Israeli Government, acting under American pressure, voted in August to scrap the over-budget Lavi. The project, which was largely funded by US dollars, was designed to produce Israel's first home-made jet fighter.

Mr Haber said that Mr Rabin told legislators on Tuesday there was "no truth whatsoever" in recent news reports that Israel was continuing to develop the Lavi plane in co-operation with South Africa.

Earlier, the daily Jerusalem Post reported that South Africa had launched a campaign to attract hundreds of former engineers from the Lavi as well as key project officers.

Some 3 000 IAI workers lost their jobs when the Lavi was terminated. — Sapa-AP



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West's interests 'primary'

JOHANNEBURG. — Western governments applying sanctions against South Africa were primarily concerned with their own national interests, Professor Jesmond Blumenfeld, lecturer in economics at Brunel University and convener of the Southern Africa Study Group, Royal Institute of International Affairs, said yesterday.

"The decision of the West German government to participate in the 1986 EC sanctions, however reluctantly, further demonstrates the point.

"The same applies to the increasing concern in Israel and in Japanese policy-making circles about the implications for their national interests of their economic relations with South Africa, even though in both instances there is an obvious reluctance to take decisive action," Professor Blumenfeld told the SA Institute of International Affairs.

Momentum towards increasing economic isolation of SA from its traditional trading partners was overwhelming. — Sapa

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'Sanctions, but scant effect'

JOHANNESBURG. — A visiting US anti-sanctions lobbyist said yesterday that South Africa would face increased economic sanctions, but predicted they would have a limited economic effect.

Washington lawyer Mr Donald Dekiefer told the RAU Institute for American Studies that SA was "better prepared for economic hardship than any other country in the world".

"It will have to rely on its own resources, however, and must show a greater commitment to looking at what it can do itself," he said.

SA had psychologically faced the worst of the sanctions threat, he said.

"There will be more and more symbolic sanctions against SA, but they will have scant effect. Economically it won't mean very much."

He cited the example of companies monitored by the Investor Responsibility Research Centre group in the US.

Companies could easily satisfy the criteria for disinvestment — such as no longer having any assets in SA — and yet no money would physically have left SA.

Only corporate motifs and symbols would have changed.

"Companies are not political institutions and it is easy for them to acquiesce in symbolic acts."

He highlighted the positive aspect of sanctions: "SA can now be in control of its own political and economic destiny."

He said sanctions, for example against steel, gave the industry a major means of increasing its overseas trade through exporting the raw material in a different form.

"Where sanctions have hit certain sectors hardest, this shows SA has not been inventive enough in looking at how to export those products."

11645 29/10/87

Qantas seeks SAA aid on backdoor route

The Argus Foreign Service

PERTH. — Two days after South African Airways was banished from Australia, Qantas has asked it to help in cashing in on a backdoor route between the two countries.

The Australian carrier has scheduled six extra return flights between Sydney, Perth and Harare in December and January. The extra services, already heavily booked, are to cope with the high demand for holiday season travel.

Qantas is negotiating with both SAA and Air Zimbabwe to meet its extra Harare flights with special connections to Johannesburg.

Australia banned SAA flights as of Tuesday as part of its anti-apartheid policies but Qantas continues to fly a weekly service to Harare.

PICKING UP BUSINESS

Qantas wants SAA to double the capacity of its Harare-Johannesburg flight on Thursdays to meet the needs of passengers using the regular Qantas flight to and from Zimbabwe.

A spokesman for the Australian Foreign Minister, Mr Bill Hayden, said in Canberra today that Qantas was not breaking any sanctions by cashing in on the Harare route.

"Qantas is adhering to our guidelines on sanctions and we note that it is picking up business because of the cessation of SAA services," he said.

Mr Jannie van Zyl, a SATS spokesman, confirmed that Qantas had applied for extra connections between Johannesburg and Harare over the Christmas holidays.

"It is difficult to say when a decision will be made," he said.

coast. — Sapa-Reuter.

New Shell boycott over SA links

CHICAGO. — The United Church of Christ is to boycott Royal Dutch Shell Petroleum and its subsidiary, Shell Oil USA, until the company stops doing business in South Africa. — Sapa-AP.

Sanctions lobby rebuffed in UK

30/11/87. Q80 Bday

MIKE ROBERTSON

LONDON — In one of the most important policy speeches affecting SA in recent months, British Trade Minister Alan Clark has said there is no reason companies should not continue to do business with the country.

Speaking at a meeting of the United Kingdom South Africa Trade Association (Uksata), Clark scathingly rebuffed the sanctions lobby by quoting an aphorism from UK Chancellor Nigel Lawson: "The business of government is not the government of business."

Clark, who spelt out in great detail Britain's policy on trade with SA, said restrictive measures adopted in conjunction with the Commonwealth and EEC were not meant to signal opposition to trade between the two countries.

The measures were "signals aimed narrowly and specifically at the SA government" to demonstrate Britain abhorred apartheid and believed both sides had to continue working towards an environment in which there could be genuine dialogue across racial lines.

Clark added: "We believe a government-inspired exodus of UK firms and a complete cessation of bilateral trade would not promote the right climate for reform in SA."

This would not only have a negative effect in SA, but the British economy would also be badly damaged.

He noted in the first nine months of this year, Britain had run up a surplus of £206m in its visible trade with SA.

Invisible exports to SA had also made a significant contribution to the balance of payments.

As SA became more industrialised, it would continue to present new and exciting opportunities. "I hope British companies will continue to be well represented," he said.

"SA remains a profitable market. There is no reason why companies should not continue to do business with it; building prospects for yourselves and hope for peaceful reform in the Republic," he concluded.

Plan to pour millions into SA

CAPE TIMES 2/12/87

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LONDON. — British industry was on the verge of pouring millions of rands into South Africa, part of a "Marshall Plan" to dismantle apartheid and improve black education, housing and job opportunities.

The aim was to maintain British investment in SA against pressure for international economic sanctions

It was reported yesterday in the Scotsman newspaper that the initiative had been on the boil for at least two years and was expected to be announced in February.

The plan has been put together by the British Industry Committee on South Africa (Bicsa), set up in January 1986 by the Confederation of British Industry and the UK/SA Trade Association. The body represents big investors such as Rio Tinto Zinc, British Petroleum, Shell, ICI and Unilever.

Bicsa director general Mr Nick Mitchell said yesterday the plan involved setting up a multi-racial trust in SA which would have the freedom to select mostly existing projects, inside and outside townships, to receive financial backing.

It would deal primarily with non-government education in pre-schools, multi-racial private schools, pre-university courses and literacy and numeracy back-up to technical schools.

Asked if it wouldn't be viewed cynically as a self-interested attempt by British companies to maintain a business presence in SA, Mr Mitchell said: "We certainly anticipate people saying that. There is an element of self interest in it. Self-interest is more powerful when lined up with the interests involved."

He said senior ANC officials had been approached in Lusaka and London, and although no in depth discussion had taken place, they had given the plan a "greenish-amber light".

The initiative is at a stage where it needs a firm financial commitment from Bicsa members, Mr Mitchell said. He declined to reveal exactly how much money is involved except to say it would be "millions of pounds".

"The motivation is that British industry wants to be part of a post-apartheid SA. It wants a long haul as against something you leave behind when you retire," he said. — Own Correspondent and Sapa

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Disinvestment creates millionaires

DISINVESTMENT by US companies has seen the creation of 168 new South African millionaires in the 12 months American sanctions have been in force, says the US Journal of Defence and Diplomacy (JDD).

The magazine, published by the Intel Research Corporation in Washington, says one of the major effects of sanctions has been to increase the concentration of wealth in hands of white South Africans.

The report says local businessmen

MICK COLLINS

have benefited from being able to purchase profitable concerns at bargain basement prices.

As an example, the report gives the disinvestment by the Xerox Corporation of its SA holdings, which it says cost the company a minimum of US$21,8m.

Although decisions to disinvest have had an effect on SA, that effect is barely felt on a macro-economic level, the magazine claims.

US corporate withdrawals have had a stimulatory effect on the South African economy, in the short-term.

Earnings of subsidiaries sold by US parent firms now remain in SA and are available for internal investment.

Under current disinvestment methods, employment levels are being maintained — with certain exceptions — by the new managements.

Presidential candidate urges tighter sanctions

By NEIL LURSSEN
The Argus Foreign Service

WASHINGTON. — Senator Albert Gore, the most conservative of the Democratic Party's six major presidential candidates, has called for tougher economic sanctions against South Africa.

In a nationally televised public debate here, which brought all the Democratic and Republican candidates together, Senator Gore said tighter sanctions should be imposed to encourage a speedier end to apartheid.

Senator Gore, from Tennessee, is counting on voter support in the American South to take him to the White House. So far, his campaign has found little support in the critically important north-east and central states.

His chief Democratic rival for Southern support is the Rev Jesse Jackson who seems certain to secure most of the votes of blacks, who are concentrated in the region.

In an apparent effort to force Senator Gore's hand on South Africa, an emotional issue for American blacks, Mr Jackson noted that Mr Gore supported trade and arms embargoes against Iran, and asked him if he would support the same steps against South Africa in the light of the South African "invasion" of Angola and "occupation" of Namibia.

Senator Gore replied that the US wanted anti-Iran sanctions included in a United Nations Security Council resolution on the Iran-Iraq war, but that lack of co-operation from the Soviet Union and China was making that difficult to achieve.

However, a UN arms embargo on South Africa was already in effect and the US was abiding by the UN resolution. But the US ought to go further, he said, and impose tighter sanctions to encourage a more speedy end to apartheid.

Anc Trips 2/12/87

Sanctioned rich

Own Correspondent

JOHANNESBURG. — Disinvestment by US companies has seen the creation of 168 new South African millionaires in the 12 months that American sanctions have been in force, says the US Journal of Defence and Diplomacy (JDD).

The magazine, published by the Intel Research Corporation in Washington, says one of the major effects of sanctions has been to increase the concentration of wealth in hands of white South Africans.

ANC rejects 'Marshall Plan'

Own Correspondent

LONDON. — The ANC last night rejected the plan by the British Industry Committee on South Africa (Bicsa) to plough millions of rands into black advancement schemes.

Bicsa has confirmed it hopes to launch a "Marshall Plan" for South Africa in February, the Scotsman newspaper reported yesterday.

The ANC denied an earlier claim by the powerful British industry group that it had been given the banned movement's tacit go-ahead for the scheme.

Instead, an ANC statement last night told Bicsa they were just trying to justify their presence in the Republic — but should get out.

The statement called for "comprehensive mandatory sanctions" against South Africa in place of the Bicsa plan.

AAM welcomes show of strength

Welsh pension funds join anti-SA move

LONDON - Welsh county council pension funds approaching £1bn are being used to impose investment sanctions on companies with dealings in SA.

Four out of five Welsh counties, which responded to a major national survey, do not invest their funds in SA-linked companies.

The result of the confidential survey, carried out by Local Government Chronicle, has been welcomed by the Wales Anti-Apartheid Movement.

"We have campaigned to stop investment in SA and are glad there are Welsh counties that have no links with companies dealing in SA," said Anti-Apartheid Movement secretary Hanif Bhamgee.

Own Correspondent

Across the country, returns to the LGC survey indicated the value of local authority funds in the UK reached around £30bn — including the estimated £1bn of the five responding Welsh counties — at the end of 1986/87.

Of the 73 county councils across Britain which responded to the survey — the first of its kind — 36 under the whole spectrum of political control do not invest their pension funds in SA-linked companies.

Four of these are Welsh, although it is not known which counties they are, or their reasons for restricting their investments.

Reasons given for the blockade vary across the UK, from the perceived instability of the SA economy making investment in it a bad risk, to clear moral judgments about the country's racial policy, or inconsistency alongside the councils' own race-relations policies.

There were 18 funds which did not invest in SA-registered companies.

Refusing pension fund links with SA on grounds other than commercial, remains of questionable legality.

The Local Government Bill now before Parliament seeks to outlaw "contract compliance" by local authorities which seek to impose conditions of a non-commercial nature on contracted companies.

Coal sanctions: 800 lose jobs

JOHANNESBURG. — More than 800 people have lost their jobs on Rand Mines coal mines as a result of sanctions, the chairman, D T "Dammy" Watt has told shareholders in his latest annual statement.

"Regrettably, instead of encouraging reform, the sanctions campaign has resulted in a hardening of attitudes in this country, and the sufferers have mainly been the very people who were supposed to have benefited from sanctions," he says.

The Rand Mines coal division has rationalized its operations and reduced production in order to operate more effectively under the difficult trading conditions likely to persist in the export market in the short term.

Cost of railing

But SA coal producers are being severely prejudiced by the substantial increase in the cost of railing coal to Richards Bay for export, he says.

"This increase could well put certain coal producers into loss and thereby cause further reduction of jobs in this industry for 1988.

"Sanctions were initiated by Denmark, adopted to some extent by France in 1986 and thereafter applied by the USA. Political sentiment in certain other countries, where no formal sanctions have been implemented, has made it extremely difficult for South African exporters to expand sales." — Sapa

UDF rejects 'Marshall Plan'

JOHANNESBURG. — The proposals of the British Industry Committee on South Africa for a "Marshall Plan" were totally unacceptable, the UDF said yesterday in a statement.

"The real motive is totally transparent: To protect the interests of British industrialists.

"It is also an open secret that it is an attempt to divert funds away from support for organizations of the people.

"We must point out the scheme was not discussed with the people it claims to be helping."

"Elaborate schemes which try to give an impression of black representation while maintaining white power will not work."

Argus 10/12/87

SA faces a major transformation of society, says US ambassador

Political Correspondent

THE question in South Africa is not whether a new political system will exist here but rather how it will come about, Mr Edward J Perkins, the American ambassador to South Africa, writes in the latest issue of *Leadership* magazine.

Elaborate schemes which try to give an impression of black representation while maintaining white power will not work, he says.

In his article he makes three points:

- Somewhere down the road South Africa faces a major transformation of its political structure.
- There are real questions of ethnicity in South Africa which will ultimately have to be addressed.
- The outside world must view South Africa with great sensitivity "so that we do not make matters worse."

Mr Perkins says that almost no-one he has met believes that the present constitutional system is sufficient to carry the country into the next century.

He senses a growing realisation that a valid political system in South Africa must be one which correlates with the demographics of the country — not merely black participation or black co-operation but government which truly represents the majority of South Africans.

He says this term includes everyone inside the wide, traditional national borders.



Mr Perkins

The extent to which this simple fact is still denied is surprising, yet every sign points to it.

"The forces of justice and historical right are on its side.

"In 1960 whites constituted 20 percent of the population. Today 15 percent of all South Africans are white, but by the end of the century they will have shrunk to seven or eight percent.

"A dwindling minority which rules this country can only mean a diminished power base and lessened ability to uphold an antiquated and unjust system.'

Mr Perkins says that it must be asked how many whites operate with the premise that a new political system must come. "If the results of the past six months are any guide, not very many.

"Similarly for blacks, if political transformation is inevitable, what kind of government should it be? Will it protect human rights; will it foster economic diversity? It will be too late to answer these questions once the wheel of change is spinning under its own uncontrollable momentum."

He has noted with interest the view that there are two nationalisms in South Africa.

It will be necessary to give some kind of reassurance to Afrikaners. They will want to know that sometime after the transition they will not end up defenceless and dispossessed in the land of their birth.

At the same time Afrikaners must expand their concept of community to embrace and accept all South Africans on an equal basis.

The days when the Afrikaners were struggling to assert their political power and when strong cultural identification and group solidarity were considered necessary to gain their national strength today are over.

"One of the many tragic ironies I see here is the spectre of a ruling people who survived the concentration camps of the Anglo-Boer War yet inflict forced removals upon others, and after a long struggle for educational liberation imposed Bantu education on people striving for better opportunities."

As the governors of the nation the Afrikaners bear a special responsibility to take steps to create reconciliation, unity and the extension of full democratic rights to all South Africans.

Referring to pressure from the outside world Mr Perkins says he believes that "we in the west" must continue to put unrelenting pressure on the Government on a whole range of issues from human rights to fundamental political change and that this pressure includes selected sanctions.

In a badly factionalised country such as South Africa unfocussed pressure was, however, likely to be counterproductive.

Under these difficult circumstances he sees the need for a dual responsibility.

South Africa must face up to its problems and not take refuge in diatribes against the outside world.

As for the US he believes that the complicated issue of South Africa "challenges us to gain a more sophisticated grasp of the realities of conducting foreign policy."

"We can choose principles, we cannot choose sides. We can invite the various sides to associate themselves with our principles if they choose to do so."

Mr Perkins says he feels a great hope for this country and that South Africa will do more than make it."

He believes that South Africa will someday be a country which offers all of its citizens a sense of pride and hope for the future.

"Despite the bitter cleavages which transfigure this society and which have been tragically reinforced by 40 years of apartheid I believe the shared values of decency, religion and, indeed, self-interest in survival can prevail."

Meddling charge against Perkins

By LESTER VENTER
Political Correspondent

US AMBASSADOR Edward Perkins supports selective sanctions — but does not believe things in SA have to get worse before they get better.

Mr Perkins was not available yesterday to explain his controversial view, according to US Embassy spokesmen.

He made his apparently contradictory claim in an article in the latest edition of Leadership magazine — and was immediately accused in an angry reaction from the Department of Foreign Affairs of meddling in domestic affairs.

An unnamed Foreign Affairs spokesman said SA's future was for South Africans to decide.

In a three-pronged argument, Mr Perkins said SA faced a "major transformation of its political structure" ... there were "real questions of ethnicity in SA which will ultimately have to be addressed" ... and the outside world should not make matters worse.

It was in this latter point that Mr Perkins said selective sanctions — not specified — should be part of "unrelenting pressure on this Government on a whole range of issues from human rights to fundamental political change".

"Unfocused pressure is very likely to be counter-productive.

"The major transformation of political structure was inevitable.

"I do not think elaborate schemes which try to give an impression of black representation, but actually maintain white power, will work. They are as doomed as the concept of apartheid itself."

Yet the extent to which these simple facts were denied was "surprising".

Those seeking rapid and meaningful change would "do well to confront the issue of two competing nationalisms and to take cognisance of Afrikaner fears of domination and dispossession".

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He made his apparently contradictory claim in an article in the latest edition of Leadership magazine — and was immediately accused in an angry reaction from the Department of Foreign Affairs of meddling in domestic affairs.

An unnamed Foreign Affairs spokesman said SA's future was for South Africans to decide.

In a three-pronged argument, Mr Perkins said SA faced a "major transformation of its political structure" ... there were "real questions of ethnicity in SA which will ultimately have to be addressed" ... and the outside world should not make matters worse.

It was in this latter point that Mr Perkins said selective sanctions — not specified — should be part of "unrelenting pressure on this Government on a whole range of issues from human rights to fundamental political change".

"Unfocused pressure is very likely to be counter-productive.

"The major transformation of political structure was inevitable.

"I do not think elaborate schemes which try to give an impression of black representation, but actually maintain white power, will work. They are as doomed as the concept of apartheid itself."

Yet the extent to which these simple facts were denied was "surprising".

Those seeking rapid and meaningful change would "do well to confront the issue of two competing nationalisms and to take cognisance of Afrikaner fears of domination and dispossession".

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Sanctions slowed pace of reform: Gerhard de Kock

LONDON — The South African economy is healthy, while sanctions and disinvestment have slowed rather than hastened political change in South Africa, Reserve Bank Governor Gerhard de Kock said in the London Financial Times yesterday.

"It was hell being Governor two years ago. It's a lot more pleasant now," De Kock was quoted as saying in an interview.

He said the South African economy had dramatically improved since a crisis in August 1985. Two years ago, US banks refused to roll over their South African credits, prompting Pretoria into declaring a partial moratorium on its US$24bn foreign debt.

Since then the US and European Community have imposed economic sanctions against SA and more than 150 companies have disinvested from the country.

"We ourselves have been surprised in our situation since then," De Kock said. "We were never over-borrowed by any standards. What we faced was a liquidity crisis."

For three years, SA had run current account surpluses of between 3% and 5% of its gross domestic product and had use them to pay off US$4,8bn of its original external debt, as well as interest.

But De Kock said racial reforms and the bureaucracy to implement them cost a lot. "The world is always calling on us to do more, but it's expensive and has to be paid for," he added.

He said that, despite sanctions, SA had managed to increase its trade surplus, while disinvestment — far from bringing the economy and the government to its knees — had caused the business community to rally behind Pretoria.

"It used to be my private theory, but now it's an established fact — sanctions and disinvestment have not forced Pretoria to speed up change," De Kock said.

"Experience shows that sanctions and disinvestment contributed to the Conservative Party becoming the official Opposition in the May elections and forced business to divert its energies into busting sanctions and profiting from disinvestment.

"The net result has been counterproductive for the sanctions lobbyists. It has slowed the pace of reform," he said. — Reuter .

Mystery ad 'misleading'

B Day 15/12/87

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THEO RAWANA

DIPLOMATS have described as "misleading" an advertisement promising jobs overseas to South African workers who have been retrenched due to sanctions.

The advertisement — placed in a King William's Town-based black weekly newspaper by an organisation calling itself "Victims of Sanctions" — says negotiations are under way with overseas governments to take in workers retrenched because of sanctions.

The organisation, which has a Durban address, has sent letters to different governments, through their embassies and consulates, appealing to each to relocate 10 000 black workers and their families.

Canadian Embassy counsellor-Marlene Massey said that the claim that negotiations were going on was misleading. "We are looking into the group, as we don't know who they are or whom they represent. They have written to the Canadian Prime Minister and the Secretary of State for External Affairs, but there has been no reaction so far.

"Immigration issues have to be dealt with through the UN High Commissioner for Refugees, and these do not cover economic migrants resident in their countries. And the idea of taking in 10 000 people has to be weighed against the fact that the annual global intake of refugees is 10 000 to 12 000."

Forwarded

A reply from US Ambassador Edward Perkins to the organisation says the US offers refuge only to those who fear for their lives as a result of political persecution or — through the UN — those normally displaced by war or ethnic persecution.

"Unfortunately, those fleeing poor economic conditions do not generally fall within the scope of established international refugee programmes," the letter says. But Perkins said he had forwarded the letter to President Reagan.

Among countries mentioned in the advertisement are Denmark, Finland, Norway, Sweden, Holland, Germany and France.

Danish Honorary Consul-General N Horn said he was puzzled and did not know anything about negotiations with the organisation. Jan Lundvik, Envoy at the Swedish Legation, said the letter had been forwarded to the Swedish Prime Minister.

West German Ambassador Dr A Zobel said he was not aware of such a letter and could not comment on a letter he had not seen.

P J Thomas, the organisation's director for Natal, confirmed that all they had received were acknowledgement of receipt and replies that the letters had been passed on to the relative officials in the countries to which they were directed.

He said the organisation, which had himself, a Reverend Enoch Mabuza and Mohamed Farouk on its board of control, had very little money, no stationary and no staff — and was funded by some "rich whites".

He said about 110 applications had been received since the advertisement was placed two weeks ago. "These are put on the waiting list. There's no charge, as we will get the governments to pay for the passage of these people."

around the house. — Sapa

Sanctions hit protea exports

BY BARRY STREEK

SOUTH AFRICA's protea export market was being hit by sanctions, according to the chairman of the South African Protea Producers and Exporters Association (Sappex), Mr Barrie Gibson.

In the association's latest newsletter wrote that dumping by certain exporters on the major European auctions have kept prices and demand low. Quality left a lot to be desired.

The directorate of Agricultural Product Standards in Pretoria had informed the association that dried flowers would no longer be inspected for quality. Only those with a moisture content of more than 15% would be inspected in future.

Pressure mounts for more Dutch sanctions at culture festival

AMSTERDAM — An anti-apartheid arts festival in Amsterdam this week has underscored controversy between the Dutch public and its government over sanctions against South Africa.

The December 9-21 festival "Culture in Another South Africa" has provided a unique opportunity for over 100 anti-apartheid exile artists and an equal number still living in South Africa to meet, show their work and discuss the future of their country.

The largely Dutch and South African audience sway to the music of "We love you Winnie Mandela," rise to their feet and dance in the aisles of a baroque Amsterdam theatre as South African jazz pianist Abdullah Ibrahim pounds away on a piano.

SHELL UNDER FIRE

But beyond the cries of "amandla", the 12-day festival, which includes workshops, speeches and performances, is also an indictment against what many Dutch feel are inadequate measures by their government to combat apartheid.

Some 60 cities and towns are lobbying to change government policy, the oil group Royal-Dutch Shell has come under frequent attack for continuing its presence in South Africa and activists have demanded the national airliner KLM stop flying there.

Many Dutch seem to feel their government's policy — to go along with European Community measures against Pretoria — is insufficient.

COLONIALISM

"As you walk by the canals of Amsterdam and remark on the beauty of some of the 17th century houses of Holland's Golden Age, it should not be forgotten that their being built had to do with colonial exploitation," said Mr Conny Braam, a Dutch organiser of the festival.

"We feel our government is not doing enough," said Amsterdam's mayor, Mr Ed Van Thijn, who spoke at the festival.

"That is why we, along with other municipalities across the political spectrum have banded together to declare ourselves anti-apartheid cities.

The Dutch Foreign Ministry has accused the municipalities of meddling in its affairs.

'BAN ALL GOODS'

The Netherlands, in compliance with EC measures, imposes cultural and some economic sanctions against South Africa, including a ban on new investments and arms exports. It prohibits imports of gold coins, iron and steel from South Africa and discourages oil exports to Pretoria.

The municipal lobby says the government should impose tougher economic measures and have urged the citizens of their towns and cities to boycott all South African goods.

Shell's directors were recently invited to the town of Leyden to defend their presence in South Africa in a debate sponsored by the lobby.

Delft University last week withdrew a proposal to award Royal Dutch Shell chairman Mr L.O. van Wachem an honorary doctorate due to opposition by student and staff. — Sapa-Reuter.

UK 'is scuttling sanctions talks'

MIKE ROBERTSON

LONDON — The British government is trying to scuttle attempts to convene a meeting between the EC and African, Caribbean and Pacific States (ACP) to discuss sanctions against SA, EC officials say.

Members of the 66-member ACP group asked for a ministerial-level meeting between 12 of their representatives and the 12 EC members.

According to an EC spokesman the matter was discussed by foreign ministers last week, without any official decision being taken.

While the spokesman would not comment on reports that the reason for the delay was British Foreign Secretary Sir Geoffrey Howe's opposition to the meeting, another EC official said the reports were true. He said Britain was isolated on the matter.

A Foreign Office spokesman denied Britain had vetoed the proposed meeting. Discussions, he said, were still going on.

Unless the matter is resolved today it is almost certain to be raised at the meeting between all 66 ACP ambassadors and their 12 EC counterparts in Brussels tomorrow.

Superlatives of past year

NEW YORK. — Here are some of the superlatives of 1987:

Most expensive painting: "Irises" by Vincent van Gogh — sold at auction for $53,9 million (R108m) in New York.

Most expensive car: 1931 Bugatti Royale — auctioned for $9,86-million (R19,8 million) in London.

Richest person: Sultan Hassanal Bolkiah, 41, Bandar Seri Begawan, Brunei, $25 billion (R50 billion), according to Forbes magazine.

Top-grossing US film: "Beverly Hills Cop II" — grossed $153 million (R306m) as of December 1.

Best-paid entertainer: Bill Cosby of the United States, $84 million (R168m) estimated for 1986-87, according to Forbes magazine. — Sapa-AP

CITY/INTERNATIONAL

Sanctions not way, say West Germans

BONN. — The West German government has condemned apartheid, but rejected sanctions as a way to force South Africa to change its racial policy.

Helmut Schaefer, a minister of state in the Foreign Ministry, said during a parliamentary debate on South Africa that in the government's view "apartheid and racism are not capable of reform. They must be eliminated."

But Schaefer said sanctions were not the solution because they would only harm South Africa's black population.

Spokesmen for the opposition Social Democrats (SPD) and radical Greens party, who forced the debate, said Pretoria's failure to keep its promises of reforms showed that sanctions were the only suitable way to stop apartheid.

Only support

"The economic base must be withdrawn," SPD deputy Guenter Verheugen said. Trade unions, churches and civil rights movements in South Africa had demanded this themselves.

The rightist Christian Social Union, a junior partner in the governing coalition, voiced Pretoria's only support.

Spokesman Wolfgang Boetsch said the South African Government did not oppose reforms. It was in the process of creating a new order, based on democratic ground rules and recognition of the great racial diversity in South Africa.

This aim could be endangered by "senseless, dangerous sanctions," he said. — Sapa-Reuter.

Chief Buthelezi encouraged by sanctions failure

ULUNDI. — Chief Mangosuthu Buthelezi has told the Austrian ambassador, Dr Alexander Christiani, he is greatly encouraged by the growing Western realisation that sanctions against South Africa have failed.

He called on these nations to support black democrats who were committed to non-violence.

Dr Christiani was paying a courtesy call on the KwaZulu Chief Minister and Inkatha president.

It was being seen increasingly in North America and Western Europe that it was blacks who were paying the price for the failure of sanctions, Chief Buthelezi said.

"The time has now come in which black South Africans working for non-violent change are more closely consulted with about how we can evolve a black South African/Western task force to spearhead new opportunities which the rise of black negotiating power offers."

"UNITY IS STRENGTH'

The Kwazulu leader said white South Africa was a living example of how different race groups could merge under the national motto, "Unity is strength".

In this country, whites of German, English, Polish, Italian, Greek, Portuguese and other stock were further apart in language and origin than black South Africans were from each other.

"Yet the South African Government elevates ethnic differences among blacks whereas it suppresses ethnic differences among whites."

There was nothing that made black ethnic variations any different from the variations among white ethnic groups.

It was only shared experiences in multiracial democratic institutions which could reverse racial hostility, Dr Buthelezi said. — Sapa.

Ford sends millions to save SA car company

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Own Correspondent

WASHINGTON. — In a bid to prevent Anglo American liquidating Samcor, Ford has wired the car company $61 million (about R122 million) without waiting for formal approval from the US Treasury.

The move was "a flagrant violation" of the Comprehensive Anti-Apartheid Act's ban on new investment, congressman Mr William Gray, chairman of the House budget committee, said yeserday.

Samcor, 58% owned by Anglo before Ford's departure, was a South African-controlled company and therefore not exempt from the law's ban, Mr Gray said. Cape Times 17/12/87

The congressman, who has been leading the effort to stop the transfer, accused Ford of signing a secret agreement with Anglo to help pay off Samcor's debts so that Samcor would remain viable to continue selling Ford products in South Africa.

This pact was separate from the disinvestment agreement reached with the National Union of Metalworkers of SA (Numsa) under which Ford undertook give 24% of Samcor equity to create an employee trust fund, Mr Gray claimed.

Ford was sufficiently worried about the legality of the transfer to seek Treasury approval.

SANCTIONS

A friend indeed

Margaret Thatcher played a wonderful innings for SA in Vancouver. Now the new British Ambassador in Pretoria, Robin Renwick, has come in to bat for Britain's anti-sanctions policy. Being the author of an academic study of sanctions (*Economic Sanctions*) his opinion is to be respected.

The argument he sets out to refute is the one popularised by Desmond Tutu: "If not sanctions, then what?" He begins with the acute observation that "the argument for sanctions is not borne of stupidity or malevolence, or simply a desire to do damage to SA, but of frustration."

It's important that this is said. Government, in particular, tends to assume bad faith on the part of foreign powers who advocate sanctions. But if they are in good faith, and merely misguided, there is every reason to continue working for a change of attitude (that, of course, goes for the ANC too). In an interview with the *FM*, Renwick draws a fundamental distinction between the economic and political effects of sanctions. He acknowledges that even leaky sanctions (as he believes all of them are) "can and do cause serious *economic* damage."



Renwick

"But where sanctions do not succeed is in achieving what they are intended to do . . . in producing the desired *political* results, in changing peoples' hearts and minds. Their effect is punitive, not corrective . . . It is in the nature of most people to react to threats with defiance. They dig in, accept the damage — and refuse to change "

The distinction is vital

Too many opponents of sanctions make the mistake of trying to discredit everything the sanctioneers say In their attempt to refute the political efficacy of sanctions, they deny even that sanctions have any adverse economic effects

This is nonsense. It is also dangerous, because it detracts from the credibility of economic arguments against sanctions

Politely but firmly, Renwick points out that political reform is a matter of urgency He notes that SA, which always was a capital importing country, has failed since 1985 to attract the investment which it requires for sustained economic growth — and that this is essentially a judgment of the market He does not say that economic growth will solve SA's problems, but "what we *are* saying is that without economic growth, all the problems will become insoluble."

Reform would also, obviously, assist those governments who are well disposed towards SA in the presentation of their case. "It is more difficult to be sympathetic to the attempts of this country to work out its problems, if it doesn't seem to be working out its problems "

Repeating the point made by Reserve Bank's Gerhard de Kock at the *FM* Investment Conference, Renwick notes that while SA has a breathing space now from world pressure, "if no use is made of that (if no political reforms are forthcoming) the pressures will arrive all right. Demographic and economic pressures are inherent in the dynamics of the situation and the only way to defeat them is to move forward."

Renwick emphasises the British government's view that change here will not happen overnight "We do not see SA as a 'problem' susceptible of some easy or externally imposed solution."

He also sets out what is surely the most persuasive argument against sanctions:

"Apartheid is not the only problem facing Africa The other problems are economic development and, indeed, survival. It really would be futile in the struggle against apartheid to adopt policies which could only lead to catastrophic consequences for other countries whose economies would be destroyed long before the South African economy."

This is why Renwick has little time for those who accuse Britain of being "immoral" or "wicked" for not supporting sanctions. The reasoning is simple: "*You* say that you are bent on reform, on fundamental change. But you don't want to be told how to do it. What *we* are saying is. All right. We understand that . . . We aren't going to try to tell you how to do it. But please get on with it." ■

FINANCIAL MAIL DECEMBER 18 1987

UK blocking more talks on sanctions

BRUSSELS — Britain is blocking plans for a special ministerial meeting between the EC and the African, Caribbean and Pacific states (ACP) to discuss Southern Africa and apartheid.

The 66-member ACP group, which is linked to the EC through the Lome Convention, has asked for an urgent meeting of foreign ministers from both sides to discuss the political situation in the frontline states, and particularly in Angola, and consider new trade sanctions against South Africa.

The request has been favourably received by the Danish Government, which holds the EC presidency until the end of this month.

OPPOSED MEETING

However, at a meeting of foreign ministers in Brussels, Britain's Foreign Secretary, Sir Geoffrey Howe, stood alone in opposing such a meeting, in whatever form.

His position serves to reinforce Britain's reputation as the EC member state which is the least enthusiastic about any initiative on South Africa.

Earlier this year, an attempt to issue a common charter of political principles on apartheid was also blocked by the Foreign Secretary.

STORMY TALKS FORESEEN

A spokesman for the ACP expressed disappointment with British resistance. "The attitude of certain member states surprises us", he said. "Why doesn't Europe want to meet with us to solve this problem?"

EC officials were due to meet to discuss the issue further in Brussels ahead of a meeting of all 66 ACP ambassadors and their European Community counterparts today.

If the answer to the ACP request remains negative, that meeting is certain to be even more stormy than usual. — The Independent News Service.

Massive US tax threat averted

SA escapes 'deluge of disinvestment'

By Claire Robertson, Pretoria Bureau

The threat of legislation that would have imposed crippling taxes on United States firms operating in South Africa — and led to massive disinvestment — has been removed with the quashing of a budget provision in Washington.

The controversial tax Bill, the harshest of the new sanctions legislation being considered by congressional and senate panels, would have imposed taxes of between 84 and 91 percent on the SA subsidiaries of US companies.

This would have led to a "deluge of disinvestment" by the firms which have a stake of almost R2 billion in South Africa, said the executive director of the American Chamber of Commerce in South Africa, Mr Adrian Botha.

On Wednesday night a senate panel voted to kill a budget provision which would deny American firms any tax credit for taxes paid or accrued in South Africa.

The "Wrangle measure" — named after leading black caucus member Mr Charles Wrangle — was part of the Omnibus Budget Reconciliation Act passed by the House but was not in the Senate version of the Bill.

The 13-member Senate Conference Committee, sitting to consider the massive budget deal, voted 7 to 3 to drop the South African provision.

Mr Botha said he could not estimate the relief to US firms here in financial terms. But a conservative estimate by the Congressional Budget Office in Washington reportedly said the measure would have raised the price of doing business in South Africa for US companies by R115 million before 1990.

Double taxation

The proposal sought to force US firms with branches or subsidiaries in South Africa to pay the 34 percent company tax imposed in the US on top of the 50 percent SA company tax. A subsidiary which did not pay tax currently but on dividends would have had to pay a total of 91,5 percent tax on both the profits and the dividends.

But Mr Botha pointed out that this was not the end of the road for US firms operating in South Africa. Two Bills which would be considered next year aimed at punishing US firms for operating in South Africa.

One was directed at both US and other foreign oil companies and sought to deny those firms the right to bid on US federal oil, gas and coal leases, he said.

The other sought to prevent both South African and US firms with a stake in the mining industry

Tutu yes to violence

NAIROBI. — The Very Reverend Desmond Tutu, Archbishop of Cape Town, said he would support violence to overthrow the government in South Africa if non-violent methods failed.

He told a news conference in Nairobi: "If that (sanctions) fails, then our people would have no option but to say we have tried everything and now the only method available is the violent overthrow of an unjust system."

Asked if he would support violence at that stage, he said: "If everything else fails. At the moment I do not believe that we have used all the non-violent options that are available." — Sapa-Reuter

w/e Argus 19/12/87 (280)

SA clause 'the lesser of two evils'

by ALAN DUNN
Weekend Argus Foreign Service

WASHINGTON. — American businesses in South Africa fell victim this week in the US Congress to so-called "runaway plants", a wrangle totally unrelated to apartheid.

In political trading allowing glimpses of the remarkable world of wheeling and dealing on Capitol Hill, legislators at first rejected legislation eliminating a tax credit system allowing US companies credit at home for the taxes they pay in South Africa.

They did so twice at least and then, at midnight on Thursday, they switched.

The carrot was another clause in the Bill that they were negotiating and one which lawmakers liked even less than the South African one. As the bargaining wore on they were told to choose — and they opted for the alternative less painful to them.

The present on-off tangle dates back to early this year when the Democrat-dominated House of Representatives "ways and means" committee worked behind closed doors on a Bill to reduce America's huge budget deficit through tax increases.

President Reagan told the Democrats that any measure raising taxes would die on his desk; that he would veto it. So the Republican members of the ways and means panel did not even bother to take part in the tax deliberations.

Then came the October 19 Wall Street shock, frightening the US, causing business and industry to urge Washington's politicians for signs of leadership in tackling the deficit.

Mr Reagan softened his position on tax increases to restore faith in his administration and help to nudge the plummeting Dow Jones industrial averages back upwards.

The House Bill was suddenly very much alive again, and so was the South African clause that Congressman Charles Rangel of New York had slipped into it.

House Republicans had been caught napping. Pro-investment politicians, Reagan officials and US companies affected soon started a frantic but fruitless scramble to make up lost ground.

So this week the House version of the deficit-reduction Bill contained the South African clause. It also contained a clause imposing tariffs on impor from so-called "runaway plants" factories built by US firms in lov wage countries such as Mexico c Puerto Rico which sell their gooc back to America.

The Senate version contained no fo eign policy clauses. When delegate met in camera this week to marr their Bills, the haggling started.

Senator Lloyd Bentsen of Texa leading the Senate negotiators, rejec ed both clauses — but then, when or dered to decide between the two, chos the South African measure.

Gulf-ARGUS 19/12/87

Sanctions blow to US firms in SA

Weekend Argus
Foreign Service

WASHINGTON. — Anti-apartheid lawmakers on Capitol Hill have dealt a powerful blow to American companies operating in South Africa — one that is certain to drive many more out of the country — by repealing their tax credits.

Analysts here believe that the new move will be the last straw for those of the 168 or so firms still in South Africa and which have been on the verge of disinvesting.

The Bill, which must still be approved by President Reagan, emerged after tough bargaining between the US Senate and House of Representatives yesterday.

The clause will axe a tax credit that US companies have enjoyed, where the taxes they paid to the South African Government were deducted from those due in the US.

Behind the move was Congressman Charles Rangel of New York, a black member of the House and staunch opponent of apartheid.

Pro-disinvestment and sanctions legislators and anti-apartheid groups who backed his clause were ecstatic yesterday: "This is the biggest tightening of sanctions we have seen," said one activist in New York.

"More meaningful"

"It could be an even more meaningful measure than any of the sanctions already in place."

One respected analyst said: "It adds considerable weight to the scale on the side of leaving South Africa. It will be the final straw for marginal companies down there."

US Treasury estimates show that it will probably cost American companies in South Africa about $20-million (R40-million) in the first year and $23-million (R46-million) in the second.

● Meanwhile, the US Treasury department said yesterday it did not object to the Ford Motor Company pulling out of South Africa without awaiting department approval of a key part of its withdrawal plan.

A department official said that on the basis of what the agency knows of the Ford plan, "it plans to take no further action".

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Diplomats slam bid to offer jobs to workers hit by sanctions

By IVOR CREWS

AN obscure organisation which offers to get retrenched South African workers "on the waiting list" jobs overseas has been slammed by foreign diplomats

The organisation, calling itself "Victims of Sanctions", recently placed an advertisement in a Durban newspaper which claimed that negotiations were under way with "foreign governments" to take in black workers who had lost their jobs because of sanctions.

The countries they claimed they were negotiating with were Denmark, Finland, Norway, Sweden, Holland, West Germany, France, Israel and Japan

Misleading

A spokesman for the organisation later said that letters asking for blacks affected by divestment to apply for jobs through them had also been sent to Australia, Austria and New Zealand

However, embassy officials approached vehemently denied that negotiations were taking place and called the advertisement "misleading"

Mr Mick Thomas, a spokesman for the Durban-based organisation, said the organisation had "very little money"

It was founded by the Rev Enoch Mabuza and is an offshoot of the controversial "Victims of Apartheid"

Other members of the board of governors include the Rev Solomon Cetewayo, vice-chairman, Mr Gladstone Radebe, treasurer, and Miss Doris Mandela

It has sent letters to various governments which imposed economic sanctions against South Africa appealing to them to "relocate" 10 000 black workers and their families in their countries

A reply from Ambassador Edward Perkins to the organisation said the US only offered refuge to people who feared for their lives as a result of political persecution

He added that he had forwarded a copy of the letter to President Reagan

Miss Marlene Massey, counsellor for the Canadian Embassy in Pretoria, said although the organisation had been in touch with "every embassy in town" it was misleading to say negotiations were under way

"It is unfair to raise the hopes of people when nothing concrete is being done," she said

It was unrealistic to ask each country involved in disinvestment to relocate 10 000 black workers and their families

The Ambassador to the Australian Embassy in Cape Town, Mr Robert Birch, confirmed correspondence had been received from the organisation but denied negotiations were taking place

Promises

However, Mr Thomas, the Press officer for "Victims of Sanctions", said about 200 applications had been received since the advertisement was placed

"We have made no promises to get people jobs abroad We have only offered to get them on the waiting list," he said

He said applicants were not charged by the organisation as it was hoped the respective governments would pay for their passages

British judge bans anti-SA Shell boycotts

Cape Times 22/12/87

Own Correspondent

LONDON. — Shell Oil UK yesterday won a significant victory in Britain's High Court when a judge outlawed boycotts of Shell products because of its business activities in South Africa and Namibia.

The test case involved the radical London borough of Lewisham which spearheaded a sanctions campaign by local authorities against Shell UK.

At least 18 other radical councils in England and Wales were poised to activate similar but dormant plans if the courts ruled in favour of Lewisham.

Lord Justice Neil ruled that it was illegal for Lewisham to boycott Shell UK products or to encourage other boroughs to do so.

He also said that not to deal with South Africa to improve race relations in the borough of Lewisham "can't be attacked as being unreasonable".

The Lewisham Council said in a statement afterwards that they were considering appealing against the decision.

Counsel for Lewisham, Mr Stephen Sedley QC, told the court in previous hearings that Shell was a target of the campaign, which began on March 11, because it occupies an "economically and politically key position" in South Africa and it was a Lewisham Council decison to "as far as possible disinvest in companies with links with South Africa".

Mr Anthony Lester QC, counsel for Shell, said in previous hearings that Shell UK had been "found guilty by association".

"Lewisham is publicly stigmatizing Shell. The whole point of the campaign is to stigmatize Shell and attempt to damage its reputation," he said.

Santa Claus is coming to town — but it's really America's Uncle Sam in disguise. In his sack he has dozens of American companies at knockdown — nay, giveaway — prices should double taxation be written into his country's law.

How about an oil refinery in your Christmas stocking?

Washington Letter by SIMON BARBER

EUGENE TERREBLANCHE, and possibly even P W Botha, will be happy to know the great American campaign to deny black South Africans economic power and preserve them in social, intellectual and political servility proceeds apace

1987 has been a good year for those South Africans who wish to maintain, albeit in some superficially beautified form, the status quo If the double taxation of American subsidiaries in South Africa becomes law it may even go down as a great year.

Talk about a Christmas present! The US Congress may just have handed white SA business the plant and other assets of nearly every American company still in the country Any US firm that pays serious taxes to Pretoria, in other words the large ones with real capital investment, could now be up for grabs.

Anyone for an oil refinery?

Not alone

As with all the best Christmas presents, this one was a complete surprise, even to most of the givers. Congressman William Gray, chairman of the House Budget Committee and a leading, if unwitting, proponent of all such gifts did not appear to know what I was talking about when I raised it with him last week.

He was, and is, not alone. I doubt that there were more than 50 on the full Bill, not a peep of debate was heard

Affected

As of this writing, with the provision a presidential signature stroke away from law, there has been precisely one passing reference to it in the Washington Post, a lone paragraph tucked away at the bottom of Saturday's business section That is how blithe the process of swatting SA has become.

A number of affected corporations did know about it in advance, for that is why they spend millions on Washington lobbyists, but chose to remain silent, believing that to sound worried would only encourage congress. I was specifically asked by one executive not to make a big deal of it for that very reason

The White House was either ignorant or took a similar line. The former is more likely. Now that push has come to proverbial shove, and despite the best efforts of Secretary of State George Shultz and Treasury Secretary James Baker to light the dim bulb above its head, it does not seem to care. South payment for taking the stuff off the donors' hands

Let's look at the price Ford paid for the privilege of escape First, it had to give away its 42% stake in Samcor 24% to the unions, 18% to Anglo On paper, at any rate, that's a $50 million gift.

The company also agreed to pump an additional $10 million into community development trusts in Pretoria and Port Elizabeth And then, to top it all, it had to ante up $61 million in debt liquidation to keep Anglo from shutting Samcor down. That, at least, is what it told both the administration and congress and there's no reason to doubt it.

Injection

In essence, Ford has had to shell out a cool $121 million to leave a country in which it has been trading for nearly half a century Samcor is going to have to sell a lot of cars with Ford logos on them for such an investment to pay off, especially if the Reserve Bank continues to limit royalty payments in real money to a small percentage of revenues

And, the $61 million injection notwithstanding, all qualify as tainted transactions in Los Angeles, San Francisco and a growing number other major American cities Is a toehold in a stagnant South Africa really worth not selling fleets to some of the richest cities in the world?

Ruined

Whether or not Anglo intends to keep Samcor going, and it would seem a pity to close that splendid new facility, it had Ford over a barrel Ford had to agree to pay off a large chunk of Samcor's debts and endow a fund that would keep the workforce happy or at least committed to keeping the concern going. In return, the Detroit carmaker stands to get nothing, not even the hope of an African production base if and when the millennium dawns

Anglo's balance sheets will not be ruined if Samcor closes Ford will lose whatever return it hoped for and 4 900 workers, 70% of them black, will lose their jobs and their suddenly valueless trust fund Whatever clout the National Union of Metalworkers of SA had managed to accrue will be smashed

That seems a ghastly hole for a well-intentioned American company to have to throw its money down but it can hardly be said to take any skin off Pretoria's, or Anglo's, noses.

Transfer

Except, and here is one bad piece of news for those who would profit from US corporate withdrawal, it may become increasingly difficult for companies to pay their purchasers, especially if such payments can be interpreted by the scorched-earth boys in congress as "new investment"

It remains to be seen precisely what Congressmen William Gray and Howard Wolpe will do following Ford's decision to transfer the $61 million without waiting for the Treasury to rule that it did not violate the Comprehensive Anti-Apartheid Act's new investment ban But do something they will, encouraged by Treasury's pusillanimousness in coming to a decision.

Steps will be taken that will force American companies to find other avenues to pay their buyers or that will end such payments altogether. This means some American concerns may simply be liquidated outright though, thanks to the two-tiered rand, most of the proceeds will stay in South Africa. As for the rest, well, South African investors will no doubt learn to live with the intolerable burden of getting something for nothing.

The American Santa Claus is bringing no gifts for black South Africa but for Pretoria and the business sector, it should be a Merry Christmas and a profitable New Year



WILLIAM GRAY: Unwitting proponent of American gifts.



GEORGE SHULTZ: Best efforts not good enough.

Is Harrods still the world's best store? Does Eric, the amorous robot, offend the Grand Ladies out shopping? What was the response to Ronald Reagan's strange order for a baby elephant? MARTYN HARRIS reports from the London department store they call the top people's shop.

Behind scenes in world's greatest store

"WOW!" moans Eric Rob lustfully as a dried-up old Grand Dame climbs from her taxi outside Harrods

"Honestly!" she snaps as she stalks indignantly past, leather trousers creaking and stilettos clicking, into the best store in the world. "What CAN Harrods be coming to?"

Amorous Eric, a R40 000 motorised dustbin claiming to be a 957-year-old alien, has been visiting Harrods for the last two months By his own account he speaks 15 languages, four of them fluency There are odd changes in floor level throughout the store there are few trunk routes to get around quickly and many people find the simplest way to navigate is to go out into the

One of the most bizarre concerned a lady who ordered a pound of lamb's liver to be delivered to her home. The deliveryman couldn't get an answer when he rang the bell so he tossed the

I raised it with him last week.

He was, and is, not alone. I doubt that there were more than 50 people in Washington — yes, Washington, not just on Capitol Hill — who had the foggiest idea that the double taxation proposal was lurking on page 1 172 in the 2 047-page House Omnibus Budget Reconciliation Act of 1987.

The tax-writing House Ways and Means Committee held one 20-minute fraction of one hearing on the thing last July (consisting of a piece of incomprehensible waffle from the Washington Office on Africa) before slapping it into the Bill. From that point, including and beyond the House debate, Shultz and Treasury Secretary James Baker to light the dim-bulb above its head, it does not seem to care. South Africa, and you would do well to recite this to yourself at least a hundred times before breakfast each morning, is now the least of Ronald Reagan's concerns.

Privilege

But back to the Christmas present, for such it most assuredly is.

If it becomes law most of the American companies still left in South Africa will in all probability come at even better than fire sale prices. Indeed, if the recent Ford debacle is anything to go by, South African beneficiaries will be able to demand royalty payments in real money to a small percentage of revenues.

And, the $61 million injection notwithstanding, there isn't much guarantee how long Samcor will continue competing against the Japanese in the heavily overtraded South African car market or, if the company does remain viable, how long Ford will continue to want its products being sold in South Africa in any form.

Increasingly, local governments are defining the kind of relationship Ford hopes to maintain with Samcor as doing business in South Africa Licensing and royalty agreements, technology transfers, even permitting a trade-

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ng, in o he oes store n the world. "What CAN Harrods be coming to?"

Amorous Eric, a R40 000 motorised dustbin claiming to be a 957-year-old alien, has been visiting Harrods for the last two months By his own account he speaks 15 languages, four of them fluently French, German, English .. and Martian. He is engaged at the moment to an attractive little washing machine whom he likes to take for a spin at the weekend, though this doesn't stop him ogling everything in sight — including fierce Grand Dames of 60-plus in unsuitable trousers

Normally confined to the toy department, he was released for a few minutes on to the pavement. "Take me to the Science Museum," he barked at a bemused cab driver who seemed half-inclined to drive him there

"First job I've ever had," says Eric's "doctor", Nick Boulton, with mock dolour "Looking after a Martian." Filling in time between school and drama college, Nick had the choice of being a Tyrolean Helper to Father Christmas or Minder to a Martian, and decided he couldn't face the lederhosen.

The American shoppers in their Burberries and the Scandinavians in their loden coats seem to think Eric is just wonderful but there are plenty of Grand Dames, husbands in gilt-buttoned blazers, who think it's a bit orf, y'know? A bit gimmicky. A bit showbiz. Not quite Harrods.

To the Sloane Rangers it has always been "Horrids" and even to its most loyal customers it has, like all British institutions, been in a perceived decline practically since it was founded 140 years ago

First they got rid of the banking hall, which was so useful for meeting one's friends, then it was self-service in the bakery and then they stopped making their own chocolate and then TROLLEYS! if you please in the Food Halls

And then they started putting the Harrods NAME on everything from scarves to underpants to ball point pens — an infallible sign of standards slipping. And now, to cap it all, the place is run by foreigners who employ a robot to insult one on the pavement outside. I mean, really!

But of course Harrods has always been in show business. It was the first place in Britain, for instance, to install an escalator — in 1898 Crowds flocked to witness the miracle and, in typical Harrods style, an attendant was posted at the head of the escalator with sal volatile and cognac for those overwhelmed by the experience.

The store was founded, as a grocery, in 1849 with a 10 m shop front at 8 Middle Queens Buildings, Brompton Road, Knightsbridge — a then insalubrious country area between Hyde Park Corner and Kensington noted for footpads and cutpurses.

But it quickly began to become fashionable with the siting of the Great Exhibition in Hyde Park in 1851 and the shop has occupied the same site ever since, expanding by degrees through neighbouring houses and shops to occupy the whole block. The great terracotta facade was completed in 1911.

It is still only an appearance of unity. There are odd changes in floor level throughout the store, there are few trunk routes to get around quickly and many people find the simplest way to navigate is to go out into the street and around the building to the door they want.

Complexity has some advantages, however An assistant in the books department told me the story of a thief who robbed the cash register there a few years ago, ran through glass, china luggage, tools, kitchenware, TV and radio, household appliances, pianos, back to books, china and carpets and finally gave himself up, exhausted, in the pets department.

Just to yield, for a moment, to the seduction of statistics, there are 220 departments in Harrods, spread over 10 ha of selling floor, where you can choose from 450 cheeses, 350 suites of furniture, 150 pianos and 8 000 dresses The 50 lifts cover 79 000 km a year and the 36 escalators 240 000 km. The electricity to run them is generated by the store's own generating plant and the 59 million litres of water consumed annually come from the three wells beneath the store, one of which is 150 m deep

In the two-week run-up to Christmas Harrods will sell about 125 tons of Christmas pudding, 20 tons of Stilton, 2 600 York hams, 4 000 turkeys, 12 tons of smoked salmon — and 100 000 headache pills.

The British Royal family buy their food from Harrods, of course, and many a new sales assistant has been rattled by a phone call from the Prince of Wales demanding a couple of pounds of Cheddar, only to discover that the Prince of Wales is also the name of a pub, the other side of the Brompton Road

According to Alastair Walker, director of the Food Halls, the stories about closing the store for the Queen, or opening it specially in the evening, are mythology.

While we are talking on the Food Hall floor a Grand Dame approaches to demand, abruptly, where glacé cherries are "Third aisle on the left," says Walker, without hesitation, which I find pretty impressive for the boss of a five-acre, R100 million-a-year grocery "It's a proper local shop you see," he continues. "We don't sell that much a year just to oil sheikhs. We sell baked beans, Oxo cubes, spaghetti hoops — you name it." So I think for a while and name a delicacy beloved of my children.

"Do you sell Monster Munches?"

Walker looks perturbed "I think you may have got us there." I am sure he would have got them in for me, though. The Harrods boast is that they will sell you anything from a pin to an elephant.

One midnight in 1967 the store received a call from a certain Ronald Reagan, then governor of California, ordering a baby elephant. Mr Reagan received the standard Harrods reply to such inquiries "Of course, sir Will it be an Indian elephant or an African one?"

The phrase "awkward customer" might have been invented by Harrods and the credit and service bureau receives 30 000 customer queries a year — "queries" being Harrods-speak for a complaint. "Dear Sir, Whatever is Harrods coming to these days ..?" is the standard opening, which after the ritual fuming usually comes down to some minor irritation.

One of the most bizarre concerned a lady who ordered a pound of lamb's liver to be delivered to her home. The deliveryman couldn't get an answer when he rang the bell so he tossed the liver through an open window It landed in a top-loading washing machine whence it was not retrieved until the end of the spin cycle

Staff attitudes to awkward customers vary from the feudal to the belligerent. Centre-forward for the feudalists is Rodney, store messenger for 30 years and general gofer between Buckingham Palace and Harrods He's incredibly ancient and his full name has been forgotten in the mists of time, even by himself "I can't get up quick enough to get here in the morning," he told me, "and they have to order me off the premises at night."

I must have allowed a faint sneer for Rodney turned on me. "You think I'm just a poor exploited old man who probably lives in a bedsit, don't you?"

Precisely, I thought.

"Well, I live in a very nice flat in north London," said Rodney, "and people come to have tea with me from the store every Sunday There is great friendship in the staff Sharing each other's happiness and trials We are a great happy family I live for Harrods, and I'm not ashamed to admit it."

So there.

Staffing levels vary from 4 500 in low season to 8 000 at Christmas and the sales and staff turnover is very high, with about 5 000 leaving and being replaced each year Not much of a happy family on the face of it, but all shops find it difficult to keep staff It is a trade which demands a high level of social skill, literacy, numeracy, diplomacy and good appearance and offers rather low wages and social status and limited career opportunities And there are the customers

These are the main topic of conversation up in the staff canteen — a dingy place of institutional cream walls and cement floors, up on the fifth floor A raised dais is set aside for "seniors" and a separate room for executives. Over a lunch of balsawood turkey and toothpaste-textured Brussels sprouts, the counter hands discuss the failings of their betters The horrible child who broke the aerial off the R300 radio-controlled car because he couldn't have it. The American who tried to sue because Eric Robot ran over his toe

In the three years since the Al-Fayed family took over Harrods there has been minor but persistent staff unrest over issues such as extended opening hours, Bank Holiday working, the dismissal of union officials and the suspension of company contributions to staff pensions, which culminated in the resignation in October of Brian Walsh, abrasive chief executive, and his replacement by Mohamed Al-Fayed himself.

With a Department of Trade inquiry still proceeding, the shadow of the protracted takeover battle between House of Fraser, Lonrho and the Al-Fayeds continues to fall over the company

The Al-Fayeds spent £615 million to buy Harrods and are investing another £200 million on restoration and refurbishing. Al-Fayed recently appointed Anne Harvey, ex-fashion director of Vogue and clothes adviser to the Princess of Wales, as creative director of the store; but there remains much that is "Horrid" about Harrods.

Final straw for US firms

CAPE TIMES 23/12/87 280

MOST of the largest United States companies still in South Africa have nine days to restructure their corporate finances or face severe US tax penalties.

That, according to well-placed industry sources, is the effect of the South African double-taxation provision enacted by Congress early yesterday morning and certain to be signed by President Reagan.

The measure is likely to have profound political consequences in South Africa because it says that Washington now officially equates Pretoria with a list of "terrorist" and other pariah states that includes Libya, Iran, North Korea, Cuba and South Yemen.

The American Chamber of Commerce in Johannesburg said the move would be the final straw for most of the 163 US corporations that still have direct investments in South Africa

From SIMON BARBER in Washington and CHRISTOPHER WILSON in Johannesburg

"It will lead to a deluge of disinvestment," warned Mr Adrian Botha, the chamber's president.

In 1984, seven US firms left South Africa. In 1985 the total jumped to 40 while last year, 50 firms left, and 51 others have pulled out this year.

Among the US firms still in South Africa are Mobil Oil, Union Carbide, Kellogg, Nabisco and Caterpillar.

Mr Patrick Landey, managing director of Hewlett Packard's South African subsidiary, said in Johannesburg: "The bill seems to be aimed mainly at oil companies here which are required to operate as separate profit centres and already pay high tax rates."

The law was passed without public debate as part of a giant deficit reduction package which Mr Reagan believes he must sign to restore international confidence in the US economy. It takes hold on January 1 and provides for no grace period.

"Those hurt the most will be those with the largest exposures in South Africa in terms of employment and investment," said Mr Steve Cooney, director of international investment and finance for the National Association of Manufacturers.

Topping the list of potential victims are oil giants like Mobil, which has taken the lead in black advancement and social responsibility programmes.

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'Umbilical cords' hidden from hostile probings by critics

US firms retain SA 'ghost' links



By Michael Chester

While the toll of disinvestments by American companies had climbed to 143 by the close of 1987, the reluctance behind most of the withdrawals from South Africa has been spelt out in new studies into the pull-outs.

Prepared by Mr David Hauck, head of the SA Review Service run by the Investor Responsibility Research Centre (IRRC) of Washington, the studies show that most of the companies ensured that they have retained running business links, even if hidden away from publicity and hostile probings by political critics.

Moreover, several of them have simply mothballed their South African operations, slipping out of range of overseas snipers by closing down operations on the surface — but leaving their subsidiaries only temporarily dormant and moving back into action if and when the political climate improves.

IRRC studies show that out of 94 US companies that appeared to have severed investment ties with South Africa since the start of 1986, no fewer than 43 of them ensured the preservation of contracts or agreements on distribution of their products, or local production under licence, or franchise or trademark deals, or the flow of technological know-how.

Six of them which appeared to vanish in fact left behind dormant companies

Now Mr Hauck delves deeper into actual disinvestment patterns in the period spanning 1985 and 1986 when the bulk of withdrawals hit the headlines.

He reveals that out of 88 American withdrawals in the two years, 17 were by companies running no more than small sales or representative offices — with only a hand ful of employees and with few real assets — which closed their operations or sold off their assets piecemeal.

Even among the mini-operators, however, several of them simultaneously entered into licensing or distribution agreements with South African firms to carry on sales and services for the US parent company's products.

The only company to pull out and smother sales with a blanket ban on exports to South Africa was Eastman Kodak, which announced the closure of its two SA subsidiaries last November.

Growing in popularity was the method of selling South African assets to local managers — even if there were better bids from outsiders and even if, on occasions, the US parent had to feed in loans to cover part of the purchase price and rely on repayments out of future profits from the new fledgling.

Mr Hauck found one of the attractions of the management buy-out arrangement was that it made sure no technological know-how fell into the hands of a prowling competitor on the takeover trail.

Profits from royalties

Moreover, in nearly all such buy-outs, the new company that emerged was locked into some sort of trading relationship with the US parent that assured on-going profits out of royalties or licensing agreements covering manufacturing processes.

Investment bankers told the IRRC that the US parent companies sometimes turned down takeover offers as much as four or five times higher than the price tag worked out to encourage buy-outs by existing management teams.

Mr Hauck says one management consultant, trying to prove that the selling price deals sometimes made local management buy-outs a sham, suspected there may also have been future buy-back provisions in the sell-out agreements that were struck.

The IRRC looked at yet another angle: income from a sell-out to an outsider has to be repatriated to the US in financial rands — at a far lower exchange rate than with the commercial rand, which can be used in the repatriation of profits from royalties.

In a third withdrawal method, 37 US corporations, anxious to pick up the cash now rather than await any possible longer-term benefits, sold out their South African operations to outside companies in 1985 and 1986.

A breakdown of the disinvestment patterns showed that most of the buyers were South African companies. But there were also takeover deals with British, West German, Swedish, Dutch and Japanese companies.

Ironically, some of the buyers turned out to be other US-based corporations obviously willing to take on any hassles with disinvestment lobbies

It was only at the tail-end of 1986 that a fourth alternative withdrawal scheme was devised — the formation of trusts to take over South African assets.

Initially, the idea was that the trusts would be obligated to pay for assets sooner or later in a series of instalments. But agreements also emerged to ensure that trusts were committed to make contributions to South African community projects

Mr Hauck suspects that the motive of several US companies creating such trusts was to leave the foundations intact in readiness to move back into South Africa in the next three to five years.

The clues, he reckons, are spread out in the number of buy-back options in the deals and the apparent absence of fixed repayment schedules in most trust agree ments — indicators that the transfers of assets were very often not intended to be final.

South African observers will be looking forward to how the IRRC reviews disinvestment patterns in 1987 — especially the sort of innovations that went into the package that covered the withdrawal of the Ford Motor Company from its partnership with Anglo American in running the South African Motor Corporation

(280)
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Disinvestment: the big boys come out winners

The trick with disinvestment is leaving but staying. DUNCAN INNES on politics and the art of new labels

IT was inevitable that the pace of disinvestments from South Africa would accelerate during 1987 after the passage of the Comprehensive Anti-Apartheid Act through the United States legislature in late 1986.

Many of the disinvesting companies nonetheless managed to find ways of retaining access to South Africa's lucrative markets.

The case of the giant Coca Cola corporation provides a neat illustration of this point.

After Coke's announcement that it was to disinvest from South Africa, the company sold off its local bottling plant and distribution network to a South African company, Amalgamated Beverage Industries (ABI). At the same time, Coke also announced that the syrup, which was previously manufactured in Durban and is the key to Coke's success, would no longer be manufactured in South Africa.

In that case, one wondered why ABI wanted the bottling plant.

The answer came when Coke announced it was constructing a new factory in Swaziland which would manufacture the syrup. From there the syrup will make its way to South Africa where things could continue to go better with Coke.

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Kodak was another American company to find a novel way of retaining access to the South African market despite its promise that shipments of Kodak products to South Africa would stop by June 1987.

In October this year a South African company, SA Druggists, announced it was importing Kodak products into the country and would continue to do so. SA Druggists also announced it would shortly be launching a "new" film under the label, Impact.

Whether or not Kodak is behind these new arrangements, or whether or not it even knows about them, is not the issue. The fact is that, despite its disinvestment, Kodak continues directly or indirectly to profit from sales to South Africa.

But while the disinvestment campaign has forced many foreign disinvesting companies to come up with indirect ways of retaining access to the domestic market, South African companies, especially our large corporations, have openly benefitted from disinvestment.

The Anglo American Group has done particularly well.

Over the past year Anglo acquired control over Barclays Bank (now First National); control over 76 percent of the South African Motor Corporation (Samcor); and (through First National) control over Citibank, the local subsidiary of the American bank, Citicorp.

During 1987, then, disinvestment provided South Africa's large domestic companies with a great opportunity to expand their power base in the South African economy by picking up prime assets in key sectors of the economy at very low prices.

Disinvestment has also led to a spate of mergers in the domestic economy.

The announcement that the giant American-owned car rental group, Hertz, was to disinvest from South Africa was accompanied by a statement that the company would first merge its local interests with the South African-owned Imperial Car Rental company.

ISM, the domestic company formed to take over IBM's South African interests after the latter disinvested, recently announced it was to merge with Reunert Computers, which is the computer arm of Barlow Rand. The new group will control 70 percent of the local mainframe computer market.

Thus one of the most significant impacts which disinvestment has had on the domestic economy over the past year has been to increase the level of concentration of capital within the economy, thereby strengthening large corporations like Anglo, Sanlam and Barlow Rand.

What, then, does all this mean in terms of the objectives of those in the anti-apartheid movement who favour disinvestment? Has 1987 proved a failure for them or not?

If disinvestment was intended to frighten the South African government into negotiating an immediate transfer of power then it clearly has failed. Since most disinvesting companies have ensured that they retain their links with the domestic market, in most cases it has been business as usual. Consequently, pressure on the South African government has so far been minimal.

But if the disinvestment campaign goals are aimed at the longer ter then disinvestment may yet hurt t economy.

South Africa has an open econom which means we rely heavily on t rest of the world for supplies of tec nology to remain competitive, markets to bring in foreign exchan and for capital to help finance dome tic growth. Should any one of the supply lines be cut, the South Afric economy would be in serio trouble.

Because disinvesting compani have made arrangements to contin to supply the domestic market, t flow of technology has not been s verely disrupted so far. Also, whi foreign trade sanctions applied by t West have hit some of our export the signs are that developing marke for our products in the Far Ea coupled with a stronger gold pric should ensure a continued flow foreign exchange for some time yet.

But what of foreign capital? Disir vestment has meant the withdrawal foreign investment finance fror South Africa and, more importantly it means that there will be no new ir vestment from these sources.

Coming on top of the capital sanc tions imposed on South Africa b foreign banks, the loss of this inves ment finance poses a serious threat t the economy's capacity for future ex pansion.

At the moment, with its subdue growth rate, the economy is not y feeling the pressure. But as it im proves, and as credit demand grow so domestic interest rates will rise an choke off the recovery unless ne sources of finance can be found.

It is then that the disinvestme chickens will come home to roost

television sets, particu

US firms in SA say: 'We will stay'

Own Correspondent

JOHANNESBURG. — It would take more than the recently passed anti-South African double-tax measure to chase healthy United States-owned companies out of the country, according to executives of major US-owned companies in South Africa.

The executives interviewed said they remained dedicated to staying as long as they could make a positive contribution.

The Minister of Foreign Affairs, Mr Pik Botha, said the livelihood of thousands of black South Africans was being unscrupulously sacrificed because of US domestic political considerations.

"The acceptance by the US Congress of the Rangel Amendment over the objection of the US administration amounts to a deliberate effort to destabilize South Africa economically.

"The decision is a particulary gross form of hypocrisy; under the pretence of contributing to peaceful change it in fact encourages polarization and conflict."

A spokesman for the Minister of Finance, Mr Barend du Plessis, said yesterday that the details of the legislation were still being studied. No decision had yet been taken as to whether government was able to introduce any measures aimed at alleviating the problems US companies might experience.

However, there does seem to be a concerted effort on the part of Treasury officials to identify whatever means possible to ameliorate the likely effects of the taxation measure — especially if it will help reduce the further disinvestment of American-controlled companies from South Africa.

South African subsidiaries said that while the measure — included in bills to cut the US budget deficit — caused their American parents some concern, it certainly had not generated the frenzied reaction with which it was greeted in South Africa.

The managing director of Colgate-Palmolive, Mr Gerry Nocker, said Colgate's American parent was scrutinizing the legislation to establish the extent to which

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profits would be affected. But the option of disinvesting had not been canvassed, he said.

"A true multinational does not pull out that easily, and in the absence of legislation forcing Colgate to leave, it will stay in South Africa as long as it feels it can make a contribution."

The managing director of Unisys, Mr Jack Horton, said the provision was extremely harsh and went contrary to a "capitalist business context". However, he said, the impact was not great enough to force strong and viable business entities to disinvest.

"The companies that will be hardest hit will be those who will have been operating on a marginal profit line for some time."

The managing director of Hewlett Packard, Mr Patrick Landey, said the reaction from the company's American parent had been "very low key". There had been no change to Hewlett's ability to do business in South Africa, he said.

Meanwhile, Sapa-Reuter reports that Assocom president Mr Alec Rogoff has described the provision as "counter-productive, and motivated by politicians promoting their own political standpoints rather than the good of South Africa".

"It is counter-productive. It will not create jobs, it will destroy them. Some companies will no doubt be forced by this measure to disinvest."

US tax bill to cut more investment

CAPE Times 28/12/87 280

Own Correspondent

JOHANNESBURG. — The recently passed anti-South African double-tax bill will not only affect United States companies which have already disinvested, it could well impede the expansion of US-owned subsidiaries in South Africa, says a partner in a large accounting firm, Mr Larry Kritzinger.

Many US corporations who have disinvested will still be receiving royalty payments from their ex-subsidiaries in South Africa.

From January next year, when the provision becomes effective, any royalties remitted from South Africa will be subject not only to a 15% South African withholding tax, but the balance will attract a further 34% tax in the US.

Currently, only a 34% tax is paid on royalties because credit is granted for the withholding tax paid in SA. The elimination of this credit means tax on royalties will increase by 29%

Mr Kritzinger says another implication of the measure is that profits from SA subsidiaries could be taxed as they arise, and not, as is currently the case, when they are remitted to the US.

At present, in order to circumvent laws which prohibit new investment in SA, US companies allow their branches in SA to retain profits to fund expansion. Currently this has no negative tax consequences.

But when the new law becomes effective, a US parent will have to pay tax on profits earned by its subsidiary, regardless of whether those profits have been remitted

As a result, the funding future expansion could become an expensive excercise.

However, says Mr Kritzinger, it may be possible for the SA government to lessen this expense if it allowed the retained funds to be used to buy financial rands.

Mr Kritzinger says the interest on loans made by US companies to their SA branches will also attract a larger tax liability once the provision becomes effective

After the 10% non residents tax which such interest attracts in SA, the balance will be subject to a further US tax of 34%.

Big fall in US disinvestment

WASHINGTON — The number of US states and cities passing divestment and other anti-apartheid ordinances plunged to zero in the second half of this year, down from 15 over the same period in 1986 and 21 in 1985.

SIMON BARBER

With more than half America's states yet to adopt such policies, the dramatic decline suggests a significant lessening of grassroot interest in SA that could well temper the country's visibility in next year's presidential elections.

David Hauck, senior SA analyst at the influential Investor Responsibility Research Centre, attributes the drop-off partly to the efficacy of Press censorship, but also to the passage of the Comprehensive Anti-Apartheid Act (CAAA).

"Anti-apartheid groups say the CAAA is behind the drop in grassroots action because many of their supporters believed it showed they had won," Hauck said yesterday.

Hauck predicted that the trend would continue as activists changed their strategy: "Rather than going for new states and cities, they are now trying to get those that have already acted to broaden their definition of doing business in SA."

The definition sought by congressional sanctions leaders and lobbying organisa-

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Big drop in US disinvestment

⇦ ● From Page 1

tions like Transafrica and the American Committee on Africa would include all non-equity ties such as licensing and royalty agreements.

In addition, divestment is no longer the policy of choice. Activists want to see far more local selective purchasing laws to discriminate against firms with any kind of link to SA.

So far 21 cities but no states have such laws and, apart from two major exceptions, Los Angeles and San Francisco, most define doing business narrowly, either as direct investment or making sales to the SA government.

The definition issue was a major factor behind the recent furore over Ford's decision to inject $61m into Samcor even as it abandoned its equity in the company.

UK hints Mandela key to dropping sanctions

LONDON — The British government has given its strongest indication yet that it is prepared to drop existing sanctions against South Africa if Nelson Mandela and other long term political prisoners are released.

The first indication of this major downscaling of demands came in an important policy speech by the Trade Minister, Mr Alan Clark.

Speaking to the United Kingdom South Africa Trade Association (UKSATA) at the end of last week, he said the British government hoped Govan Mbeki's release would be followed by that of other long term prisoners.

"If the South African government does take this and other steps for which we have called then we shall be ready, together with the Commonwealth and EEC to review and possibly rescind the measures that we have taken."

Mr Clark said this point had been made clear to the Commonwealth and the EEC. However the neither of the communiques from the Nassau or London Commonwealth meetings — at which trade and investment sanctions were adopted — contain any rescinding clauses.

While the phrase "and other steps" is vague, observers here see it as significant that he did not refer to the five points which Britain with the rest of the Commonwealth agreed to at Nassau in 1985 as minimum demands to South Africa. These are:

- A declaration that apartheid will be dismantled and specific action to implement it;
- The termination of the State of Emergency and the release of political prisoners;
- The lifting of the ban on the ANC and other political parties; and
- Initiating a process of dialogue to establish a non-racial and representative government.

These five demands, which have become known as the EPG negotiating concept, were reaffirmed by all Commonwealth members at the Vancouver meeting in October.

Mr Clark's speech comes at the end of a remarkable two-month period where the UK government first stalled the sanctions bandwagon and then actively began to push it back — typified by a bill which is making its way through the Commons which will outlaw local authority sanctions against South Africa.

An important development was that the British put a time frame to the emergence of a non-racial South Africa — 20 years. They believe there is growing acceptance that change in South Africa is a glacial process and that given this, sanctions are not an appropriate form of pressure.

The Prime Minister, Mrs Margaret Thatcher, has proferred a cruder version of the argument of the South African business community — that apartheid is anathema to free enterprise and will collapse under the weight of its own contradictions in conditions of economic expansion.

However, her officials have struggled to explain how she could believe this and yet still apply limited sanctions against South Africa. Mr Clark got around this by describing the measures adopted as not sanctions but "restrictive measures".

These measures, he said, were not intended as signals to British companies not to trade with South Africa. They were signals aimed narrowly and specifically at the South African government.

However, whether these signals are called "restrictive measures" or " sanctions", Mr Clark and the rest of the British government have left no doubt that they believe they simply do not work.

He ended his speech by saying "there is no reason why companies should not continue to do business with South Africa". — DDC

168 new tycoons since US pullout — journal

JOHANNESBURG — Disinvestment by United States companies has seen the creation of 168 new South African millionaires in the 12 months that American sanctions have been in force, says the US Journal of Defence and Diplomacy (JDD)

The magazine says one of the major effects of sanctions has been to increase the concentration of wealth in hands of white South Africans.

The report, which is the result of several months of research in the US, Europe and South Africa, says local businessmen have benefitted from being able to purchase profitable concerns at bargain basement prices.

Although decisions to disinvest have had an effect on South Africa, it is barely felt on a macro-economic level, the magazine claims.

"US companies employ only an estimated 0,8 per cent of South Africa's economically active population and account for only 0,3 per cent of total new domestic investment."

Earnings of subsidiaries sold by US parent firms now remain in South Africa and are available for internal investment, the JDD says.

In some instances the US parent company actually provided loan funds for local management buyouts. This appears in economic indicators as a slight inflow of foreign capital.

Under current disinvestment methods, employment levels are being maintained by the new managements.

In one instance where this did not occur, however, was when Ford sold out to Samcor. Samcor decided to move its operation to Pretoria from Port Elizabeth, leaving about 4 000 unskilled workers unemployed. — DDC

Why the British say sanctions will never work



An edited version of a speech given by the British ambassador to South Africa, Mr Robin Renwick, (above) to the South Africa Britain Trade Association.

It is important for us all to understand that the argument for sanctions is not borne of stupidity or malevolence, or simply a desire to do damage to South Africa, but of frustration.

The proponents of sanctions say that the pace of change is very slow sometimes they deny that there has been any change at all. They argue that efforts at persuasion have not worked

Despite the changes that have taken place, apartheid remains in force; and the great majority of the citizens of this country have no effective political rights

The ANC and PAC believe in a military solution to these problems — though they also favour sanctions Others argue that without sanctions, people will be driven to the use of force. They see sanctions as a sort of bloodless substitute for war.

Why do we not believe that this strategy will work?

The historical experience is that it has never worked The first major attempt to apply sanctions was against Italy in order to get Mussolini to withdraw from Abyssinia. Sanctions did not succeed.

In the Rhodesian case we were successful in putting a virtual stop to British trade with Rhodesia, but we were totally unsuccessful in putting an end to the trade of other countries with Rhodesia

Sanctions cannot be really effectively enforced without a blockade.

Sanctions, if they are sufficiently widely applied, and despite the inevitable leakages, can and do cause serious economic damage. They can seriously limit the growth potential of an economy.

But where sanctions do not succeed is in achieving what they are intended to do — that is to say, in producing the desired political results; in changing people's hearts and minds. Their effect is punitive, not corrective

They tend not to increase, but to diminish external influence.

It is in the nature of most people to react to threats with defiance. They dig in, accept the damage — and refuse to change.

None of you is in any doubt of our opposition to apartheid

Where we differ from others is in the following respects:

First, we do pay tribute to what has been achieved — the legalisation of black trade union, the restoration of citizenship rights to the urban black population, the ending of the pass laws, these and other measures do constitute very important reforms. But none will "work" unless the process is

continued

We do not expect all reforms to be achieved overnight. We do not see South Africa as a "problem" susceptible of some easy or externally imposed "solution", but as a country going through an extremely difficult and painful process of change.

If my government believed that sacrificing Britian's trading interests in this country would bring apartheid to an end in two, three or four years, then I have no doubt that we would agree —and wait for Utopia to arrive.

But I am bound to tell you that we do not believe that cutting off our trade would have that effect. On the contrary we suspect that there would be hardened political resistance and that we would be left with no trade and no investments — and no influence whatsoever on what happens here

One of the measures that has been most widely advocated is the idea of a ban on the import of fruit from South Africa The US Congress already has imposed such a ban, and many in Europe would be prepared to follow suit — for reasons which, I am afraid, have more to do with protectionism that with morality.

We oppose such a ban because 300 000 people here, nearly all of them non-white, work in this sector Two thirds of the production goes for export.

Assuming, as we always must with sanctions, that they would only be about 50 per cent effective, 100 000 people would lose their jobs With their dependents, half a million people would be rendered destitute — with no social security net to fall back on.

Secondly, the messages I received urging comprehensive sanctions gave no indication whatever of what then would happen to Botswana, Lesotho, Swaziland or Zimbabwe

The economic infrastructure of Southern Africa is interlinked, and the day those links are broken, the consequences will be fatal for the region as a whole.

Apartheid is not the only problem facing Africa The other problems are economic development and indeed survival.

It would be futile in the struggle against apartheid to adopt policies which could only lead to catastrophic consequences for other countries whose economies would be destroyed long before the South African economy.

Ecomonic warfare with South Africa would put an end to any prospect of economic development anywhere in this region.

It simply is no use advocating comprehensive economic sanctions, as a sort of ritual incantation, without explaining how it is proposed to deal with these problems

Disinvestment too was supposed to be a magical, and relatively painless, way to achieve political change

What change has so far been achieved? Well, it certainly has improved still further the financial position of Anglo-American, Sanlam, Old Mutual and Liberty Life, all of whom have been able to take over the assets of disinvesting companies at fire sale prices.

We are proud of the record of British companies in South Africa; and we do not see how it could possibly help the future of this country, or the prospects for peaceful change here, for them to withdraw

Companies like BP, Shell, Unilever, RTZ and many others have some of the most advanced programmes for the training, welfare, health, pensions and advancement of their non-white employees

If they disengage, those programmes would be bound to suffer; and a lot of people would be bound to suffer too There would be fewer people qualified to take on leadership positions in industry, and not only industry, in the future. We do not see how that can be of benefit to anyone.

But still we must face the question: if not sanctions, then what?

We believe that the beginning of wisdom is to recognise that change in this country, whether we like it or not, is going to be a long drawn-out process; and, secondly, that change is going to have to come from within.

Apartheid is doomed Your President has described it as an outmoded and outdated concept. It is unsustainable The question is not whether it will disappear — but how protracted, and desperate, its death throes will be how long and difficult the process will be before it is brought to an end

We do not believe in delivering public lectures on the changes that need to be made South Africa has to find its own solutions.

THE ECONOMY

Ford pullout sets first for negotiations

By HILARY JOFFE

THE Ford Motor Company's withdrawal from South Africa, details of which were announced this week, has set a precedent for disinvesting companies and trade unions.

It is the only case where a disinvesting company has negotiated the terms of its withdrawal from South Africa with a trade union.

And the decision of the National Union of Metalworkers to accept the substantial stake in Samcor offered by Ford is an indication of the terms other Cosatu unions would find acceptable from foreign companies pulling out of South Africa.

In terms of the agreement reached this week between the union, Ford, Anglo American Industrial Corporation and Samcor, 24 percent of Samcor's shares will be donated by Ford to an employee trust, with dividend income to be used for the community rather than for individual workers. Workers will elect the trustees, who will elect three employee directors to the Samcor board.

The rest of Ford's stake in Samcor will be sold to Anglo and AMIC, which together will own 76 percent of the motor company.

An Anglo statement this week said Ford would continue to supply Samcor with vehicles, parts, management and technical assistance and would allow Samcor to use the Ford trademark.

It was only on the basis that dividends from the Samcor shares would be used for community development rather than for individual workers that the union could participate in the deal, says Fred Sauls, head of Numsa's motor section.

Sauls sees the agreement as a victory for Numsa, which had rejected Ford's original plan in terms of which individual workers would have benefitted from ownership of Samcor shares, a principle which the workers rejected.

The deal isn't totally satisfactory in the union's view, since only a portion of Ford's stake has been turned over to the employee trust, but it does begin to meet the conditions for an acceptable disinvestment to which Cosatu unions have committed themselves: "to ensure that the social wealth of South Africa remains the property of the people of South Africa for the benefit of all".

Sauls stresses that the union does not see the employee stake in Samcor as a form of worker participation in the running of the company. "We do not believe you can have collective enterprise in a private enterprise economy," he says.

Two of the three worker directors on the Samcor board will represent hourly-paid employees and the third will represent salaried staff.

According to Sauls, the worker directors will not participate in the actual management of the company. Rather, he says, "We feel this will give workers direct access to information for the first time."

Sauls says the accountability of the directors to workers will prevent them identifying with management interests: "They will go to the directors' meetings with a worker point of view. If they start to show management inclinations the workers can deal with them."

Sauls expects the main issues the trust will deal with will be community health, education and recreation (libraries, for example). But there is no restriction on what projects it can fund or in which communities.

Trustees will be working out the way the trust will operate in consultation with workers over the next six to eight months, to be ready by the time dividend income begins to flow.

The company has agreed to fund training in financial and managerial skills for trustees and worker directors, in institutions jointly agreed on by union and management. The company will also fund a five-year programme to upgrade the skills of Samcor workers.

Ford will also establish two community trusts, one in Port Elizabeth and one in Pretoria, to which it will donate $4-million (R8-million). The boards of trustees will comprise an equal number of employee and community representatives.

Affordable disinvestment

CP Correspondent

TODAY, when the SA Motor Corporation's factories close, workers will be receiving a cheque of R700 over and above their salary, according t· Ford's disinvestment agreement.

This agreement was signed on November 24, after 10 months of negotiations between Samcor, Ford Canada, Anglo American Corporation, Anglo American Industrial Corporation and the National Union of Metal Workers of SA.

The agreement provides for the establishment of three trust funds – a community trust in Port Elizabeth and Pretoria and employee trusts at Samcor factories.

Three worker directors to serve on the Samcor board of directors will be elected from the trustees of the employee trust according to the agreement.

Numsa signed the agreement after mass meetings with the workers. Shop stewards proposed three options for the workers. They could reject the employee trust, accept and divide the dividends paid directly to each worker or establish community trusts.

At both the Pretoria and Port Elizabeth plants, the community and employee trust option was unanimously chosen.

Each of the community trusts have been donated R6-million by Ford and the employee trust has been granted a 24 percent share holding equity in Samcor. Dividends from these shares are to be used by the employee trust for projects deemed necessary by them.

The R700 to be paid to Samcor employees is not part of these trusts and is to be paid for "from past profits", said Les Kettledas, the Eastern Cape Numsa secretary.

The employee trust will be administered by seven trustees – five hourly paid and two salaried employees – all elected by fellow-employees. Management will have no power of veto over decisions made by the trustees.

Each community trust will have eight trustees, four elected from Samcor employees and four community representatives.

Training will be provided to trustees and worker directors so they can represent the interests of workers adequately. Black employees will also be trained to upgrade the skills and qualifications of the work force. – Pcn.

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US bid to drop SA book boycott

By Neil Lurssen,
The Star Bureau

WASHINGTON — A major American publishing association is urging US book publishers to abandon their profits-inspired boycott of South Africa.

And some prominent anti-apartheid activists have mixed feelings about the ban. Their chief fear is that the boycott denies modern ideas and educational information to blacks as well as whites.

Several leading American publishers have implemented — or plan to do so — embargoes on sales of their books in South Africa, in most cases because they fear losing business in US cities that refuse to deal with companies selling goods to South Africa.

The Association of American University Presses, a New York-based organisation that represents most of the major publishers of technical and scholarly books in the US, is strongly opposed to the boycott.

In a formal statement, the association said the mission of its members was to disseminate knowledge by publishing the results of scholarly inquiry.

There should be a free interchange of thought and expression across national boundaries and political barriers.

"We believe in the right to express unpopular opinions because we believe in the right of all people to hear those opinions," the association said.

While the statement does not specifically mention South Africa, a spokesman said yesterday that it was aimed at influencing members on the SA boycott.

"We sell few books in South Africa and there is not much money involved so it would be simple for us to join a boycott. We just don't think it the right thing to do,' said the spokesman, Mr Robert de Ambra.

Another who is unhappy about the self-imposed ban is Professor Eleanor Holmes Norton, a law professor at Washington's Georgetown University and a leading black protester against apartheid who has joined demonstrations outside the SA embassy.

"What we have to do is penetrate that system (apartheid), not engage in this kind of reflexive unthinking reaction," she said.

The ban is potentially serious for South African universities and medical research institutions. One of the companies that has joined the boycott is University Microfilm International, a subsidiary of Bell and Howell, which has sold its interests in South Africa.

Earlier this year, UMI stopped sending microfilms of medical and other research journals to SA universities and libraries that could not afford to subscribe to all the journals published in the US.

At Bell and Howell's corporate headquarters in Chicago yesterday, a spokesman said the microfilms contained the newest discoveries in medical research.

Asked if UMI was concerned that its action denied important information to blacks as well as whites, the spokesman said: "It is a plain fact that the company was faced by a number of sanctions here in the US that had a far bigger impact on the corporation."

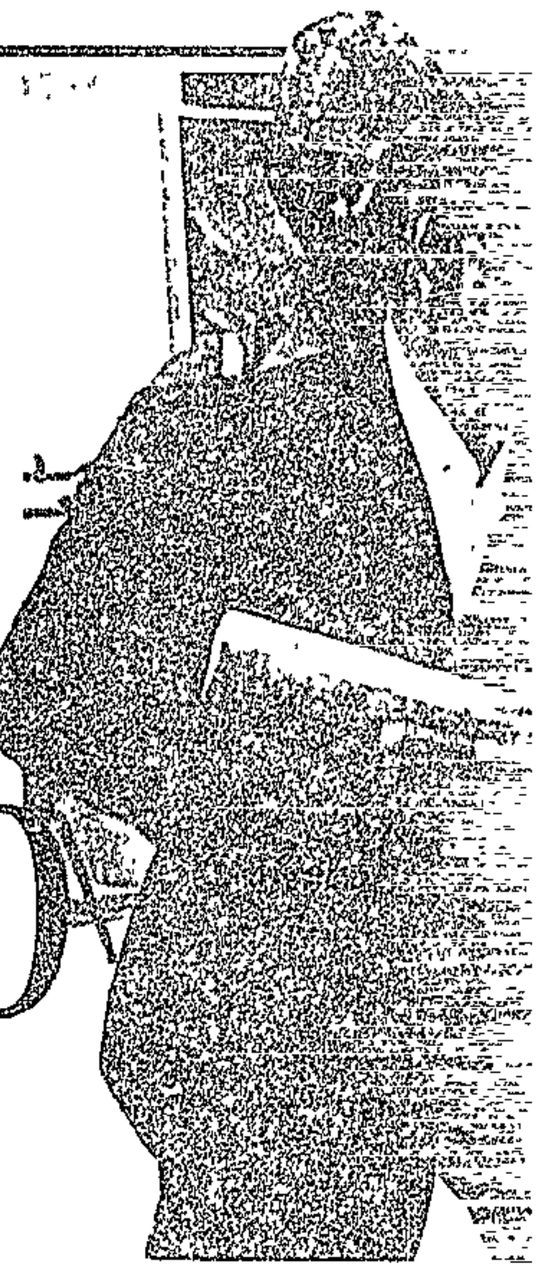
Apart from losing sales to cites like Los Angeles, San Francisco and Washington DC, the book companies also received threats from some of their regular writers that they would send their work elsewhere if they continued to sell books to South Africa.

Among the companies reported to be joining the embargo are Simon and Schuster, McGraw-Hill, Macmillan-Scribner and distributor Baker and Taylor.

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An international festival of South African culture in Amsterdam this week kindles anew the debate over cultural boycotts .

CULTURE BEYOND APARTHEID



Just a few months ago it seemed the political confusion over apartheid and culture might be resolved when it was agreed that progressive artists in South Africa would finally be heard. But the optimism proved premature . . the obstacles have multiplied, not diminished By CHARLOTTE BAUER and IVOR POWELL

SOME three and a half centuries ago Jan van Riebeeck left Holland to set up a refreshment station on the southern tip of Africa, thereby setting in motion a chain of events which have, as they say, become history

Things have changed since then Today the Dutch may legitimately claim to be among the most diligent of the world's protectors of human rights

Still, the historical ironies are too tempting to ignore when it is the Dutch government which offers the United Democratic Front an international platform upon which to showcase its cultural resistance to apartheid

Starting tomorrow, and continuing for the next 11 days, the city of Amsterdam will be transformed into a kind of Third World satellite as it plays host to what may well prove one of the most reverberant events in the history of cultural resistance in South Africa

Hundreds of South African musicians, actors, poets, film makers, playwrights, painters, dancers, journalists and cultural activists will be be sharing platforms with their Dutch counterparts as the drug capital of Europe turns cultural capital of the European Community for 1987 The occasion — initiated by the Dutch government and co-ordinated inside South Africa by committees tied to the UDF in conjunction with its cultural desk — has been called Culture for Another South Africa

It includes, along with a showcase for work in which community-based culture predominates, a conference which some expect to produce the most momentous decisions yet taken on the web of cultural issues facing this country. The hard-sell has begun

Just how important Casa will actually prove to be, only the next two weeks will tell One thing is certain: the lid of Pandora's box has been lifted and the monsters will not climb back inside

Culture may, in recent months, have successfully jockeyed into one of the top positions on the anti-apartheid agenda, yet confusion reigns as it becomes clear just how messy so seemingly innocent a subject can be Hacking through the undergrowth of issues that have caused culture to become so controversial, it is clear that the two important tasks to be dealt with are a redefinition of the now-selective cultural boycott by internal forces and the criteria that will be applied in defining what kind of culture is worthy of promotion and what kind is not

Within the UDF and its broadly sympathetic satellites, it seems as if all hope of clarification on issues like the cultural boycott has been pinned on the outcome of the Casa conference Until then, artists and activists alike are maintaining what might euphemistically be described as a strained public silence

"It has never been the intention of the cultural boycott to isolate the democratic forces of culture at home," said Barbara Masekela, the African National Congress' Secretary for Culture in August "Anti apartheid culture produced in South Africa must be heard world-wide "

This and other positive statements on the new, selective status of the boycott brought only momentary relief to people trying to make culture here The implementation of such gloriously generalised utterings is another story

The past year has ushered in a whole range of brand new cultural fronts as attempts to use culture as a way of achieving power multiply across the political spectrum

The cultural secretariat of the UDF, although it may become the most influential, is but one of these Artists' groupings, some of them associated with the UDF, include the Congress of South African Writers, the South African Musicians Al

SELF RAISING FLOUR
CAKE FLOUR
BREAD FLOUR
NUTTY WHEAT

SNOWFLAKE

"too fresh to flop"

CHRISTMAS FRUIT LOAF

Ingredients
250ml Cold strong tea (1 cup)
500 ml Dried fruit cake mix (2 cups)
250 ml Moist brown sugar (1 cup)
2 Eggs beaten
625 ml SNOWFLAKE SELF RAISING FLOUR (2 1/2 cups)
25 ml Brandy or sherry (2T)
25 ml Oil (2 T)
3 ml Nutmeg (1/2 t)
3 ml Cinnamon (1/2 t)
3 ml Allspice (1/2 t)
3 ml Ginger (1/2 t)
65 ml Red cherries halved (1/4 cup)
Method
1 Pour the cold tea into a bowl
2 Add the dried fruit
3 Allow to stand overnight
4 The next day, mix in all remaining ingredien s
5 Pour into a well greased loaf pan
6 Bake at 160 C (325 F) for 1 hour and 30 minutes
7 Remove from pan and allow to cool
8 Keep the cake for a few days - to mature
9 Slice thickly and serve plain or spread with butter or margarine

CHRISTMAS BISCUITS
to hang on the tree

Ingredients
500 ml SNOWFLAKE CAKE FLOUR (2 cups)
5 ml Baking Powder (1 t)
3 ml salt (1/2 t)
65 ml cornflour (1/4 cup)
125 g Margarine
125 ml Castor Sugar (1/2 cup)
5 ml Vanilla Essence (1 t)
1 Egg
Method
1 Sift the dry ingredients together
2 Cream the margarine and sugar until creamy
3 Add vanilla essence and egg beat until light and fluffy
4 Mix in the sifted dry ingredients and knead until mixture holds together
5 Roll out to + 1/2 cm thick and using a Christmas biscuit cutter, cut into shapes
6 Place on a greased baking sheet and bake at 180 C (350 F) for 10 15 minutes or until lightly brown on the edges
7 Remove biscuits to cooling racks with a spatula and allow to cool
8 Ice with glacé icing and decorate
9 The Christmas biscuits may also be dipped into melted chocolate before decorating
10 Should you wish to hang the biscuits from he Christmas tree make a hole in the dough, using a plain icing nozzle before baking

CHRISTMAS MINCEMEAT TART

Ingredients
125 g Margarine
50 ml Castor sugar (4 T)
25 ml Oil (2 T)
1 Egg
5 ml Vanilla essence (1 t)
500 ml SNOWFLAKE CAKE FLOUR (2 cups)
10 ml Baking powder (2 t)
Pinch of salt
Christmas mince meat
1 apple grated
25 ml Brandy (2 T)
Method
1 Cream margarine and sugar well
2 Add oil egg and vanilla essence beat together
3 Sift dry ingredients and mix into creamed mixture to form a dough
4 Press half the dough into a 20cm (8 inch) round pie plate
5 Mix Christmas mince meat apple and brandy together and spread thickly over the dough
6 Coarsely grate remaining dough over the mincemeat
7 Bake at 180 C (350 F) for 20 minutes or until golden brown
8 Dust with icing sugar before cutting into



A boycott supporter in London holds up a forbidding message to a brooding sky and, left, wooden guns symbolise power and pain in a worker play performed at a Cosatu cultural day



A scene from the Sarmcol Workers' play, The Long March — one of the most influential and popular worker plays ever to have emerged from a strike situation

●Pictures on this page DAVE HARTMAN, SANTU MOFOKENG and ERIC MILLER, all of Afraplx

Down — probably the archetypal white, decadent, existential crisis ridden, Braamfontein-dwelling, drug crazed, politically confused, misanthropic film — at first found itself subject to censure at the hands of certain elements within the secretariat and its makers were called in to explain themselves. They did so and in the end their explanations were found acceptable and the film was given an official stamp of approval.

There was also a series of consultations between the secretariat and the producers of *King Afrika*, a splashy musical spectacular produced jointly by Pact and Des and Dawn Lindberg. The concern of the secretariat was aimed at the participation of SA Musicians Alliance members and involvement of the state subsidised performing arts council. According to Dawn Lindberg, she "submitted a synopsis of the script to the secretariat as a friendly gesture" *King Afrika* was given the nod, although its producers were advised to postpone its opening until after the Black Christmas period. This they agreed to do.

In practice as much as in its rhetoric the UDF's cultural secretariat has proved itself willing to negotiate and — which is perhaps more important — to see the other person's point of view.

Why then do the fears, the anxieties, the doubts, the rumours, the misapprehensions, persist?

One reason is that people simply do not know what is going on, there are no facts available to quell the spate of rumours. While on one level it is understandable that such an organisation is forced, for security reasons, to keep a fairly low profile, it is equally important that the people it is meant to be serving should be kept informed.

At the same time there is a danger that the activities of the cultural secretariat may degenerate to the level of party politicking and that "progressive" may be glossed as meaning "pro-UDF". It is important that the contributions of other political groupings be accommodated and that negotiations do not take place only on the UDF side of the table.

ANOTHER reason is that artists working on the left, however broadly speaking, are understandably concerned that they seem to be the only ones getting picked out for "transgressions", real or imagined. Can it really be seen as a "rationalisation" of the boycott when an artist who has contributed as much to popular (read "people's") culture as Ray Phiri, is — no matter what the immediate circumstances — depicted as people's enemy number one? While it is undeniable that as the saga continued, Phiri handled the situation with increasing clumsiness, it is regrettable, to say the least, that it was allowed to get out of hand the way it did. It may have started out as the cultural desk having a legitimately expressed problem with the guitarist's backing of Paul Simon on the notorious *Graceland* tour, but it ended in a personal slanging match.

By the same token, what is one to make of the suggestions flying around some time ago that Hugh Masekela's name be added to the black list? Surely such nit picking can only be counter-productive to the spirit of the boycott?

What cultural workers would like to know is what is being done about cultural surrogates of the state — starting with the SABC? The democratic movement is entering a period of some influence and a more active form of intervention is clearly not beyond its grasp. What would happen to TV2 and 3 if its viewers were lobbied to stop watching it?

What is being done about the National Orchestra's open defiance of the cultural boycott announced in *The Star* recently under the gloating headline "Bold plan to foil artists' boycott"?

Acting general manager of the orchestra Stephen Wikner described its boycott busting strategy as being to "entice" top performers to South Africa by "easing their consciences". This would entail giving visiting artists the option of donating part of their fee to a "charity" — and obviously, he added, the fees offered would be high enough to encourage the artists to help "those less fortunate than themselves".

And what is being done about the performing arts councils? Or state-subsidised galleries?

Intervention in the affairs of such establishment organisations is a lot harder and costlier to effect — it's easier to start with the people who, being broadly sympathetic to the *raison d'être* of the secretariat, are more likely to respond. But the necessity for intervention is, clearly, in inverse proportion to the ease with which it is accomplished.

Despite certain reservations concerning the implementation of policy, the need for a sensitive and effective internal administration of issues relating to culture has long been a priority. The house may not be in order yet, but let's face it, it

...y mo-culture ...gen-...ange of ...use cul- ... across ...one of ...South ...Al-

hance, the Theatre Alliance, Musicians and Artists for People's Power and the Progressive Arts Project. The Congress of South African Trade Unions started up a National Culture Unit, while cultural "desks" have also been initiated this year by Azapo and the New Unity Movement.

The Cosatu Culture Unit seems to know exactly what it wants and why, and how to get it. This is probably because its members start from a point of shared aspirations: they are workers who have already been mobilised and unified by a common vision, and are now, just as efficiently, recapturing their working-class heritage.

"Working class culture often reflects the issues of the revolution," said Cosatu's Frank Meintjies in a video that the unit has commissioned on the subject. "This kind of culture tells us about our lives and where we fit in, the people we are and the people we'd like to be. Subtly, worker culture is about the broader liberation struggle not only the worker struggle."

Cosatu is fairly fortunate in that it speaks for a relatively homogeneous constituency.

The UDF is not in so simple a position. As a broadly based front it is answerable to almost everyone on the progressive left, while its priority lies squarely with worker interests, it is nevertheless also bound to serve the interests of basically liberal whites.

THESE responsibilities have forced the fledgling cultural secretariat to walk a tightrope of contradictions in an effort to get to the other side with its support system intact.

The secretariat was set up with two specific objectives in mind: to deal with issues related to the boycott, and to foster "people's culture". In its rhetoric it has tended to emphasise the latter. In a document dealing with the ramifications of the boycott, the secretariat outlines its objectives: "Although the cultural boycott was an issue that had to be dealt with so as to avoid embarrassing occurrences, the primary task of the interim committee was to:

●Help UDF affiliates to develop cultural portfolios of their own, thereby widening the UDF's cultural base.

●Stimulate the development of cultural initiatives at grass-roots levels.

●Make conscious efforts not to allow all the energies of the UDF cultural workers to be absorbed in dealing with high-profile people or high-profile activity."

In other words, the secretariat takes it upon its own shoulders to administer the entire boycott — regardless of whether its targets are card-carrying members of the UDF or not, at the same time it takes as its promotional brief only culture compatible with its own underlying principles, or alternatively, culture made by people politically acceptable to itself. Whether or not this means adherence to the principles of the Freedom Charter is not clear.

But certainly insofar as black consciousness oriented work is concerned, it would appear to imply just this.

Notably absent from the Casa conference are culture workers like playwright Matsemela Manaka, head of the Federated Union of Black Artists, Sipho Sepamla, and the director of the Afrika Cultural Centre, Benjy Francis. However unfashionable certain aspects of their politics may be, it would be difficult to argue that any of them has not made a significant contribution to the culture of the "other South Africa" which is emerging.

Says Francis: "If art wants to make some kind of impact it will have to be able to talk across the lines. We mustn't get stuck with slogans. I feel very strongly that we should avoid being hamstrung by party political considerations. As we have done with the dominant culture, so will we do with the forces of the liberation movement if attempts are made to snuff out other forms of cultural resistance."

Sepamla, a veteran exponent of resistance literature, agrees with Francis that "points of view ought not to be exclusive.

"We are all working for a common goal and must realise that one can approach that goal in different ways. I see the work that the secretariat has embarked upon as being very important, as long as they guard against indirectly doing the work of the government which is what they would be doing by making people think with blinkers on."

There is a certain irony about these sentiments if there is any political grouping which has a reputation for being exclusivist, it is the philosophy of black consciousness. However, their warnings are salutary and find an echo at the other end of the progressive scale.

Many progressive artists are equally anxious about the role they are expected to play, so anxious that most, while more than willing to unburden themselves in conversation, were reluctant to be quoted by name.

However, the people we spoke to seemed to be plagued by some similar questions about their changing responsibilities as producers of culture.

Some went as far as to question their own commitment to the culture of resistance in the face of what they perceived as potentially commissarial control. As one succinctly put it: "For years we have gone merrily along in the belief that we were making some real contribution to changing this country merely by railing against apartheid. Now we are being forced to ask ourselves what it is that we are really committed to. Is it politics? Is it culture? Is it art? We have been asked to stand up and be counted."

Others were afraid that because their work does not especially reflect the aspirations of the oppressed majority, they would be somehow punished and their material dismissed. "What if your reality is a flat in Braamfontein, getting caught up in bad relationships, using drugs, nihilist white decadent stuff. This too is part of the South African experience. But will it be acceptable?"

So far these fears have proved more or less unfounded. For example Andre ...

Stop textbooks to SA move decried in US

WASHINGTON. — A university press association is decrying moves by some big-city school boards to boycott publishers that sell books to South Africa.

School boards in Pittsburgh and Detroit have ordered a halt to purchases from any company that has commercial dealings with South Africa, whereunder a system of apartheid a white minority controls the economy and the black majority is refused a voice in government

E H Phillips, executive director of the Association of American University Presses, said publishers were "being urged in the name of common decency to join in a general boycott and to stop selling books to South Africa".

"We believe that this is a misguided policy," he said. "To us it makes no sense to deprive South Africans, black and white, of the opportunity to read, to be enlightened and perhaps uplifted by the printed word from across the seas"

But Mary Frances Berry, a US Civil Rights Commission member and leader of the Free South Africa Movement, rejected Phillips's reasoning

"While we have freedom of expression in our society, they obviously don't in South Africa," said Berry, a professor of history at the University of Pennsylvania She said sanctions have had an impact on South African leaders.

"What we're talking about is stopping as many contacts as possible, not for the purposes of constraining free expression . but to bring home to them that South Africa will be deprived of the contacts you expect to have in a civilised society until they change the policy," she said.

A number of university presses have already withdrawn from South Africa

"Free interchange"

An administrator at the University of Cape Town's Medical School said staff could not keep up without the latest US medical books and journals

In *A Statement of Principle Freedom of Thought and Expression*, the New York-based University Press Association said it stood for "a free interchange of thought and expression across national boundaries and political barriers"

"We believe in the unfettered right of access to whatever has been written We deny that any man or woman has a right to decide what another might read and believe that books have no place in an embargo," the statement said — Sapa-AP.

Government spending oversteps budget by 5pc

Daily Dispatch Correspondent

JOHANNESBURG — Government spending for the first eight months of the fiscal year was 21,54 per cent up on the corresponding period in fiscal 1986/87 — significantly higher than the budgeted increase of 16,2 per cent.

And revenue for the same period was 13 per cent up on last year, doing better than the budgeted increase of 12,6 per cent for the fiscal year.

But the deficit for the fiscal year to November was R7,034-billion, supporting the view that the budgeted deficit of R8,4-billion for the full fiscal year will be exceeded by about R2-billion.

Spending for the fiscal year to November amounted to R30,684-billion while revenue was R23,650-billion, leaving a deficit of R7,034-billion which was financed by net borrowings amounting to R8,23-billion.

Volkskas said in its December Economic Spotlight that the deficit for the current fiscal year would eventually rise to about R10-billion.

"If this happens, it will mean that the state will have to use more than R5-billion in loan funds to help finance current expenditure.

"Thus government debt will rise sharply and the state will remain a substantial borrower on the capital market," Volkskas said.

The Standard Bank, in its latest Economic Review, said government spending looked set to be about 5 per cent above budget during fiscal1987/88.

"In nominal terms, spending in the current financial year is now likely to increase by some 20 per cent to 21 per cent," the review said.

Star 7/12/87

Harder times ahead, says Rand chairman

Coal sanctions cost 800 jobs in mines

By Finance Staff

More than 800 people have lost their jobs on Rand Mines coal mines as a result of sanctions, chairman "Dammy" Watt writes in the group's annual report.

"Regrettably, instead of encouraging reform, the sanctions campaign has resulted in a hardening of attitudes in this country and the sufferers have mainly been the very people who were supposed to have benefited from sanctions," he says.

The Rand Mines coal division has rationalised its operations and reduced production to operate more effectively under the difficult trading conditions expected in the export market in the short term.

Severely prejudiced

South African coal producers are also being severely prejudiced by the substantial increase in the cost of railing coal to Richards Bay for export.

"This increase could well put certain coal producers into loss and thereby cause further reduction of jobs in this industry for 1988," Mr Watt says.

"Sanctions were initiated by Denmark, adopted to some extent by France in 1986 and thereafter applied by the US. Political sentiment in certain other countries, where no formal sanctions have been implemented, has made it extremely difficult for South African exporters to expand sales."

Mr Watt says the position has been aggravated by the fact that some traditional overseas users of South African coal have voluntarily turned to other sources of supply.

In London a Labour MP has called on Home Secretary Mr Douglas Hurd to investigate the operations of the South African coal industry office.

The Star's London Bureau reports that Mr Richard Caborn, who represents Sheffield Central, is worried because Mr Robert Swain, director of the office, is said to be a former captain in British military intelligence.

"Swain admits he is closely monitoring the sanctions campaigns of the Anti-Apartheid Movement and the National Union of Mineworkers, and I regard this as spying," he said.

The office, funded by a group of mining companies, was opened last September, a week after the end of the South African gold and coal miners' strike.

Mr Swain said it was true he had not worked in the coal industry and had never visited South Africa. But he thought there were similarities between army intelligence work and his job.

"Both involve information gathering," he said.

The office has been supported by a group of Conservative MPs, led by Mr Michael Brown.

Sales of South African coal to France, Denmark and the United States have fallen because of sanctions.

Britain, which has resisted pressure for a coal ban, imported 725 000 tons in 1985 because of the British coal strike, but imports fell back to 106 000 tons last year and 37 000 tons during the first nine months of this year.

Mr Caborn believes that, with other markets cut off, South Africa is now hoping to increase sales to Britain.

ANC at Amsterdam festival: No easing of culture boycott

AS Amsterdam teemed with South African artists attending the Culture in Another South Africa (Casa) conference this week, the African National Congress used the platform to reiterate its position on the cultural boycott: it is being refined, not relaxed.

At a press conference on Wednesday, an ANC official also made it clear that no cultural exchange would be possible in future without "approval from the mass national democratic structures within South Africa" — namely the UDF and its affiliates.

Casa, jointly organised by the ANC, the Casa Foundation and the Anti-Apartheid Movement of the Netherlands, flew the colours of the ANC. It was attended by some of the outlawed organisation's top officials, including Thabo Mbeki, Barbara Masekela and Alfred Nzo.

The conference's value in bringing alternative South African culture into the world and allowing exiles and people from home to meet and mix ideas could not be overestimated.

But it has also highlighted the difficulties inherent in the cultural boycott and caused problems with the selection criteria that were used to bring people across to Amsterdam.

Said one of the organisers, Joost Divendal, "there were several criteria used. They included quality as an artist, areas of artistic endeavour (music, theatre, photography, literature etc) and a connection to or sympathy for the democratic mass movement".

Weekly Mail Reporters, Amsterdam

It excluded groups, Divendal said, like Inkatha and black consciousness oriented artists, while organisational difficulties resulted in a sparseness of representatives from around South Africa, including the Western and Eastern Cape.

But the selection criteria also gave room to several distortions. Within South Africa few appeared to know what was going on during preparations and selections for Casa attendance and "sympathies" with the broad democratic movement seemed not always to be good enough.

These factors cast some doubt on an ANC cultural department official claim that all the delegates were elected democratically from UDF affiliates around the country.

As to the festival itself, most of the culture displayed has had liberal airings in South Africa. Almost all the plays have been shown at The Market Theatre in Johannesburg. This includes Percy Mtwa's *Bopha*, Junction Avenue's *Sophiatown* and Mbongeni Ngema, Percy Mtwa and Barney Simon's *Woza Albert!*

The music was noticeable for its exclusion of artists like Hugh Masekela, Miriam Makeba and Ladysmith Black Mmambazo. Some of South Africa's best — inside and outside — were just not present. Said Divendal, "Masekela was invited, but did not come". Makeba's name, he said, had not come up at all, and Ladysmith Black Mmambazo were not invited as they had very recently done an extensive tour in Holland with a lot of exposure.

The ANC's own group, Amandla, while better than many local offerings, was caught in a musical time warp of Fifties and Sixties township sounds, indicating the toll of decades of exile and cultural isolation.

For many Dutch residents (those few who were interested — there has been little coverage of Casa in the press) there was an erroneous belief that the art was "smuggled" out. The photographic exhibition bills itself as "smuggling out censored images" — which is only partly true. In addition, several of the films had been seen in Johannesburg at the *Weekly Mail's* film festival.

An evening of readings of poetry and prose at the famous Sixties "drug club" Paradiso, was marked by several hours of embarrassing poetry before the advertised big names like Breyten Breytenbach and Nadine Gordimer appeared. Among the long tracts of poetry were offerings by Patrick Fitzgereld and Marius Schoon both ANC activists, and songs by an ex-South African, Barry Gilder.

Breytenbach's appearance did not please everyone, but, as one organiser put it, could not be avoided at a cultural event of such stature. Several other notable contributors to "another culture", like Ray Phiri, Sipho Sepamla and Es'kia Mphahlele, seem to have been avoided.

The media section, consisting of a "colloquium" of selected South African journalists, was followed by an ANC policy statement on the media that left the waters as murky as ever. However an ANC representative did say he would have preferred some more diversity of thought in the meeting, and suggested that one or two Afrikaans journalists might have been included.

The policy statement left the impression among several journalists that the ANC itself had more respect for dissent and criticism than some of its more sympathetic journalists at home.

During the media conference, an award was given to detained New Nation editor, Zwelakhe Sisulu, and it was announced that attempts are to be made to internationalise a "Hands-off the media" campaign.

CITY/NATIONAL

Hit sanctions by easing apartheid, says Suzman

By TOS WENTZEL
Political Correspondent

POSITIVE steps to dismantle apartheid could help defuse the sanctions and disinvestment campaign in the United States, says Mrs Helen Suzman.

The Progressive Federal Party's new national chairman said such steps could also help the British stance against disinvestment.

Mrs Suzman was speaking on her return from a visit to the US and Britain after a trip to Red China.

"Logical arguments against disinvestment do not cut much ice in US political circles.

"It is essential that the Government soon starts to defuse the campaign by making some moves which will have a fundamental effect on the whole apartheid structure — such as scrapping the Group Areas Act."

In Britain Mrs Suzman had talks on South and Southern Africa with Prime Minister Mrs Margaret Thatcher, Foreign Secretary Sir Geoffrey Howe and Mrs Lynda Chalker, Minister in the Foreign Office.

Offensive actions

"Although the British Government is firm on its attitude on sanctions it is essential that the South African Government helps it to maintain this attitude."

This could be done by taking positive steps to dismantle apartheid and by refraining from its more offensive actions, such as detention without trial and forced removals.

Referring to her election as National Chairman of the PFP while she was overseas, Mrs Suzman said she thought one of the reasons was the party wanted someone internationally-known in this prestige position.

Her election demonstrated that the party wanted a senior member to help rally the forces of moderation at a time when liberal values were endangered as polarisation between right and left increased.

"'I see my new job as reinstating the basic liberal values for which Progressives have always stood."

Sanctions force US to rely on Soviets

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Argus 14/2/87

By ALAN DUNN of The Argus Foreign Service in Washington

A SURGE in American imports of Soviet strategic minerals since the United States imposed tough sanctions against South Africa last year is troubling officials and politicians.

The US Secretary of the Interior, Mr Donald Hodel, and the presidential National Critical Materials Council he chairs, are probing reasons for the shift with officials from other government agencies.

This emerged last week at a Capitol Hill hearing on American dependence on South Africa for critical and strategic minerals. Official statistics cited show a marked increase in US imports from the Soviet Union in the last 12 months.

Supplies of antimony increased more than 4 700 percent, chrome ore 157 percent, industrial diamonds up from two to 100 carats, ferro-silicon 377 percent, platinum bars 321 percent, rhodium 386 percent and platinum sponge 73 percent.

The swing started almost immediately after the US Congress imposed the Comprehensive Anti-Apartheid Act of 1986 on October 4 last year.

Politicians hearing these statistics expressed alarm and warned of dangers in the shift.

"Experts in the executive branch are trying to find out what is causing this and solutions for it," said Mr Bob Wilson of the White House's National Critical Materials Council. "The reasons are not clear at this time and they are probably the result of a combination of events," he said, noting that the situation merited continuous attention

A resources expert at the State Department said there were a number of possible explanations, including Soviet needs for hard currency in the light of lower oil prices, increased Soviet minerals production and rapidly rising US demand for them.

SA minerals

"One thing is clear: The (sanctions) Act did not iself restrain imports of strategic minerals from South Africa in any way," he said. It was possible that the sanctions had fostered a climate of uncertainty and psychologically affected American buyers.

Mr Wilson, who said he had consulted metals dealers in New York, agreed that the sanctions seemed to have created an 'indirect chilling effect' on trade with South Africa.

Congressman Larry Craig, a Republican from Idaho and member of the House panel on mining and natural resources, said the increased purchases from the Soviet Union were a 'phenomenal shift'. He was amazed that the US seemed to be asleep to this, basking in the comfort of the Reagan-Gorbachev summit.

Meanwhile, American officials have warned lawmakers of devastating effects for the US if South African strategic minerals supplies were severed.

Administration experts on crucial materials noted the US's vulnerability in this area, stressing an urgent need to find mineral alternatives and different sources for them.

White House, State Department and mining specialists told the House Sub-Committee on Mining and Natural Resources last week that a cut-off from South Africa would halt manufacture of some important American products and send prices "going through the roof" on others.

It would also damage the US in international trade, they said.

"Our conclusion is that a unilateral ban by the US would have substantial negative impacts on our domestic economy," said Mr John Medeiros, acting director of the State Department's international commodities division.

US industry would bear "very substantial" additional costs. "Moreover, the risk that such a ban would have negative impacts on our national security is also significant," he said.

The Soviet Union was a major alternative source to South Africa and an end to minerals trade with South Africa would increase reliance on the Soviets, a "clearly undesirable" outcome, he said

The US had to guard against misguided attempts to penalise the South African Government, ensuring it did not cripple portions of US industry, Mr Medeiros cautioned.

An official on President Reagan's National Critical Materials Council said free access to manganese, vanadium, platinum metals, gold, ferro-alloys and cobalt mined or transported through South Africa were 'vital for the continuing US defence build-up and for industrial preparedness in the event of a national security emergency.'"

There would be subsitutes for some of these metals, he said. But there were no alternatives to some applications of these metals, except from the Soviet Union and its allies. This could hardly be considered reliable "even with glasnost", he added.

Disinvestment polls 'wrong', says Information Bureau

The Argus Correspondent

PRETORIA. — Disinvestment and sanctions will cause long-term economic disruption, resulting in unacceptably high personal sacrifice, says the Bureau for Information.

The bureau was reacting this week to "deceptive and contradictory" information on the attitude of black South Africans on sanctions and disinvestment.

During April and May this year the bureau launched a survey on the two issues and respondents comprised a representative countrywide sample of 4 500 urban and rural blacks, 500 coloured people from the urban areas of the Eastern Cape and 500 Indians from the Durban/Pinetown area.

They were asked about groups of people in South Africa and overseas who tried to encourage banks and companies not to invest in the country or to close down companies in South Africa. "Do you think this is a good thing; neither good nor bad; a bad thing — or you don't know?", they were asked.

The bureau said those who said "it was a good thing" were 12,9 percent of blacks; 13,8 percent coloured and 7,2 percent Indians.

Those who said it was "neither good nor bad" were 5,2 blacks; 16,4 percent coloured and 3 percent Indians.

Those who said it was "a bad thing" were 78,8 percent blacks; 69 percent coloured and 89,2 percent Indians.

The main reasons for the negative response were that unemployment would rise, companies would leave South Africa and the economy would collapse and crime would increase, the bureau said.

The bureau said, in a survey conducted by the HSRC, 29,6 percent of respondents agreed to sanctions, 59,4 percent said "no" and 11 percent did not know.

The bureau said in the Case Survey of August and September this year, 21 percent of a survey of 800 blacks supported the view that "sanctions should be enforced unconditionally until the government surrendered power".

The bureau said given that the questions involved a mixture of both sanctions and support for leaders, it was surprising that 26 percent of the respondents were willing to reject the sanctions option and by so doing position themselves in opposition to the views of prominent revolutionary leaders and organisations.

"It is highly likely that these compound questions resulted in many respondents supporting sanctions as they were not willing to reject the leaders and organisations linked to the sanctions issue."

UK campaign to free SA unionists

From MOIRA LEVY

LONDON. — More than 500 delegates attending the Anti-Apartheid Movement's AGM here last weekend endorsed the launch of a new campaign to focus world attention on the repression of trade unionists in South Africa and Namibia.

The AGM resolved to campaign for the release of Moses Mayekiso, general secretary of the National Union of Metalworkers of South Africa, and the three National Union of Mineworkers members who are on death row.

Delegates also passed an emergency resolution condemning the SADF incursion into Angola.

The AGM outlined new initiatives for the "boycott South Africa" campaign. There are plans to involve trade unions represented in Shell plants.

The AAM also announced a March month of action in support of the frontline states.

The 546 delegates, representing AAM affiliates, local community organisations, trade unions, religious groups at the first-ever delegates only AGM, also released information on the past year's AAM activity.

The 177 local AAM branches throughout England, Scotland and Wales produced videos, anti-apartheid music, T-shirts and mugs. They held Soweto walks to raise money for the ANC's Solomon Mahlangu College, music festivals and drama workshops.

They organised petitions, demonstrations, conferences and marches. The annual report includes report backs on "areas of work":

• A National Union of Students campaign package.

• A manifesto for sanctions, endorsed by a range of political and civic leaders.

• A campaign to stop British Medical Students spending their study or elective year in South Africa.

• The formation in England of lawyers against apartheid and architects against apartheid.

• Meanwhile, AAM president Archbishop Trevor Huddlestone, has made an urgent appeal to the British Prime Minister to save the lives of the Sharpeville Six.

The appeals of the five men and one woman were rejected last week, and lawyers announced that they would petition the State President for clemency — the final stage of appeal before hanging.

And the Chairperson of Southern Africa The Imprisoned Society (Satis), Mr Geoffrey Bindman, has written to the British Foreign Secretary, Sir Geoffrey Howe, calling for urgent action to avert "this unspeakable act of injustice", he said.

Six people were executed in 1987 and at least 44 people are on death row for political offences.

STATISTIESE NUUSBERIG
DEPARTEMENT VAN STATISTIEK
PRETORIA

'Constructive involvement' is key to SA problem

(280 SMC 2/12/87

There is a creative alternative that will guarantee the end of apartheid without a bloody civil war, writes Don Edward Beck, PhD. It requires that the West implement a strategy that is just the opposite of punitive sanctions.

There is a creative alternative to the South African quandary, but you can't see it from Johannesburg, or Washington DC, or Lusaka, or even from Dallas. You have to go to the moon to see it. And both eyes and mind need to be open.

From the moon one can see how the earth itself exists in a brutal apartheid condition. One's fate in life is predetermined, in large part, by the geography of birth and the blessings and curses of national identity. Those in the First World enjoy the fruits of "the good life" while others trapped in Third World conditions often suffer an inevitable fate.

Around the perimeters of First World privilege one can find the Afghanistans, the Nicaraguas, the Ethiopias and the Sri Lankas. Not to be ignored in this litany of oppressiveness are the victims of the holy wars in the Middle East and the racial and ethnic-based violence in India, Tibet and Northern Ireland Billions are being deprived of a decent life on the planet of their birth

Model for the planet

And now shrink this global map to a miniature scale and you can begin to understand the South African dilemma As a microcosm of the entire planet, all of the world's mindsets and flaws are crunched into a relatively small territory in southern Africa. What will "play in Pretoria" will also serve as a model for the planet itself as it seeks to resolve its violent eruptions and preserve its delicate ecology.

I can tell you after 20 visits to South Africa how to solve the apartheid problem. You'll find the answer in such unexpected places as quantum physics, contemporary brain research, the explorations from general systems theory, ecological evolution and even the inescapable record of geopolitical happenings, especially in schemes can resolve our First and Third World imbalances. Yet, there is a creative way to break the impasse and ignite the forging of a new South Africa.

I can warn you that the moral crusaders, the racial politicians and the entire quite lucrative anti-apartheid industry will not like the solution. But neither will the champions of racial separation or bigoted "boers" within the "white minority regime." They have told me so.

A vote for sanctions is a vote for more oppression. In fact, isolating South Africa even further from the West is just like pouring more petrol on a fire in an attempt to put it out after the first gallon failed to do so. One has about as much chance of dislodging Afrikaners from their "God-given land" as one would have of evicting the Israelis from Jerusalem Attacks on that besieged culture simply place more power in the hand of the kind of people who oppress the Steve Bikos of the world.

This creative alternative, one that will guarantee the end of apartheid without a bloody civil war, requires that the West implement a strategy that is just the opposite of punitive sanctions. Instead, we should flood that developing country with investments. We should reverse the isolation and allow more Western liberal thought to flow through the universities and schools.

doesn't need our often self-serving moral condemnation.

"Constructive involvement" should replace "constructive engagement" as the West participates in an Amish-like national barn-raising enterprise in South Africa.

One should allow the use of "Sesame Street" on SABC-TV to increase the literacy of 7 million black children by the end of the century.

Comedian Bill Cosby **(pictured here)** has done more to improve race relations in South Africa than all of the money and efforts of the World Council of Churches and the United Nations Anti-Apartheid Committee combined.



By increasing the economic status of blacks in that country one strengthens the bargaining power of the black unions and enhances the life quality of the emerging black middle class. This will pave the way for the rapid end of apartheid.

In short, this strategy will result in the natural ratcheting of the South Africa through evolutionary stages. Just as a deep sea diver must come up in stages or he will develop the bends, there is a fine line between "too much, too soon" and "too little, too late".

This strategy will erode the naked power of Afrikaner nationalism and its supporting ideologue more quickly than the millions of dollars that are spent annually in anti-apartheid schemes. Furthermore, with the perilous threat of the spread of Aids from central Africa, the constant danger of drought, and the gruesome conditions in many of the Frontline states, the Afrikaner medical doctors, farmers, engineers, administrators, and educators are looking better and better to the non-white population groups.

In short, there is a path between the excesses of white privilege and the combustion of Third World black majority rule The salvation of the entire subcontinent depends on South Africans finding that formula.

But one conclusion is crystal clear to anybody who has objectively observed South Africa from the inside: the pathway to racial justice and ethnic integration is through economic growth and development. You can understand that without going to the moon.

● *Dr Beck, formerly a professor at North Texas State University, is now a director of the National Values Centre in Denton, Texas.*

In the place of simplistic racial definitions of South Africa, we have been tracking the evolution of thinking processes and value systems. While many interpret South Africa around a Marxism v Capitalism axis, we note that these economic prescriptions are but stages in a developmental sequence. The solutions to the apartheid problem do not lie within a simple majority-take-all rule any more than worldwide popular vote

We should provide South Africans the opportunity to cheer their "black" athletes who are wearing the sacred green and gold Springbok colours in international competition.

American entertainers should go to Sun City and, if they desire, donate their fees to build schools and athletic fields in the townships. South Africa needs our models and experiences in addressing sensitive racial issues; it



Mr William Gray



Senator Paul Simon

US Treasury to decide Samcor's fate

From SIMON BARBER

WASHINGTON — Samcor's fate appeared to hang in the balance yesterday pending a decision by the US Treasury to permit Ford to transfer $61 million (about R122 million) to SA to help pay off the car company's debts.

The transfer is an unpublicised part of the disinvestment agreement Ford negotiated with Anglo-American, Amic, the National Union of Mineworkers of SA (Numsa) and Samcor.

A Treasury ruling is required because the injection of funds into SA may run foul of the Comprehensive Anti-Apartheid Act (CAAA) ban on new investment.

Pro-sanctions forces on Capitol Hill, led by Congressman Howard Wolpe, chairman of the House Africa subcommittee, Congressman William Gray, chairman of the House Budget committee, and Senator Paul Simon, chairman of the Senate Africa subcommittee, have demanded that the money not be released.

They are considering filing for a court injunction if Treasury rules in favour of Ford, one of their advisers said yesterday.

They have also been in contact with UDF and union leaders to drum up opposition to the transfer.

"Ford claims to be disinvesting, but at the same time it wants to pump $61 million into Samcor. The way we read the act this is prohibited because it represents new investment," a staff member said.

"We have reason to believe that the transfer was not discussed in depth with Cosatu and other unions."

Liquidate

Congressional and administration sources said they had been told by Ford that unless the money was released, Anglo would liquidate Samcor, possibly putting thousands out of work.

Such a move would also invalidate the painstakingly negotiated creation of an employee trust fund from Samcor shares donated by Ford.

Anglo is understood to have set yesterday as the deadline for the $61 million transfer.

The Treasury had been expected to rule by close of business on Friday, enabling Ford headquarters in Detroit to authorise its Canadian subsidiary to wire the funds to Samcor by close of business yesterday.

Ford Canada is technically the disinvesting company, but the money is being provided by its US parent, thus bringing the CAAA's investment ban into play.

Administration sources said the Treasury was expected to make its decision late last night and that Ford was cautiously optimistic.

The dispute centres on exceptions to the ban laid out in regulations published on December 29 last year.

Exempted under these regulations are "contributions of money or other assets where such contributions are necessary to enable a controlled South African entity to operate in an economically sound manner, without expanding its operations".

A "controlled South African entity" is defined as "a corporation, partnership or other business association or entity organized in South Africa, and owned or controlled, directly or indirectly, by a national of the United States".

(280) B/dam 3/12/87

It's been a very good year for the sanction-busters

MICK COLLINS

ELABORATE clandestine plans compiled through the co-operation of government and the private sector, have offset the potential of sanctions to cripple SA's export trade.

The begining of 1986 saw SA — puny compared with the West's economic might — presenting a lonely but resolute figure as it continued to trade on world markets.

The advent of sanctions in October 1986, which have not had quite the catastrophic effect initially feared, did more to push SA into a laager mode than any other event in its trading or political history

Mindful of the determination of the anti-South African factions overseas, a little-publicised body — the Private Sector Export Advisory Committee (Pseac) — started working quietly at strategies to counter boycott effects

Known to be extremely influential in staying government's retaliatory arm, Pseac is aware of the degree of satellite and document surveillance, trade union activity and concerted action by foreign governments which could further disrupt SA's export markets.

The strictly private and confidential workings of Pseac has paid off. It has become a backroom force to be listened to in government circles

"Encouraging the politicians to take pragmatic rather than forceful action has seen a lot of our exports saved, in the sense that the West has been made to realise the effects retaliation on other sub-Saharan countries would have without our ever having to implement a backlash' says one observer.

"America has also seen the awful effects sanctions have had on our black population, which so far has taken the brunt of foreign intervention."

Heading up government's efforts to circumvent sanctions is Desmond Krogh.

As ex-Governor of the Zimbabwe Reserve Bank, the low-profile Krogh is understood to have an uncanny grasp of the international financial intricacies necessary to run the hush-hush operation.

Publicity-shy, Krogh is a man of few words but is known to be directly responsible to government for the running of the Joint Committee on Sanctions which co-ordinates all anti-sanctions activity.

Acknowledging that the timetable for further overseas action is uncertain, both Krogh and Pseac realise that a second tranch of sanctions by the US, Canada, the European Commuiey and some Commonwealth countries against South African trade, shipping and air links could be expected at the beginning of 1988

The first tranche impacted mainly on steel, iron, agriculture, coal, sugar, uranium and the country's air links

There are a number of steps the private sector and government must take together to reduce SA's vulnerability to sanctions, says a source close to Pseac.

The committee recommends a fast track approach in the short-term to provide finance to expand export incentives under Category D not contrary to General Agreement on Trade Tariffs (GAAT).

It also calls for the replacement of schemes contrary to GATT with a "menu" of alternative schemes, including industry bills, off-shore marketing, concessions, tax deferrals and marketing revolving funds.

In the medium-term it recommends a programme of assistance to critical export industries, and



☐ KROGH . . . low profile

in the longer-term a systematic programme of discretionary assistance to industry based on the mechanism of structural assistance.

In some instances, the effects of sanctions would be to increase world prices, especially of strategic products of which SA is a significant supplier

In these cases, and particularly where the product is not identifiably South African, the volume of exports may not be reduced and the country could benefit from the sanctions-induced increase in prices

For its input and advice, Pseac seeks in return from government an undertaking of "maximum prior consultation" over the use of retaliatory tactics against boycotts, sanctions and political pressures.

But what of the black worker and the effects sanctions have had on him?

"The one mistake the US made was to target labour-intensive industries, such as sugar and coal.

"Thousands have been thrown out of work, while dependents of the unemployed number in the tens of thousands.

"The very people they were meant to help are being destroyed by sanctions," says a political source.

The US Journal of Defence and Diplomacy (JDD) comments: "The sanctions policy of the international community has slowed reform by further polarising the political forces in SA.

"Sanctions have helped catapult the Conservative Party into official Opposition status in Parliament and have made dialogue more difficult between blacks and whites"

But in what could be the greatest irony of all, JDD says the effects of sanctions have increased the concentration of wealth in the hands of white South Africans and says local businessmen have benefited, largely through their purchase of the assets of disinvesting corporations at fire sale prices.

The amount of unproductive government assets has increased as well

As stated by Deputy Finance Minister Kent Durr, sanctions have frozen billions of rand in the acquisition and storage of crude oil — capital which could otherwise be available for job-creating, wealth-producing investments in the private and public sectors, or for housing, health and eductaion in the black townships.

The more sinister aspect of sanctions for the US is the growing realisation that SA is, in a trading sense, growing up and is doing more and more business with the USSR and Eastern bloc countries

Moves by government have seen funds, originally held in US banks, being transferred to central banks of countries that continue to do business with SA

"While government pointedly makes no official comment, the increasing numbers of Soviet and communist bloc commercial personnel and aircraft in SA attest to growing trade links which provide needed hard currency to the USSR and Eastern bloc countries," says the JDD.

Calling for a "truly national approach," Pseac says all influential bodies — including the organised business community, individuals, employer organisations and bodies such as itself — must co-operate with government to use the most sophisticated trading and communication techniques available.

But if SA is to overcome the current sanctions campaign, it must ensure that the business confidence of major exporters remains intact.

To lose this, says one commentator, would perhaps be the beginning of the end.

(10) 280 B/day 22/12/87

Price Ford paid for the privilege of escape from SA

SIMON BARBER in Washington

EUGENE TERRE-'BLANCHE, and possibly even P W Botha, will be happy to know the great American campaign to deny black South Africans economic power and preserve them in social, intellectual and political servility proceeds apace.

This year has been a good one for those South Africans who wish to maintain, albeit in some superficially beautified form, the status quo If the double taxation of American subsidiaries in SA becomes law, it may even go down as a great year

Talk about a Christmas present! The US Congress may just have handed white SA business the plant and other assets of nearly every US company still in SA

Any US firm that pays serious taxes to Pretoria — in other words, the large ones with real capital investment — could now be up for grabs. Anyone for an oil refinery?

As with all the best Christmas presents, this one was a complete surprise, even to most of the givers.

Congressman William Gray, chairman of the House Budget Committee and a leading if unwitting proponent of all such gifts, did not appear to know what I was talking about when I raised it with him last week.

He was, and is, not alone I doubt that there were more than 50 people in Washington — yes, Washington, not just on Capitol Hill — who had the foggiest idea that the double taxation proposal was lurking on page 1 172 in the 2 047-page House Omnibus Budget Reconciliation Act of 1987

The tax-writing House Ways and Means Committee held one 20-minute fraction of one hearing on the thing last July (consisting of a piece of incomprehensible waffle from the Washington Office on Africa) before slapping it into the Bill

From that point on, including and beyond the House debate on the full Bill, not a peep of debate was heard

As of this writing, with the provision a Presidential signature stroke away from law, there has been precisely one passing reference to it in the Washington Post, tucked away in a lone paragraph as the bottom of Saturday's business section

That is how blithe the process of swatting SA has become

A number of affected corporations did know about it in advance, for that is why they spend millions on Washington lobbyists, but chose to remain silent, believing that to sound worried would only encourage Congress.

I was specifically asked by one executive not to make a big deal of it for that very reason

The White House either was ignorant or took a similar line. The former is more likely

Now that push has come to proverbial shove, and despite the best efforts of Secretary of State George Shultz and Treasury Secretary James Baker to light the dim bulb above its head, it does not seem to care.

SA — and you would do well to recite this to yourself at least a 100 times before breakfast each morning — is now the least of Ronald Reagan's concerns

But back to the Christmas present, for such it most assuredly is

If it becomes law, most of the US companies still left in SA will in all probability come at even better than firesale prices

Indeed, if the recent Ford debacle is anything to go by, SA beneficiaries will be able to demand payment for taking the stuff off the donors' hands

Let's look at the price Ford paid for the privilege of escape.

First, it had to give away its 42% stake in Samcor, 24% to the unions, 18% to Anglo American On paper, at any rate, that's a US$50m gift or thereabouts.



□ GRAY . . . complete surprise

The company also agreed to pump an additional US$10m into community development trusts in Pretoria and Port Elizabeth And then, to top it all off, it had to ante up US$61m in debt liquidation to keep Anglo from shutting Samcor down

That, at least, is what it told both the US administration and Congress, and there's no reason to doubt it.

In essence, Ford has had to shell out a cool US$121m to leave a country in which it has been trading for nearly half a century

Samcor is going to have to sell a lot of cars with Ford logos on them for such an investment to pay off, especially if the Reserve Bank continues to limit royalty payments in real money to a small percentage of revenues

And — the US$61m injection notwithstanding — there isn't much guarantee how long Samcor will continue competing in the heavily overtraded SA car market, or, if the company does remain viable, how long Ford will continue to want its products being sold in SA in any form

Increasingly, local governments are defining the kind of relationship Ford hopes to maintain with Samcor as doing business in SA

Licensing and royalty agreements, technology transfers, even permitting a trademark to be used, all qualify as tainted transactions in Los Angeles, San Francisco and a growing number of other major US cities

Is a toehold in a stagnant SA really worth not selling fleets to some of the richest cities in the world?

Whether or not Anglo intends to keep Samcor going, and it would seem a pity to close that splendid new facility, it had Ford over a barrel

Ford had to agree to pay off a large chunk of Samcor's debts and endow a fund that would keep the work-force happy, or at least committed to keeping the concern going

In return, the Detroit car-maker stands to get nothing, not even the hope of an African production base if and when the millennium dawns in SA

Anglo's balance sheets will not be ruined if Samcor closes Ford will lose whatever return it hoped for, and 4 900 workers — 70% of whom are black — will lose their jobs and their suddenly valueless trust fund

Whatever clout the National Union of Metalworkers of SA had managed to accrue will be smashed

That seems a ghastly hole for a well-intentioned American company to have to throw its money down, but it can hardly be said to take any skin off Pretoria's — or Anglo's — nose

Except — and here is one bad piece of news for those who would profit from US corporate withdrawal — it may become increasingly difficult for companies to pay their purchasers, especially if such payments can be interpreted by the scorched-earth boys in Congress as "new investment"

It remains to be seen precisely what Congressmen William Gray and Howard Wolpe will do following Ford's decision to transfer the US$61m without waiting for the Treasury to rule that it did not violate the Comprehensive Anti-Apartheid Act's new investment ban

But do something they will, encouraged by Treasury's pusillanimousness in coming to a decision

Steps will be taken that will force US companies to find other avenues of paying their buyers or that will end such payments altogether

This means that some US concerns may simply be liquidated outright, though, thanks to the two-tiered rand, most of the proceeds will stay in SA.

As for the rest, well, SA investors will no doubt learn to live with the intolerable burden of getting something for nothing

The American Santa Claus is bringing no gifts for black SA But for Pretoria and the business sector, it should be a merry Christmas and a profitable New Year

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Qantas has 'no choice but to restore SA link'

The Argus Correspondent

PRETORIA. — The Australian national airline Qantas would have no choice but to resume direct flights to South Africa if it wanted to carry the extra holiday traffic between the two countries, informed sources said today.

South African Airways made additional offers to Qantas yesterday after the Australian carrier turned down an earlier suggestion that it terminate its special December flights at Mauritius so that SAA could provide connecting flights to South Africa.

Qantas, banned from flying to South Africa by the Australian Government, planned to terminate its special flights at Harare and it had requested SAA to put on special connecting flights from Zimbabwe.

SAA, banned by the Australian Government from flying to Australia, has now proposed that Qantas either fly directly to South Africa or that it extends its special flights from Harare to Johannesburg. A third option would be that SAA would lease the Qantas flights between Harare and Johannesburg.

Senior Government sources disclosed today that the Government was not prepared to accept an Air Zimbabwe offer to put on the extra flights between Harare and Johannesburg.

The issue had become purely political, they said. South Africa was not prepared to allow Qantas and Air Zimbabwe to be the only ones to benefit from increased traffic between South Africa and Australia.

The sources said if Qantas was obliged to fly to South Africa during the festive season, there being no other way to make connecting arrangements, then there was no reason why full air links between the two countries could not be restored.

Besides, there were always the SAA flights between South Africa and the Far East.

Human rights day service

JOHANNESBURG. — The South African Council of Churches will hold a prayer service at Khotso House tomorrow to commemorate International Human Rights Day. — Sapa.

Bonn rejects sanctions solution

BONN — The West German government condemned apartheid yesterday, but rejected sanctions as a way to force South Africa to change its racial policy.

Mr Helmut Schaefer, a Minister of State in the Foreign Ministry, said during a parliamentary debate on South Africa that in the government's view "apartheid and racism are not capable of reform, they must be eliminated".

But he said sanctions were not the solution because they would only harm South Africa's black population.

Spokesmen for the opposition Social Democrat (SPD) and Greens parties, who forced the debate, said Pretoria's failure to keep its promises of reforms showed that sanctions were the only suitable way to stop apartheid.

The rightist Christian Social Union, a junior partner in the governing coalition, voiced Pretoria's only support.

Spokesman Mr Wolfgang Boetsch said the South African Government did not oppose reforms. It was in the process of creating a new order, based on democratic ground rules and recognition of the great racial diversity in South Africa. — Sapa-Reuter.

Flurry to kill anti-boycott bill

By MOIRA LEVY, London

BRITISH trade unions, local councils, community organisations and the Anti-Apartheid Movement, have joined forces to campaign against a Bill now before British parliament that, if it becomes law, could break the country-wide Boycott South Africa campaign.

The Local Government Bill, debated in standing committee last week, seeks to prohibit local authorities from banning South African and Namibian products, and prevents them avoiding contracts with companies that have links with either country.

The Bill contains two contraversial clauses — 17 and 18 — that would make it unlawful for any local governming body to refuse to enter into any contracts for goods or services on non-commercial grounds.

A series of amendments to the Bill, which sought to delete references to the country of origin of the goods and services being boycotted, were defeated in last week's debates.

The debates came amid a flurry of activity at Westminster aimed at getting the legislation abandoned. A public meeting addressed by representatieves of the African National Congress, Swapo and local authorities, was followed by lobbying of members of the standing committee and the House of Commons. And a delegation led by Bob Hughes, Labour Party MP and the chairman of the Anti-Apartheid Movement, met the minister of state for local government, Michael Howard, this week.

The next step, according to campaign organisers, will be efforts to lobby the House of Lords when the Bill is debated in the higher parliamentary chamber.

If the Bill becomes law, say campaign organisers, it will affect 162 local authorities that already practise some form of boycott of South African products.

They argue that the Bill undermines the Race Relations Act, which demands that local authorities have a duty to promote sound race relations in their geographic area.

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WORM'S EYE VIEW

What the figures say is not what they mean

POLITICIANS and academics tend to use surveys of black opinion in much the same way as Humpty Dumpty used words — they mean what they want them to mean.

Recently, Constitutional Development Deputy Minister Stoffel van der Merwe used a government survey showing that about a third of urban Africans support the African National Congress to argue that black people reject violence — and, by implication, back his version of reform.

Within days, others were using a survey by researcher Mark Orkin, whose findings on ANC support were much the same as the government's, to argue that black people support sanctions.

Interpreting surveys to confirm your own view is not a solely South African game — but it takes on new dimensions here because surveys are the only test of black attitudes we have.

Black South Africans are in danger of becoming the most surveyed people in the world, and part of the reason is not hard to find.

If blacks enjoyed the right to free political activity — and, more importantly, the right to vote — there would be far less need for the government or academics to find out what they think. It would be reflected in the parties they joined or voted for.

For some, opinion polls seem to be seen as a substitute for black political rights. That they can never be.

But the plethora of polls does indicate progress of a sort.

The mere fact that the government — indeed, the white establishment — now believes it ought to find out what blacks are thinking is a change. It suggests that, at the very least, they are less confident about their ability to impose their own thoughts on black people unilaterally.

And the fact that both pro- and anti-government pollsters are producing findings on black attitudes which are roughly similar suggests that people are answering the questions truthfully, even though supporting the ANC or sanctions is illegal.

This suggests that black people are confident enough to express their views despite the security laws: they probably would have been far more cautious a few achieve the opposite.

Orkin's survey illustrates the problem. He finds that about two-thirds of black people support sanctions — but only 14 percent do so if they will cause substantial unemployment. A clear majority, 60 percent, reject sanctions which will cause any job losses at all.

He tries to remove the apparent contradiction by arguing that blacks support the comprehensive sanctions which key anti-apartheid groups urge because they believe these would end apartheid quickly and so cause only short-term economic hardship.

But his interviewees don't seem to be saying that — they say they want sanctions which won't cause any job losses at all. Comprehensive sanctions which don't cost jobs are about as common as wars which don't kill people.

The more important point is whether there are any sanctions which would end apartheid quickly. The evidence so far suggests there aren't, that even if sanctions did end apartheid, they would take years to do it and many jobs would be lost along the way.

The real question, for anti-apartheid strategists in particular, is whether black people are likely to support the second, more plausible outcome. The Orkin survey suggests that they wouldn't.

Nor is it clear what interviewees are endorsing when they support sanctions or "pressure" against apartheid. Sanctions or "pressure" can include anything from a sports boycott to a trade embargo. They can be conditional, aimed at winning limited changes or they can be total, designed to last as long as the present system survives. People who support some sanctions may not support others.

The survey tells us that some 20 percent support unconditional sanctions until the government is removed. This suggests an overwhelming majority for selective, conditional pressure. It might be more important to know what specific pressures black people might support than their attitude to pressure in general.

All this does not mean that surveys conducted by anti-sanctioneers or by the establishment are any more reliable.

(280) Weekly Mail 23-29/10/87

years ago.

Indeed, perhaps the most interesting feature of the surveys on issues such as sanctions and the ANC is that, whoever conducts them, their raw findings are similar, or at least compatible.

But the surveys should still be treated with care before we jump to any conclusions about what most blacks think.

Different interpretations are only part of the problem — the questions which the pollsters ask are probably a bigger one.

Sanctions are an example. Anti-sanctions academics tend to ask black people whether they are prepared to support sanctions which will cost them their jobs (they aren't). Sanctioneers ask them whether they back sanctions which will end apartheid (they do).

Both questions are loaded because they assume that sanctions will have a particular effect: the assumption is the investigator and the surveyed are rarely invited to question it.

The result is that black people who want to keep their jobs but do not want to keep apartheid (the vast majority, according to the polls) can be enlisted to support either camp.

In this way, the surveys often conceal more than they reveal. Support for sanctions obviously depends on their likely effect — support on condition that they will achieve a particular goal is meaningless if they are likely to

Polls which concentrate on probable job losses only and then conclude that blacks reject all sanctions are equally misleading — and Van der Merwe's shock finding that most black people reject violence (so, hopefully, do most other people) tells us nothing about their attitude to his government or its reforms.

Nor does it mean that the surveys are worthless — the fact that their raw data often agrees regardless of who carries them out suggests that they do provide valuable information.

The questions they raise also have a bearing on strategies for change.

Can, for example, anti-apartheid movements who demand unconditional sanctions retain black support if only one out of five black people support that sort of pressure? And, bearing in mind the majority opposition to job losses, might total sanctions not prompt a sharp rise in right-wing vigilantism rather than change?

These questions cannot be answered by surveys alone but they can provide some valuable clues.

But they will only do that if we analyse them more critically — if we go beyond the interpretations and attempt our own judgements of what the surveyed are really saying.

Steven Friedman

overcropped.

Six countries 'could make sanctions work'

Targeted economic sanctions from six Western countries could indeed help bring down apartheid, a new West German study argues. JO-ANNE COLLINGE reports

New fuel has been added to the sanctions debate by a West German study which concludes that "by wielding effective sanctions, a small group of only six countries has the power to chop through one of the apartheid regime's most vital supports — its integration into the world economy".

The study was carried out by the Starnberger Institute for Research into Global Structures, Developments and Crises and was commissioned by the Evangelical Church in West Germany.

The South African economy is "highly vulnerable to targeted international sanctions," the study concludes, and "effective sanctions would entail a fairly small package of measures with negligible overall effects" on the countries applying such pressure.

The six key trading partners are identified as the United States, Britain, West Germany, Japan, Switzerland and France.

If any measure were rigorously applied either in the field of international credit or foreign trade or in the activities of foreign-owned companies in South Africa, the economic effects would destabilise the National Party Government, the study claims.

"For example, a refusal to roll over South African loans, together with a ban on new money, would swiftly push South Africa into international insolvency and provoke capital flight, leading to a fiscal crisis of the State, a cessation of investment and an exodus of business people and experts."

It adds: "The denial of new loans to South Africa, combined with effective sanctions by the six countries named above in the fields of foreign trade and foreign investment would soon bring about the complete economic collapse of the apartheid regime."

Sources of finance and foreign inputs — including technological inputs — are essential to maintain an economy which is essentially export-orientated and extractive, the study maintains.

In addition the "coercive apparatus required to maintain the apartheid system" would also be severely undermined by a cutting off of equipment, technology and credit.

"For the white minority, effective sanctions would rapidly lead to a deterioration of their former high standard of living. The intended political message for the white minority would be that the two pillars of their affluence and privilege — apartheid *and* integration into the world economy — can no longer *co-exist*."

The report argues that the negative effects on black people as a whole would be minimal.

> ***"The apartheid economy is responsible for more unemployment than sanctions would cause".***

"This does not overlook the fact that effective sanctions would mean job losses and unemployment among those of South Africa's black majority population currently in employment.

"However, the basic economic and political structures of the apartheid economy have been responsible for more unemployment in recent years and will continue to create more unemployment in the future than would be caused by any of the possible short-term effects of sanctions."

The report addresses the argument that sanctions cannot be effectively maintained, pointing out as an example the successful monitoring of agreements that ban the export of security-related technology from the West to socialist countries.

Successful sanctions application was a matter of political will, of jointly monitoring the observation of sanctions and punishing breaches The report points out that the United States recently gained compliance with the order that all US companies withdraw from Libya, despite the fact that this impinged on interests of major corporations.

Comparisons with Southern Rhodesia's ability to sanctions-bust are irrelevant, the report argues. Rhodesia could rely on South Africa and — in the early years — on Mozambique to help circumvent the block ade.

"South Africa is in a much less favourable position. The various 'special relationships' which the apartheid regime has with a number of *overseas* countries — including Taiwan and Israel — would certainly not suffice to allow the long-term evasion of effective sanctions implemented by the leading industrial nations."

The fact that the Frontline states were unable to impose sanctions against South Africa was "of virtually no consequence" in view of the size and nature of the trade between them and South Africa.

It describes the sanctions policy to date as one of the "pin-pricks (which) makes very little contribution to hastening what world opinion sees as the long-overdue end of the apartheid regime.

"Sanctions of the type applied so far, poorly conceived and co-ordinated, half-heartedly imposed and inadequately carried through, not only achieve nothing but serve to postpone indefinitely the demise of apartheid"

> ***"Sanctions are a politics of reason but they must have a basis of power"***

The report presents sanctions as a non-violent means to contribute to the ending of a system of government built on violence. It views it as a "politics of reason" which must, however, "possess a basis in power".

The study points out finally that companies pursue economic not political goals.

"They can only be induced to act in a politically desirable fashion — in this case, terminating any operations which amount to economic support for the apartheid regime — through binding political instructions, not moral or political appeals."

'Disinvestment means shirking responsibility'

27/7/87 280 SMM

Although more than 100 foreign companies have left South Africa in the past three years, Shell has decided to stay on in the face of boycotts and acts of sabotage against its dealerships in no fewer than 11 countries. In the company's latest Business Report, Shell South Africa chairman Mr John Wilson explains why.

If Shell disinvested from this country it would smack of Pontius Pilate washing his hands, in the view of Shell South Africa chairman Mr John Wilson.

In his 1986 review, he said sanctions and disinvestment were likely to lead only to further repression and suffering. They would benefit most those whom they were aimed at harming, and harm most those whom they aimed at aiding.

Although there was often sympathy with those who saw sanctions and disinvestment as a last-ditch effort to exert pressure on the Government, the short-term boost which the South African economy would receive as a result of sanctions could serve to perpetuate for even longer the system they were meant to destroy.

And the unfavourable effects of disinvestment were already being felt by workers and other blacks throughout the country — the very people whom withdrawing companies alleged they were assisting.

Shift in policy

"Furthermore, Government appears to have undergone a shift in policy and the Damoclean threat of sanctions has given rise to a re-emergence of the fabled 'laager mentality', with speeches being made which almost lead one to believe that sanctions and disinvestment are being invited."

There were those who were convinced that the country could survive without the support of the rest of the world and that sanctions and disinvestment would be a tremendous boost to the economy. This made the threat of withdrawal of foreign companies counter-productive.

If the international sanctions and disinvestment lobby had achieved anything, it was to interrupt the change process and to force business and Government to work together for survival, said Mr Wilson.

However, he added, the time was past when business could hinge its justification for staying on the fact that by its presence it could act as a



Wilson . . . "business still has a role to play".

positive change by bringing pressure to bear on the Government.

But business still had a role to play, acting as the conscience of Government and a catalyst in trying to bring all parties to the negotiating table. It could also help build a sound economy, needed to fulfil the expectations and hopes of "today's oppressed".

"In post-apartheid South Africa, there will be a great need for skilled manpower resources if blacks are to fulfil their governing and managerial roles in the economy and in society. The contribution which business can make now is in the training of tomorrow's leaders."

There would be criticism that such efforts were being made with the eye constantly on profit, but there was no need to make excuses about this, said Mr Wilson. "Business not only takes from a community, but it also contributes to that community."

He said Shell's contribution to the process of change in South Africa was well documented. The company had publicly stated its condemnation of apartheid and had committed itself to doing all it could to eradicate "this oppressive system".

It had also called on the Government to negotiate with representatives of all shades of opinion within South Africa. The company itself followed this dictum by extensive contacts with unions and community leaders, especially in relation to its social responsibility programme. There had been a shift in the programme from imposing patronisation to seeking from the people their needs and requirements.

Areas of need

Major areas of need identified were education, social (through, among others, financial support for the Urban Foundation and Operation Hunger) and economic (job creation).

Mr Wilson said: "To withdraw from South Africa would be shirking our responsibility to our almost 4 000 employees . . . The company would certainly not disappear . . . It would merely be taken over, voluntarily or involuntarily, by those who would see no necessity for maintaining Shell's employee conditions and social programmes."

Mr Wilson concluded that Shell's views on disinvestment were best summed up by the words: "Disinvestment is not moral rectitude. It is moral weakness."

Some gaps and silences in Cosatu's disinvestment call

Cosatu's resolutions on disinvestment have ended media claims that an 'about-turn' is imminent, but there are still areas yet to be addressed. HILARY JOFFE reports

IT'S clear that there are gaps and silences in Cosatu's policy on disinvestment, adopted at last week's second national congress in Johannesburg.

The gaps are a mark of debates in progress and of questions which will have to be answered within the federation and its affiliates Two of the major issues which will need clarifying are the share ownership issue and the practical demands which unions intend to make of companies planning to disinvest.

The resolution on disinvestment is rather thin, it does not, for example, call explicitly on foreign companies to disinvest

But the disinvestment resolution should be read together with the sanctions resolution

Cosatu came out in favour of comprehensive and mandatory sanctions "as the only sanctions which are likely to bring effective pressure which will assist in bringing about a non-violent, truly democratic and non-racial South Africa"

The sanctions resolution expressed support for a range of measures, such as the stoppping of loans and credit to the state and business, diplomatic isolation, a stop to South African capital being invested abroad and to South Africans emigrating abroad

Cosatu's new policy on sanctions and disinvestment is clearly an attempt to respond to the effects of these so far and to shape international campaigns The sanctions resolution points out that "the organised working class in South Africa have not had control of sanctions campaigns," while both resolutions, and the resolution on international policy, emphasize the need for South African workers to ally with their counterparts internationally.

Despite the gaps, clearer policy on sanctions and disinvestment is intended to enable Cosatu to intervene more decisively to shape the direction of international campaigns than it has done so far Two main areas in which it could shape debate are the call for comprehensive, rather than selective sanctions, and in the call on disinvesting companies to negotiate pullouts with trade unions rather than selling out "behind the backs of the workers".

In choosing support for comprehensive sanctions, Cosatu rejected the option of selective or strategic sanctions which observers predicted might be on the cards Against selective sanctions, the resolution argued that "as currently applied, (they) will not be effective against capital or the state can cause serious regional unemployement and often serve the interests of imperialist states rather than the South African working class"

But the policy may pose the problem for Cosatu that, with comprehensive sanctions unlikely to happen, the federation will be limited in its ability to shape international campaigns by supporting some sanctions rather than others

But the resolutions on sanctions and disinvestment are not just intended for foreign consumption More importantly, perhaps, they are attempts to address the problems which workers and trade unions have increasingly been facing, particularly in relation to disinvesting companies

And it's here that major policy questions will have to be resolved by the federation and its affiliate unions

The disinvestment resolution reiterates policy made at Cosatu's first national congress in 1985, that the federation is committed "to ensure that the social wealth of South Africa remains the property of the people of South Africa for the benefit of all"

But it does not suggest what forms of wealth holding might be acceptable

Perhaps the most central clause of the resolution is the call for disinvesting companies to "give Cosatu adequate notice of their intention to pull out of SA so that bona fide negotiations can take place"

But there is no mention of the notice period or the terms and conditions which the federation and its affiliates would favour

This surprised some observers since the original motion did set out such terms and conditions And two Cosatu affiliates, Numsa and CWIU, have within the last year drawn up sets of demands for presentation to disinvesting companies

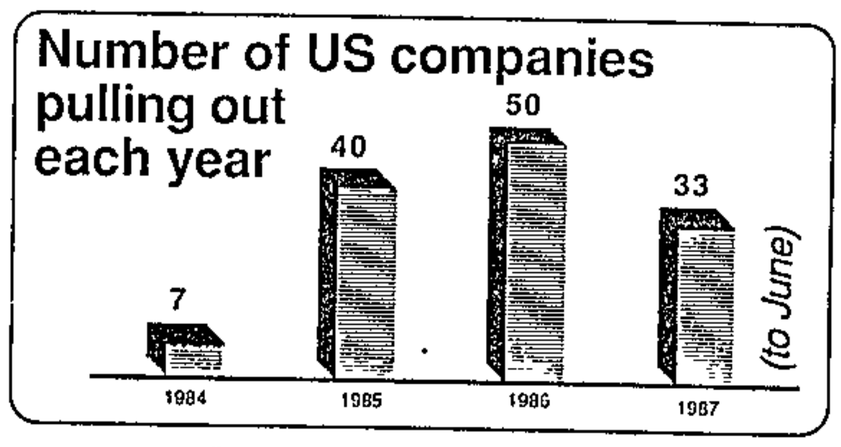
There are a number of reasons for the silences in the resolution on these issues Dealing with the situation is fairly new for the unions and some of them haven't even been directly confronted with it yet

The General Motors pullout and strike in October last year raised some of the issues for the first time

And the Ford pullout only a month ago brought the question of share ownership to the fore

The repression which the federation and its affiliates have faced has probably slowed down the process of debate

The debates are relatively new ones And given that Cosatu, as a federation, does not negotiate directly with employers, it has to be careful about the extent to which it limits the negotiating options for its affiliate unions



Majority feeling at the congress was that the federation should draw up guidelines for its affiliates, setting out general principles, rather than specifying fixed conditions in policy statements, according to Cosatu general secretary Jay Naidoo

The affiliates themselves operate in different industries and under different conditions Thus it is probably no accident that guidelines for disinvestment have come from the unions which operate in industries such as motor vehicle manufacture and oil refining where multinational companies have been an important factor

For Cosatu's affiliates in the food industry and in mining, the issue of trade sanctions may well be more salient than that of disinvestment.

Naidoo sees two significant aspects to the resolution One is its assessment of the disinvestment which has taken place so far "Disinvestment as it is currently being carried out by multinational companies amounts to nothing more than corporate camouflage"

The other, says Naidoo, is the call for disinvesting companies to give notice and negotiate "Obviously this has to be expanded," he says The congress saw much debate, though not division, he says, on the terms which unions should demand and on the equity issue Delegates agreed that there was a need for more rigorous discussion and there was not sufficient time or information at the congress for this

"The actual terms and conditions of withdrawal are issues which must be negotiated by the affiliates, though Cosatu will be drawing up guidelines," Naidoo says

A starting point for discussion of such guidelines may well be the clauses dropped from the original motion. Demands included that companies should give 12 months notice of the intention to disinvest, should provide full information to unions, and the new owners or managers should recognise and negotiate with representative unions

The departing company should guarantee that workers' benefits, such as pensions, were not prejudiced, should pay workers one month's pay for each year of service, should guarantee employees' earnings for five years from the date of withdrawal or sale and should pay proceeds of royalty rights, franchises, etc into a trust fund nominated by the union

These clauses expand on the set of demands outlined in November last year by a joint executive meeting of the three major unions (Naawu, Mawu and Miewu) which subsequently formed the National Union of Metal Workers (Numsa), now Cosatu's second largest affiliate with 131 000 members. The clauses closely parallel the detailed set of demands to disinvesting companies contained in a document drawn up by the 30 000 member Chemical Workers' Industrial Union earlier this year

The question of share or equity options offered to workers by disinvesting companies (or, for that matter, local companies) is an even newer one for the unions and is being treated cautiously While Cosatu is clearly rejecting the idea of worker directors, there is debate on which forms of share ownership would advance worker interests

The tendency in many of the share ownership schemes has been that companies offer shares to individual workers Naidoo argues "this does not give workers any degree of control over decision-making structures"

Nonetheless, he says, there is discussion in Cosatu on the various forms of share ownership for workers and the federation hopes to develop guidelines for affiliates.

Naidoo would only say the issue would be rigorously discussed

However, there has already been research and thinking on the issue, and one proposal circulated within the federation earlier this year was of a National Worker Trust.

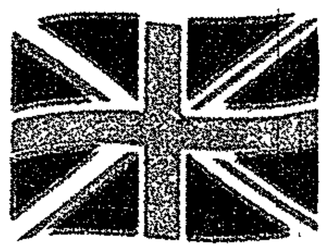
In terms of this proposal, workers would not sit on boards of directors but would continue to rely on collective bargaining power to improve their conditions. Shares would be treated simply as income earning assets and held in trust for workers collectively. The trust would receive money from, inter alia, shares acquired from disinvesting companies, and its beneficiaries would be Cosatu members and members of the Unemployed Workers' Union.

It could provide benefits such as financial assistance for the starting up of production cooperatives, creche and child care facilities and community clinics It could help individual workers with supplementary unemployment benefits and education grants.

But this is only one of the options. No doubt more thinking and research will precede Cosatu guidelines which address some of the gaps in its disinvestment policy

Scottish view SA trading partners view the scene

Britain the best friend



Robert Ricci: Johannesburg

South Africa has no closer economic friend than Britain.

While the country is pounded by American-led sanctions and disinvestment by scores of U S. companies, the British seem committed to retain major business links with South Africa

Britain is the largest foreign investor in South Africa and its fourth biggest trading partner

"The involvement of British business is extensive and we see no political benefits derived from reducing that economic stake," said a British diplomat

British investments total between 3,12 and 3,75 billion dollars, according to estimates by business sources in both countries. This compares with 1,75 billion dollars in 1981, the last year for which official figures are available.

In 1986 Britain went along with a voluntary ban on new investment in South Africa drawn up by the Commonwealth countries. But British companies "can choose and still do continue new investments with impunity," a British business source said.

Mrs Thatcher's election victory reassured the white business community which feared her defeat would have led to deep cuts in trade and anexodus among the estimated 200 British firms established here.

Any other result would have been bad news for South Africa, said the Financial Mail magazine

With U.S. firms pulling out, South Africa relies more than ever on the British link. "I am sure that as our economy picks up the British will be very interested in expanding trade with us," a government official said.

"We'll surely begin importing more capital from Britain which can only be to their benefit," he added

The worst British disinvestment shock to South Africa was last November's pullout by Barclays Bank. There were fears of disengagement by many more British firms.

Predictions abounded that companies such as the Royal Dutch/Shell group, Consolidated Gold Fields, the Standard Chartered banking group and British Petroleum would also consider pullouts under pressure from anti-apartheid groups But this has not happened.

Business experts said British companies operating here were usually larger and far more profitable than departing American firms and did not have the luxury of returning to a big domestic market.

British business involvement in South Africa was a "totally different chessboard than the United States," said Mr Evonne Roux, executive manager of the South Africa-Britain Trade Association which promotes two-way trade links.

"There are many English living here (about 800 000 British passport holders)," Mr Roux said. "South Africa is an ex-colony so the emotional implications are enormous and I don't think it would be easy for Britain to sever relations."

The official British government position is that up to 120 000 jobs in Britain still depend on trade with South Africa.

A local British businessman sounded a warning, however, that British companies with growing ties to the U.S. might be pressured by American anti-apartheid activists to cut commitments to South Africa

"It's the American connection that some British firms have that is causing some of us to look at our position in South Africa," he said.

Britain's Trade and Industry department, in a background briefing note to British businessmen in May, said South Africa "continues to be an important and traditional U K. export market, with a good payments record, where British goods are well regarded."

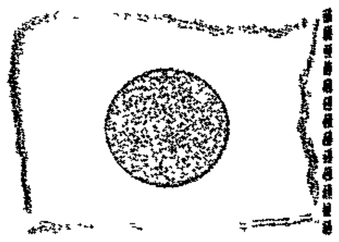
Britain once ran a hefty trade surplus with South Africa, as high as $309 million in 1984. But the surplus dropped to $12 million in 1985 and improved only slightly to $14 million last year.

Analysts attribute the decline to South Africa's weak economy, the fall in the value of South Africa's rand currency and limited economic sanctions by Britain.

British exports to South Africa last year totalled $525 million against imports worth $511 million of South African goods to Britain. —Sapa-RNS

Japs poised to oust U.S

CHRIS WILSON: JOHANNESBURG



As Western sanctions take hold, Japan is poised to supplant the United States as South Africa's biggest trading partner

Japan's two-way trade with South Africa last year surged 25 per cent to $3,60 billion while U.S.-South African trade, hit by anti-apartheid sanctions, eased to $3,63 billion, according to newly-released official trade figures

The statistics bear testimony to a warm business relationship. But for Japanese diplomats, who maintain a cool stance towards Pretoria, they are an acute embarrassment

Tokyo has prohibited direct Japanese investment in South Africa and banned bank loans and weapons sales since 1965. It has also restricted tourism and cultural exchanges.

Two years ago Japan joined the U.S. and Western Europe in barring imports of krugerrand gold coins and halting sales of computers to the South African police and military

Last September it pushed through another sanctions package blocking South African iron and steel products.

"We do not promote trade with South Africa," asserted a Japanese official. "Being South Africa's number one trading partner is something we want to avoid at all costs."

It was so embarrassing for Katsumi Sezaki, Japan's consul general in Pretoria, that he resigned his membership of Johannesburg's thriving Nippon Club because of its declared aim of forging even closer trade links between the two countries.

The gesture illustrated the incongruity of Japan's involvement here

About 55 Japanese companies have offices in South Africa and although 10 withdrew last year, those left include most of the big-name firms like Sumitomo and Mitsubishi.

The semi-official Japan External Trade Organisation is also represented but insists it does nothing to encourage trade.

Seiko watches, Sony televisions, Nikon cameras and a host of Japanese appliances are hard to ignore in department stores. Japanese automobiles, mainly Toyotas and Nissans, dominate the local car market.

Japan sold goods worth $1,4 billion to South Africa last year, mainly automobile parts, video recorders, television sets and electronic equipment Imports from South Africa totalled $2,2 billion, mostly coal and rare metals and minerals.

South African business accounts for only one per cent of Japan's total trade but some imports are more important than that figure suggests

The country last year bought nearly 20 per cent of South Africa's coal exports worth $3,2 billion —Sapa-RNS

Germans pragmatic

Chris Wilson: Johannesburg

The famous blue-and-white badge of Bayerische Motoren Werke AG (BMW) hangs proudly at the car maker's only assembly plant outside West Germany in the Pretoria suburb of Rosslyn

The factory, on the border of Bophuthatswana, is heavily subsidised by the South African government under a system of encouraging decentralised industry along the boundaries of the homelands

BMW has carved a comfortable niche for itself at Rosslyn. Its high-priced cars have 8,1 per cent of the South African market compared with an average 1,5 per cent in other world markets, according to company executives.

During the last three years of deep recession in the South African motor industry, six foreign car makers out of a total of 12 have pulled out of the country or announced plans to do so.

Of the six remaining manufacturers, three are West German· BMW, Mercedes Benz and Volkswagen. Their high profile highlights the importance of West Germany's business involvement with South Africa.

"We have been and still are under less pressure than U S. companies in South Africa," said one executive of a German corporation

"American companies have adopted a high moral tone on the South Africa issue but German companies have a more 'business is business' approach," he said

West Germany's total trade with South Africa last year amounted to about $3,3 billion, making it the country's third biggest trading partner, according to figures made available here.

Exports, mainly automobile components and other finished goods, totalled $1,9 billion, while imports amounted to nearly $1,4 billion, mostly raw commodities and agricultural products.

The South African-German Chamber of Commerce in Johannesburg reported that West German corporations had $600 million invested in South Africa in 1984.

German executives believe the figure could be four times as high because their investments are commonly held by intermediaries in third countries like Switzerland and Luxembourg.

German firms like Siemens, Hoechst and Bayer dominate many local industries. But Bonn clearly views the formidable corporate presence here with some embarrassment

West German officials at the embassy in Pretoria flatly declined to help when approached for information and many companies interviewed insisted on anonymity.

"Since the start of this year, the pressure in Germany has increased dramatically," said one executive. "It has become difficult to get approval for new investment from the boards of German companies"

German businessmen cite the relatively high wages of their black employees, a heavy financial commitment to social programmes and a good track record in labour relations as justification for remaining in South Africa.

German banks, which employ few if any locals and have been active in lending money to South Africa, are more vulnerable to the ire of anti-apartheid groups. Some recently gained first-hand knowledge of the emotion behind the apartheid issue when their branches were firebombed by militants in Germany.

Despite this, a number of the big banks, including Commerzbank and Dresdner Bank, maintain offices here. Local bankers and government officials say they are more accommodating on loans to South Africa than their U S. counterparts.

"German bank loans are seen as propping up the South African government. But they don't have the same social programmes, employee benefits and general positive image of industrial companies here," argues a West German executive.

"German business doesn't see the morality in disinvestment," he said. "If you look at the U.S. companies that have pulled out, there has been only one real disinvestment and that was Eastman Kodak because they stopped selling their products here."— Sapa-RNS

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MANAGEMENT AND MANPOWER

Plan ahead for changes in SA

LOCAL management must quickly identify trends influencing their businesses in order to progress safely through the turbulence caused by a changing environment.

Managers must plan now for fundamental changes which are already occurring in SA, says Mike Perry, marketing consulant of Perry & Associates. A company can avoid becoming a victim of change by perceiving and measuring such change and then matching its corporate strategy with the level of change, Perry said.

The six major areas of change influencing the SA business environment, he said, are: disinvestment, sanctions, new Competition Board regulations, industrial unrest, an erratic economy and technology.

☐ DISINVESTMENT: this is being internalised into political systems abroad, said Perry. For example, the 1988 US presidential race is unlikely to have a candidate not supporting disinvestment to some degree.

"When the comprehensive US Anti-Apartheid Act comes up for review in August or September this year, it could result in further debate and media exposure on SA, and again raise the question of disinvestment for multinationals still in SA," he said.

Locally, decision-making is quicker and freer in what was the multinational component of new operations US companies also have much stronger management systems than their SA counterparts, because they have to replicate their business in many countries.

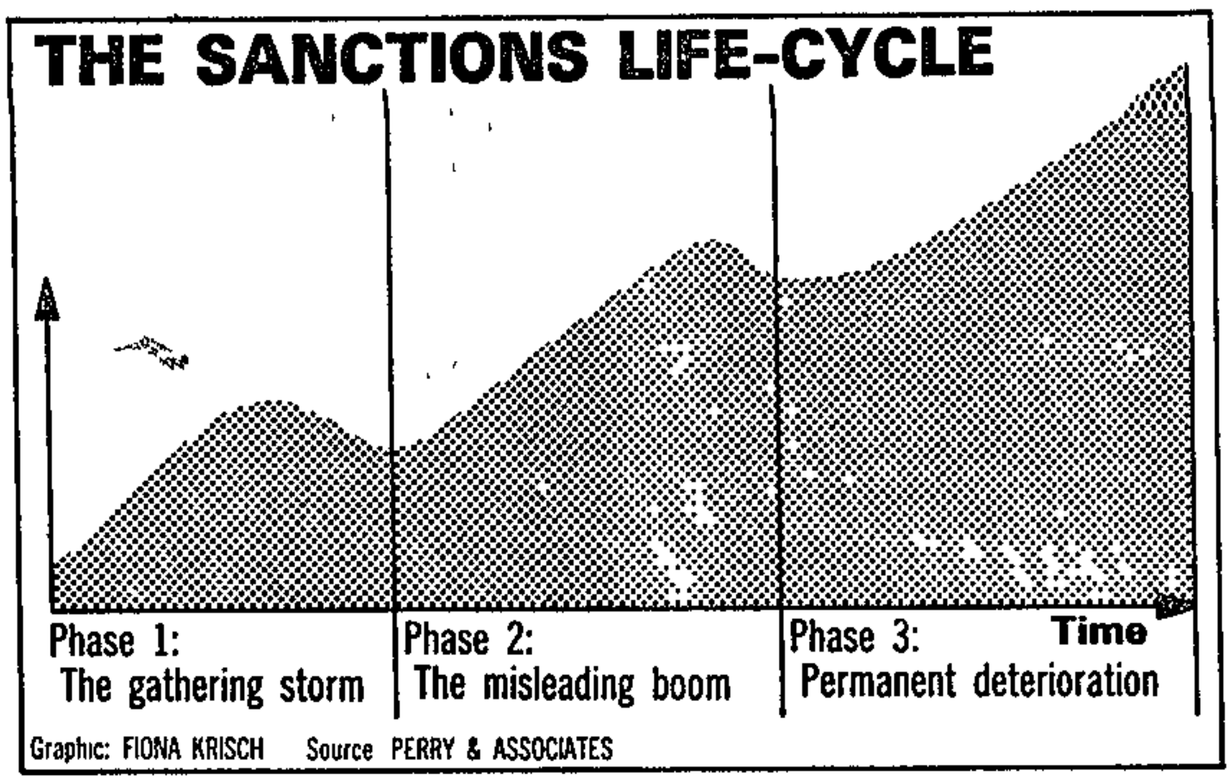
"A company can end up with less heads running bigger businesses. Also, a lot of well-trained managers with international experience come with subsidiaries of multi-national companies."

☐ SANCTIONS: managers should keep track of where SA is on the sanctions life cycle and plan ahead accordingly. The effectiveness of sanctions and its subsequent impact on business evolves over time in three phases.

The "gathering storm" (where SA is at now) is identified by import substitution, export product and market diversification, import exchange controls and resourcing of supplies.

The "misleading boom" phase is identified by a growing domestic economy, job creating, increased taxes, accelerating inflation and shortages of capital.

The final phase — "permanent deterioration" — is identified by attritional impact of sanctions, increasing impact of security, deteriorating fiscal position, acute capital shortages, increasing emigration and high inflation.





☐ PERRY ... "new strategies require new strengths"

MANDY JEAN WOODS

☐ COMPETITION BOARD REGULATIONS: new rulings imposed since May 1986 could affect businesses by directly governing the behaviour of competition; by increasing the possibility that buyers will precipitate action through lodging complaints with the Competition Board, by weakening the barriers to entry into certain industries, resulting in more new competition, and by influencing the attitudes of other regulators.

"If the nature of the competition is going to change, make it change in your favour. New strategies require new strengths, including training managers and salesmen to live in a tougher, more competitive environment," Perry said.

☐ INDUSTRIAL RELATIONS: management can expect to be attacked on several fronts. Marketing strategies cannot ignore the potential impact of industrial unrest. In the past two years there has been a dramatic change in the distribution of goods to the black consumer.

Cash and carry wholesalers, with an informal distribution system, are growing at a rate twice that of traditional supermarkets.

☐ ECONOMY: it is increasingly important for companies to get good advice on the state of the economy. Business must closely track trends which affect their industry Companies with strong black consumer profiles are doing extremely well; some companies are showing a 40% to 50% per annum growth. Companies with white consumer profiles are battling to show any growth at all

Businesses must learn to manage in a stop/go economy by keeping a small staff and buying expertise from the outside on a short-term basis, said Perry

☐ TECHNOLOGY: business leaders in technology were established before the collapse of the rand, therefore it is generally more expensive for technology followers to try and catch up than for the leaders to stay ahead.

This, combined with sanctions and disinvestment, may keep leaders well ahead, so companies will have to find new ways to be competitive. Money spent trying to play "catch-up" might best be spent in advertising and market developments

While change creates opportunity, it also demands innovation. "Some SA businesses are already benefiting from the challenges of change, but it requires bold management action to make the most of the kinds of change we are seeing," said Perry.